

The Committee welcomed the successful conclusion of the Kennedy Round of trade negotiations which will provide an important stimulus to world trade as well as to trade between the United States and Canada. They discussed prospects for future trade liberalization, noted that both countries are conducting studies on this matter and agreed to continue close consultations.

The Committee devoted special attention to the trade problems of the developing countries, recognizing the importance of positive and constructive measures in support of efforts by the developing countries to accelerate their own economic development. This will be the main theme of the second United Nations Conference on Trade and Development early next year.

The Committee was concerned about the failure of development aid to expand in line with the growing requirements of the developing countries. In this context early and substantially enlarged replenishment of International Development Association resources must have a high priority. The Committee welcomed the new multilateral food aid programme agreed upon in the Kennedy Round which will help expand food aid and will result in a more equitable sharing of the cost. The amount and character of food assistance must be improved as well as the degree of self-help by the recipient nations.

The Committee recognized the importance of close and effective cooperation between the two countries in respect of wheat marketing policies, including wheat flour, particularly in the context of the new Cereals Agreement concluded in the Kennedy Round. They agreed to strengthen consultative arrangements concerning wheat marketing and food aid.

United States members reiterated their concern over those aspects of the Canadian Bank Act which in their view have the effect of discriminating retroactively against a bank in Canada owned in the United States. Canadian Ministers took a different view of the effect of the Bank Act, and stressed the importance of effective Canadian ownership of