

system is essential to a maximum rate of world economic development. Moreover, in practical terms, the present Canadian pattern of trade requires a multilateral system.

I think one of the principal economic lessons the world has learned is that narrowly bilateral trading arrangements are frequently self-defeating policies, and also work against the expansion of world trade, which is so important to exporting countries such as Canada.

The establishment of the General Agreements on Tariffs and Trade and the International Monetary Fund - both institutions which Canada has firmly supported and in which she has played an active part - was of great significance in this respect, since they commit member countries to non-discrimination in trade and are designed to achieve currency convertibility and the elimination of trade and exchange restrictions. The prevalence of severe foreign exchange difficulties in many parts of the world following the Second World War frustrated the achievement of the multilateral system for a number of years. More recently, however, with the improvement in world economic and financial conditions, there has been considerable progress.

In this connection, I should like to say a few words about the Commonwealth Trade and Economic Conference which was held in Montreal just over a year ago. This, the first full-scale Commonwealth Conference of its type in over a quarter of a century, not only strengthened the trade and economic ties among the countries of the Commonwealth, but it gave a new impetus to multilateral trade policies on a world-wide basis. This was well illustrated by the theme adopted by the Conference: "An expanding Commonwealth in an expanding world". The many important discussions and negotiations that were held between individual Commonwealth partners were based on the realization that the Commonwealth, by enlightened co-operation, should reaffirm its place as a force for expansion of world trade, economic growth and the social betterment of peoples throughout the world.

The concrete results of the Montreal Conference were impressive in themselves. Perhaps equally important is the atmosphere which that Conference helped to create. While there may be differences of opinion about how many of the subsequent events were directly attributable to the Conference no one would deny that the constructive attitude displayed in Montreal has influenced the later policies of many countries inside and outside the Commonwealth. To assess the value of the Montreal Conference one has only to imagine how much different the present situation and prospects might have been if the Conference had not taken place or if it had gone off in a restrictionist direction.