GENERAL AGREEMENT ON TARIFFS AND TRADE

Meeting of Ministers

STATEMENT MADE BY THE HONOURABLE MITCHELL W. SHARP, M.P.,
MINISTER OF TRADE AND COMMERCE, CANADA
ON 17 MAY 1963

Item 1: Measures for the Expansion of Trade of Developing Countries as a Means of Furthering their Economic Development

The Canadian delegation attaches the highest importance to expanding the export opportunities of the less-developed countries. We believe that this is one of the most constructive ways in which to achieve more rapid development of these countries and to raise their standards of living. In our view, a test of the success of this ministerial meeting will be whether we can reach agreement here and now on substantial progress in carrying forward the action programme proposed by the less-developed countries.

We were pleased to hear the positive and forthcoming statements on this subject made yesterday by the delegates of the United Kingdom and the United States. These highly industrialized countries are massive importers of primary and other products produced by the less-developed countries and their full co-operation is essential to the success of this programme. The co-operation of all highly industrialized countries is essential. While we cannot claim to be in this category, the Canadian delegation can associate itself entirely with the positions taken by the delegations of the United Kingdom and the United States. We intend to play our full part in making the action programme a success.

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I should like now to make a few comments on the Canadian position with respect to the specific points set out in the action programme.

First a word about the proposal for duty-free treatment of tropical products. We would be prepared as part of a general movement involving major importers to work for duty-free treatment for all the products listed in paragraph 5 for which less-developed countries are the principal suppliers to Canada, tea, coffee, cocoa, bananas and tropical hardwoods. With respect to seeds and vegetable oils, there are for us, as for others, a number of problems. For example, a large proportion of our imports come from industrialized countries and we would have to examine this item in the framework of the general Kennedy negotiations. We are, of course, ready to participate in the further study of these products which has been proposed. The Special Group on Trade in Tropical Products has recommended early action to remove tariffs on tea and tropical hardwoods. We are prepared to accept these recommendations.

We welcome the recommendation for a standstill on tariff and other trade barriers for products of major importance to the less-developed countries. I can say that the Canadian Government is not contemplating restrictive action of any kind for these goods.

The recommendation to eliminate quantitative restrictions on imports from less-developed countries is particularly welcome. We do not maintain quantitative restrictions of any kind on such goods.

I have already dealt with the proposal for duty-free entry for tropical products. It will be clear from what I have said that we can go as far as any country in respect of this recommendation.

We regard the recommendation for the elimination of tariffs on primary products to be especially important. A very large part of the trade of less developed countries consists of such goods. Indeed, Canada, as is well known, is not an insignificant exporter of such products. We believe that the removal of duties on such products would be of advantage to the users of primary products as well as to the suppliers.

The proposal to reduce or eliminate tariff barriers on exports of semi-processed and processed products from less-developed countries is, we know, of special interest to these countries. Industrialized countries have indicated that they would be prepared to ensure, as far as possible, that products covered by this proposal would not be left out of such negotiations. Canada is prepared to join in this undertaking.

I come now to the proposal for the progressive reduction of internal fiscal charges and revenue duties on products wholly or mainly produced in the less-developed countries. The Canadian fiscal system does not impose special charges on these kinds of products and it is not the intention of the Government to alter this policy.
We have heard from many speakers representing the less-developed countries of the importance they attached to progress under point (viii) of the action programme. We recognize the need for further diversification of the economies of these countries and the strengthening of their export capacities and earnings. Accordingly, we support the proposal that contracting parties should pursue this objective as a matter of urgency. There should be concern, however, about the ideas contained in paragraph 8 of the report under this general heading in so far as they contemplate new discriminatory measures. I doubt that the weaker countries would be the ones most likely to benefit from the undermining of the principle of non-discrimination. From all our points of view, this is an important matter and will indeed require careful study, as is proposed.

Under section D a number of steps are contemplated to extend the work of the GATT in the interests of the less-developed countries. We support these proposals.

In closing, the Canadian delegation congratulates the less-developed countries for advancing this constructive and imaginative action programme. We believe that rapid and substantial progress in its implementation will make a worthwhile contribution not only to the less-developed countries themselves but to the entire world trading community.