

Foreword by Commonwealth Secretary-General

When they met in Melbourne in October 1981 Commonwealth Heads of Government had much to say on the subject of trade and protectionism. They expressed anxiety over the trend to increased protectionism, awareness of the importance of expansion of world trade to economic recovery and growth, and agreement that governments should make further efforts to reduce tariff and non-tariff barriers and achieve international accord on effective rules covering resort to emergency safeguards. They took special note that little progress had been made in eliminating quantitative restrictions against certain categories of manufactured exports of particular importance to developing countries, that the process of reducing barriers to trade in agricultural products had scarcely begun, and that the export of processed commodities continued to be constrained by trade barriers which escalate with the degree of processing.

It was against this backdrop that they welcomed the proposal for a Ministerial Meeting of the GATT in 1982. But they did not stop there. Given their strong interest in the issues involved and with a view to assisting their deliberations, they requested me to bring together a group of independent, high-level, Commonwealth experts to investigate the impact of protection on developing countries' trade. The Report that follows is the work of that Commonwealth Expert Group. As is customary, members of the Group served in their personal capacities and not as representatives of institutions, governments or countries. Their views, therefore, do not necessarily represent those of Commonwealth governments, individually or collectively.

Since Melbourne, there has been a further deterioration in the world economic situation. Reduced demand combined with protectionism has greatly curtailed exports from developing countries. Their imports have in turn been lowered and, with further adverse effects from tighter borrowing

conditions in capital markets, imports by developing countries are becoming less significant as a factor in sustaining economic activity in the North. Partly as a result of these developments the expansion of world trade, which has slowed down considerably in recent years, has now come to a halt. Unless special efforts are made, external trade is now not in a position to play its customary role as an engine of growth. With domestic demand depressed in many developed countries, recovery remains uncertain. It is against this sombre background that the Commonwealth Expert Group has produced its Report. As the Expert Group puts it, there is a danger “that the present international depression may become still deeper and more protracted”.

The Expert Group considers today’s trade problems and the rise of protectionism as having deeper and more long-term origins than the current recession. Trade policy has not only not kept pace with new demands, but is even retrogressing in traditional areas. Malfunctioning has become pervasive, and protectionism, implemented in its most damaging forms, poses a threat to international order. The Expert Group appropriately, therefore, has addressed short and long-term issues and their Report calls for a phased approach to major changes to develop a more relevant trading regime. The Group has pointed the way ahead; it is a way which provides scope for Commonwealth leadership in an area where there is strong mutuality of interest between North and South. The Report provides an opportunity which must not be allowed to pass.

In presenting its Report, the Expert Group expressed the hope that it would be useful to Commonwealth governments in preparing for the GATT Ministerial Meeting in November and to the wider international community when discussing trade issues in the GATT, UNCTAD and other bodies in the period ahead. I share this hope, and have pleasure in presenting to Commonwealth governments and to the wider international community the unanimous conclusions of an independent group of Commonwealth experts on a subject of great global significance.

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