

*The Address—Mr. Drew*

in impact upon the other. Each will have a profound effect on the future of all free nations of the world.

When the ten-point recovery plan was announced at the end of the Washington conference it was difficult for those who were gaining their information from the press and the radio to find reasons for the optimism expressed by those who had attended the conference. Important though the decisions were, and gratifying though it was to see a unanimous plan of this kind produced, the ten points put forward did not seem to solve the really fundamental problems, and some of them would in any event take many years to work out. It is now apparent that the confidence expressed related to the fact that the decisions of those attending the conference were to be followed by a revaluation of the currency in many countries for the purposes of international exchange.

This is at least a first step on the road towards flexible international exchange which will facilitate free movement of goods and commodities from one country to another under normal trading practices. It does seem clear that the international value placed on the pound sterling is an attempt to estimate the actual present value of the pound in international trading. It is to be hoped that this is merely the beginning of a more flexible procedure, and some measure of continuing adjustment to actual international exchange values, as was intended when the world bank and the international monetary fund were set up.

Quite apart from any detailed results which may flow from the A.B.C. conference, as it has already come to be called, there was one great achievement which will undoubtedly bring satisfaction to everyone; its importance cannot possibly be overestimated. There is no doubt that the efficacy of the Atlantic pact rests upon the economic strength of the nations who have joined together in order to reserve peace. Their unity depends, however, upon something more than trade and economic stability. It depends also on mutual good will, friendship, and understanding. There is no escaping the fact that during the latter weeks of the summer there had been alarming suggestions of increasing friction between the United States and Great Britain, growing out of the economic problem. I am not suggesting that there was any evidence of friction between the governments, but here certainly was some reason for concern about the increasing misunderstanding between many of the people in those two countries. If this friction had become a reality, it might have threatened the whole future of the North Atlantic pact, because

the wholehearted friendship of the United States and Great Britain is the very foundation of that great fellowship.

Much has been accomplished, and undoubtedly now that the facts are more fully known it certainly will be agreed that more has been accomplished than was originally thought; but if nothing else had emerged from the Washington conference which terminated a week ago than the clear evidence of harmony and good will among Canada, Great Britain and the United States, that meeting would still have been a very great achievement at this particular time. In bringing about this measure of friendly understanding of their mutual problems, Canada's representatives played a part which will, I am sure, meet with the approbation of Canadians generally in every part of the country.

It is important that we remember, however, that dramatic and far-reaching as were the decisions announced yesterday, and important though the decisions may be that will be announced by the Canadian government later today, this is only the beginning of the solution of our major problem, gratifying as the steps already taken may appear to be. Although the government of the United Kingdom expresses confidence that the revaluation of the pound will greatly expand Britain's export trade, the problem still remains of finding a way in which Britain and the other sterling countries can purchase our products. Undoubtedly the intention and the hope in this decision is that this change will make it possible for Britain to export more dollar-earning goods. But still dollars must be earned, and therefore it is only the first step and not the ultimate solution of the problem itself.

Much of what Britain has been buying from us had depended upon the availability of ECA funds. It is expected that those funds will no longer be available after 1952. In the meantime the amount available is steadily diminishing. It is not to be expected that the United States, enormous though their production power may be, can long continue to assume the tremendous international burden which they have assumed during the years since the war. Therefore everything that is now done, every plan that is now examined and considered, should in caution be based upon the assumption that the funds will no longer be available after 1952, and that in any event a diminishing amount of these funds will be available for purchases in Canada by Marshall Plan countries.

There has been a tendency for Canadians to feel that this is a problem remote from us, that it is a problem affecting Great Britain alone, and that we can stand back and hope