

"Since 1951 Canada has contributed close to \$300 million under the Colombo Plan; we have, for example, joined with India in building an atomic reactor, located near Bombay. We have sent engineers and equipment to Pakistan for the construction of the Warsak Dam, aerial survey teams to Malaya, India and Pakistan, and fisheries experts and equipment to Ceylon.

"...One of the things which has particularly impressed me has been the tremendous fund of good-will towards Canada which exists among the countries of Africa and Asia, and Canada's participation in the Colombo Plan has done a great deal to bring about this result.

"As one means of continuing to develop our close relations with these countries, we expect to open a new diplomatic mission in Nigeria next year; in the recent past we have also opened offices in Ghana and Malaya. These countries look to us for friendly co-operation as they take their place in the international community, and it is our duty - and very much in our best interests - to provide such help as we can. I would urge you as Canadian exporters to take advantage of the good-will which exists towards us in these parts of the world. I am sure that there are opportunities now to get in at the beginning in establishing growing trade relations with these newly developing countries.

"I should also like to point out that the improvement of living conditions and commercial life in the less-developed areas of the world cannot but increase the ability of these countries to maintain more flourishing economies and a larger foreign trade, both import and export....

"For example, in 1958 the Canadian Government established a \$10 million fund to assist over a five-year period in the economic development of the new West Indies Federation. A large part of this fund will be spent on two ships, to be constructed in Canada, for inter-island services; the remainder will be devoted to technical assistance and other projects. By providing such assistance we are not only seeking to assist in the development of the new Federation; we are also investing in an important potential market for Canadian goods....

"Important as foreign assistance programmes are in the promotion of the economic life of the international community, they are not the only means to this end. The rate of international economic growth depends also on the flow of international trade and private capital, and this is a field in which, under our non-state trading system, governments can only assist and encourage and not play a direct part. Nevertheless, the policies which governments adopt are by no means unimportant.

"For these reasons, and also because of Canada's position as one of the world's major trading nations, Canadian foreign policy has had as one of its prime objectives the establishment of a multilateral system of trade

and payments. Under such a system, barriers to the flow of international trade and payments are reduced to moderate levels and made non-discriminatory in their application.

"The great benefit of a multilateral system is that trade tends to flow in accordance with relative price considerations instead of being artificially channelled in one direction or another by the need to strike a bilateral balance. The most is made of the world's stock of productive resources and that stock is likely to increase more rapidly than under any alternative system. For these reasons, the achievement of a multilateral system is essential to a maximum rate of world economic development. Moreover, in practical terms, the present Canadian pattern of trade requires a multilateral system.

"I think 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, which is so important to exporting countries such as Canada....

"In this connection, I should like to say a few words about the Commonwealth Trade and Economic Conference which was held in Montreal just over a year ago. This, the first full-scale Commonwealth Conference of its type in over a quarter of a century, not only strengthened the trade and economic ties among the countries of the Commonwealth, but it gave a new impetus to multilateral trade policies on a world-wide basis....

"The concrete results of the Montreal Conference were impressive in themselves. Perhaps equally important is the atmosphere which that Conference helped to create. While there may be differences of opinion about how many of the subsequent events were directly attributable to the Conference no one would deny that the constructive attitude displayed in Montreal has influenced the later policies of many countries inside and outside the Commonwealth....

"One of the most important results of the Montreal Conference for Canadian exporters was that it gave an impetus to the relaxation of dollar import controls. The United Kingdom announced the elimination of restrictions on a number of items important to Canadian exporters, and at the same time invited colonial authorities to adopt similar measures. Since that time, restrictions on dollar imports have been relaxed by British Guiana, Nigeria, The West Indies and a number of other territories.

"These are measures of considerable importance to Canada. As the only Commonwealth country in the dollar area, Canada has felt the impact of the sterling area's dollar shortage, and the consequent restrictions on dollar imports have in many cases cancelled out the benefits to Canada of Commonwealth tariff preferences. The recent removal of import licensing on dollar goods by the