



CANADA

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## CANADA AND THE OUTLOOK FOR WORLD TRADE

Addressing the Export Trade Conference, held recently in Ottawa, Prime Minister Diefenbaker told the assembled businessmen and trade commissioners that it was impossible to over-emphasize the importance to Canadian welfare of the country's export trade. "Of every five people employed," he declared, "the livelihood of one depends on exports." Mr. Diefenbaker went on to say that never before had there been "more need for the 'export-minded' businessmen to renew and redouble their efforts to open new markets and to consolidate existing ones."

The body of his speech follows:

"...The task is a formidable one. Last week the trade commissioners made a study of the current trade outlook around the world. In some areas export sales have grown substantially in the last year. The aggregate has grown too, but there is no reason for complacency. The growth of international competition is such that it cannot by any means be taken for granted that these advances will be maintained. A few commodity exports are at a standstill or have declined.

"Believing that the task of expanding and developing export markets is an imperative need, I have taken every possible occasion to discuss trade problems with leading businessmen and major industrial, business and labour organizations.

### TRADE MISSIONS

"The Minister and I met recently with a group of businessmen who comprised a trade

mission to Europe. The members of this mission and others to whom I have spoken told me that there are new potential outlets for Canadian trade. Trade missions can do much and missions will be sent abroad. The business community can give leadership in trade matters and the Government will welcome its wise counsel and co-operation at all times.

"The policy of the Government is to stimulate the development of exports by every means within its power. It will continue to expand the services we provide wherever they will serve the efforts of industry, of producers and of commerce. The trade commissioners and the officials of the Department in Ottawa will continue to make a vital and, I hope, increasing contribution to the exporter's efforts by providing their services and trade facilities and knowledge.

"You will agree, I am sure, that the joint action of the Government and the chartered banks in establishing export financing facilities will meet a long-felt need for the long-term financing of capital goods exports.

### TRADE AGREEMENTS

"An extensive trade-agreement programme provides the basis for the further development of Canadian exports. Trade agreements have been made with some 80 countries, including all the principal trading nations of the world. Such agreements generally assure for Canadian exporters equal opportunities with other suppliers in competition in world markets.

"Further, the preference arrangements with trading partners in the Commonwealth provide special advantages in the markets of the United Kingdom, and a number of other Commonwealth countries.

"The use of discriminatory restrictions, which have been maintained in many markets against Canadian goods, have, as a result of strong pressure, all but been eliminated. Although setbacks have occurred in some of the less-developed countries, most of the countries of Western Europe no longer maintain restrictions for balance-of-payments reasons.

"Similarly, efforts have been and are being directed to have restrictions on trade in agricultural products of importance to Canada relaxed. The eventual agricultural policy of the Common Market is a major issue before the GATT Tariff Conference now taking place in Geneva. I would hope that there is a reasonable prospect of obtaining further reductions in tariff barriers against Canadian trade in Europe and in the United States market.

"The broad framework of Canada's international commercial relations has been established, but this is not enough. Foreign trade is increasingly a highly competitive business.

#### PROBLEMS OF NEW YEAR

"The 1960's will present Canada with major new problems. To meet them we are continuing to utilize existing forums of international co-operation and among them the principal one is still the General Agreement on Tariffs and Trade.

"The difficulties arising out of low-cost imports are being closely studied. Japan is one of the leading export markets and is particularly important to our wheat producers and West Coast industries. I trust that Japan will be more closely identified in the immediate future with the multilateral conception of trade to which Western nations subscribe.

"Detailed discussions have been under way throughout the summer looking to a new international organization to strengthen economic co-operation between the European and North American countries. Rapid progress has been made and prospects are that the Convention for the Organization for Economic Co-operation and Development, in which Canada and the United States will participate as full members, should be ready for signature at a ministerial meeting in Paris next week.

#### CANADA AND COMMONWEALTH TRADE

"At the Commonwealth Trade and Economic Conference in 1958, it was agreed that the Commonwealth preferential system had been of mutual benefit to Commonwealth members. However, the formation of the European Free Trade Association has already entailed some loss of preference on products of interest to Canada, *vis-à-vis* the continental members of this trading group -- though it has not, of course,

affected preferences over the United States and over the members of the European Common Market.

