

TRADE

U.S. TRADE EXPANSION ACT—REPLY TO MESSAGE
FROM PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the house will recall that on Tuesday I referred to a message which I had sent to the President of the United States in connection with the United States trade expansion act and the suggestion made by me in furtherance of what I had already stated at the prime ministers conference in London. On that occasion, on September 17, I said to the prime ministers conference, among other things:

President Kennedy has placed before congress a program for expanding world trade. I believe, representing as we do members of the commonwealth and a large proportion of the world's population, we should endeavour, in a spirit of co-operation, to give world leadership in a concerted effort to meet the difficult and diverse trade problems of commonwealth countries.

I then proposed that an invitation should be extended to all member nations of the commonwealth, the E.E.C., E.F.T.A., the United States of America, Japan and other like minded nations—and I emphasized those latter words—indicating a desire to participate in a meeting at the earliest practicable date to give consideration to how to deal with trading problems before us in a way which would be of mutual advantage to all. I then stated that this would prepare the way for prospective, non-discriminatory tariff negotiations on a most favoured nation basis. I pointed out that in so far as the European community is concerned, it was already a reality; there was no question about the desirability of that community, as it now exists, carrying forward its objectives. I further stated that it seemed to me that if we were to achieve still wider and more satisfactory trading arrangements before 1970, which was the date at which the preferences would have ended, steps in the direction of further world wide trading arrangements should be now taken.

I stated that this would offer a practical contribution to the solution of our difficulties, advance the strength of the commonwealth association, permit the common market to proceed with the expansion of its own activities and bring to bear the immense trading capacity of the United States of America and Japan. Furthermore, that reciprocal reduction of tariffs should be the only matter for consideration at such a meeting; that the discussions at the prime ministers' conference have shown the urgent need to find solutions to the special difficulties in world trade in agricultural products.

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I further pointed out that work in the tariff field would need to be co-ordinated with what might be done through other means, for example through world wide commodity agreements both in the field of temperate foodstuffs and where particular problems arise with respect to basic commodities. I further stated there were other matters requiring attention such as trade in tropical products and trade with the developing countries generally.

On Tuesday, as I said a moment ago, I placed before the house the message which carried into effect the suggestions made by me to the prime ministers' conference. At the conclusion of that conference, among other things, the prime ministers expressed—and I quote now—

—the readiness of their governments to join in comprehensive international efforts by all available means to expand world trade in both primary products and manufactures.

In that message which I sent to the President I stated, among other things, that it is vitally important that we find effective means as soon as possible for dealing with these complex and urgent trade problems. I further stated in that letter that it appeared the most convenient way of arranging such a meeting would be to discuss these broad questions at a meeting of ministers.

I know that when I expressed myself in this way before the prime ministers' conference there were some who said all I was doing was expressing a similar view to that advanced by Mr. Khrushchev. I point out that Khrushchev was not referring to like minded nations such as those to which I had referred. There were others who said my proposal would only be duplicating the initiative being taken in the United Nations. However, those views have now had their answer, I think, in the reply I have received from President Kennedy, and I think it would be appropriate if I were to read that reply:

October 18, 1962

Dear Mr. Prime Minister:

Thank you for your letter on the occasion of my signature of the trade expansion act. I am pleased to know that the Canadian government welcomes this most significant development in the trade policy of the United States.

Ever since world war II, Canada and the United States have been partners in a determined search for a non-discriminatory trading world which affords to all countries of the free world the best opportunities for economic growth and expansion. Your letter makes clear that we continue to share these common objectives, and I am gratified to have your pledge of close co-operation in moving toward a wider acceptance of our convictions.

I would like to take full advantage of the authority which the trade expansion act confers upon me and I am eager to explore with other like minded nations as soon as possible the problems and prospects for a new approach to the reduction of obstacles to