Foreign Trade Measures.—In seeking to improve Canada's foreign trade position in the unsettled post-war period, it has been necessary to take account of long-run and short-run objectives. The long-run objective has been to foster, with like-minded nations, the development of a high level of international trade on a multilateral basis, thereby attempting to reverse a trend to increasing economic nationalism evident before the War. The short-run objective has been to cushion the Canadian economy against unfavourable external economic influences resulting from the disorganization of war. This has taken two forms—the extending of various kinds of assistance to wartime allies, and the maintaining of the country's economic solvency in a world in which most national currencies were not freely convertible into other currencies.

In pursuit of the long-run objective Canada participated in the continuing work of numerous international organizations and extended her trade connections abroad.

The Conference of the contracting parties to the General Agreement on Tariffs and Trade, held at Annecy, France, from April to September, 1949, was one in which Canada took a leading part. The original 23 contracting parties to the General Agreement carried out tariff negotiations with 11 acceding countries. Although tariff negotiations were carried on between contracting parties and acceding countries only, the application of the most-favoured-nation rule resulted in Canada obtaining a number of important concessions that were not bargained for directly, some of the most important of which were received from other contracting parties.

Concurrently, the contracting parties held their third session and dealt with the practical applications of the general trade provisions which had been drafted at Geneva and at the first and second meetings of the contracting parties. A major task was to establish procedures by which important articles of the General Agreement could be applied, such as the method by which a country should introduce discriminatory measures to further its own industrial development or correct foreign exchange difficulties. The fourth session of the contracting parties to the General Agreement was held at Geneva from Feb. 23 to Apr. 6, 1950. The Conference worked out a method for the extension of General Agreement tariff concessions for a further three-year period and reviewed the trade-restriction effects of foreign exchange practices. It also did the preparatory work for a third set of multilateral tariff negotiations planned to begin at Torquay, England, in September, 1950. At that time, an opportunity will be provided for tariff negotiations not only between contracting parties and five or six other countries that have indicated an intention to accede to the General Agreement, but also among countries which are not contracting parties.

In the opening months of 1949 Canada and 46 other countries participated in a conference which resulted in the drawing up of an International Wheat Agreement. Subsequently, five exporting countries (Canada, the United States, Australia, France and Uruguay) and 36 importing countries signed the Agreement. The Agreement is operative for a four-year period, and calls for the exporting countries to furnish, and importing countries to purchase, a total of approximately 450,000,000 bushels each crop year. The Agreement limits the maximum selling price to \$1.98 per bushel in Canadian dollars and provides a minimum price of \$1.65 in the first year, dropping 11 cents each year to \$1.32 in the final year of the Agreement for No. 1 Northern wheat in store Fort William-Port Arthur or Vancouver. Canada's annual quota was set at approximately 200,000,000 bushels but is subject to change as other countries join the Agreement or importers' quantities are increased.