

broad initiatives that were being set in motion required joint action with our trading partners throughout the world.

Since last year there have been many hopeful developments in the world trading and economic picture. There are now clear signs of recovery from the economic recession which had given rise to concern in many countries and there is strong evidence of renewed progress towards greater economic activity. The world as a whole seems now to be moving into a position where new initiatives, a new search for solutions and new efforts for expansion are called for and are also possible. In this important task we place great hopes on the flexibility and effectiveness of the GATT as one of the basic institutions for co-operation among the trading nations of the world.

We are fortunate in having before us the report and conclusions of the panel of distinguished economists, established last year by the Contracting Parties to the GATT. I wish to join with my colleagues in paying high tribute to the members of the panel for the excellence of their report and for the objective and penetrating analysis they have given us of some of the most challenging problems which face the world today. This report is a guide-post of great significance, both in the formulation of policy by individual governments and as a basis for future action and decisions to be taken jointly in the GATT. I note that the report speaks in terms of industrial and non-industrial countries. Canada would, I think, be able to take its place within both of those categories. Our secondary industries have been developing rapidly in recent years, and yet we remain one of the world's major producers and exporters of primary materials and foodstuffs. We share many of the concerns about agricultural protectionism and commodity price fluctuations to which reference is made in the report. We are also deeply appreciative of the legitimate aspirations of less-developed countries and we are making our own contribution to meeting the needs of these countries for financial and technical assistance.

The problems of production and trade of primary products, particularly agricultural, are of long standing. The GATT has from the beginning recognized the special nature of trade in this field. Over the years it has been found necessary to grant waivers to meet the difficulties of individual countries, until today there are virtually no agreed trading rules and restraints in this field. The resultant imbalance in benefits and advantages within the context of the GATT is a matter of grave concern to the many countries which are particularly dependent on agricultural and primary exports. Canada's interest in these problems could hardly be more direct and profound. Our trade with many countries has been adversely affected by quotas, embargoes, high tariffs and other protectionist measures. We have, in addition, as a dollar country faced severe discrimination against many of our exports.