

APPENDIX

CANADA-U.S. MINISTERIAL MEETING ON TRADE AND ECONOMIC AFFAIRS

The following communique was issued yesterday at Washington:

1. The fifth meeting of the joint United States of America-Canadian committee on trade and economic affairs was held at the Department of State, Washington, D.C., February 16 and 17.

2. Canada was represented at the meeting by Hon. Donald M. Fleming, Minister of Finance; Hon. Gordon Churchill, Minister of Trade and Commerce and Hon. Douglas S. Harkness, Minister of Agriculture.

3. United States of America was represented by Hon. Christian A. Herter, secretary of state; Hon. Douglas Dillon, under secretary of state, Hon. Robert B. Anderson, secretary of the treasury; Hon. Fred C. Seaton, secretary of interior; Hon. Ezra T. Benson, secretary of agriculture; Hon. Frederick H. Mueller, secretary of commerce; and Mr. Don Paarlberg of the White House.

4. The members of the joint committee were accompanied by Ambassador Heeney of Canada and Ambassador Wigglesworth of United States of America, and senior officials of departments and agencies of the two governments.

5. The committee reviewed recent economic developments in United States of America and Canada. They noted that the expansion of economic activity was continuing in both countries and that output and employment had reached new high levels. Sustained efforts to avoid inflation had been made in both countries and price increases in 1959 had been slight. The committee agreed on the desirability of policies designed to bring about even greater expansion of trade on a multilateral basis.

6. The committee noted with satisfaction the substantially improved economic and financial position of most other countries and in this connection welcomed the considerable progress made since the last meeting in the removal of restrictions and the elimination of discrimination against exports from the dollar area. However, the committee emphasized the importance of securing the complete removal of the remaining quota discrimination in world trade.

7. In reviewing agricultural problems the committee noted the prevalence of special restrictions on agricultural trade throughout the world and emphasized the importance of pursuing policies which would encourage an expansion of trade. The committee agreed

that incentives leading to an accumulation of burdensome surpluses should be avoided. In regard to programs of surplus disposal, the committee emphasized the importance of continuing to safeguard normal commercial markets. In this connection the committee noted with satisfaction the useful work at the quarterly consultations of United States of America and Canadian officials on wheat and flour problems.

8. There was discussion in the committee concerning certain restrictions on agricultural trade between the two countries. Canadian interest was expressed in the removal of United States of America import restrictions on flaxseed, linseed oil and cheddar cheese. United States of America representatives expressed interest in the removal of Canadian import controls on turkeys.

9. The committee discussed recent developments in the fields of petroleum and natural gas. They agreed upon the desirability of close co-operation between the national energy board of Canada and United States of America federal power commission. The committee recognized also that the two governments should keep each other closely informed of developments in either country bearing on trans-border movements of petroleum and natural gas.

10. Canadian ministers expressed their continuing concern about the quota restrictions imposed in September 1958 by United States of America on imports of lead and zinc, and urged that these temporary restrictions be withdrawn and no—repeat—no other barriers to trade placed in the way of sales of these basic materials to United States of America. It was noted that the recent report of the United Nations lead and zinc study group indicated a good balance between available supply and demand for zinc and some improvement in this respect for lead. United States of America representatives noted the Canadian views and pointed out that while the restrictions could not—repeat—not be withdrawn until there had been substantial improvement in the distressed segments of United States of America lead and zinc mining industries, the question of import treatment of lead and zinc is under continuous review and is now before United States tariff commission as well.

11. Canadian and United States of America representatives discussed the outlook of the uranium industry in both countries and