Mr. Chairman, may I congratulate you, Sir, on your recent election to the Chairmanship. I wish also to extend my warmest welcome to the representatives of the new commonwealth nations, Ghana and the Federation of Malaya, who are with us today as acceding countries to this agreement. The Canadian Government has recently had the opportunity of sending senior representatives to each of their capitals to their inaugural ceremonies. In another sphere, we have already become aware of how the councils of the British Commonwealth, have been broadened and enriched by the participation of these two new governments. It is now our privilege to recognize Ghana and the Federation of Malaya in their due places in this world trading organization.

As Minister of Trade and Commerce in the Canadian Government, I welcome the opportunity to attend these meetings and to meet my colleagues from other countries. We have a common interest in carrying on and increasing trade with each other. We therefore have a common interest in maintaining and strengthening the principles and prestige of the General Agreement on Tariffs and Trade.

Canada has taken a very active part in the formulation and administration of this agreement and we hope to continue to do so. There are even instances, in our view, in which Canada has gone somewhat beyond our obligation to others under the GATT. With only a very few exceptions, we have no barriers to imports other than the tariff. Recently we have been concerned about the pressure of imports upon our markets in circumstances in which so many other countries have continued the use of quantitative restrictions and other special protective devices. We find, as a consequence, that the restrictions of other countries tend to divert a larger quantity of certain imports to our markets than would otherwise be the case.

We have, of course, one of the largest markets for imports in the world. We must sell our export products to the outside world and we fully recognize that we must buy if we are to sell. We are concerned, however, about the situation in which we find ourselves, in that we are buying so much more than we are selling in each year.

I would like to offer two assurances. The first is that the Government I have the honour to represent will follow policies consistent with sound and balanced international trade. My second assurance is that we shall continue to operate our policies in accordance with the rules and procedures of the General Agreement on Tariffs and Trade. We shall consult the interests of others. We shall recognize the rights of others under the General Agreement.
Our economic position in Canada continues to be an encouraging one. We fully expect that from time to time problems will be encountered in international trade arrangements as in the past. In our view the main requirement is that we should each undertake to conduct our affairs and our relations with each other with good judgment and with balance. The fact that trade ministers and officials from so many countries are meeting together as we are doing today demonstrates that we have established the working basis which is essential for this task. We have all undertaken to conduct our policies within the terms of the General Agreement. This should be the best guarantee that we will bear in mind the collective interest of the whole trading world in the policies which each of us adopts.

This is a time when we must develop initiative and display constructive leadership in economic affairs. We have noted with interest and approval the trade agreements programme that has been pursued by the United States for many years. While it has not gone as far as many of us would have hoped, it has, without doubt, been a most important factor in advancing world-wide trade. The Canadian Government earnestly hopes that the United States will continue to give such leadership to the trading world.

I wish now, Mr. Chairman, to refer to a particular problem of concern, not only to Canada, but also to many other countries. It arises from the United States programme of surplus disposal, particularly of wheat and other grains. This programme has grown enormously in recent years, with increasingly adverse effects upon Canada. The Canadian Government has always made clear that it does not object to genuine aid programmes. Indeed, within the limits of our country's own capabilities, Canada has done its share and I hope will continue to do so. Our concern is rather with programmes for dumping surpluses abroad in such a way as to destroy normal markets.

Our main objection is that in one way or another, by the payment of subsidies, and by sales for local currency, the United States has been disposing of its wheat on world markets in such volume that great damage is being caused to commercial markets for Canadian wheat and flour. As a result of these policies vigorously pursued by the United States in markets normally open to Canada our exports have been substantially reduced. We are not alone in being harmed by United States surplus disposal programmes. Some of my Canadian colleagues and I have recently had discussions of this whole problem with members of the United States Government. As a result we came to an improved understanding, on our side of their difficulties and on their side, I hope, of the need to take corrective action.