"The meetings of the Canada-United Kingdom Continuing Committee in June, 1960, and of the Commonwealth Economic Consultative Council in September, provided opportunities for discussing these developments and for considering together the possible future course of events in Europe. At these meetings, the Canadian representatives emphasized the importance attached to the preservation of the free entry which now applies to practically all Canadian products entering the United Kingdom and to the significant preference on a large number of other products, particularly manufactured goods.

"The less-developed nations of the Commonwealth are enjoying rapid economic growth which should open up fresh opportunities for Canadian exports. Canada is doing its part to help them by extending economic aid under the Colombo Plan and under the West Indian and African aid programmes. Closer trade links with these newer members of the Commonwealth must be encouraged.

"Canada stands ready to trade with each and every country in peaceful goods, and is prepared to negotiate trade agreements with all countries wherever terms advantageous to both sides can be worked out and which are in harmony with Canada's existing trade obligations.

"Trade relations with the United States are of fundamental importance to the Canadian economy. In recent years co-operation has not been wanting.

"Problems which cannot be settled by agreement between officials at the administrative level can be taken into the Joint Canada-United States Committee on Trade and Economic Affairs, where understandings at the executive and cabinet level can be reached and solutions worked out.

#### TRADE WITH UK

"I should like to say a few words on trade with the United Kingdom and on the importance of the progress made in expanding this trade in the last three years. The success in stepping-up trade with overseas countries, notably the United Kingdom, is responsible for the new export records being achieved in 1960 -- at a time when sales to the United States, Canada's principal market, are running below their 1959 levels.

"Canada's total exports to the United Kingdom in the first ten months of 1960 amounted to \$764 million, a postwar record, and \$173 million, or 29 per cent, more than in the comparable period of 1957. Canada's purchases from Britain have risen also, amounting to \$483 million in the January to October period of 1960, a gain of \$60 million, or 14 per cent, over the corresponding 1957 total. These increases have resulted in the United Kingdom

both taking a larger share of Canada's total exports and supplying a higher proportion of this country's imports. The gain in exports has boosted Canada's favourable commodity trade balance with Britain from about \$169 million for the first ten months of 1957 to \$281 million for this period in 1960.

"The improvement in Canada's trade with the United Kingdom has taken place on a fairly broad front. A comparison of exports in the first ten months of 1957 and of 1960 shows major gains in sales of non-ferrous metals and products, up \$66 million; of wood, wood products and paper, up \$31 million; of agricultural and vegetable products, up \$27 million; and of iron and steel items, up \$26 million; smaller but important increases are indicated for sales of animal and animal products, up \$11 million; chemicals, up \$6 million; textiles and products, up \$3 million, etc.

#### U.S. ECONOMIC POLICY

"The problem of United States disposal of agricultural surpluses, for example, has been reduced to more manageable proportions through closer attention by the United States to the interests of Canada and other suppliers. Still greater co-operation between the United States and other principal world suppliers will be required to keep it so.

"Never before has the United States offered to negotiate significant reductions over such a broad range of tariff items, and the forward-looking policy of the United States in the reduction of barriers to international trade must be acknowledged.

"The problem of a persistent large deficit on current account in our balance of payments with the United States continues to overshadow all others and has for several years.

"The time is past when Canadians could expect the deficit to be offset by surpluses earned elsewhere. Canada must expand its exports to the United States, reduce the demand on national earnings from non-resident investment and resolve the conflict between non-resident corporate interests and the national interest.

#### PROBLEM OF U.S. SUBSIDIARIES

"The phenomenal growth in the past five years of European exports to the United States must be set against the more modest increase of about 29 per cent for Canadian exports. It has been contended that some manufacturing Canadian subsidiary plants have not pressed for exports in consonance with the corporate policy of their parent organizations. Whether that view is justified or not, Canadian subsidiaries should examine their policies in the light of their responsibility to the citizens of Canada and to do everything within their power to build up their export trade.

"For some years past, officials of the Department of Trade and Commerce have encouraged Canadian subsidiaries to seek greater

freedom to export directly from Canada and to develop their separate export management. In certain instances Canadian subsidiaries have succeeded in securing from their parent organizations the right to serve world markets with their own specific products. Top-level management of parent companies in the United States should recognize that export business is necessary for the success of their Canadian operations. The result would be increased employment, greater economy of operation within Canadian industry, increased stature of Canadian management within these international business organizations, and a significant contribution to the redress of our balance of payments problem.

