

Hon. Mr. HAYDEN: There would be nothing left to sell, because there could not be any problem if you agreed to sell everything to one country.

Mr. DEUTSCH: Well, that is precisely one of the factors which would have to be considered. In other words, if other countries are prepared to make the same offer on exactly the same terms they must be given the same opportunity. If they are not the country has the right to complain to the organization.

Hon. Mr. TURGEON: Would that apply then to private trading? Supposing the wheat vendors of Canada were private traders instead of the state, could this proposed organization say that the private traders of Canada could not sell all their wheat to Liverpool, they must sell it to France, and so forth, in equal quantities?

Mr. DEUTSCH: No, I don't think so, senator.

Hon. Mr. TURGEON: I do not think so. I just wanted to see what you would say.

Mr. DEUTSCH: It is assumed that the private traders will act on commercial considerations.

Hon. Mr. HAIG: When the first section was discussed it was mentioned that the charter provides provisions for helping to prevent a depression. What were those provisions?

Mr. DEUTSCH: I probably did not make myself clear on that point. This would not necessarily help to prevent a depression. It simply provides for consultation between countries in order that they might explore what action they could take together.

Hon. Mr. HAIG: There is no formula.

Mr. DEUTSCH: No, it does not pretend to provide the answer of how a depression can be avoided.

Hon. Mr. HAIG: You have suggested that backward countries—not using the term in a derogatory sense—wanting to industrialize themselves could do so and so. What formula was to be used in doing that? How did they get around that? Let me help you a little. Put your mind back to 1878.

The CHAIRMAN: That is a long time ago.

Hon. Mr. HAIG: At that time we were a backward country and we put on tariffs against all the world and have kept them on ever since. What is the formula for these backward countries of today? We were a backward country then, and I would like to know what formula would be used to help these countries now.

Mr. DEUTSCH: In the first place a country was not obliged to bind any particular tariff. It could decide for itself which tariffs it would not bind, or if a country had in mind that it wanted to protect a certain series of industries by tariffs, it could simply refuse to bind those tariffs. So, in the future a country can raise the tariffs on those items it has not bound. That is one thing. However, I might explain also that a lot of these relatively undeveloped countries felt that the tariff was not an effective way of giving protection. They felt that whatever use other countries, such as the United States or the United Kingdom or Canada may have made of tariffs, for their particular position the tariffs were not adequate. That is the big complaint they had. They said, "It is true, you say to us we did not need to bind our tariffs, and if we don't bind them we can use them. But that is not good enough". That is the answer they gave.

Hon. Mr. HAIG: Why?

Mr. DEUTSCH: Because they felt that putting on high tariffs, particularly in the case of a small country with a small population, would simply raise the prices to a very high level which would be very bad for their consumers, and even though they did raise those prices to a high level it might still not be suffi-