

STRENGTHENED GATT RULES AND DISCIPLINES

It is clear from the mandate of this Negotiating Group and from the April TNC decision that the strengthening of GATT rules and disciplines forms the basis for these negotiations. The results achieved in other negotiating groups should reflect a contribution by all parties to the liberalization process and are of fundamental importance to Canada if the mandate of this negotiating group is to be achieved. These results should also lead to the elimination of all measures which currently inhibit trade in textiles and clothing.

Improvements in areas such as safeguards, countervail/subsidies, market access, anti-dumping and balance of payments will be critical elements in assessing whether GATT rules and disciplines have been sufficiently strengthened in order to permit the full integration of textiles and clothing into the GATT. While negotiations on these issues will be carried out in the relevant negotiating groups, participants should be free to raise in the Negotiating Group on Textiles and Clothing issues of concern to them in this regard.

LLDCS

Special treatment will be accorded to the least-developed countries. The terms and conditions applicable to LLDC's will be developed during the course of the negotiations.

CONCLUSION

This approach, given its close proximity to current GATT practice, offers all of the advantages being sought in this negotiation short of an immediate and full return to normal GATT rules. It contains nothing of the discriminatory elements of the MFA. It is simple, transparent and certain. It applies to all parties. It has the advantage of restoring an element of market discipline that is lacking in the MFA market sharing approach. It is dynamic in that it will allow suppliers to capitalize on their natural advantages and take full advantage of improved conditions of market access. It is fair in that all participants would contribute to the adjustment required to integrate textiles and clothing trade into the GATT. This approach contains benefits for both importers and exporters but perhaps its greatest attribute is the reintroduction of fair competitive conditions which will facilitate the transition to normal GATT rules.