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GATT REPORT ON TRADE POLICIES FOR A BETTER FUTURE

The Secretary of State for External Affairs, the Right Honourable Joe Clark, and the Minister for International Trade, the Honourable Jim Kelleher, welcomed the release today by the Director General of GATT of the report entitled "Trade Policies for a Better Future - Proposals for Action".

The report, commissioned by the GATT in November 1983, represents the unanimous conclusions of seven eminent persons who served as an independent group to study and report on problems facing the international trading system.

The Ministers remarked on the timeliness of the report, coming as it does at an important juncture when Canada and other countries are concerned to ensure that the current economic upturn becomes the beginning of a new era of non-inflationary growth, lower unemployment, and rising standards of living. They noted the Government's agreement with the report's emphasis on "open international trade" as a "key to sustained growth" and concern that a "growing accumulation of restrictive measures" threatens the sustained economic growth we all seek. The Ministers expressed their full support for the report's alternative - "a new commitment to open trade, backed up by improvements in the operation of the GATT system" - and concurred with the report's statement that both developed and developing countries have a contribution to make in this process. They commended for further consideration the report's warning that the "benefits" of protectionism are immediate and visible, while its costs are long-term and largely invisible.

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The report puts forward several recommendations for concerted action which the authors "believe necessary to put the world trading system on the right path". The Ministers noted with interest that the first of these recommendations, which urged that "the making of trade policy" be brought into the open in each country is a course of action that the Canadian government has already embarked upon with its recent issuance of a discussion paper seeking the views of all Canadians on ways of securing and enhancing our access to markets. The Ministers said "The report's support for the launching of a new round of GATT negotiations is a key recommendation which we fully endorse. We believe a new round of multilateral trade negotiations should begin in early 1986. These negotiations will help to provide the focus required to resist protectionist pressures and the means by which new disciplines could be developed to protect and strengthen the multilateral trading system".

8 The report also recommends that agricultural trade should be based on clearer and fairer rules, that GATT "codes" governing non-tariff distortions should be improved and vigorously applied to make trade more open and fair, that governments should be prepared to examine ways and means of expanding trade in services and to explore whether multilateral rules can be devised for this sector and that the GATT dispute settlement process should be improved.