

External Affairs
Supplementary Paper

No. 57/6 INTERNATIONAL ECONOMIC CO-OPERATION

Statement by Senator David Croll in the Second
Committee of the United Nations General Assembly,
New York, on February 13, 1957.

My Delegation does not consider it necessary to speak on every item and on every resolution which comes before this Committee. However, the trend of the discussion on the subject of International Economic Co-operation has been such that it is desirable for my Delegation to make a statement reflecting the Canadian position.

As you know, Canada is a member of the Economic and Social Council and took part in its 22nd Session. I would like to begin, therefore, by referring those members of the Committee, who may be interested in Canada's attitude, to the statement made by the Canadian Delegation on July 18, 1956 and to the statements which my Delegation made in the Economic Committee. Nevertheless, the world economic and political situation has changed even since last summer and it is necessary to reassess our position in the light of present circumstances and the resolutions now before this committee.

My Delegation believes that to some extent we have been talking at cross purposes in this Committee in the last few days in discussing international machinery for promoting trade co-operation. The distinguished delegate of Poland commented that there were those who considered that everything is for the best in the best of all possible worlds.

Mr. Chairman, my Delegation strongly supports Resolution A/C.2L.301 submitted by Argentina and six other nations. We believe that resolution is a faithful, realistic and practical attempt to reflect the current position in respect to international economic co-operation, but we do not believe that the existing organizations for the promotion of international trade are perfect. Indeed, I think it might be possible to say that no international organization can be expected to be perfect, since it will invariably be established on the basis of compromise. It is for this reason that Canada voted in favour of ECOSOC Resolution 614 (XXII)A. Members will note that this resolution invites the government states of the United Nations to submit at an early date to the Secretary-General comments concerning international machinery for trade co-operation. Our vote for this resolution expressed the willingness of the Government of Canada to join with other governments in such a review of existing international trade machinery as that envisaged in the ECOSOC Resolution. We hope that useful results will flow from this study.

I hope to some extent at any rate that I have reassured those delegations who feel that there is an attitude of complacency on the part of the supporters of Resolution L.301.

Any Canadian Delegation is obliged to proceed from this point to a reasonable assessment of the achievements of the numerous international organizations which already exist for the promotion of trade co-operation. The last ten years have seen the creation of a great deal of international machinery relating to trade. I do not want to discuss constitutional issues in detail at this point, but would like to support my Netherlands colleague who, yesterday, pointed out that the existing organizations are not completely rigid and are capable of demonstrating flexibility and adaptability to meet new situations. Other delegations will doubtless agree that the answer to a difficult problem is not always to establish new machinery to deal with it. The Canadian Delegation believes the problems under discussion in this committee are more likely to find practical solutions if they are considered in the context of the ample existing machinery and the proposed O.T.C. (Organization for Trade Co-operation).

Delegations whose countries have participated in the long series of international meetings which have been held on trade problems will agree that it is extremely difficult to secure support for universal principles. The Canadian Delegation believes that a great deal remains to be done by building on the structure of international co-operation already established and by taking specific action designed to promote international trade. Canada has taken such action in negotiating trade agreements directly with all types of economies on a basis of mutual self-interest.

I also believe that the achievements of existing international organizations are all too apt to be taken for granted and underestimated in retrospect. For example, the very great progress achieved by the GATT (of which, incidentally, a distinguished Representative of Ceylon is President) is remarkable by any standards. Several thousands individual tariff items have been reduced in the course of multilateral tariff negotiations since 1947, and over fifty per cent of the world's trade is now covered by tariff concessions negotiated under the GATT.

Similarly, the International Monetary Fund and the GATT have made notable progress in promoting the relaxation of quantitative import restrictions and other barriers to trade and in the reduction of discrimination in these fields. The transactions of the International Monetary Fund to date total \$2,105,000,000. The International Bank has a solid record of achievement in its own field having granted to the end of 1956 loans to a total of \$2,922,000,000. As other Delegates have mentioned, particularly my colleague from Argentina, useful work has been accomplished by the United Nations Regional Commissions and by the Specialized Agencies in promoting international trade.

Pursuing my argument a number of improvements have been made quite recently in international economic machinery. The creation of the International Finance Corporation was a notable step. The review and revision of the GATT in 1955 and 1956 brought about a number of important modifications and improvements, many of which were particularly directed to meeting the needs and dealing with the special problems of the less-developed countries. There is evidence that the existing international economic agencies have substantial accomplishments to their credit and have proved adaptable to meet changing situations in the past and will no doubt prove equally adaptable to new problems in the future.

In considering the resolutions before us, we are, however, called on to decide whether it would be useful to give further detailed examination to the proposal of the convening of a world economic conference. In this connection, I am sure, all delegates would agree with our distinguished Vice-Chairman when he expressed a need for international action which would unite all economic sectors. Would a world economic conference help to achieve this desirable goal? Would it be likely to achieve concrete results of lasting practical importance? My Delegation believes that the answer to both these questions is in the negative.

When the Canadian Delegation spoke at ECOSOC as short a time ago as last July, we referred to improvements in the international political scene. It appeared then that closer economic relations might be developing between the so-called centrally planned economies and the economies of the West. It is in present circumstances, however, likely that the early convening of a world economic conference would do more harm than good in promoting international trade co-operation. I admit, Mr. Chairman, that this is a matter of judgment, but I think my judgment is borne out by recent events.

Secondly, my Delegation does not believe that an international economic conference could take useful, practical measures which cannot now be taken through the United Nations and the existing international bodies created for the purpose of promoting world trade. It seems to our Delegation that to call an international economic conference to discuss all the issues which have been indicated as a possible agenda would be to conflict directly with the useful work which is now proceeding under the auspices of the United Nations and other bodies. The result might well be less satisfactory on all fronts than would be possible by a more constructive interest in the opportunities now available.

My Delegation will, therefore, vote in favour of the seven-power draft Resolution L.301 concerning the development of international economic co-operation and the expansion of world trade. Had Resolution L.282 concerning a world economic conference been put to a vote, we would have voted against it. We, therefore, find it necessary also to oppose the Resolution L.319 submitted by the Delegation of Poland and Yugoslavia. Since we do not believe that a world economic conference would serve a useful purpose, and we believe also that it would conflict with the work which is being carried out by the United Nations and other bodies, we do not believe it useful to support a recommendation from this Assembly that the Economic and Social Council consider the proposal further.

I would like to conclude my statement by referring to the need for a practical approach to this subject. Such an approach has in the past benefited those countries who are willing to co-operate in the promotion of international economic co-operation, and will do so in the future. It is not new bodies we need -- it is solutions.

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