

At the same time my delegation believes that an accurate assessment of the position of the less-developed areas must also take account of the fact that they have made some real gains. As pointed out by the Director of the Economic Committee for Asia and the Far East, this and other areas are evolving a new social philosophy favourable to economic development. Furthermore, they have expanded their networks of transportation and communications and increased production of energy. They have introduced increasing amounts of modern science and technology into their countries and important advances in public education have made inroads upon illiteracy. New industries have been established. Agriculture, mining, and manufacturing have each expanded at about the same rate as in the industrial countries. While manufacturing is in the main directed to the production of consumer goods, a few of these countries have achieved a more rapid growth of heavy industry than consumer goods industry. A combination of increased exports and improved terms of trade has raised their purchasing power. Capital formation has risen significantly in both absolute amounts and in relation to output. Without in any way trying to minimize the seriousness of the situation existing in these areas, I believe it is fair to say that they have greatly strengthened their basic economic position and increased their chance of accelerating their future rate of growth.

My delegation shares the belief, expressed by the representatives of less-developed countries in this council, that the main responsibility for their future growth rests with themselves. To the extent that these countries can develop liberal trading policies, sound internal fiscal policies, equitable and effective tax systems, well-considered development programmes, and general improvements in their administration, they will increase their current income and attract more capital from at home and abroad.

The Canadian Government firmly believes that the industrialized countries can assist the developing areas by making every effort to increase and where possible stabilize international trade. We are in complete agreement with the Secretary-General that "A proper perspective requires us to bear in mind that international aid can never be an adequate substitute for stable and growing export earnings".

I would suggest that a most effective way to maintain a growing trade is for both the less-developed and the industrial countries to cooperate within the framework of the General Agreement on Tariffs and Trade. The early establishment of the Organization for Trade Cooperation to administer GATT on a continuing basis would, in our view, make the agreement still more effective.

The GATT, of course, is primarily intended to facilitate and expand trade amongst countries within a largely free-enterprise economic system. The countries that value such