Perhaps the most important item on the agenda of this Session is the review which is to take place of the Treaty of Rome. Our Government has followed with close attention and sympathetic interest the development of this Treaty and the arrangements related thereto.
Canada enjoys friendly and mutually beneficial trading relationships with each of the six countries and on its side will make every effort to continue them. The members of the European Economic Community are at the same time important world traders and important members of the GATT. The Canadian Government would be concerned if the efforts of the Six to achieve their customs union were to divide us and to weaken the structure of trading relationships which has been built up since the war under the auspices of the General Agreement. We hope and expect that the Six Governments of the Treaty of Rome share this concern.

It is both desirable and essential that the Contracting Parties should review carefully the Treaty of Rome from the point of view of the General Agreement on Tariffs and Trade. The Canadian Delegation will participate actively and sympathetically in this task. We shall wish to consult with each of the Six Governments which individually continue to assume the obligations of contracting parties to the General Agreement. Our Delegation recognizes that many aspects of policy remain to be worked out among the Six. To this extent the Treaty is merely a framework within which the substantial structure has yet to be erected. Some of the policies for implementing the Treaty may already be sufficiently developed for the Contracting Parties to determine whether or not they are consistent with the General Agreement. Appropriate action can be taken on these at this Session and on others at future dates, bearing in mind, of course, that the GATT provisions refer to the Customs Union as a whole.

Now, Mr. Chairman, I wish to take up some aspects of the Treaty on which information has hitherto been lacking and some matters of policy already defined which cause us concern.

My first point has to do with tariffs. While there is still doubt about the proposed levels of the new common tariffs against outside countries it appears possible that in important respects the new customs duties may turn out to be higher or more restrictive than the general incidence of duties at present. Also it is our understanding that plans are still incomplete for the elimination of tariffs among the Six. Our Delegation will wish to be satisfied regarding the level of tariffs and regarding the final and most difficult stage of elimination of internal tariffs.

My second major point of concern has to do with quantitative restrictions. The Canadian Government is not at all clear as yet regarding the principles to be applied by the participants in the Rome Treaty in the use of quantitative restrictions for balance-of-payments reasons. We shall seek assurances that the provisions of the General Agreement referring to the use of quantitative restrictions and the exceptions set forth in the balance of payments provisions will continue to be applicable to the policies of each of the Six Governments. Canada is not prepared to acquiesce in arrangements which would have the contrary effect of reinforcing existing discriminatory restrictions for an indefinite time or which might lead to the development of common measures of restrictions against outside countries. Nor can we in Canada understand why such arrangements would be necessary or desirable as part of the customs union now proposed.
My third point has to do with agricultural trade. We recognize that the plans have not as yet been agreed even among the Six. It is apparent, however, that exceptional arrangements are being considered for agricultural trade. If there is to be a protected and regulated system for agriculture involving high tariffs, guaranteed prices, preferential long-term marketing agreements and the use of quantitative restrictions against outside countries, there will be difficulties and conflicts with other contracting parties. Canada enjoys important and traditional markets for various agricultural products, particularly wheat, in the six countries. We do not wish to see our access to these markets impaired.

My fourth point has to do with the arrangements in the Rome Treaty for the proposed association of certain overseas territories. We doubt whether the General Agreement provides explicitly for such arrangements. Our Delegation recognizes the importance which is attributed to this subject by many of the countries which are here represented. The Contracting Parties should give the fullest consideration to the concerns about this question which are felt by many of the less developed contracting parties to the GATT. This is a difficult problem involving numerous potential conflicts of interest. Our Delegation will be prepared to participate constructively and helpfully to attempt to discover acceptable solutions to these issues which are of major importance to so many countries.

I have given frank expression to these several points of difficulty with which the Canadian Delegation is particularly concerned. As a country which enjoys many close ties of friendship with the six countries of the proposed European Community, Canada wants to make sure that their trade relations with the outside world and with ourselves are not impaired. In our view, this common interest will be better served by attempting to define the problems and to cope with them than to ignore them. Our purpose is basically a constructive one. We recognize the important objectives which are served by the Treaty of Rome.

I wish to conclude, Mr. Chairman, by saying how useful it is for us to be meeting here this week. I cannot think of a more effective means to promote co-operation and understanding with respect to the problems of international trade. I am personally grateful for this opportunity to meet ministers and officials from so many countries who are concerned with trade questions, and shall look forward to opportunities for attending further meetings of this kind in the future.