

The Ministers exchanged views on the prospects for the Third United Nations Conference on Trade and Development which will be held in Santiago, Chile, in April, 1972. The Mexican Ministers stressed the importance they attach to the Conference as a means of advancing the interests of the developing countries. They expressed their particular interest in the early implementation by all the developed countries of the general preference scheme on which agreement in principle had been reached in New Delhi in 1968. The Canadian Ministers acknowledged the contribution that a general preference scheme could make to enlarging the market access of the developing countries for their products and reiterated Canada's intention to participate in it.

The Ministers examined the United States economic measures which have serious implications for both Canada and Mexico. While recognizing the importance to world trade of a strong and dynamic United States economy they expressed the hope that the period of uncertainty created by the United States measures would be of short duration. The Ministers noted, in particular, that the U.S. import surtax will adversely affect a substantial proportion of the exports of both countries, which are close neighbours of the United States, and that it could, if continued, impede further liberalization of world trade from which all countries stand to benefit. They stressed the need for the earliest possible removal of the surtax.

The Ministers noted that there had been a substantial increase in trade between the two countries but recognized that significant potential existed for still further expansion. In this