

STATEMENTS AND SPEECHES

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INTERNATIONAL MOBILIZATION TO MEET ECONOMIC PROBLEMS

An address by Hon. D. C. Abbott,
Minister of Finance, to the Canadian
Life Insurance Officers Association,
May 15, 1947.

I decided I would speak to you today about certain important international economic problems now facing the nations of the world, and in particular about three new international institutions designed to assist in meeting those problems.

I believe the subject is timely because two of these institutions -- the International Monetary Fund and the International Bank for Reconstruction and Development -- have recently commenced active operations, and the third -- the International Trade Organization -- is now being fashioned at Geneva. All three institutions are needed to develop sound international trade in the years ahead. I need not add that a high and expanding volume of world trade is an important support of continuing prosperity and a not inconsiderable factor in the maintenance of a stable peace.

Through cooperation and combined effort, the United Nations were successful in winning the war. We have before us now the opportunity of cooperating to rebuild a world economic system. But there are great difficulties and risks involved. There is a real danger that wartime cooperation will disintegrate; that short-sighted nationalistic policies will be adopted to meet exchange and currency difficulties; that in the absence of agreement international trade will be hamstrung by such things as restrictive tariffs and quotas; and that international trade will break down under the cumulative strain of war and of postwar pressures.

Canada, in common with the rest of the world, would lose heavily by even a partial breakdown of international trade. Economic isolation for Canada as for all countries in the modern world is as impractical a policy as political isolation. Export trade is the basis of our employment and prosperity. Something like one-third of our people are directly dependent upon it, while the rest of us depend upon it indirectly to a considerable degree. Without good export markets and healthy export industries, Canada cannot be prosperous. When Canada is prosperous, she is always a heavy importer, particularly from the United States. Such imports assist the expansion of our industries, and contribute to our standard of living.

It is good business for Canada to do all she can to assist the restoration and maintenance of sound multilateral international trade on a permanent basis. We, in Canada, have a real stake in the success of the three institutions which I propose to discuss. It is only using common sense on our part and exercising self-interest to support them. I believe that thinking people throughout the world are coming to recognize that enlightened self-interest requires that traditional policies may have to be modified where necessary in order to restore multilateral trade on a sound basis.