"Regional arrangements, customs unions and free-trade areas have emerged as a feature of the post-war period in Europe and Latin America. Regionalism ought to be but a stepping-stone to a wider form of co-operation.

"A common plateau of widened opportunities for international commerce is the goal towards which all countries should move. The expansion of world trade, and through it the strengthening of the free world, must be the aim of all trading nations.

#### CANADA AND COMMON MARKET

"The Common Market is Canada's third most important export outlet. The six-member countries are moving rapidly towards the integration of their economies and their trade with third countries has grown substantially in the last year. Canada's exports to 'The Six' in the first nine months of 1960 were almost 37 per cent higher than in the corresponding period of 1959.

"Eighty per cent of our exports to the Common Market consist of agricultural products and industrial base materials, although sales of certain manufactured goods have increased following the gradual removal of restrictions on dollar imports. The future pattern and volume of our trade will depend to a considerable extent on the eventual level of the Common Tariff on 'The Six', on measures applied to agricultural imports and on the advantages granted to the overseas territories of the Common Market.

"As the final Common Tariff is implemented over the coming years, adjustments will have to be made and these may be serious for some particular products. On the other hand, the Common Market is one of the world's largest markets, with a population of some 170 million and with highly favourable prospects for economic growth. Access for Canadian trade in the Common Market must be improved during the general round of tariff negotiations which begin next year and, in the meantime, our sales efforts in this area must be redoubled.

#### MAJOR TEST

"With these developments Canada thus faces a major test in the United Kingdom and in

## RECORD SALMON PROJECT

The initial construction phase of the world's largest single Pacific salmon development project of its kind will get under way in Canada this winter to provide work for residents of the Qualicum area of Vancouver Island, British Columbia, it was announced recently by Fisheries Minister J. Angus MacLean.

The cost of the completed project is expected to exceed \$1 million. Mr. MacLean announced that the first phase, to begin shortly, would be the clearance of the right-of-way for a flood-channel at Hunts Creek on the Big Qualicum River, which would provide winter work for three months for about 12 to 15 men in the area.

The flood-channel is part of an ambitious and far-reaching programme to develop the Big Qualicum River for fisheries conservation purposes connected with the development of the multi-million dollar Pacific salmon stocks, which spawn in British Columbia inland waters.

### IDEAL CONDITIONS

Basically the project will create a controlled-flow river system on the Big Qualicum, which will incorporate many features of the spawning channels at Jones and Robertson Creeks as well as some new ones. Department of Fisheries biologists and engineers have conducted a thorough study of the Big Qualicum system over the past three years. Their surveys indicate that the river provides ideal conditions for the new development.

The work about to begin at Hunts Creek forms only a minor part of the big task ahead. Major construction works will include a 20-foot earth-fill dam on the Big Qualicum River near the outlet of Horne Lake and, nearby, a horseshow tunnel 2,000 feet long and eight feet in diameter. The tunnel will by-pass the dam and permit control and regulation of water flows from three separate intakes at different elevations below the present lake level. The lowest of the intakes will be situated about 80 feet below the present normal level of the lake. Each intake will be controlled by separate gates permitting water to be taken from any or all of the three levels. This feature permits the maintenance of reasonably consistent temperature conditions in the river channel. The flow regulating facilities will be located at the downstream end of the tunnel.

### HAZARDS REMOVED

It will be possible with the Horne Lake reservoir and the tunnel to provide close to optimum spawning and rearing conditions for salmon and trout from the standpoint of water flow and temperatures. The hazards to fish and fish eggs resulting from flood conditions, as well as those which occur under extremely dry conditions, will be eliminated.

## SEA-LAMPREY PROGRAMME

Progress in the joint programme by Canada and the United States to eradicate the sea lamprey, which has played havoc with the Great Lakes fisheries, has been reported by the International Great Lakes Fishery Commission in a statement that the Fall River in Baraga County, Michigan, has been treated with lampreyicide.

The Fall River operation completes the initial series of chemical treatments of Lake Superior lamprey-producing streams in which many millions of larvae were destroyed. A total of 52 streams in the United States and 20 in Canada have been treated since 1958. Most of the treatments were carried out in 1959. Among the larger streams treated are the Tahquamenon and Ontonagon in the United States and Kaministikwia, Michipicoten, and Goulais in Canada. A small start was made this year in Georgian Bay, Lake Huron, where four streams were treated, and in Lake Michigan, where seven streams were disposed of. Treatments are carried out by staff of the Fisheries Research Board of Canada and the U.S. Bureau of Commercial Fisheries under contract with the Great Lakes Fishery Commission.

