



STATEMENTS AND SPEECHES

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TRENDS IN CANADA'S TRADE AND TARIFF POLICY

An address by Mr. D.C. Abbott, Minister of Finance, delivered to the Annual Meeting of the Canadian Section of the International Chamber of Commerce, in Montreal, on February 9, 1950.

I am particularly pleased with the invitation to be your guest speaker today. The work of your organization is well known to all of us in Ottawa. It has had, and I venture to say it will continue to have, a sound and far-reaching influence on the policies of national and international bodies in the field of foreign commerce.

As I understand your programme, it seems to me that there is a great similarity between the aims of your organization and the policies of the Canadian Government in the promotion of expanding world trade. The Canadian Government is pursuing a policy, as you are, of endeavouring to achieve a high level of multilateral trade over as broad an area as possible, within the framework of our present institutions of free competitive enterprise. Since the end of the war, we have worked towards this goal in every aspect of our economic programmes, both domestic and foreign. Today I would like to talk to you about some of the things we have done and propose to do to help re-establish the type of trading world in which Canadians prosper.

In any discussion of trade policy, the question of tariffs used to occupy a most prominent place. This is not so true today. The reasons for this, I believe, reflect the unfortunate state of affairs in world trade. Not so long ago the tariff was the dominant instrument of commercial policy, but today it is only one technique, and often a minor technique, used by many Governments to influence their foreign trade. Although these techniques are more a symptom than a cause of present world trade difficulties, they indicate the degree to which the world has moved away from what we used to regard as normal trading practices. I believe that as we approach the re-establishment of a sounder trading world the tariff will again come to occupy a prominent role in commercial policy. While this is by no means a plea for tariffs as such, I think you will agree with me that the moderate use of the tariff is far less restrictive of world trade than these other practices which are in vogue today.

Canada is today the third most important trading nation -- on a per capita basis I believe it is the first. It is probably fair to say that few countries are more dependent on trade than we are. Moreover, this dependence is firmly rooted in the very nature of our natural resources and our industrial structure. Endowed with rich, though specialized, natural resources, and with a small population, the development