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FRESH IMPETUS TO ECONOMIC AID

In a speech to the tenth meeting of the Colombo Plan in Seattle, Washington, on November 11, Mr. Sidney E. Smith, Secretary of State for External Affairs, and Chairman of the Canadian Delegation, referred to the fresh impetus which had been given this year to the concept of international assistance for economic development. He said he believed that four initiatives which had been taken within the past few weeks would have a significant effect on the problems with which the Plan is concerned.

Mr. Smith went on to say:

"In the latter half of September, the Commonwealth Trade and Economic Conference in Montreal stressed 'the great importance of more rapid economic progress is the less-developed countries'. This recognition was translated into concrete undertakings on the part of a number of Commonwealth countries to add to the measures that they were already taking to meet the problem of economic development. At the annual meetings of the International Bank and the International Monetary Fund in New Delhi early in October, very substantial progress indeed was made towards a decision to increase the resources of these two organizations. Such increases would, on the one hand, mobilize more capital for loans to less-developed countries and, on the other, would help to maintain a higher and more even flow of world trade through assistance to countries which experience balance of payments difficulties. I mention also the deci-

sion taken last month by the General Assembly of the United Nations to establish the Special Fund. That decision, we hope, will result not only in some direct assistance to the less-developed countries but, more important perhaps, it will also help to expand the capacity of these countries to attract new capital from private and public sources by creating conditions under which such investment can be more effectively utilized.

"Finally, the fourth initiative relates to the strong and wide-spread desire to find solutions to commodity problems. I recognize, Mr. Chairman, that this is not directly related to the business of this meeting. There is, however, a very close link which we all recognize between the serious difficulties encountered by a number of countries which produce primary commodities, and the capacity of those countries to sustain a reasonable rate of economic development. Here, again, the Commonwealth Trade and Economic Conference held in Montreal formally recognized the serious problems caused by the existence of wide fluctuations in commodity prices and the need for immediate action. To this end, Commonwealth countries agreed to take part in whatever commodity-by-commodity examination as might be required, and expressed the hope that other countries would be prepared to join in such discussions. In this connection, I am sure that we all welcomed the statement made by President Eisenhower yesterday that the United States is prepared to join in discus-