

Concerning the proposal that the Fund should modify the contractual repurchase obligations, it should be noted that the Fund has recently adopted policies and procedures which should go a long way to meet the recommendations made by the Experts. This appears to have been achieved without modifying the agreement itself. We would also like to endorse the views expressed by the Managing Director, Mr. Rooth, when he stated that the Fund can operate with sufficient flexibility and make a useful contribution in a recession without any fundamental changes in the Agreement.

Turning now to the question of commodity arrangements to help stabilize prices and production of primary commodities, we would like to endorse the views of the Experts that no new international agency is required to administer commodity agreements. The Canadian Government has long recognized that the problems affecting the production and trade in raw materials and primary foodstuffs may require special measures of international cooperation. To this end, the Canadian Government cooperated in drawing up the Commodity Chapter of the Havana Charter, the numerous resolutions of the Economic and Social Council, and the establishment of the Interim Coordinating Committee for Inter-Governmental Commodity Agreements which has done such a useful job to date. We believe that with respect to certain commodities, and in some circumstances, Inter-Governmental Commodity Agreements would serve a useful purpose, both from the point of view of producing countries and consuming countries. At the same time, we would like to make it clear that we do not believe that commodity agreements in themselves would be a universal panacea. It also seems clear that proposals for a comprehensive scheme to include simultaneously commodity agreements over a wide range of commodities is not a practical proposition under present circumstances. The arrangements needed differ from commodity to commodity and must be worked out and put into effect by the countries mainly concerned in each case. Since the end of the War, countries have relied heavily on the study-group technique. Currently, there are at least ten such study groups dealing with individual commodity problems. If, in fact, fewer commodity agreements have been negotiated than some countries might desire, it is not because the international mechanism has been inadequate. On the contrary, the mechanism which has been devised has encouraged countries to get together and discuss their problems in a cooperative and friendly way. In some cases, failure to negotiate commodity agreements has resulted from the unwillingness of the producing countries to enter into such arrangements. In other cases, it has been due to the reluctance of consuming countries to enter into long-term commitments. In almost every case, the questions of price and quantity have been central points of disagreement. It seems, that in all these cases, the most effective approach would be to continue the study-group and conference technique based on equal representation of producers and consumers. In this way, present commodity problems can be kept under continuous review and necessary action taken whenever there is adequate basis of agreement.

In conclusion... I should like to say once again that the Experts' report has made a significant contribution to our understanding of fundamental economic problems which the Council will continue to deal with in the years to come. While not all the recommendations of the Experts lend themselves to practical application at present, I am sure that the international agencies to whom they have addressed themselves will continue to pay close regard to the need for more effective means of international