GENERAL AGREEMENT ON TARIFFS AND TRADE
Fourth Round of Tariff Negotiations

Statement made on behalf of the Canadian Delegation
by H.E. Mr. L. Dana Wilgress, Canadian Ambassador to the NATO, Paris
at the public session on 19 January 1956

I am happy to be here as Chairman of the Canadian Delegation for the 1956 Tariff Conference under the General Agreement on Tariffs and Trade. Through my close association with the GATT from the beginning, both as representative of Canada, and as Chairman of the Contracting Parties, I have become increasingly impressed with the value and significance of this Agreement to world trade, and, indeed, to international economic relations in the broadest sense.

It is more than eight years since the GATT was established as a collective international instrument to remove obstacles to trade, to reduce tariffs and to incorporate agreed principles and rules of conduct in commercial policy. The basic principles of GATT are multilateralism, non-discrimination, most-favoured-nation treatment and the negotiation of tariff concessions. These principles and objectives are not founded on abstract doctrine, but rather on our general recognition of basic economic facts, and on the common experience of all Contracting Parties.

Canada has been, and will continue to be, a firm supporter and advocate of the principles and objectives of the GATT. Canada has taken an active part in the work and development of the GATT, and has participated fully in each of the general rounds of tariff negotiations held under this Agreement. My Government is conscious of the importance of strengthening the multilateral basis of relations between countries, and of continuing the progress that has already been made in the reduction of trade barriers. It is with these aims in mind that the Canadian Government is participating in these tariff negotiations. Though these negotiations will be smaller in scope than those previously held under the GATT, it is our view that they are important as a means of extending and stabilizing the trade policies that we have developed in the last several years in concert with the other contracting parties.

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The GATT is noted for the practical spirit that guides its deliberations, for the goodwill and understanding that prevail among its participants, and for the concrete results achieved. Tariff negotiations are perhaps the most tangible evidence of this spirit and of the vitality and effectiveness of the GATT. These tariff negotiations lead to direct and clearly discernible benefits to producers and industries in all countries. The reduction of tariffs is, in itself, one of the most important elements in international economic cooperation. This is the field in which the achievements of the GATT have been most spectacular, and in which new and successful techniques have been pioneered and developed. As a result of the extensive tariff negotiations held under the GATT since 1947, significant reductions of trade barriers have been made with respect to thousands of commodities entering into world trade. GATT is the most effective and appropriate forum in which to strive for reductions in tariffs.

We recognize, of course, the desirability of having some provision in the GATT for the renegotiation of concessions from time to time, but it is heartening to know that, as we enter into a new round of tariff negotiations, we shall be building upon a firm foundation of stable tariffs. The Canadian Government has been most encouraged by the fact that this stability and the balance of the Agreement have not been seriously disturbed by any widespread withdrawal of the vast number of concessions which have been negotiated since 1947.

At the recent Review Session of the GATT we had an opportunity to develop further and to clarify the principles and procedures governing tariff negotiations under the Agreement. Canada has supported the efforts that have been made to give renewed emphasis and importance to the negotiation of tariff concessions on a multilateral basis as an essential part of the GATT. The establishment of a Working Party on tariff negotiations, and the incorporation in the Agreement of a specific article on tariff negotiations have done much towards this end. I would like to express, on behalf of my Government, our appreciation of the useful work done by the intersessional working party on tariff negotiations under the able chairmanship of our Norwegian friend Mr. Koht which has made a real contribution to a successful and effective conference.

