

loud about having to bear a heavy share of the upkeep of the iron curtain.

To maintain the security of the North Atlantic community, each nation must clearly make the kind of contribution it is best fitted to make by history, by geography, by aptitude and by resources.

Since economic strength is the essential foundation of genuine military strength, it follows that one of the main objectives of the North Atlantic nations is to keep their economies strong so that they can make their contributions towards maintaining the peace without impairing their ultimate staying power. I think we all hope and believe that can be done and that international security need not mean any reduction in the economic efficiency of this continent nor even in the North American standard of living. There has been such a great increase in our productivity on this continent that our material standard of living has continued to rise despite all we have thus far expended on defence or contributed to European recovery.

The massive assistance of the Marshall Plan to the economic recovery of Europe has been quite as important a contribution to our common security as the North Atlantic Treaty itself. And we can understand the emphasis your public men are laying on the importance of removing barriers to the trade of our European allies with each other. But I do not think we can afford to lose sight of the fact that it is even more important to the economic strength of the free world that the European countries and, indeed, all countries suffering from a dollar shortage, should also be able to export as freely as possible to North American markets. It is, after all, only by accepting imports from other continents that we in North America can hope to reduce the real cost to ourselves of our contribution to the common security of the free world. And it is only by accepting imports that we can hope to provide stable and profitable markets outside our continent for those agricultural and other surpluses beyond our own needs which both our countries do actually produce.

Canada, in this matter also, is in a somewhat different position than the United States. Though we still export rather more than we import, our over-all exports and imports are not too far from a balance. But, as I have already said, we in Canada import from the United States far more than we export to this country, and we export to Europe far more than we import from Europe. That is why Canada, too, has a dollar problem.

We, therefore, have a special interest in freer multilateral trade and though I am not an economist, that seems to me to mean freer entry to this country both for European exports and for our own.

I would not venture to advocate the reduction of tariff and other trade barriers as any special favour to us. But it does seem to me that such a policy might make a tremendous contribution to the security of the free world generally and the United States in particular.

A century ago, England found herself in much the same position the United States has today. England was then