

the extension of this Act in its present form is at best limited inasmuch as a very large proportion of the concessions possible under the existing Act have already been made. The President has also asked the Congress to pass the Customs Simplification Act, enactment of which has been sought for a long time. The stand taken by important sections of American business opinion on the need for this action is particularly encouraging to all countries trading with the United States. Its importance has been stressed by the Canadian Chamber of Commerce ever since the measure was first introduced.

A second event of vital importance to Canada is the expected meeting later this year of the countries subscribing to the General Agreement on Tariffs and Trade (GATT). The tariff agreements signed at Torquay in 1950-51 run for a period of three years and are, therefore, due for renewal this year or early in 1954. It will, of course, be recognized that GATT has resulted in some reduction of trade barriers to Canada's benefit. At the same time it has established a code of conduct in a field where no such principles were recognized before. However, experience with GATT has been to some extent disappointing in Canada. When she herself has striven at all times to maintain the promised tariff concessions both in letter and spirit, several of the other subscribers, including the United States, have violated and continue to violate their obligations thereunder. Further, other of the subscribers, while adhering to the letter of GATT, continue to maintain restrictions not justified by their balance of payments position today. To-day's uncertainties in regard to international economic policies of nations may furnish an explanation for this attitude. The importance to the international trade of the free nations of earnest development of GATT cannot be overemphasized.

International trade is, and always must be, a two-way affair. One country alone cannot achieve, let alone maintain, the highest possible living standards without importing foreign goods and services and what is particularly true in the case of a growing nation like Canada, accepting foreign loans and investments. But to import such goods and services a country must be able and ready to pay for them and it can only make payment by the export of its own goods and services. Thus, international trading causes balance of payment problems. Today the nations of the free world do not have co-operation in balance of payment matters one with another. This is the crux of the problem, as we see it.

We do not think it necessary here to recapitulate the many and complicated factors underlying this problem in all its aspects or to dwell on the benefits which can be expected to flow from a solution however elementary. In point of fact, these were placed before your Committee, Mr. Chairman, at some length on March 25th by one of the member Boards of The Canadian Chamber of Commerce, the Quebec Board of Trade, and we are indebted to Dr. Alfred M. Landsberger, their Economic Consultant, for his contribution on the problem. The Foreign Trade Committee of The Canadian Chamber of Commerce shares in the conclusions of the Quebec Board of Trade that any attempt fundamentally to improve economic co-operation between the democratic nations of the free world must start with systematic co-operation in balance of payment matters.

In the opinion of the members of the Foreign Trade Committee of The Canadian Chamber of Commerce, the ground-work for such co-operation can be said to be in the making today on the basis of the recently published statements by the United States and the British Governments. These statements and those of the Canadian Government, stress the great importance of developing policies to achieve the objectives of multilateral trade, the free flow of capital, economic development and the convertibility of currencies.

In his State of the Union message to Congress, President Eisenhower laid emphasis on the importance of the trade policy and the economic relations