

stability of those countries whom you hope to have as co-operative and steady friends in time of peace and reliable and sturdy allies in case of war.

The United States has recognized this many times since the last war by great acts of imaginative generosity and enlightened self-interest; in repairing the ravages of war, and in promoting financial and commercial policies which would provide a good basis for future co-operation. We in Canada also have been doing our share to bolster the economies of Europe and Asia and to secure the adoption of rational trading policies. Much progress was made in the first five or six years after the war and, although trade between the dollar countries and much of the rest of the world was still restricted, an encouraging degree of economic progress, political stability, and international collaboration was achieved. It is hard to say where we would have been, in the face of the Russian menace, if we had not made that progress during those post-war years.

We seem, however, to be moving again into a more discouraging, in fact into a very trying, period. There is a natural tendency now to place the whole emphasis on immediate military needs and to slacken in our efforts to liberate and expand international trade. Yet only by continuing to reduce the obstacles to trade can we of the free world broaden the base supporting our heavy defence programmes and thus ease that strain on our national economies, which might otherwise impair good relations among us.

Economic assistance and defence support, or mutual aid, as we call it in Canada, can never in the long run be any substitute for wise and farsighted trade policies. I know, of course, that such policies to increase and expand trade are the responsibility of all countries, not merely of those in North America. When that is said, however, the fact remains that, given your position as by far the strongest economic and political power in the world by any test, a large part of this responsibility for positive measures must inevitably rest with the United States.

As the leader of the free world you have quite understandably been urging certain courses on your friends. I suggest that the adoption of those courses requires the greatest possible freedom in trade between you and those friends. You are urging those countries - and rightly so - to maintain political and social stability within their own borders. You are asking them - and this comes close home to us in Canada - to develop their natural resources to the full for the general advantage and for the common defence. You are advising the free democracies - and this is reasonable - to forego undesirable trade with certain countries, even though this may involve serious economic problems for some of them. You are also quite rightly impressing on them the need for speedy and effective defensive rearmament.

If, however, we in North America obstruct the efforts of these countries to earn their livelihood through increased exports to us, they may not be able to do these things; our common international objectives will therefore suffer and encouragement will be given to the very trading policies which we deplore in those countries.