

While recognizing the special factors affecting production and trade in agricultural products, the Canadian Government considers that new and positive steps must be taken in liberalizing trade in agricultural products. Unless progress can be made in this sector also, trade liberalization in industrial goods will be much more difficult.

(D) TRADE WITH STATE-TRADING COUNTRIES

Canada warmly welcomes the presence of Poland as a full Contracting Party, as well as the attendance of Hungary and Bulgaria as observers.

In the Kennedy Round, Canada strongly supported efforts to establish a new multilateral framework for trade relations with countries with centrally-planned economies. There are opportunities to make further progress on a pragmatic basis with individual countries.

(E) DEVELOPING COUNTRIES

Of particular importance in the future work programme for the GATT will be the expansion of trade of the developing world. Almost ten years ago, the GATT report by a distinguished panel of experts on trends in international trade emphasized that the avoidance of business cycles and the maintenance of a steady rate of domestic growth are the most important contributions which the highly-industrialized countries can make to the rapid economic growth of the LDCs. Nevertheless, it has long been recognized that we cannot rely solely on growth in the industrial world to solve the problems of the developing countries. Vigorous, imaginative and courageous measures, specifically directed to assist these countries, are also essential.

Much has already been done in the GATT in this regard. What further steps can and should the GATT take to meet this growing crisis? This is a time of challenge and decision, reminiscent of the period when the Marshall Plan was launched to deal with another set of urgent issues. I should like to mention some of the trade aspects which could form part of a new plan to assist in overcoming the problems of development.

The most important priority is improved access to the markets of industrialized countries. There is little logic in encouraging development in the LDCs through aid and at the same time imposing barriers against imports of the products that they can produce on a competitive basis.

To this end, the Contracting Parties should examine:

- (1) the possibilities of free trade in tropical products, a proposal which Canada, with some others, put forward in the Kennedy Round;
- (2) the possibilities of further reductions of tariff and non-tariff barriers on products of special interest to developing countries; and
- (3) the possibilities of further action, e.g. through work of the GATT Trade Centre, to assist developing countries to take full advantage of the new opportunities offered by improved access to developed markets as the Kennedy Round results are implemented.