

in international trade." The successful negotiation of the General Agreement on Tariffs and Trade in the fall of 1947 was an important step along the road to the fulfilment of this undertaking. Since this multilateral agreement is by far the most significant tariff action taken since the end of the war, I want to say a word about it.

The history of the Geneva Agreement is closely related to the project for an International Trade Organization. In April of 1947 the principal trading nations of the world gathered at Geneva, under the auspices of the United Nations to do two things. Firstly, they completed the draft of a Trade Charter for submission to the Havana World Conference. Secondly, they negotiated with one another for the mutual reduction of tariff and other trade barriers. Nothing like this had ever been tried before in the history of commercial relations. Twenty-three countries which account for over 80 per cent of world trade took part in this Conference. The tariff schedules which emerged contain more than 45,000 tariff concessions. Under the most-favoured-nation principle each participating country received the benefit of all the tariff concessions as a contractual right.

The commercial provisions of the Agreement, although complex and detailed, are really based on a few simple principles which conform rather closely to the long established principles of commercial policy practised in Canada. While their full implementation was not expected immediately they do, however, represent a set of agreed objectives providing for the kind of trading world we would like to see.

I want to emphasize, however, that the Geneva Agreement is not merely a hope for the future. As far as Canada is concerned, we are already deriving substantial benefits. For us the Geneva Agreement is a particularly gratifying achievement because it confirms on a world scale the objectives towards which our trade policies have been steadily directed for many years. From an immediate and practical point of view its chief importance for us is to be found in the tariff concessions, especially those made by the United States. I think it is fair to say that the United States market was broadened to us by the Geneva Agreement to an extent greater than had ever been achieved in the past, and we have already received substantial benefits in terms of increased exports to that market. In 1949 Canadian exports to the United States reached the highest level in our history--even exceeding the wartime record when the special Hyde Park arrangement was in operation.

No discussion of Canadian trade and tariff policy would be complete without reference to the emergency measures which we were compelled to adopt in 1947. At a time when we had made an important step towards the goal of freer trade other forces were at work which compelled us to take a sharp detour.

You will recall the circumstances that led to our exchange difficulties in 1947. Our overseas customers had emerged from the war in a weakened position. Their import needs were great, but their capacity to pay was limited. As part of our contribution to world recovery and in order to maintain our overseas markets, Canada extended substantial export credits. At the same time, boom conditions in Canada, and rising prices in the United States, swelled our imports to unprecedented heights. Since we were obliged to sell a