

For the developing countries decisions were taken to facilitate expansion of their trade, and machinery has been established to keep their problems in the forefront of the negotiations and of GATT discussions. But, on many points, views differed as to the best way to proceed, notably between the EEC and the overseas countries associated with the Community, on the one hand, and the developing nations elsewhere in the world... But there was no disagreement on the urgency and fundamental importance of moving to help all these countries to meet the challenges of their development and the fundamental need to improve the lot of their peoples. Aid is clearly not enough. Financial and technical assistance must be accompanied by better opportunities to trade and other measures to facilitate the expansion and stability of the export earnings of these countries.

**FOLLOWING THE U.S. EXAMPLE**

The Geneva conference was the fifth meeting of GATT ministers since the General Agreement was signed in 1947. A chief purpose was to initiate a major negotiation for the reduction of tariff and non-tariff barriers to trade. The new United States authority to cut the protection surrounding the U.S. market made this possible. The power contained in the Trade Expansion Act to reduce most U.S. tariffs by half and to remove duties that are 5 per cent or less is both imaginative and far-reaching. It provides more scope to reduce American protection than has been available for many, many years.

The proposal for new and substantial negotiations - "The Kennedy round" - was strongly supported by Canada, by Britain, and by many other countries whose interest lies in the expansion of world trade. The meeting agreed that negotiations should be joined and that they should cover trade barriers of all kinds and all sectors of trade. Agreement was also reached that the negotiation plan should be based on the principle of equal across-the-board tariff reduction, subject to certain exceptions and subject to the working of procedures to narrow differences of tariff levels between major industrial powers where these have significant effects on trade.

**CANADA AND THE U.S.-EEC FORMULA**

...Many days of negotiations between the United States and the EEC were necessary before the first formula was agreed upon. I made it clear that, for Canada, such a formula of tariff reduction would not yield the necessary mutuality of trade and economic benefit. I indicated that, for a country like Canada, with its limited domestic market, its patterns of production and trade and its relatively narrow range of exports, it would be difficult to find any single formula which would achieve the necessary balance of advantage. I assured the meeting, however, that Canada would play its part and make concessions in the Canadian tariff commensurate with the benefits we receive.

The conclusions of the meeting cover the position of Canada and certain other countries in a somewhat similar position. They provide that the Tariff Negotiations Committee shall deal with (and I quote):

The problem for certain countries with a very low average level of tariffs or with a special economic or trade structure such that equal linear tariff reductions may not provide an adequate balance of advantages.

In his statement which, forms an integral part of the conclusions of the meeting, the Chairman stated that, pursuant to this paragraph (and I quote):

The Committee will deal with the case of certain countries where it is established that their very low average level of tariffs on their economic or trade structure is such that the general application of equal linear tariff reductions would not be appropriate. For such countries the objective shall be the negotiation of a balance of advantages based on trade concessions by them of equivalent value, not excluding equal linear reductions where appropriate.

In addition, the Chairman was asked whether the words "special economic or trade structure" in the resolution covered the special situation of a country which, it is established, has a very large dependence on exports of agricultural and other primary products. The Chairman replied that this was the case.

I am satisfied that the United States and our other major trading partners fully understand Canada's position.

**AGRICULTURAL PRODUCTS**

World trade in agricultural products presents particularly difficult problems. The normal trade rules have not been applied, and efficient agricultural exporters like Canada have faced much frustration. It is significant, therefore, that agreement was reached in Geneva, including agreement by the EEC, that agriculture shall be included in the negotiations. No doubt a settlement will be difficult to find. But with so much at stake, particularly with respect to wheat and other cereals..., the representatives of Canada at the forthcoming discussion will make every effort to ensure that these negotiations succeed. There are to be early meetings to discuss cereals and meats and a special group has also been set up for dairy products. These discussions may lead to new or revised international commodity arrangements. In this connection, I would draw the attention of the House to the statement made Wednesday of this week in the British House of Commons by Mr. Christopher Soames, the Minister of Agriculture. Mr. Soames forecast important changes in British agricultural support and import policies and indicated British willingness to participate in the further negotiation of international arrangements for temperate foodstuffs.

I had the opportunity to discuss these matters with Mr. Soames, and we look forward to working closely with Britain, other importers and our fellow exporters of cereals and other products in the negotiations to come.

**STAGE IS SET**

Agreement at Geneva on the major points that I have mentioned was by no means easy. Much remains to be done and many difficulties overcome before there can be confidence that the various negotiations will yield a substantial and positive result. The stage has, however, been set for further progress if there is willingness to make the negotiations a success. We propose to play a full and active part.

(Continued on P. 6)