

For Canada the conclusion of the General Agreement is of particular importance. Nearly a third of our national income is derived from external trade. We stand to gain much from the re-establishment of multilateral trade on a broad basis. The alternative to multilateral trade is bilateralism and barter deals. Canada would be one of the heaviest losers from the contraction of world trade which would follow from the general adoption of a policy of special deals between pairs of countries.

We have been glad to co-operate with the other participating countries in making a success of the Geneva negotiations. I do not regard the outcome as a victory for the special point of view of any one of these countries. The General Agreement is the result of a genuine co-operative effort in which each country made concessions for the good of all, and gained advantages which will benefit also the other countries. This is inherent in the multilateral approach. It is this that makes the success of the Geneva negotiations so encouraging for the future of international co-operation.

In one important particular our trade relations with the United Kingdom have been placed upon a new basis. The new basis is embodied in letters exchanged on October 30th. While continuing to accord to each other the preferences remaining after the conclusion of the General Agreement, both Canada and the United Kingdom recognize the right of the other to reduce or eliminate such preferences. At the same time, favourable tariff treatment for the products of each country imported into the other is assured by the understanding that in respect of products enumerated in the appropriate schedules to the general agreement the rates of duty in force in both countries shall not be increased above the level in force before the war.

In initiating preferences fifty years ago, the Canadian Government of that day had in mind the voluntary granting of tariff preferences to one another by the different parts of the British Commonwealth of Nations. It was not intended that there should grow up a system which would prejudice the maintenance of friendly relations with other countries. On the contrary what was envisaged was a system whereby trade would be increased among British countries, full opportunity being afforded at the same time for the expansion of their trade with other countries.

If Canada is to play its part in furthering the objectives of the International Trade Organization, it is important that the Canadian Government should have freedom to determine the extent to which it shall maintain preferential arrangements while carrying out its obligations under the Charter. We do not consider that a system under which the power to reduce the Canadian tariff may be dependent upon the consent of other Governments is consistent either with the spirit in which preferences were originally extended by the Canadian Government, or with those principles upon which continuing co-operation in economic matters can be carried on between the countries of the British Commonwealth.

The outlines for the long-range plan to expand trade have been clearly drawn by the various agreements concluded in Geneva. They will be supplemented by further positive measures. Equally clear is the need of adjustments to meet a temporary situation.

What in a word I should like to say tonight to the people of Canada concerning these two matters is simply this.

At all times and at all costs we must keep our real and long-run objectives constantly in sight. We must meet the requirements of the short-run situation courageously, competently and with confidence, accepting emergency measures for what they are - drastic but temporary adjustments. By making sure that the emergency measures we have to take are not permitted to hamper or distort our long-run objectives, we shall, by the enlarged opportunities for world trade made public today, be greatly furthering our country's growth and development. It is to wider horizons that Canada must ever look.