

like the United Kingdom will have to take the steps necessary to get into a competitive export position. Above all, as we see it in Canada, emergency restrictive measures which may now have to be taken in sterling countries should not lead to the establishment of practices and policies which will become ends in themselves rather than merely means to an end; that end being the restoration of world trade on a freely convertible basis. If certain trading areas are allowed to become frozen, this may force other areas into following the same negative and restrictive principles. This would be more than stupid. It would be a tragedy if the western democratic world, on the very morrow of the Atlantic Pact which marked so encouragingly the end of political isolation, substituted for that isolation a form of economic isolation through the formation of dollar and sterling blocs, looking at each other with irritation and suspicion over mounting trade barriers and diminishing trade returns. No one could possibly benefit from such a development except those patient calculating gentlemen behind the Kremlin walls and their agents throughout the world. Their ill-concealed satisfaction over this possibility should be our warning not to permit it to happen.

I may seem, gentlemen, to have strayed a long way from the Central Canada Exhibition. If so, I apologize for my wanderings, and I thank you for your forbearance.

In conclusion, Mr. Chairman, may I wish the Exhibition a most successful and productive week. I feel sure that this 1949 meeting will live up to - indeed exceed - the record of constructive achievement set by its predecessors.

S/C

---