

however, most of these measures have outgrown their usefulness, and their original necessity. Our primary objective should be to complete the task of dismantling restrictions. This is the pre-condition of establishing world trade and the world economy on a secure and prosperous basis.

Each of our governments wishes to improve standards of living, to develop material resources and to live in harmony with its neighbours. None of us can afford to live in a world which is economically divided, now that better arrangements have become possible.

Having spoken of quantitative restrictions, I should refer also to export subsidies. Just as quantitative restrictions disrupt trade, so do export subsidies disrupt trade. Both types of measures tend to distort trade from its normal and efficient patterns. When countries apply export subsidies, there is always a danger that they will take export business away from someone else. Such policies are uneconomic, to say the least, and they lead to a great deal of friction between governments. Export subsidies are also subject to the criticism, which I understand has been expressed by several delegations, that only wealthy countries can afford to employ them on a large scale. My delegation hopes that a satisfactory agreement can be reached on this matter.

Another major objective of this Review Session is to provide continuing arrangements with regard to tariffs. This is the field in which the accomplishments of the Contracting Parties have been the greatest, and in which our techniques of work have been the most highly developed. In successive rounds of international negotiations, tariffs have been reduced, and they have been contractually bound in GATT schedules at these reduced levels. Opportunities will again arise to effect reductions in world tariffs, and the Contracting Parties should be prepared to take advantage of them. The Canadian Government will be interested in studying any proposals for mutually advantageous negotiations in the future, in the light of the balance of the agreement, as it exists at that time.

While on the subject of tariffs, I want to say just a word about preferences. My Government has no intention of wholesale abandonment of existing preferences. In our view, preferential margins, like tariffs, should continue to be subject to reduction through the normal processes of negotiations. Any increases of preferences would, of course, be contrary to the principles of the General Agreement. On this matter, the position of the Canadian Government has not changed and we would not wish to see any change in the agreement.

The immediate task is to ensure the status of the tariff items which are now bound in the GATT schedules. It is now seven years since the first major round of tariff negotiations,