

Canada was running at record levels; The Committee discussed policies which each country was following to improve its balance of payments. The United States members expressed agreement with Canada's desire to improve its current account through an expansion of exports and stressed the importance of adhering to the principles of non-discrimination in achieving this objective. The Committee also noted the recent improvement in the United States balance of payments position and expressed the expectation that this improvement would continue.

The members of the Committee looked forward to the opening of the GATT tariff and trade negotiations in Geneva, in which both countries would be participating actively; for the reduction of trade barriers and the expansion of trade in both industrial and agricultural products between the two countries and with the rest of the world. They took note also of the progress at the current United Nations Conference on Trade and Development and agreed on the importance of continuing international cooperative efforts to assist the less developed countries to expand their trading opportunities and facilitate their economic development.

The Committee discussed the trade in automobiles and automobile parts between Canada and the United States. United States members stressed their concern over the possible adverse effects of the Canadian automotive programme on certain United States parts producers. Canadian members emphasized that the programme is designed to promote increased specialization and lower production costs in the Canadian automotive industry.