

adjustment must be a matter of compromise. The new countries such as Canada, Australia and New Zealand were forced into middle ground. We pointed out that we were exporters of raw materials to highly industrialized countries such as the United States and Great Britain which emphasized the basic position of private enterprise; and that we were forced to rely on state activity for the introduction of capital essential to the production of those raw materials. The violent fluctuations which characterized an economy based on private initiative had their effects in the reduction of prices of our raw materials which in turn left us exposed to heavy payments of debts incidental to the fixed charges which accumulated under conditions of state intervention. As a result of our close contact with countries emphasizing private enterprise, we were gradually being pushed in the direction of Italy and Germany in which state intervention became increasingly the rule. The burden of debt left no alternative. On the other hand, the state intervention of the Italian and German systems tended to press in the same direction but from a different quarter. The marked increase in wheat production which has characterized the "bataille du blé" in Italy and similar measures in Germany, has narrowed the market for Canadian wheat and has accentuated still further the problem of debts.

The types of state intervention which had proved successful were outlined in various memoranda and the whole described in the report of the rapporteur. The summary presented by the rapporteur was perhaps not as effective as it might have been, as it tended to neglect the interrelation between the conclusions of the two committees. The conclusions were sent forward to the world economic conference.

Generally, one was tremendously impressed by the growth of nationalism. A reading of the memoranda submitted leaves an impression that nationalism is destined to become more intense. The conference included in many cases the ablest academic economists of various countries most of whom had grown up under the traditions of classical economics and it was significant that it was forced to recognize the doom of laissez-faire. I was very much impressed with the obvious futility of liberal arguments advanced by the Anglo-Saxons in the face of the entrenched positions of the nationalists.

It will be evident that Canada must play an increasingly important role, not in interpreting the United States to Great Britain or vice versa, but in interpreting the standpoint of those Anglo-Saxon countries to other countries of Europe. In forthcoming meetings, Canadians should take the greatest possible interest. The necessity of such activity was emphasized with rather tragic significance in various references to the expulsion of the Jews. Many at the conference were Jews who recognized in such activities the last hope of the race. Undoubtedly this had its advantages to the Conference but it has its dangers. A collective system cannot thrive on the outcasts of its component parts. It is important that the representatives should bring