

in proposing this new round of negotiations. It is significant and welcome that the countries of the European Economic Community have indicated their intention to participate in meaningful tariff negotiations. Canada will participate in these important negotiations and we trust that no trading country with a contribution to make will be absent from the negotiating table. Committee One has recommended rules for the negotiations and we shall be discussing the Committee's proposals during the Session. We wish to see these rules as simple and flexible as possible and believe that they should be based largely on those accepted for previous negotiations which have proved their worth in practical terms.

In Committee Two, consultations with individual Contracting Parties in the field of agriculture are continuing. When this process has been completed, it will be important to follow through. The emerging picture is one of widespread agricultural protectionism significantly interfering with the flow of trade. No one can realistically expect that national measures to support agriculture will be eliminated. For many reasons, social, political and economic, this is not possible. On the other hand, collectively we should be prepared to examine whether significant downward adjustments in the level of agricultural supports and the lowering of tariff and non-tariff barriers to trade in agricultural products are not possible and desirable both from the trade and domestic points of view. The vast array of impediments to trade in agricultural products stands out clearly as one of the areas to which the Contracting Parties must now address themselves.

Under-developed Countries

Another area warranting the close attention of the Contracting Parties is the export trade of the less-developed countries. The desirability of greater stability in raw material markets has been widely recognized both as a trade matter and as it relates to the financing of development in the materially less-advanced areas. I am convinced that the best contribution which the industrialized countries can make in this field lies in the steady expansion of their economies, which will be reflected in orderly and growing demand for basic raw materials. International commodity arrangements have their place but are not the whole answer. Some commodities lend themselves to international marketing agreements, but others do not. Canada is a member of the International Agreements on Wheat, Sugar and Tin. We remain ready to examine individual commodity situations to see whether there is additional scope for arrangements of this kind which will take fully into account the interests of both producers and consumers.

But the interests of many of the less-developed countries are no longer related simply to trade in foodstuffs. Some of them in fulfillment of their aspirations to diversify their economies are emerging as competitive suppliers of manufactures goods and this is to be expected as their economies are developed. Contracting Parties must recognize this dynamic change and adjust to it. But the adjustment should be orderly, so that the sudden disruption of established industry in other countries is avoided. It would seem the wise and more forward-looking course for the highly industrialized countries to approach the problem of low-cost