Positive evidence of a decline in the population of sea lamprey will come from the continued operation of electrical barriers on a number of Lake Superior streams. Numbers of spawning sea lamprey taken in 1961 may be somewhat reduced but a substantial decrease is not likely because most of those taken at the barriers will have come from stocks which moved to the lake in 1959, before their parent streams were treated. Therefore, the full effects of the chemical programme cannot be evident until the spawning run in 1962.

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## SECURITIES TRANSACTIONS

Canada imported \$7 million-worth of capital from all transactions in portfolio securities during the third quarter of 1960. This figure includes sales to non-residents of \$28 million-worth of new issues of Canadian stocks and bonds and of \$9 million-worth of outstanding Canadian stocks; but against these amounts Canadians repurchased outstanding Canadian bonds and debentures worth \$18 million and retired \$22 million-worth of foreign-held Canadian securities. All these transactions in Canadian securities resulted, therefore, in a small capital export of \$3 million, while there was a capital inflow of \$10 million from the net disposition by Canadians of foreign securities.

The net inflow in the three-month period was lower than for some quarters past. The amounts in the first and second quarters were \$208 million and \$93 million respectively. The reduction in the third quarter may be associated in part with lower demands in the

Canadian capital market, which tend to be a seasonal characteristic of the quarter.

New quarterly estimates of the Canadian balance of international payments to be published within the next few days show inflows of capital for direct investment in foreign-controlled concerns of \$165 million in the third quarter. This is larger than in the second quarter and over twice the figure for the corresponding quarter of last year. While inflows for portfolio investment have been at a reduced rate in 1960, direct investment inflows of \$510 million in the nine months already total more than for the whole of 1959.

Trade in outstanding Canadian issues in the month of September led to a repurchase balance or capital export of \$17 million. This reflected mainly the repurchase of bonds and debentures. Trade in outstanding foreign securities led to a sales balance or capital import of \$2 million, mainly reflecting net resales of United States Government and other bonds and debentures.

### EXCHANGE OF AMBASSADORS

The Government of Canada and the Imperial Government of Iran have decided to raise their respective legations to the status of embassies. The Iranian mission in Ottawa was established in December, 1955; the Canadian mission in Tehran, in November 1958.

Mr. Mahmoud Esfandiary, who presented his credentials as Iranian Minister to Canada in November, 1958, will be Iran's first Ambassador to Canada. The first Canadian Ambassador to Iran will be Mr. George Bernard Summers, Minister in Tehran since March, 1959.

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### PLANS FOR RESOURCES CONFERENCE

Planning for the "Resources for Tomorrow" conference went ahead another step as members of the policy sub-committee met in Ottawa on December 12 and 13. The conference, scheduled to be held in Montreal in October, 1961, will study ways and means of making better use of Canada's resources of agricultural land, forests, fisheries, wildlife and water. Recreational use of resources will be an important topic.

This will be the first major government-sponsored resources conference held in Canada since 1906 and is the only one where the 11 Canadian senior governments have been joint sponsors.

About 80 background papers are now being prepared outlining various problems in the use of Canadian resources. It is expected that 500 or more resource specialists will attend the conference, including most of the country's natural-resource ministers, representatives of many national and regional organizations, representatives of universities, business and industry.

### RECRUITING TECHNICAL EXPERTS

Introducing Resolution A/C.2/L.532 to the United Nations Second Committee on December 9, Mr. W.B. Nesbitt, Chairman of the Canadian Delegation spoke as follows:

"...The various technical assistance programmes which have developed within the United Nations framework have become important factors in the economic development of less-developed countries. As distinguished delegates know, over the years several thousand experts have served in a great variety of fields of activity in most of the member countries of the United Nations and its related agencies. The demand for the services of highly-qualified personnel has been growing steadily and there is every reason to believe that it will continue to grow. It is for this reason that we believe that governments of countries which are able to supply such people should be encouraged to consider ways and means of making their recruitment easier and quicker, and in this way to prepare themselves to respond to the demand as it develops...."

