

GATT and the International Monetary Fund, which were created after the war to further the multilateral trade and payments system. It is not without interest that the Organization for Economic Co-operation and Development, which groups together 20 countries of Europe and North America and of which I have the honour to be Chairman, reaffirmed, at its recent ministerial meeting in Paris, its fundamental aim to further the expansion of world trade on a multilateral non-discriminatory basis.

You may ask, what do I mean when I speak of multilateral solutions to current world economic problems? I have in mind that the new pattern of world trading arrangements emerging from the creation of the European Common Market and its possible enlargement in Europe raises fundamental problems for the entire free world. It follows from this that effective solutions cannot be found by Canada or any other single country acting alone, but will require the collective efforts of all the principal trading countries. They will also require the constructive and imaginative leadership of the United States as the principal world power and the central bastion of the alliance of free nations.

Bold U.S. Initiative

We are fortunate in witnessing these days the display of just such leadership on the part of the United States. I am referring, of course, to the new trade programme which President Kennedy is submitting to Congress. This bold and far-reaching initiative is principally designed, as you know, to permit the United States to negotiate on the basis of the gradual elimination of tariffs in the United States and the Common Market over a wide variety of goods which are mainly produced in these areas and to permit a gradual reduction of duties up to 50 per cent on other goods.

The United States trade programme is in line with the sort of solution to current world economic problems which we have been consistently advocating. If President Kennedy is successful in obtaining the required authority from Congress, and if the European and other trading countries are prepared to play their part, I have no doubt that together we shall be able to make important progress in the expansion of world trade.

In his "State-of-the-Union" message, President Kennedy said that all tariff reductions would be on a "most-favoured-nation" basis. It follows, therefore, that all GATT countries, including, of course, Canada, would be given the benefit of lowered United States and European Economic Community trade barriers. This fact was emphasized last Saturday by members of the United States Cabinet at our meeting in Ottawa. It follows, of course, that countries receiving such benefits in substantial measure will be expected to make some contribution of their own.