

prospects for further trade liberalization. In this regard Canada has been concerned about the current protectionist pressures in some countries. The Canadian Government has welcomed the announcement of the President of the United States that everything possible will be done to ensure that such pressures in the U.S. do not succeed. The leadership and initiatives of the U.S. throughout the last two decades, notably in the Kennedy Round, have been recognized by the leading trading nations. It will be important in the future, as in the past, that United States trade policy be a progressive and positive factor in the continuing task of dismantling trade barriers.

I wish now to refer to the main purpose of this meeting - prospects for the years ahead. I recognize that it is unrealistic to envisage any major new initiatives in the immediate future - governments, business and labour must be given a chance to adapt effectively to the new situation flowing from the Kennedy Round. On the other hand, there is no marking-time in the field of international trade -- there is either progress or regress.

I should like to propose that the governments here represented take this opportunity to reaffirm their basic policy commitment to the cause of freer multilateral trade and their determination to ensure that the impetus to trade liberalization given by the Kennedy Round is maintained. To this end, broad directives should now be established for a future work programme in GATT, an agenda for future action towards freer trade. The Contracting Parties, working with the Director-General, would thus be in a position to explore, without commitment as to the timing, nature or scope of future trade negotiations, the items which this agenda might contain. The four-year experience of the Kennedy Round showed that intensive and prolonged advance preparation will be required in breaking new ground and that an early start in setting the machinery in motion is essential.

Canada's suggestions for future work of the Contracting Parties might conveniently be grouped under the following headings: Trade and Tariff Negotiations; Non-tariff Barriers; Trade in Agricultural Products; Trade Problems of the Developing Countries and Trade Relations with Countries with Centrally-Planned Economies.

(A) TRADE AND TARIFF NEGOTIATIONS

(i) Trade Liberalization by Sectors

A promising avenue for further trade liberalization on a multilateral basis may lie in the conception of "sectoral" negotiations. This would involve freeing trade not by geographical areas but by important commodity sectors, covering both the primary, semi-processed and manufactured forms of production within that sector, and dealing not only with tariffs but with all governmental and other measures that affect trade in that sector.

It became clear in the Kennedy Round that there are certain sectors which might lend themselves particularly well to this approach. Generally, these are industries characterized by high levels of capital investment, advanced technology, large-scale production and, not infrequently, widely-dispersed international operations. Corporate policies, no less than governmental