### HIGH STANDARDS, LOW SUPPLY

"The standards set by the United Nations and its related agencies for the people they recruit are high, and rightly so, since no country which requests a technical assistance expert is prepared to accept less than the best available talent. Similarly, no supplying country which takes its responsibilities in this field seriously will offer the services of people who have not the highest personal and professional qualifications that can be found.

"But it is precisely these highly-qualified people who are in the most demand in their own countries, and who are therefore the most difficult to detach for United Nations service. It is clear, therefore, that special steps need to be taken to facilitate recruitment, and to attract qualified people in increasing numbers to the field of technical co-operation.

"It is this that resolution L.532 seeks to encourage. As distinguished delegates will have noted, the resolution confines itself to practical and concrete recommendations.

"Before going on to analyse some of these specific recommendations, I should perhaps mention two aspects of United Nations technical co-operation which are not dealt with in the resolution, because we and our distinguished co-sponsors have not thought them relevant to its purposes.

### UNTAPPED RECRUITING AREAS

"We are well aware...that the resolution does not touch upon the criticisms which some countries have made from time to time about the less-than-complete advantage which United Nations agencies have taken of their resources

of available expert personnel. Members of the Committee will recall that the distinguished representative of New Zealand, one of our co-sponsors, referred in his statement last week to the fact that the opportunities for recruitment in his country had not yet been exploited to the full, and expressed the hope that all those countries capable of providing people with the necessary qualifications would be given the opportunity to do so....

#### SPECIFIC TERMS

"I turn now...to the specific terms of the resolution. The first two preambular paragraphs refer to the recruiting situation as it now exists and as it is expected to develop, not only in relation to United Nations technical assistance programmes generally but also in relation to the needs of the Trust Territories and of the newly-independent states....

"Preambular Paragraph 3 cites the value of promptness in recruiting and Paragraph 4 the possibility of action by governments to place themselves in a better position to meet the growing demand for experts.

"Operative Paragraph 1 urges member governments to support and assist the efforts now being made by the United Nations and its related agencies to recruit experts.

"The next three operative paragraphs, Numbers 2 to 4, contain the recommendations for additional measures on the part of governments about which I have spoken. I should like to comment on the measures singled out for attention in further detail.

#### DELAY DETRIMENTAL

"Operative Paragraph 2 places emphasis on promptness of response by member countries when they are approached by a United Nations agency for expert personnel as a consequence of a request made by another member country. I think it will be generally agreed that lengthy delays in recruitment can have seriously detrimental effects on the development of any technical assistance programme. There are many situations, indeed, where a rapid response is vital--in cases of natural disaster, for example, such as we have seen recently at Agadir or in Chile, or in other situations, which many member governments will have experienced, where no general emergency exists but where the need for expert assistance for a specific task becomes urgent. In such cases, when the requesting government signifies that particular urgency attaches to its request, every effort should be made to overcome the all-too-prevalent obstacles to rapid recruitment.

"Operative Paragraphs 3 and 4 recommend for the consideration of the governments concerned certain devices which could, in our view, contribute to this end. The first of these is the establishment in national capitals of rosters of qualified personnel available for

assignment by the United Nations and its related agencies to advisory or operational posts, especially when requesting governments find themselves in the position of requiring experts quickly.

#### P.M.'S STATEMENT CITED

"This proposal was referred to by the Prime Minister of Canada...in his address to the General Assembly on September 26. At that time, speaking of the needs which have arisen in distress and disaster areas in different parts of the world, Mr. Diefenbaker said...: "National action of a standby nature is obviously desirable...We suggest that experts, in an "experts bank", if you will, might be recruited for medicine, public health, sanitation, public welfare, distribution of supplies, communications, transportation. To set up an "experts bank" would make for administrative stability instead of having to rely on a crash recruiting campaign for this purpose after the need arises."

"In Canada...our attention was focussed on this aspect of the matter as a result of our participation directly and through United Nations agencies and such other international bodies as the International Red Cross and Red Crescent in the relief operations made necessary by the earthquakes in Morocco and Chile. We do not consider, however, that the usefulness of the roster idea is confined to disaster situations. Provided, as the resolution states, that, within their own constitutional structures, member governments find it desirable and feasible to do so, we believe that the maintenance of rosters could contribute substantially to shorten the recruiting process of qualified experts for a wide variety of assignments.