Canada has supported the establishment of a Tariff Negotiations Committee for this conference to be endowed with wider scope and responsibilities than in the past. My Delegation will be happy to participate fully in the work of this Committee. We recognize that we have a common interest in broad and effective negotiations among all participants. Canada has been sympathetic with regard to the problems resulting from the disparity of tariff levels, and has followed closely the studies and discussions of this question that have taken place in the GATT. We fully appreciate the problems of a number of countries which would have found it quite difficult to conduct tariff negotiations on the basis of a narrow balancing of direct concessions in a purely bilateral context. We think it important that due account should be taken of the position of these countries in the course of the negotiations.
As far as Canada is concerned, this fourth major round of tariff negotiations would not have been practicable without effective United States participation. This is due, of course, to the nature and pattern of Canada's foreign trade. United States participation is important, not only in terms of strengthening and expanding our trade relations with that country, but also because of the far-reaching implications of the general direction of United States commercial policy. In the field of tariff reductions, as in other fields of international cooperation, a special responsibility rests with the leading trading nations. The actions and intentions of the United States in the field of commercial policy have major implications in the strengthening or weakening of the multilateral approach throughout the world. Canada has been most concerned over this broader aspect of United States commercial policy. It is for these reasons, as well as because of the importance of our trade relationship with the United States, that Canada sincerely welcomes the fact that the United States is in a position to enter into new tariff negotiations.

United States participation in those negotiations will do much to strengthen the basis of confidence among nations, without which there can be no real progress in world trade. We in Canada are confident that the United States will continue to make further significant contributions towards the strengthening of multilateral trade. In this connection, we naturally hope that the United States will be in a position to ratify the Agreement on the proposed Organization for Trade Cooperation, and to take other important steps in the direction of freer trade. However, we are disappointed that the United States as a major participant in these negotiations is limited in its negotiating powers. There is the further difficulty that United States concessions cannot be brought fully into effect at the conclusion of the tariff conference. This does raise a number of problems of substance which we hope to be able to discuss with our American colleagues and in the Tariff Negotiations Committee.

The Canadian representatives have made plain their view that it would be most undesirable if other countries imposed upon themselves in practice the same limited powers to negotiate as has United States. While it is apparent that the scope of the agreements negotiated with the United States will be set by the limited concessions the United States may offer, there is no reason why agreements reached between other countries should be limited in the same way.

One function of the Tariff Negotiations Committee is to use its good offices to facilitate negotiations between more than two countries. I feel that the Tariff Negotiations Committee has much to offer in this connection — in fact I would go so far as to say that much of the success of these negotiations depends upon the skill and the ability with which a number of potential three or four party agreements can be arranged. Canada has a particular interest in this, because, due to the structure of Canadian trade, it is only in three or four way negotiations that we can offer meaningful concessions to countries other than the United States.
The representatives of other countries have laid much emphasis on the principle enunciated in Article XXIX, that the binding of a low tariff may be considered as a concession equivalent to the reduction of a high tariff. This is a principle to which from the beginning Canada gave whole-hearted support. We recognize that in practice this rule is of special interest to countries with generally low tariffs and that the application of this rule is intended to improve ability to negotiate. But the benefits of this rule must be equally available to all countries. In this negotiation, as in past negotiations, Canada will offer not only reductions in tariffs, but also bindings of low tariffs. The Canadian Delegation has no doubt that these bindings of existing low rates will be acceptable to other countries as valuable concessions.

The Canadian Government and Canadian industry generally are very conscious of the value and importance of tariff negotiations. At the same time, however, we are also conscious of the fact that tariff negotiations and tariff reductions in themselves are not enough to create a favourable climate for world trade. In negotiation with other countries Canada has reduced its tariffs over a broad area, and the Canadian Government has pursued a consistent policy of liberal multilateral trade. We have felt that by maintaining an unrestricted competitive market in Canada we would be contributing most effectively to the strengthening of world economy and to our relations with other countries. We are, however, concerned that after so many years of the operation of GATT there should still be import restrictions, discriminatory controls and other obstacles and impediments to trade in many parts of the world.

There has in recent years been encouraging progress in many countries in the removal of discriminatory restrictions and in the adoption of liberal trading policies. The Canadian Government considers it of the utmost importance that this momentum should not be lost. At a time when competition in world markets is becoming keener, the pressures for reversal of this trend among protectionist groups in many countries are naturally stronger. This is a time, therefore, when a reaffirmation of GATT principles and objectives is particularly desirable. The convening of this tariff conference is clear evidence of the determination of GATT countries to pursue their common objectives and to make further progress towards the expansion of international trade on a sound and stable basis.

Canada enters these negotiations confident that there are opportunities, even within the existing limitations, for worthwhile and meaningful concessions. Canada will be negotiating with a number of countries, and my Delegation will play its full part in making this tariff conference a success.