

Canada has been a party to all major commodity agreements concluded since the end of the last war. We have always been prepared to explore with other countries the possibility of other agreements on a commodity by commodity basis. However, it would not be in the interest of the developing countries to encourage unduly high prices for primary commodities. High prices are likely to generate unsaleable surpluses by stimulating production and reducing consumption through the use of natural or synthetic substitutes.

Canada will work with the developing countries and others in trying to improve the conditions of world trade for temperate agricultural products. Agricultural protectionism in certain developed countries has been growing; it is tending to increase uneconomic production in these countries. It has curtailed the markets of efficient suppliers in developed and developing countries alike.

Canada had advocated that, in the forthcoming "Kennedy round" of tariff and trade negotiations, developed countries should ensure that products of interest to developing countries, including manufactured goods and semi-processed materials, are included in the scope of negotiations. As has been recognized in the GATT, this should be done without expecting full reciprocity from developing countries for benefits they may derive from these negotiations. We are hopeful also that successful negotiations of reduction of tariffs on semi-processed materials will go a long way to reducing differentials between tariffs on raw and processed commodities which have created problems for developing countries.

Canada strongly supports a general removal of quantitative restrictions now impeding imports into developed countries of manufactured goods from developing countries. It has been noted that exports of manufactures by developing countries are of limited variety and are exported in volume to only a few markets. Developing countries need the greatest possible freedom of access to the widest number of markets if they are to establish a diversified and expanding industrial structure. The likelihood of market disruption would be lessened if these exports were less unevenly distributed among developed countries through the establishment of more uniformly favourable conditions of access.

While Canada is approaching the question of preferences with caution, we should be prepared to consider proposals for the exchange of regional tariff preferences among developing countries for a limited period and under conditions which took reasonable account of the interests of outside countries.

Canada would be prepared, during the course of the "Kennedy round" of tariff negotiations, to examine carefully any tariff preferences now enjoyed by Canada in the markets of the developing countries which may be regarded as prejudicial to the trade of other developing countries.

Canada recognizes that development plans and efforts may be prejudiced by adverse changes in the terms of trade or by other occurrences beyond the control of developing countries. Accordingly, we supported the recent decision of the International Monetary Fund to increase its help to countries suffering from temporary declines in export receipts. As regards longer-term declines, we are prepared to join with others at this conference in studying ways of improving bilateral aid programmes and relating them more closely to the changing economic and trading circumstances of the individual developing countries.