



CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION • DEPARTMENT OF EXTERNAL AFFAIRS • OTTAWA, CANADA

Vol. 22 No. 46

CONTENTS

November 15, 1967

The Changing Face of International Trade ..	1
A-Energy Interest Growing	2
Japanese Car Plant in Canada	3
France-Canada Defence Research	3
Handicapped Refugees Project	3
Marine Traffic Plan Accepted	3
Awards to Art Galleries	3
Safety Warning Reflector	4
Canadian Forester in Kenya	4

Iron-Ore Production	4
Canada Year Book	5
Model Ships for New Museum	5
Far East Trade Mission	5
Design Canada Grants	5
International Airport Runway	5
About Time, Gentlemen, Please	6
Highest Voltage Line	6
Births, Marriages and Deaths	6

THE CHANGING FACE OF INTERNATIONAL TRADE

The following passages are from a recent address by Prime Minister L.B. Pearson to the twenty-second World Congress of the Junior Chambers of Commerce in Toronto:

...The post-war years have been a period of dynamic development in world trade - in its growth, its character and its direction. Trade increased by unprecedented amounts. Equally important, its character has changed. Exports of manufactured goods have grown at nearly triple the rate of primary products and double that of industrial materials. Unfortunately, under-developed and poor countries don't manufacture much, so they haven't shared in this increase.

Among the more important long-run factors affecting the flow of world trade since the war have been a wide range of technological developments and the initiative of businessmen in applying them. These have fundamentally altered methods of producing and distributing goods and the means of communicating with one another.

Another important factor has been the multi-lateral trade and payments system and the substantial reduction of tariffs and other restrictions to trade which it has brought about. The world trade liberalization, which has been achieved over the last 20 years, has been an outstanding example of fruitful international co-operation. Under the auspices of GATT..., six major rounds of trade negotiations have been held. The latest, and by far the most important in this series - the Kennedy Round - was concluded on June 30. Its results could have a very great effect on the world-trading framework in coming years and

lead to a greater flow of international trade than ever before, to the benefit of all countries.

But the working out of the Kennedy Round arrangements takes time and patience and an understanding of long-range advantages, as opposed to short-range difficulties. Many of the tariff reductions, particularly in industrial goods, will be phased over a four-year period. During this time, we will need to be alert to attempts to unravel the package, so painstakingly put together by the trade negotiators in Geneva.

CONCERN OVER RESTRICTIVE ACTION

We know that there are some who would like to see a retreat from the Geneva agreements. To this end, various trade-restrictive proposals have recently been introduced into the U.S. Congress which, for one thing, would impair the concessions exchanged between Canada and the United States in the Kennedy Round, relating to a volume of trade that is greater than that between any two countries in the world. The Canadian Government have viewed this development with concern and have expressed that concern to the U.S. Government. Obviously, if this kind of restrictive action were taken in Washington, Canada as well as other trading nations, would have to re-examine the concessions which they granted in Geneva. It would be difficult to prevent compensatory withdrawals of such concessions. This would damage trade and, indeed, other relations between our own two countries. It would also be a grievous and perhaps fatal setback for further world efforts to promote freer trade. So much is at stake - economically and poli-