

of resources. For some time the fabric of international economic relations has been held together through the provision of special assistance, improvised measures and other expedients. The value of such expedients is diminishing and their existence becoming more precarious.

The unsatisfactory condition of international economic relations, the dangers and weaknesses resulting therefrom, are matters which are now in the forefront of our common problems. They are a challenge to the vitality and endurance of our free societies. Concerted and determined efforts to build a stronger economic framework cannot be long postponed without grave risks both to our common security and to our common prosperity.

These matters are of growing concern to Canada, not only because we depend so much on international trade for the level of our economic activity; but because we feel that they are relevant to the goals which all free peoples seek in this troubled world.

In the post-war period when the institutional framework of the International Monetary Fund, the International Bank for Reconstruction and Development and the General Agreement on Tariffs and Trade was established, Canada played as active a role as any other country in the discussions. Like the other participants, we were anxious that the pitfalls into which countries tumbled in their efforts in the inter-war period to solve the problems of employment and international trade should be avoided in the post-war period. You will agree, I think, that these arrangements for international co-operation and consultation have been of great benefit to all countries that have participated in them.

To achieve these goals we must avoid now any action which would weaken or destroy our faith in international trading and financial arrangements and cause us to revert to a policy of every-man-for-himself and the devil take the hindmost. That way lies economic and political strife and division. There would be no surer way to weaken the free world, and to direct it into the hands of those who would convert it into a totalitarian tyranny than to permit the volume of international trade to start on a downward spiral, with countries again resorting to the unilateral and restrictive measures which brought the level of such trade in the 1930's to a mere trickle. This may be exactly what the forces who are opposed to our free way of life are now contriving. This may be their latest "secret weapon". It may be their economic atom bomb.

Cominform doctrine teaches that capitalist states left to themselves will destroy one another by their internal and mutual contradictions. Apologists for the failure of this doctrine to operate in recent years argue that the stimulant of rearmament and the economic collaboration of the free world have arrested its orthodox development. Therefore, they conclude that if the threat to our security could be withdrawn, or appear to be withdrawn, the economic collapse which Communist theory has been forecasting for years might soon become a reality.