

In both of these respects, the outcome of the meeting was very satisfactory to Canada. On the first point, the meeting agreed that "in so far as progress is recorded as a result of...ongoing discussions - in particular on Germany and Berlin - the allied governments...would be willing to enter into multilateral contacts with all interested governments. One of the main purposes...would be to explore when it would be possible to convene a conference...." This reasoned, step-by-step approach to the question of a conference is in line with our own thinking. The communiqué also refers to the possible establishment of a permanent body in due course, as one way of starting multilateral negotiations.

INVITATION FOR DISCUSSIONS

On our second point, NATO's declaration on balanced force reductions explicitly invites interested states to hold exploratory talks on the subject and suggests four specific considerations which the allies would put forward in such talks. The Italian Foreign Minister was asked to transmit the offer to the other side, and in fact had already done so.

I think members will agree that the positions adopted by the alliance in Rome represent a clear step forward in the search for better relations with the East. I was also struck by the mood of co-operation and willingness to compromise displayed by all at the meeting.

We shall watch carefully for evidence that the other side is willing to respond positively. Early results may not be forthcoming, but in the months ahead Canada and other members of the alliance will be exploring actively the prospects both for an eventual conference and for talks on balanced force reductions, so that the momentum which has now been developed is maintained.

While in Rome I called for the first time on the Secretary of State of the Vatican.

From Rome I went to Belgrade and then to Bucharest at the invitation of the Yugoslav and Romanian Governments. In Romania, I flew over some of the flooded areas and was able to see for myself the desolation caused by the tragic national disaster that has taken place there, and to appreciate what it means in terms of human suffering and as a major setback to the Romanian economy. On the way home I paid a brief official visit to Dublin.

In each case I had talks with the President, the Prime Minister and the Foreign Minister on a wide range of bilateral and international questions including the results of the NATO ministerial meeting....

A total of 4,438 new active cases of tuberculosis was reported in Canada during 1969 compared to 4,824 cases reported in 1968. The number of re-activated cases reported decreased from 755 cases in 1968 to 680 in 1969. The total of new active and reactivated cases together decreased from 5,579 cases to 5,118 in 1969.

OTTAWA MOVES TO PROTECT EXPORTERS

A four-part program to protect Canadian exporters from loss of sales due to concessional financing by foreign governments was announced in the House of Commons recently by Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce. Mr. Pepin explained that most industrialized countries had been making export financing facilities available for many years. However, over the past two years he said, domestic rates of interest had increased at a rapid rate throughout the world, while some governments had held their export financing rates at about the same level as before. "Coupled with the shortage of domestic funds, the availability of financing at favourable rates of interest has now become a significant factor in export sales between the developed countries, and this is where the problem lies," the Minister said.

STEPS TO BE TAKEN

The following measures to protect Canadian manufacturers against injurious competition were outlined by Mr. Pepin:

(1) Canada will use all available means consistent with its international obligations to curtail export financing by foreign governments in cases where it causes material injury to Canadian industry. In this context, consideration will be given to invoking the provisions of the Anti-dumping Act in specific cases.

(2) The matter will be pursued in the Organization for Economic Co-operation and Development (OECD) with a view to arriving at internationally-accepted rules for the extension of government-assisted export credits between industrialized countries.

(3) In providing regional development incentives, the Department of Regional Economic Expansion will take into consideration any adverse impact which foreign government export-financing may have on Canadian industry. The regulations under the Regional Development Incentives Act already require that Canadian manufacturers shall be given an opportunity to supply machinery and equipment required for regional development projects, provided they can do so on terms which are competitive in price, delivery and performance.

(4) Pending progress through international action, the Export Development Corporation will continue to match competitive financing offered by other countries to enable Canadian exporters to compete in foreign markets essentially on the basis of price, quality, delivery and service.

Mr. Pepin said that the Government was "satisfied that in several instances the availability to foreign manufacturers of attractive export credit has resulted in substantial loss of business to individual Canadian companies which otherwise would have been competitive in price, performance and delivery".