

being explored in both countries for expanding power production.

5. *Automotive Agreement*

A United States delegate opened the discussion by describing the benefits that have accrued to both countries as a result of the automotive agreement.

A Canadian spokesman also stressed the benefits to both countries. It has enlarged the market for U.S. producers and thus protected thousands of U.S. job-holders. If there had not been such an agreement, Canada would probably have had to move to higher tariffs, quotas and other devices which would have had bad effects in the U.S.A. He suggested that during the review which is now under way in accordance with the terms of the agreement, some of his U.S. colleagues might be tempted to suggest that the safeguards for Canadian production incorporated in the agreement are now unnecessary or should at any rate be modified. He gave three reasons why they are still necessary: (a) U.S. purchasing agents are still not adjusted to taking full advantage of Canadian production; (b) there is still a 20-30% productivity-gap in Canada's disfavor; (c) Canadian producers still have not adjusted completely to different U.S. procedures for inspection, etc.

The U.S. spokesman replied that he was not aware of serious pressure for removal or modification of these safeguards, although it is under consideration whether modification would be desirable.

There followed a discussion of motor vehicle and highway safety standards. A Canadian delegate pointed out that since motor vehicle design is centered in the U.S., Canada is dependent upon U.S. standards in this field. He said that the 1966 Act is a good beginning but that there is still a long way to go. A U.S. delegate replied that the 1966 Act is only the first step. There will have to be a two-pronged attack on motor vehicle safety and on highway safety as well. The second is a complicated issue involving more than one level of government and including problems both of high design and law enforcement. He expressed confidence that progress is being made in all approaches.

6. *Aid to Developing Countries*

A Canadian delegate opened the discussion by saying that in Canada there is a review of the external aid machinery to determine whether Canadian aid is going where it will do the most good. Secretary McNamara's

speech in Montreal two years ago wisely stressed the connection between external aid and defense in the broad sense. In Canada there is concern that the global level of aid has gone down at the same time as the GNP in the donor countries has gone up. Since 1960 Canada has stressed soft loans rather than grants and has coordinated its aid with other countries and through the World Bank. The Canadian aid target for 1970 is 1% of the gross national income. At present the aid level is .6%.

In the discussion of the U.S. foreign aid program, it was agreed by the U.S. delegates that the President's aid request for next year would meet considerable opposition in Congress due in part to the heavy costs of the Vietnam war. Though one U.S. delegate feared that the entire aid bill might be rejected, the consensus was that the authorization would be passed at a substantially reduced level.

A Canadian delegate introduced the idea that the time has come to adopt a "multilateral pool" approach to aid. It was suggested that under the bilateral system the donors reap ill-will rather than good and that in a multilateral system it would be possible to blur the distinction between donor and donee since all would contribute something and aid would become in a sense anonymous. The group displayed considerable interest in this idea. U.S. delegates pointed out that much of the opposition to further aid efforts now expressed in the U.S. arises from sensitivity at the seeming ingratitude of the recipients. They agreed that the multilateral approach, probably through agencies of the United Nations, would be helped in this regard. A Canadian delegate described the successful implementation of the World Food Program by the FAO and suggested that a tough international administrator can often take a stronger stand against local speculation or incompetence than is possible for national officials. He suggested that the U.S. and Canada could cooperate in pressing for a multilaterally organized program of international aid.

7. *Trade and Economic Relations with Communist Countries*

Opening the discussion on trade and economic relations with Communist countries, a U.S. delegate stated that Canada and the U.S. pursue different policies. Canada favors increasing trade with all countries but the United States takes a very selective approach to trading with the Communist world. The