

PRESS RELEASE



COMMUNIQUE

DEPARTMENT OF EXTERNAL AFFAIRS

CANADA

MINISTÈRE DES AFFAIRES EXTÉRIEURES

No. 30

FOR IMMEDIATE RELEASE
JUNE 23, 1967

**JOINT CANADA-UNITED STATES MINISTERIAL COMMITTEE
ON TRADE AND ECONOMIC AFFAIRS
MONTREAL, JUNE 20-22, 1967**

The Eleventh meeting of the Joint Canada-United States Ministerial Committee on Trade and Economic Affairs was held in Montreal June 20-22.

The Committee exchanged views on current economic developments. They reviewed the success achieved in both countries in moderating excessive demand pressures during the past year and noted that a more dynamic pace of expansion of real output was expected in coming months. Recovery of the residential construction industry, an end to the inventory correction, modest expansion of private investment expenditures, higher Federal, State and local government purchases, and renewed vigor in consumer spending were cited as the major anticipated sources of strength in the U.S. outlook for the coming year. Similar forces were also expected to lead to stronger growth in Canada. The Committee emphasized the need for flexible and responsive fiscal policy in both countries during the coming months. They recognized the need for dealing with the problem of achieving greater stability in costs and prices, especially as the two economies resume races of advance more in line with their potentials.

In a world of growing trade and development assistance Committee members affirmed the intention of their Government to press for general agreement at the 1967 annual meeting of the Governors of the International Monetary Fund on the structure and major provisions of a contingency plan for the creation of a new international reserve asset. They stressed the need for an asset which monetary authorities could include in their reserves.

The Committee also reviewed the balance of payments prospects of the two countries. United States members reiterated the continued determination of the United States to make as much progress toward equilibrium in its world-wide balance of payments as the costs of Vietnam permit. The Committee discussed capital movements between the two countries and took note of the benefits to both countries of existing arrangements relating to access by Canadian borrowers to the United States capital market.