

It must be recognized that the ability of many countries to give up quantitative import restrictions and discriminatory practices is conditioned by balance-of-payments difficulties. Many countries today are short of United States dollars, and will remain short unless and until imports into the United States increase greatly, unless of course other steps are taken to make available to them an adequate supply of United States dollars.

This fact places squarely on the United States a great responsibility for leading the way in the reduction of tariffs and the removal of administrative practices which restrict imports. Only if other countries have reasonably free access to the American market, can they be expected to adopt the liberal, nondiscriminatory trade policies contemplated in the International Trade Organization Charter.

Canada has a double interest in reduction of the American tariff. First, our own exports to the United States would benefit. In the second place, the ability of European countries to maintain their present heavy purchases from Canada depends on their ability to market more and more of their own products on this continent. Loans can help our overseas customers for the time being, but their capacity to remain good customers permanently depends upon enlarged markets for their exports.

Great difficulties stand in the way of maintaining and expanding world trade. The solution of these difficulties requires a body through which international cooperation can be effectively exercised. The International Trade Organization is being fashioned to meet that need. It should play a part in the field of trade comparable to that played by other specialized agencies of the United Nations. Without it, the International Monetary Fund and the International Bank for Reconstruction and Development would be left incomplete and unable to fulfil effectively the functions for which they were established. Together, the three organizations provide for a comprehensive approach to the problems of international economic cooperation.

In concluding this survey of international financial relations, may I say that I believe the next year or two are likely to be of crucial importance. Important institutions of international collaboration have been established in the form of the Fund and the Bank. They are endowed with large financial resources which provide not only sources of financial assistance but also a forum where countries can calmly discuss their problems with each other before they reach a critical stage. Through the International Trade Organization an attempt is being made to provide rules of conduct which will make for expansion and not contraction of world trade. Expansion of trade and the removal of unnecessary restrictions on trade will help greatly to create the basis for an enduring peace.

I do not believe that the measures which have been taken and the new international institutions that have been set up are cure-alls that will overcome the many difficulties in the fields of international trade and finance. I do believe, however, that they offer a practical approach to a solution of our problems.

Our task now is to manage our own affairs with care and diligence and to participate to the best of our ability in carrying out the operation of the new international machinery which we have helped to establish. Only in this way can we enable our own industries, our farmers and our miners to find satisfactory export markets over the years to come. In this way I think lies the best chance of Canada continuing to enjoy peace and prosperity.

**THIS ARTICLE MAY BE REPRODUCED ABROAD WITH CREDIT TO THE AUTHOR
AND PUBLICATION IN WHICH IT ORIGINALLY APPEARED**