

The outstanding contribution of the GATT lies in the establishment of a framework for world trade - firmly based on the MFN principle - which provides and progressively extends the benefits of international specialization through the multilateral reduction of trade barriers. Within this framework, the trading nations of the world have over the years conducted six rounds of trade negotiations, culminating in the Kennedy Round, the largest and most sweeping trade pact in history.

The GATT has led the successful assault on discrimination and on quantitative restrictions. It has established the principle that disagreements between governments on trade matters should be resolved through consultation. It has provided the guide-lines and framework of agreement whereby regional groupings can develop in harmony with the economic interests of the trading world as a whole. By its early recognition of the importance and urgency of the trade problems of less-developed countries and the action taken on various fronts to deal with these problems, the GATT has shown its flexibility and capacity for continued growth....

The Kennedy Round has been, so far, the crowning achievement of the GATT; but this is not the end of the road - far from it.

An immediate priority for all of us is to secure full and effective implementation of the extensive results negotiated. While the generality of tariff commitments made in the Kennedy Round is, by and large, to go into effect automatically over the next four years, there are three major issues on which early positive decisions will be required by various countries.

One is ratification by the legislative bodies in various countries of the International Grains Arrangement. This Arrangement will, on July 1, open a new era of co-operation and stability in world grain trade, of benefit to both exporters and importers. It will create a new multilateral food-aid plan of special significance to the less-developed world.

A second priority is the elimination by the United States of the American selling-price valuation system on chemicals, which will mark a major and welcome step in placing world trade in this sector on a more normal competitive basis. This pioneer effort in dismantling non-tariff barriers sets a valuable precedent for tackling the vexing problems in this area.

The third is the implementation by July 1, 1968, of the International Convention on the Application of Anti-dumping Duties.

The Canadian Government has already announced its schedule for implementing the tariff concessions it made in Geneva, certain of which, particularly on tropical products, will go into effect in one step on January 1, 1968. The Government is currently consulting with business and labour, in preparation for translating the new anti-dumping code into Canadian law by July 1 of next year. Canada signed the Wheat Trade Convention and the Food Aid Convention on November 2.

Failure to implement these important elements of the Geneva agreements could not only jeopardizes the Kennedy Round results but seriously damages the