

Well, then, what is the GATT? It is simply a series of trade agreements among the 34 or 35 member countries, rolled into one big General Agreement. Instead of having individual bilateral treaties with each other, as was the situation before the war, the member governments decided in 1947 to have one General Agreement governing their mutual relations in the field of tariffs and trade.

This marked a great step forward. For the first time in history, there came into being a commonly accepted code of commercial behaviour, applicable to all except a minor fraction of world trade. For the first time in history, the major trading nations got together for the express purpose of reducing the level of tariff barriers.

That is why the Canadian Government has been such a strong supporter of the strongest possible GATT. We are a trading nation. In a literal sense we live by trade. It is in our interest to support international efforts to reduce barriers to trade, and to give leadership in that direction when opportunity arises. This is not impractical idealism. For a country like Canada, it is the most practical kind of realism and common sense.

Admittedly the GATT is not a perfect instrument from our point of view, or from any country's point of view. Any trade agreement, acceptable to a large number of countries, must involve compromises amongst different points of view. While none of the participating countries can be completely satisfied with it, it has undoubtedly performed a useful job for all concerned. I think there is a wide measure of agreement in all countries that the world is richer, and standards of living are higher than they would have been, had there been no GATT. Certainly Canadian trade has benefitted from the major tariff reductions that have been negotiated, particularly with the United States, as have we benefitted by the existence of a code of trading rules.

The most concrete accomplishments of the GATT have been in the field of tariffs. In negotiations under the General Agreement, tariffs applicable to more than 80 per cent of world trade have been reduced, and contractually bound at the reduced levels. Canada and the United States have carried on extensive tariff negotiations with one another, in 1947 at Geneva and in 1950 at Torquay. Everything considered, these agreements have worked out to Canada's advantage, and I know they have been of benefit to the United States as well. Out of the tremendous annual total of our exports to the United States, 97 per cent are admitted to the United States under tariff items that are contractually bound in the General Agreement on Tariffs and Trade. I use the United States as an example because it is by far our largest customer.

The actual procedures of tariff negotiations, which have taken place under the General Agreement on Tariffs and Trade, are similar to those which prevail in any market place. Individual tariff items are discussed on both sides and possible reductions are