

Trade, etc., as the Committee will have such information close at hand and may have the advice of numerous government officers who have been connected with actual operation of such bodies. The International Chamber, I may add, has also an official connection with the United Nations through its status as a non-governmental consultant in "Category A" to the Economic and Social Council.

What we propose to do this morning is to draw your attention to some of the more recent policy statements of the International Chamber of Commerce, which I feel might be helpful to your Committee in the broader consideration of steps which Canada might take to improve trade relations. In doing so I would like to emphasize that the statements of policy to which I shall refer represent the considered opinion of prominent businessmen in many countries. While the Canadian Council has not as yet participated fully in all the detailed international committee work which has led up to the various Resolutions of the Chamber, its representatives have attended its biennial Congresses abroad and many of its committee meetings and, as a consequence, we have accepted in principle the general thesis underlying all the International Chamber of Commerce's policy, namely, that of more liberalized world trade with an expanding volume of imports as well as exports, the reduction of special restrictions and formalities to a minimum, the free convertibility of currencies, the creation of a favorable atmosphere to foreign investment in capital-importing countries and the retention of trade in private hands.

With regard to the Committee's desire to study improved trading relations with the countries signatory to the Atlantic Pact, we would submit that the adoption of the International Chamber's principles and recommendations by such countries would indeed improve their economic relations, but the problems besetting world trade today can only be solved by the adoption of such principles by all trading nations.

### *I. Convertibility of Currencies*

The International Chamber of Commerce takes a fairly optimistic view of the question of re-establishing convertibility of currencies, which today essentially means that all currencies of the free world should be readily convertible into U.S. dollars. A Committee of the I.C.C. Commission on Commercial and Monetary Policy recently examined the question of how to provide, in case of need, facilities for countries whose monetary reserves are insufficient to bear the immediate impact of a free exchange market. This approach was based on the assumption that even though the establishment of free exchange markets might be possible now, there would likely arise temporary payment difficulties, and means would have to be established to tide individual countries over such short-term periods.

The International Chamber of Commerce has consistently taken the attitude that a primary requisite to the re-establishment of the convertibility of currencies was the creation of internal financial stability, that is to say, a reduction in deficit financing, a general steering away from inflationary policies and the establishment of internal price stability. The International Chamber of Commerce has felt that it must be realized that a country's domestic policy has a direct bearing on that country's balance of payments situation. In this connection the Report of the Sub-Committee which was published in February of this year states: "The re-establishment of convertibility is not a goal in itself but will result naturally from the restoration of general internal equilibrium in the individual countries and, when undertaken with sufficient safeguards, it will at the same time help in eliminating the danger of recurrent crises and in restoring monetary confidence, thus contributing to a recovery in savings and an expansion of productive investment."