

PART II

PREPARATIONS AND POSSIBLE AGENDA FOR A NEW ROUND OF
MULTILATERAL TRADE NEGOTIATIONS

29. Canada has traditionally sought more secure and enhanced access to the U.S. and world markets through General Agreement on Tariffs and Trade (GATT) multilateral trade negotiations which are a proven means for securing and enhancing access to world markets. GATT rights and obligations, as developed through recurring rounds of multilateral trade negotiations, and the interpretation of GATT articles provide the international legal framework, i.e. the rules of the road, for trade between Canada and most other countries including the U.S. Commitment to the GATT is the cornerstone of Canadian trade policy.

30. There have been seven rounds of multilateral trade negotiations since the creation of the GATT. At the "Tokyo Round", concluded in 1979, a series of non-tariff barrier codes or agreements was negotiated which established new disciplines, or elaborated existing ones, in the areas of anti-dumping and countervailing duties; regulations, procedures and practices related to government procurement; import licensing procedures; technical barriers to trade and customs valuation; and other areas concerning trade in civil aircraft and agreements on the treatment of developing countries and the dispute settlement process. These codes were designed to promote increased stability and predictability in the world trading system. They reflect the first systematic attempt to deal internationally with the increasing importance of non-tariff barriers affecting international trade as well as the need to ensure greater transparency in domestic procedures. In addition, the dispute settlement system has continued to evolve over the years. The system is central to the preservation of the integrity of the multilateral trading system embodied in the GATT and is invoked, with increasing frequency, by both large and small parties to the GATT.

31. The tariff reductions negotiated during the Tokyo Round are being phased in over eight years, the final rates are scheduled to take effect January 1, 1987. High tariff rates still remain in certain sectors but, once the reductions are fully implemented, tariffs on most manufactured goods entering the EC and Japan will be in the order of 5 to 7 per cent; for the U.S., the average tariffs on these items will be 4 per cent; the average Canadian tariff on industrial imports will be between 9 and 10 per cent. More than 80 per cent of Canadian exports to the U.S. will move duty-free while 65 per cent of U.S. exports will enter the Canadian market free of customs duties.