

Mr. DEUTSCH: The general purpose of this charter is to prevent discrimination. It was recognized, with the world as it is today, that for the next three or four years a lot of things may have to be done which are discriminatory, and for that reason the General Agreement provides that under certain circumstances you may discriminate. Indeed, for the year 1948 there is a clause in the agreement that says that all the rules in the balance of payments sections having to do with discrimination are not in effect. So, for the immediate future, if we are using balance of payment restrictions, we can discriminate.

The CHAIRMAN: Would we give up our preferences entirely in some circumstances?

Mr. DEUTSCH: In some instances, yes. At the moment, senator, if we wanted to prohibit something coming from the United States and to allow it in from the West Indies, as far as this agreement is concerned, we could do that.

Hon. Mr. McLEAN: I think that is sensible. I think some of our administrators have run off the track.

Hon. Mr. HAIG: With regard to tomatoes coming in from Barbadoes, that country does not want United States currency. They want Canadian currency.

Mr. DEUTSCH: That is so now.

Hon. Mr. HAIG: Not originally.

Mr. DEUTSCH: Not originally, but since then that has been changed. That does not break this agreement.

Hon. Mr. HAIG: Either way, that does not break the agreement.

Mr. DEUTSCH: No.

Hon. A. L. BEAUBIEN: When does the agreement come into force; after the Havana conference?

Mr. DEUTSCH: I might explain that, senator. The charter itself is not in effect as such. At Geneva it was decided that if we are going to bring these tariff agreements into effect it is necessary to take certain portions of this charter and put them into the tariff agreement. And that is what has been done. The parts of the charter that were put into the tariff agreements are in this document which is called the General Agreement on Tariffs and Trade. This General Agreement contains the general commercial policy provisions. It does not contain the chapter on employment, or the chapter on cartels, or the chapter on inter-governmental commodity agreements. But practically the whole of the remainder of the charter is in this General Agreement. It was felt that those sections were necessary to protect the tariff concessions. It was agreed by eight countries at Geneva that they would bring this General Agreement and the tariffs into effect on January 1. So far as the tariffs are concerned, they are to be made effective on January 1; and so far as the provisions of the General Agreement are concerned, the government undertakes to bring them into effect, in so far as it has legislative power to do so.

Hon. A. L. BEAUBIEN: In other words, most parts of the Geneva Agreement are included in those trade agreements between the eight countries?

Mr. DEUTSCH: Yes. In other words, what we commonly refer to as the Geneva Agreement, this General Agreement on Tariffs and Trade, contains large parts of the charter which were thought to be necessary to protect the tariff concessions, and those provisions are to be brought into effect on January 1, regardless of what happens at Havana. The tariffs are to be brought into effect on January 1, and the provisions of the General Agreement are to be brought into effect by the government, in so far as they have legislative power to do so.

Hon. Mr. KINLEY: By the signing nations?