#### CANADA'S INTENTION

"We do not suggest, of course, that this pattern is necessarily one which all governments would be able, or would wish to follow. Modifications would in any case be necessary in the various countries to suit local circumstances. We ourselves intend in Canada...to establish such a roster of experts drawn from fields in which we believe our experience might be useful. Persons entered on this roster will be ready to accept at short notice United Nations assignments in countries which request them. I am happy to say that we have already taken the preliminary steps toward developing this arrangement on a workable basis. I should perhaps emphasize at this point, in case any delegation has doubts on that score, that none of the suggestions we are advancing contemplate for a moment any departure from the well-established and fundamentally important principle that the requesting government must have the right to specify the qualifications, personal, professional or national of the experts which it will receive.

## NATIONAL ACTION

"I would not wish to create the impression that we consider this the only type of measure which could be taken by governments seeking to facilitate rapid recruitment, either for immediate requirements or for requirements which may not be unusually urgent. The use of national technical assistance committees, which are referred to in Operative Paragraph 3, may be the most useful means to this end in some countries. As members of this Committee know, national committees, composed of representatives of governments, universities, trade union, industrial and professional bodies, have proved notably successful in a number of countries whose constitutional and administrative structure lends itself to this approach. The wide range of contacts and facilities which these committees have built up have been extremely valuable in locating and recruiting high quality personnel for technical assistance assignments. Other effective means may also be evolved and we hope that as the pressures on available resources increase measures appropriate in different countries will be devised.

## CHALLENGE AND RESPONSE

"I come now to Operative Paragraph 4, which deals with possible means of encouraging personnel to accept technical assistance assignments. The report of the ECOSOC Committee on Programme Appraisals draws attention to the importance of bringing the value of service with international organizations to the attention of those governmental and other bodies from which potential technical assistance personnel are mainly drawn. It is regrettably true that even now the extent of the requirements of less-developed countries is not always widely known or appreciated. Similarly, the value to the expert himself of service in new surroundings is not always grasped. The fresh challenges and unfamiliar problems which confront him, and above all the working out of their solutions in co-operation with his colleagues in the country where he serves may often be of the greatest value to him and his own country when he returns home.

"We feel...that in the interest of the future success of the United Nations technical assistance programmes it would be desirable that governments bring the value of service under those programmes to the attention of those who might undertake such service. I emphasize, however, that this suggestion is subject to an important qualification which is embodied in the first line of Operative Paragraph 4 in the phrase, 'subject to their own requirements'. This has been inserted in order to protect the interests of those developing countries--of which there are a considerable number--who have supplied experts for United Nations assignments and will undoubtedly do so more and more in the future. These countries themselves, of course, have

very great need for experts and although their spirit of co-operation and their sense of shared responsibility for economic development everywhere in the world impels them to make some experts available to other countries in need of them, they cannot, of course, spare experts in great numbers. Nobody, I think, would deny that they are fully justified in ensuring that their own requirements should be safeguarded.

## CAREER PROTECTION

"Finally...I come to the measures, which might be described as 'career protection' advanced in the second half of Operative Paragraph 4. It has been our experience in Canada, and we believe the experience in many other countries, that one of the most important single obstacles to rapid recruiting is the uncertainty about their own future that potential candidates for technical assistance assignments may feel if they interrupt their careers for a limited period of time to serve elsewhere in the world. We think this is a thoroughly understandable concern...and I may say that the Government of Canada, and, I believe, other governments, are now engaged in developing just such career-protection procedures as the resolution suggests. We believe that such measures will have a salutary effect on recruiting and that general adoption of measures designed to this end would be a useful contribution to the success of the United Nations technical assistance programmes...."

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## CANADA AND THE OUTLOOK FOR WORLD TRADE

(Continued from P. 3)

Western Europe. The Government is sparing no effort to safeguard Canada's trade interests and to ensure that Canadian exports obtain fair and reasonable access to these areas. Canadian exporters must prepare for an all-out effort to sell their products if they are to profit from the vast possibilities of these markets.

"What are the possibilities of an eventual merging of 'The Six' and 'The Seven'? It might involve some further loss of advantage for Canada's exports to Great Britain and her EFTA partners. Canadian officials are participating in the efforts being made by the Paris Committee on Trade Problems, which was set up earlier this year to consider practical short-term measures for mitigating the effects of the 'Six-Seven' split. At the same time, Canada is joined with the United States and eighteen members of the OEEC (which include members of both 'The Six' and 'The Seven') in preparing for the establishment of the Organization for Economic Co-operation and Development. Through this Organization, Western nations will be brought into close and regular consultation on matters of mutual economic interest.

