

TRADE POLICY - 1994

Free trade in goods and services worldwide is seen as an ultimate goal for business relationships between all nations, based on concept of fair dealing. Free trade is acknowledged as an essential requirement in wealth generation and is a fundamental element in achieving vigorous national and international economies, and in creating employment.

To establish the basis of fairness, international trade requires to be undertaken within a framework of rules which will have to be negotiated and renegotiated from time to time as political, social, and economic conditions develop. These rules should aim to eliminate competitive distortions and embrace ethical practice in the general conditions applying to all players while leaving incentive to achieve competitive advantage through individual business endeavors.

A critical milestone has been the completion of the Uruguay round of GATT. Every possible action should be taken to realize early ratification of the GATT agreement.

It is believed fundamentally that free trade should be sought progressively within an international framework of such rules, with the opportunity for concurrent development of regional agreements. These would address the need to develop positively more localized trade where disparate conditions may otherwise be obstacles provided multilateral development is not impeded. For instance, NAFTA provides a basis for freer trade between the USA, Canada and Mexico, despite substantial differences in underlying economic factors and, similarly, regional agreements between countries in the Pacific area or between the European Community and East European countries are seen as necessary developments, provided these are not inconsistent with the underlying developments of an international, multi-lateral basis for freer trade.

Failure to achieve this, it is believed, will encourage a reaction towards bi-lateral and localized trade agreements with the establishment of protectionist trade blocs. Historically, it was seen that the development of protectionism proved to be a source of economic decline, unemployment and international conflict.

Further pursuit of freer international trade must take account of emerging issues of growing importance. These include environmental, labor, social, investment and competition issues, as well as ethical business practices. Clarifying the linkages between trade and these issues to ensure that they are realistically and effectively addressed without becoming a means of disguised protectionism is of utmost importance. More active participation by business leaders and entrepreneurs is encouraged.

A strong correlation is seen between the development of trade and wealth on an international basis and the required generation of new sources of employment in all countries of the world. In pursuing these goals, the different needs between economic stimulation in industrial and less industrial nations will have to be recognized and, at times, provided for transitionally without creating barriers against progress in the underlying direction of free world trade.

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