

its own capital for development by the products of its own industries and by the processes of international trade. My colleague from Ceylon has made an excellent summation when he said:

The real answer to the problem lies in international action which will enable under-developed countries to generate increased incomes through their own sources and sustain them at reasonable levels.

The phrase "the processes of international trade" is a simple one, but these processes are fraught with very serious problems, which are not so simple to overcome, as every trading nation knows. Trade is basic to Canada's livelihood; without it we could not continue to enjoy our present standard of living or hope to better it.

At the Commonwealth Trade and Economic Conference held in Montreal in September 1958, the subject of trade was discussed at some length. The Conference, in its report, reaffirmed the common objective of "freer trade and payments". In so doing it recognized the basic fact that a significant increase in trade was obligatory if countries, especially those in the less-developed regions, were to improve the levels of living of their people.

One of the principal economic lessons the world has learned, is that narrowly bilateral trading arrangements are frequently self-defeating policies, and also work against the expansion of world trade.

#### Agencies of Multilateral Trade

The establishment of the General Agreements on Tariffs and Trade and the International Monetary Fund has been of great significance in breaking down the barriers which the former complex of narrow and restricting agreements had erected. Canada has firmly supported both institutions and has played an active part in them. By the terms of membership in these institutions, countries are committed to non-discrimination in trade, as the GATT and the IMF are designed to achieve currency convertibility and the elimination of trade and exchange difficulties.

The prevalence of severe foreign exchange difficulties in many parts of the world following the Second World War frustrated the achievement of the multilateral system for a number of years. More recently, however, with the improvement of economic and financial conditions, especially in Europe, there has been considerable progress.

While we can express some satisfaction at this trend, there still remains the necessity to guard against the dumping of commodities, or the distribution of subsidized goods to the detriment of other producer countries who must live by fair trade at world market prices. We have seen in recent years the serious adverse effects on the economies of primary producers of the dumping of such products as wheat, cotton, tin and aluminum.

... It is certainly the prerogative of this Committee to examine general commodity problems and give its advice and recommendations on them. The United Nations, however, has its organs for dealing with specific commodities and their