

whatever they may be - of such action by attempting to give it some transparent disguise. The plain fact is that no financial or monetary sleight of hand can, of itself, solve the problem of unbalance in our trade with the sterling area.

We should recognize that we are faced with a tough long-range international problem which is as political as it is economic; which is in some ways as novel as it is complicated and for which there is no single or simple remedy. A return to the freedom of trade of 1914 is not practicable because the political and economic conditions of that age have disappeared, possibly for good. At the other extreme is the remedy of total control of trade by governments, which means bilateral deals, barter arrangements, etc. As I see it there is no salvation to be found in this approach which restricts enterprise and initiative and which inevitably tends to limit the areas of exchange and subsidize high cost production.

Somehow or other the flow of goods multilaterally must be restored and this can only be done by a concerted effort based on close and friendly understanding and co-operation between the new world and the old.

It should - as I have suggested - involve a re-examination of economic policy by all the countries concerned, in the light of the present international economic and political position. Especially, if I may say so, is this true of the United States which, notwithstanding its magnificent contribution in loans and gifts to less fortunate countries, still has a large favourable balance of payments with the rest of the world, which can hardly be justified by its creditor position.

At the same time, the countries on this side of the Atlantic have the right to some assurance that the measures which have been taken, or may be taken, to assist Europe, and thereby ourselves, will be met by measures on the other side which will make such assistance effective and not mere "down the drain" help; and that such assistance will not be used to build up high cost, restrictive areas from which we will find ourselves in the future virtually excluded.

The task of reconciling these interests - these various aspects of the one problem - is a terribly difficult one. If we are to succeed in it, and it is vital that we should if we are to win the battle against the reactionary forces of Soviet communism, we will need more vision and wisdom than the democratic countries sometimes show in their economic and financial relations with each other. Each of us may have to forego some immediate advantages for the long-term general good. To put it in concrete - and Canadian terms - we, here, may at times have to forego winter lettuce from the winter vacations in California. We may also have to watch imports from the United Kingdom, encouraged by our government, compete successfully with our own domestic products.

In working out these problems successfully, in attempting to reconcile these differing interests, we can, I think, use our North Atlantic Pact - our North Atlantic Alliance. It may provide the foundation for a great co-operative economic commonwealth of the Western world - which one day may become a political commonwealth. You may say that this is unrealistic nonsense, but I suggest that in this jet-propelled, atomic age, no plan less than this will be adequate; no vision less than this will do.