

Looking back over the period that has elapsed since the decision was first taken to embark upon this fair, I wonder whether, if we could have foreseen the course that events have taken during those two years, we would have reached the decision that was reached. In the spring of 1946 we had reason to believe that the recovery of world trade was getting well under way. We thought also that the financial and other measures that had then been provided to tide over the immediate postwar period would be sufficient to underwrite the steady improvement of international commerce for quite a long period ahead. We need not now feel that at that time we were taking a shallow and superficial view of the situation, but certainly, in the light of what has since occurred, we may now freely admit that neither here in Canada nor elsewhere, did we have the information required to enable us to realize fully the magnitude of the economic damage that had been wrought by the war. It took the events and developments of 1947 to bring into the open the real depth and nature of that damage. We had been expecting and, in fact, making our calculations to a considerable extent on the basis that 1947 would be a year of continuing improvement in world trade and that by the spring of 1948 international commercial recovery would have reached a much more advanced stage than it actually has reached. Consequently, this Trade Fair is now being held under conditions greatly at variance in many respects with what we had hoped.

Granting that some of our expectations of a couple of years ago have turned out to be rather wide of the mark, we may nevertheless feel well satisfied that the timing of this fair has been abundantly justified. True, the fact that the reconstruction of world trade has not got as far forward as we had counted upon means that business men who have come to the fair either to sell or to buy are faced with many handicaps in trading with one another. But it is also true that the value and the wisdom of holding a major International Trade Fair on this side of the Atlantic are even more clearly apparent now than two years or more ago.

We have gained, largely within the last twelve months, a much more sharply defined picture of the extent to which the sound and enduring recovery of international commerce must depend upon redressing the balance of trade between this North American continent and the countries of western Europe. Moreover, it has become clear that the impulse to reconstruction cannot spring unassisted from the countries of Europe themselves. To a far greater extent than we had at first imagined, the economic rehabilitation of the world is dependent upon the countries of the western hemisphere. Once the full necessities of the case become evident, it was with remarkable speed that a comprehensive programme of economic aid was launched by the passage of the Economic Recovery Act through the United States Congress. The part that Canada will play in this programme has been the subject lately of a good deal of comment and speculation and of speeches by colleagues of mine who are better qualified than I to deal with the purely economic aspect of current events. I should like, however, if you will allow me, to dwell a little upon the similarities between the economic developments of the last few years and those which have taken place in the political field: similarities to be found not only in the picture as a whole, but also in the opportunities and responsibilities which have devolved upon Canada as a result.

The San Francisco Conference was held in the early spring of 1945. At that Conference, as you know, even before hostilities had ceased, representatives of the allied and associated powers met to lay the foundations of an international organization to help us to replace mutual suspicion with international co-operation and to substitute the open and friendly settlement of disputes for the threat or use of armed force.

The moral and psychological wounds of war have, however, proved to be deeper and more stubborn than most of us then thought. Three years after the San Francisco Conference, in the early summer of 1948, it is still not possible to attain the degree of international co-operation for which we had worked and planned. We all know that the chief difficulty

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