

throughout the world and the formulation of a code of rules by which the nations could agree to be guided in their commercial policy. Canada was among the countries represented at the conference on World Trade and Employment at Havana which early this year drew up the charter for an International Trade Organization.

This charter has not yet been ratified by governments but the General Agreement on Tariffs and Trade concluded at Geneva in 1947 has been in provisional effect since the first of this year. This agreement incorporates many of the provisions of the charter regulating the conduct of the nations in international trade and provides for the reduction of tariffs by all participating countries. Each country negotiated tariff reductions with each other country; in all some 100 separate agreements were concluded. These were consolidated in the schedules attached to the General Agreement on Tariffs and Trade and apply to all the countries.

Study of these schedules will indicate that this agreement is the most far reaching and comprehensive multilateral trade agreement ever attempted. The participating countries accounted before the war for about three-quarters of the international trade of the whole world and the concessions enumerated in the schedules apply to products representing about two-thirds of their import trade or, in other words, to about one-half of the world's trade. Of particular importance to Canada are concessions extended by the United States.

On the basis of prewar trade some 70 per cent of the dutiable imports into the United States from Canada have been subject to tariff reduction and it is reported that the United States tariff levels are now lower than they have been for twenty-five years. In spite of these steps, Canadian trade relationships with the United States have by no means approached a satisfactory equilibrium even yet.

Rapid growth of industry has led Canada to a position of increased importance in the world in recent years. Along with this has come an unavoidably increased measure of responsibility. When we take note of what the prewar systems of multilateral world trade and finance meant to the development of this country it is clear why it has been in our national interest to contribute in every possible way to the reconstruction of a viable world trading community. On a per capita basis Canada takes second place to no other country in the amount of financial and material support we have extended to the war-torn countries.

At the present time, our exports to Britain and Western Europe are being maintained at a high level through the medium of the European Recovery Programme, in which we are cooperating with the United States. Of the total authorizations for exports under this programme, which exceeded \$4 billion by the middle of December, 15 per cent have been for purchases of Canadian goods. These have accounted for 40 per cent of all authorizations outside the United States.

Before the war the United Kingdom and the other countries of Western Europe handled nearly half of the world's total trade. Their relationships to one another were of central importance to the international mechanism of multilateral payments. It is clear that Europe's prewar ability to buy from us was predicated