

Lowering Barriers to Trade

I have spoken to you about the Canadian economy and about Canadian-American economic relations. I do not think it would be right for me, however, to conclude this speech without saying at least a word about our joint endeavours to bring down the barriers to world trade and to assist those nations which will continue, for some time to come, to rely on international co-operation for improvements in their standards of living.

Through the initiative of your late President, the trading nations of the free world are about to engage in a new round of trade and tariff negotiations - the "Kennedy round" - under the auspices of the General Agreement on Tariffs and Trade to secure substantial reductions in industrial and agricultural tariffs. The "Kennedy round" also aims at the removal or reduction of non-tariff barriers to trade that have grown up over the years and many of which are contrary to the obligations we have all assumed under GATT. I wish to say, on behalf of the Canadian Government, that we support the objectives of these negotiations; that we plan to participate fully in them; that we see this as a major opportunity of freeing both industrial and agricultural trade; and that we are ready to pay in good coin for the benefits which we hope these negotiations will yield for Canada as for other trading countries.

Development Aid

The other economic problem with which Canada and the United States are actively concerned is that of the less-developed countries. Of course, this is not simply an economic problem but one which has and will continue to have a fundamental bearing on the stability and security of the world in which we live. I think we have all recognized in our domestic arrangements that, as the Commissioner General of the French economic plan once put it, "fairness demands that in certain cases some should receive more than the share due to them under the laws of the market and that others should receive less". I am sure we are approaching the time when we shall also recognize the validity of this notion as applied on the international plane. We are already channelling a growing volume of assistance to the less-developed countries, and I am glad to be able to say that we in Canada have recently been able to announce a 50 percent increase in our foreign-aid programme, which now amounts to just under \$200 million a year.

But, however important foreign aid is and will remain in underpinning the economic development plans of the less-developed countries, there is no doubt that, in the longer term, these countries must also be enabled to earn more of their resources for development from trade. To see how this could best be done was the purpose of the recent United Nations Conference on Trade and Development. In carrying forward the work of that conference, I am confident that the United States and Canada will continue to play a constructive part. For I see the problem of under-development as one of the major problems that we shall have to face over the next decade or two.