

will make a major contribution to the further strengthening of the free world.

Trade relations between Canada and the United States are characterized by mutual understanding and a constructive approach to our common objective of freer, non-discriminatory trade. These new efforts to expand world trade will provide continuing opportunities for our two countries to work closely together, each in a full understanding of the other's interests and aspirations.

"We are glad that this proposal has been welcomed by President Kennedy, who shares the views expressed by Prime Minister Diefenbaker on the necessity of working for freer, non-discriminatory world trade.

TRUTH IN CLICHÉ

"...My Government recognizes that, under conditions as they exist today, no country, to paraphrase the poet, 'is an island entire unto itself'. To speak of international economic and political co-operation as a fundamental necessity is certainly one of the venerable clichés of this organization. Clichés do, however, become clichés because they contain a very substantial element of truth, and this is undeniably so in the present instance.

"One recent example of international co-operation within the United Nations framework was the successful negotiation last summer of an International Coffee Agreement, which has now been signed by 29 countries, including Canada. This Agreement holds promise of introducing new stability into international trade in a product which is of great importance to many developing countries. Since the war, three commodity agreements of this nature, covering wheat, sugar and tin, have been concluded and the particular problems of other commodities such as lead and zinc, cocoa and rubber, have been thoroughly explored in special study groups established under United Nations auspices.

"We have undoubtedly made progress in recent years in our search for solutions to commodity problems, but we must not minimize the gravity or far-reaching nature of these which still confront us; since these problems are tending to become more difficult and more complex, we must intensify our efforts to find solutions. As my predecessor in the Second Committee declared last year, we are fully alive to the urgent need to reverse the downward drift of commodity export prices and we believe that the best way of approaching these problems is on a commodity-by-commodity basis. This is likely to point to a variety of solutions, including, in some cases, attempts to negotiate further international commodity agreements. There may well be further scope for joint action to organize international trade in particular products in a way which is fair to producers and consumers alike. We should bear in mind, however, that commodity agreements should be designed to lead to an expansion of trade, and not its contraction, and that they should also be designed to contribute to price stability. In these ways, they will, in the nature of things, make a

valuable contribution to the economic progress and stability of the developing countries.

A UN TRADE CONFERENCE

"In his address to the General Assembly on September 25, the Canadian Secretary of State for External Affairs referred to the decision of the Economic and Social Council to convene a United Nations conference on trade and development and remarked that such a conference would provide an opportunity for a discussion on strengthening the world trading system.

"We look forward to this conference...and, provided adequate preparations are made for it in the months ahead, we have every hope that it will yield valuable results for the world community as a whole. As the distinguished Under-Secretary for Economic and Social Affairs, Mr. De Seynes, pointed out in his excellent statement to this Committee on September 26, the basic issue with regard to convening this trade and development conference is whether and to what extent the United Nations itself can influence the profound and far-reaching changes which are bound to occur in the system of international trade before the end of the decade.

"For this conference to fulfil the high hopes we have for it...it is in our view essential that the preparations made for it be more intensive, more carefully considered and more extensive than any that have been made on similar occasions in the past. Only in this way is it possible to ensure that the developing countries in particular will derive maximum benefit from a re-examination of existing trade patterns and practices. Only after such careful examination can the world community come forward with sound and concrete suggestions for strengthening international trade.

COMMODITY EXPERT GROUP

"We should not forget...that an elaborate mechanism of multilateral institutions and agencies has been established over the course of the post-war years to study or regulate international commodity trade and its repercussions. I need only mention the IMF and IBRD, GATT, the FAO Committee on Commodity Problems and the CICT to indicate how widespread this international machinery is. These are the expert organs on which we continue to rely for detailed information, concrete proposals and effective action. Perhaps the mechanism is a trifle too elaborate; certainly the number of agencies engaged in probing to the heart of the commodity problem has grown side by side with the problem itself. For this reason, we have been most interested in the initiative taken in establishing an expert group in Resolution 919(XXXIV) to the activities of the various international agencies concerned with commodity problems and other trade problems of particular interest to the developing countries in order to eliminate gaps and overlappings and to propose how best these activities can be co-ordinated and supplemented. This report should prove invaluable to the Preparatory Committee for the United Nations Conference on Trade and Development when it meets next spring to consider the Conference itself.