

the suspicion of sheltering a lot of uncompetitive industries behind their present import restrictions.

That is a rather blunt and harsh kind of diagnosis, and it is open to the reply that it assumes that North American markets are ready to accept imports on a sufficiently large scale if the goods are offered at competitive prices.

I shall not attempt to distribute the responsibility for the dollar problem. At any rate I do not think that "pointing the finger" does much good at the present time. We can't afford to postpone the reduction of trade restrictions until we get unanimity of opinion about the precise and true causes of the dollar shortage. The most hopeful sign today is that some of the countries that have been making extensive use of import controls appear themselves to be more receptive to the idea of getting rid of them. They recognize that they are at best a kind of emergency defence, that they do tend to encourage uneconomic industries, both old and new, and that the sooner they can be dispensed with the better. How general that attitude has become, I do not know, but it has been in evidence in some very important quarters and it is certainly a most significant and welcome sign.

The urgency of moving without delay towards the removal of restrictions cannot be over-emphasized. Import restrictions imposed for temporary purposes have a way of becoming permanent. Although they may have been absolutely essential to stop the drain on dollar exchange, quantitative restrictions on imports do in fact make it more difficult to bring about a permanent cure for the dollar problem. The responsibility for taking removal measures does not lie in our hands. But I doubt whether the task will be undertaken without the encouragement and co-operation of our two countries, and particularly the United States.

I am confident that it is possible to re-establish a world in which non-restrictive trade policies will once more predominate, but here again, I come back to the great essential -- close and tenacious co-operation by all the free nations -- a resolute will to work together.

We in Canada are hopeful that the time is now ripe for a fresh attack on the problem of trade restrictions. As you may know, the Governments of the Commonwealth are meeting in London later this month, and the question of trade is high in the agenda. Canada, of course, is not a member of the sterling area, but we have been invited to participate and we shall take a constructive part in the discussions.

What Canada wants to see emerge from these Commonwealth talks is not a sterling area plan or a Commonwealth plan, but something very much bigger, in which North America and the free world generally can play a full part to the advantage of all concerned. This kind of an approach, we firmly believe, has the best chance of success. And that is what I hope will emerge.

My message then is one of hopefulness on the prospects for world trade. It is now at a very high level. There are opportunities for further expansion. True, trade restrictions have multiplied, but I believe that there is a