

STRENGTHENING THE GATT SYSTEM

The impetus for the Uruguay Round can be explained very simply. Notwithstanding the trade expansion resulting from previous GATT rounds, the rules and institutions of the GATT were not keeping pace with the rapid changes in the world trading system. The rise of the "new protectionism," characterized by the proliferation of non-tariff measures, increasing use of unilateral trade actions and greater propensity toward regional groupings and voluntary export restraint agreements, contributed to the perception held by many that the very credibility of the GATT system itself was being undermined.

In addition to improving the rules of the game, therefore, the GATT ministers at Punta del Este set the following objectives for the improvement of the GATT system in the Uruguay Round:

- strengthening the role of the GATT;
- increasing the responsiveness of the GATT system to the changing international economic environment;
- enhancing the relationship of the GATT with the other relevant international financial organizations, including the International Monetary Fund and the World Bank; and
- fostering greater co-operation at the national and international levels to strengthen the inter-relationships between trade policies and other policies affecting growth and development.

Canada views the improvement of GATT dispute settlement procedures and the strengthening of the GATT system as important priorities in the Uruguay Round. To this end, Canada together with 12 other countries (the so-called de la Paix Group) has introduced comprehensive proposals