"What of trade relations with the Soviet Union? As an international trader, the Soviet Union is a potentially serious competitor, although competition has heretofore been more spasmodic than sustained.

#### SOVIET-BLOC MARKET

"There are market opportunities in the Soviet bloc which Canada can and should develop under the terms of the new trade agreement signed last April. The U.S.S.R. has thereby undertaken to buy twice as much from Canada as it sells to Canada. The possibility exists of developing a substantial volume of trade providing that a determined effort is made to provide goods which find acceptance in each other's markets.

"Agricultural export markets are of major and fundamental importance to Canada. Twenty-five per cent of the total exports are agricultural products -- with wheat and flour comprising one-tenth of all foreign sales. The recent change in the responsibility of Ministers for the Canadian Wheat Board will therefore be of interest to you. World wheat stocks are at record levels and in that commodity international competition is intense. Both the Minister of Agriculture and the Minister of Trade and Commerce have a major responsibility for dealing with this situation. The Wheat Board, since a change made some weeks ago, reports to the Minister of Agriculture, but both Ministers are jointly responsible for wheat marketing. The Department of Trade and Commerce will continue to have primary responsibility for export promotion and trade policy; it will continue to pursue every opportunity for expanding commercial markets for wheat. Trade and Commerce will also still be responsible for international Wheat Agreement, the Canada-United States Quarterly Wheat Meetings and the Wheat Utilization Committee.

"To summarize, Canada's economic opportunities demand the expansion of her world markets. Canadians cannot assume that any share of this is theirs by right. It should be the business of Canadian producers to better their competitive position and to develop markets abroad. Canada's foreign trade service will contribute fully and vigorously to assist Canadian producers in their export endeavours.

#### BENEFITS OF INCREASED TRADE

"The concern of this Conference has been with the beneficial effects this extensive and intensive export-trade development programme will have on our primary and secondary industries. True, this is the major target and on this we must concentrate all the energies and initiative essential to good salesmanship if we are to win these benefits.

"Servicing facilities will benefit too -- great networks of transportation facilities, rail, road, water and air, our modern sea-ports, strategically placed from coast to

coast, and the St. Lawrence Seaway. Canadian taxpayers and investors have hundreds of millions of dollars invested in these facilities, which, in themselves, are an important part of any export development programme.

"Goods destined for foreign lands must be moved, and, as the volume of goods so moved increases, so new avenues are opened which lead to expansion and development and the more profitable operation of the agencies which provide the means of movement.

"It has been well said by my colleague the Minister of Trade and Commerce that the ever-increasing use of harbour facilities and transportation systems is the only way by which the door to profitable operation can be opened. 'And', he added, 'the key to this door is largely in the hands of the exporters and importers who constitute such an important part of the commercial life of this or any other country'.

"In a major campaign to win new markets abroad for the primary and secondary industries of Canada, Canadians should put forth every effort to ensure that Canadian ports and transportation systems have their rightful place in the picture and that Canadian facilities are used to the maximum at all times in the carrying and handling of Canadian goods.

"Throughout Canada's story, Canadians have been venturesome in trade. The Hudson's Bay men braved the Russian power in Alaska to trade beyond the inhospitable mountains. The tall ships of the Maritimes carried the goods of Canada along the most distant sea lanes. That spirit still lives.

"Canadian trade must be increased. Canada has the products. The Trade Commissioner Service has done its part and is determined to do more. The vigour of businessmen looking for markets and refusing to be deterred is needed in greater measure than ever before.

"It would have been so easy so often in our history to say it wasn't worth fighting for export trade in competition with the massive production of the United States and the low wages in other countries.

"Our past achievement and our promise for the future is that we never gave up.

"Dare anyone say that the difficulties of today are greater than those we have known in trade in the past?

"This is a country which has been faithful to its contracts, where the standard of business ethics is high, where shoddiness and sharp trading are despised.

"This Conference has been a tremendous inspiration. Canadians can go about the world with the confidence of a good name.

"We are not asking anyone to be nice to us because we are nice people. We are asking them to recognize value when they see it. And too many of them will never know the attractiveness of what Canada has to sell unless we take our goods to them and display them on the international counter."