

in the freeing of trade in agricultural products has not kept pace. Countries such as Canada, which are anxious and able to produce many of the food needs of the world, have had their hopes and expectations frustrated. The balance of advantage in the exchange of goods as between the producers and exporters of industrial goods and the producers and exporters of agricultural products has been upset.

While these problems and issues have not emerged over night, the need for coming to grips with them has become urgent. This is now clearly recognized. New regional groupings can provide an economic stimulus for all countries, or they can distort trade patterns and introduce new trade barriers. The developing countries want more trade as well as more aid. The more efficient agricultural producing countries are demanding better opportunities to compete in the supplying of world requirements for food.

WORLD TRADE CONFERENCE

Just as the problems have not emerged over night, neither will they be resolved over night. They are difficult and complex and to deal with them will require time and patience. At a recent meeting of trade ministers in Geneva, Switzerland, at which I was privileged to represent Canada, specific programmes were set in train. It has been agreed to convene an international trade negotiating conference commencing May 1964. The purpose will be to negotiate mutually-advantageous reductions in tariffs and other barriers to trade. Most important will be the negotiation between the European Economic Community and the United States, in which these two economic giants will be coming together to reduce trade barriers between them. Such reductions in trade barriers would, of course, be extended to Canada and other countries on the basis of equal opportunity for all.

It has been agreed that these negotiations should include negotiations designed to provide reasonable and fair opportunities of access to markets for agricultural products. For some basic agricultural products such as wheat and other cereals, it is felt that this might be achieved through international commodity arrangements. It is also agreed that in this trade conference every effort should be made to extend the trading opportunities of the less-developed countries, not on the basis of hard bargaining but in order to help them in their efforts to gain an increased standard of living and more rapid economic development.

In all this Canada cannot stand aside. I am confident that even if we could we would not wish to do so. Canada has always played a constructive role commensurate with its position in the community of nations. In trade, while we are clearly not one of the industrial giants, we are a leading trading nation with a major stake in the international exchange of goods.

CANADIAN OUTLOOK

With the development of the Canadian economy, all parts of Canada have an interest and major stake in the way these programmes are likely to

affect the various sectors of economic activity... I do not propose to go into any detail at this time as to what specifically may lie ahead. I would say, however, that I see in these programmes for international negotiation the possibilities of strengthening the various sectors of the Canadian economy, particularly in the field of processed and manufactured goods, not by restriction but by opening up wider markets to Canadian producers. We shall, in the course of preparing for the prospective negotiations, wish to explore and test these possibilities through full consultation with individual firms and industries....

World trade in agriculture presents difficult and complex problems. To an audience such as this in the capital city of the principal wheat-growing area of Canada, it would be presumptuous of me to delve back to the root causes of the economic and social hardships of the '30's; those terrible depression years which the farmers of Canada bore with such fortitude. I lived in Western Canada then, and I shall never forget those terrible years. But in a sense that is where lies the point of departure. Many of the justifications for the subsidized production policies and complementary import restrictions and subsidized exports that continue to affect and frustrate our trade had their genesis during that period.

ACCESS PROBLEM

Undisciplined forces have, after long and painstaking efforts, yielded to international co-operation by means of international commodity agreements such as the International Wheat Agreement, with which you are all familiar. But the problem would seem no longer to be one of moderating excessive fluctuations in world market prices and alleviating their adverse side effects on production and exports. It is essentially one of access. As efficient producers, we must have terms of access to markets which permit us to compete on fair and reasonable terms against other exporters and against domestic production in importing countries.

There are pressures, particularly from the European Economic Community, for higher world prices which would give formal international sanction to that system of artificially-high internal prices. Were competition based on productive efficiency allowed to give way to a world-managed market at artificially-high prices, we would lose the distinction as between those who produce economically and those who do not. The problem before us, therefore, is how production-support policies can be brought to terms with the objective of an expanding world trade, with reasonable opportunities for efficient agricultural suppliers.

It is significant that agreement was reached at Geneva, to which the European Economic Community is a party, that agriculture shall form an integral part of the forthcoming trade negotiations. Indeed, a Committee on Agriculture, which is to be one of the principal committees of the Trade Negotiations Committee, has been established with the mandate of making recommendations concerning the rules to govern and the methods to be employed in the negotiations with respect to trade in agricultural products. A small group of the principal cereal producer and consumer

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