

someone to clamour for tariff protection and quantitative restrictions to solve some immediate problem that besets the world. No matter what the contingencies, there are always some people who want to run for cover and protection whether or not there is any real threat of trouble.

Nothing can be more short-sighted than to give way to the pessimists and to curtail trade. Some few individuals may be helped by import controls, but in the long run curtailment of trade is not the road to prosperity and higher standards of living. On the contrary, restrictions more often lead to mutual impoverishment. We have to bear in mind that import controls spread like an epidemic once they start and are very difficult to check.

Sometimes, of course, restrictions are unavoidable for brief periods of time, and the General Agreement contemplates circumstances in which countries are quite entitled to resort to them. Along with many other countries Canada found herself in serious balance of payments difficulties during the period of readjustment which followed the last war. Our currency reserves were seriously depleted at that time and immediate action was essential to prevent a critical situation. In the circumstances, it was deemed necessary to impose import controls and this we did. The Canadian Government always regarded these controls as temporary and our industries were warned on repeated occasions that the protection offered by these controls would be withdrawn at the earliest possible date. This was in full accordance with our obligations under the GATT and it was also in the best interests of our national economy.

We knew that import controls would not provide of themselves a lasting remedy for the difficulties which beset us at that time. They merely provided a breathing space during which other methods could be made effective. The real solution to the problem was to increase the flow of trade. We stepped up our exports and we achieved a better balance of trade with each of the great currency areas of the world. I am happy to report that all of our emergency restrictions on imports were removed some time ago. Canada is now exporting and importing more than ever before.

We know that, if we wish to sell, we must buy. This view is obviously not shared, however, by all of the countries which participate in world trade, nor even by all of the countries represented here. Some countries have hesitated to take the risks which seem to be involved in the abandonment of import controls, even when these risks were at a minimum. It is to be feared that some of them have come to regard import controls as desirable in themselves, for the protection they bestow upon domestic producers. As a Minister of the Crown responsible for the imposition and administration of import controls in Canada, this is a point of view I have never been able to understand or to share.

All countries today are short of certain raw materials and often the shortages are serious. We in Canada produce many of these raw materials in abundance and every day we are approached by other countries which are interested in scarce supplies. Sometimes these very countries are still maintaining import restrictions against our goods, restrictions that were imposed some years ago for balance of payments reasons. At the same time, we find other countries imposing import controls on the very commodities of which they claim to be in the most urgent need. It is evident that