Senior officials from both Governments also attended the meetings.

The Committee reviewed the developments that have occurred in the world economic situation since its last meeting and took considerable satisfaction from what has been accomplished. The recession in the United States and Canada has given way to recovery and business activity in both countries is accelerating. Imports by the United States from the rest of the world were much less affected by the slackening of activity than might have been anticipated. The gold and dollar reserves of most of the major trading countries in other quarters of the globe have increased substantially, and this has facilitated important steps to remove their exchange and import restrictions. In Europe, progress has been made toward economic integration, and efforts are being pursued in spite of many difficulties to establish a broader association with the European Common Market. It is hoped that these developments will increasingly create larger opportunies not only for European but also for overseas producers. It is thus evident that, in many ways, the co-operative efforts which have been made by many countries, including the United States and Canada, to create conditions in which goods and currencies could be freely exchanged over the widest possible area are now bearing fruit.

In particular, the Committee welcomed the measures that have been recently introduced for the convertibility of sterling and of other currencies. These measures were foreshadowed at the time of the Commonwealth Trade and Economic Conference last September. They are evidence of the degree of economic strength and equilibrium that has now been achieved. They may also be regarded as a promise of further progress. Convertibility has removed the financial justification for discriminating against dollar suppliers, and should be followed by further moves by the countries concerned to provide non-discriminatory access to their markets for goods from the United States, Canada and other countries. The financial strength which has supplied the indispensable basis for convertibility should also make possible general progress in dismantling quantitative restrictions. The United States and Canadian Governments will be watching with close and sympathetic interest the way in which the logic of the new situation is translated into action.

Consideration was also given to the growing activity of the communist bloc countries in world trade. It was agreed that this development made it all the more necessary to stimulate trade and development throughout the free world.

In the spirit of the friendliness that has long characterized relations between the United States and Canada and of the Agreements to which both countries have subscribed, the Committee examined various issues that have an immediate bearing on trade and economic relations between the two countries. It was recognized that from time to time temporary measures might have to be taken to meet emergency problems of particular groups of domestic producers. But it was agreed that every effort should be made to keep such exceptional measures to a minimum and, so far as possible, to limit their scope and duration. It was also