

Canada has long been a principal supporter of multilateral trade liberalization through the General Agreement on Tariffs and Trade (GATT), by far the most important international organization in the sphere of trade and commercial relations.¹⁵ Through the GATT negotiations, Canada has achieved improved access to foreign markets, and has also agreed to lower its own tariff and non-tariff barriers to trade. The seven rounds of GATT trade negotiations that have taken place since the late 1940s have been particularly effective in slashing tariff rates on industrial goods. By January 1, 1987, average tariffs on dutiable industrial imports will have declined to 5-7 percent in the European Community and Japan, to 4 percent in the United States, and to 9-10 percent in Canada. (Tariffs are considerably higher than this in some sectors.) GATT has also achieved some success in regulating and disciplining the use of non-tariff barriers (NTBs), such as subsidies, quotas, government procurement practices, and many other measures that impede trade. However, NTBs have proven much more difficult than tariffs to address through GATT negotiations. Finally, GATT has provided a useful mechanism to address and resolve commercial policy disputes among countries.¹⁶

A new round of GATT negotiations will soon take place, and the Business Council believes that Canada should continue to attach high priority to the further reduction of foreign trade barriers through the multilateral GATT system. There is a pressing need to deal more effectively with such difficult issues as safeguards, subsidies and barriers to trade in services.¹⁷ Another GATT round can help to head off the protectionist pressures now growing throughout much of the world and which pose a serious threat to the integrity and effectiveness of the postwar multilateral trade order established in the late 1940s and 1950s. It can also help to strengthen the GATT as an institution vital to the maintenance of a well-functioning trading system. But it is not likely to provide an appropriate forum for Canada to develop new