

the road to one world and to keep moving, even though the highway upon which we thought we had set our feet turns out to be little better than an uncertain and overgrown jungle path.

The divisions amongst the nations of the world which have risen like road blocks in our way towards unity are complex and varied and unhappily they rise even among the best of international friends. In this audience of commercial leaders in the community there will, I know, be a particular interest in the trade and currency problems which have arisen in the Western World, and which now threaten to divide it in a way which will give no satisfaction to anyone but the gentlemen in the Kremlin who gloat with pleasure over anything and everything that divides the free democracies. It is indeed a strange and tragic anomaly that, in the Western World, having fought off the threat of German domination by an enormous co-operative effort, we now face problems in our economic life, in the long run of almost comparable danger. In the course of victory, we used up resources at an unheard-of rate, but we also released tremendous productive capacities. It is a magnificent tribute to the economic power which resides in our democratic society that within a short five years we have gone so far towards rebuilding the fabric and restoring the economic vitality of our western international community. But we have not solved the international problem of exchanging the products which we are so well able to produce.

One expression of this problem is the difficulty which Canada today experiences in selling its products, especially its food products, in sterling markets, at a time when those products are needed so badly and when they are admittedly competitive in quality and in price.

I wish I knew a solution to this difficulty. I do know, however, that anyone who suggests a solution, or who even tries to analyse the problem, is dangerously exposing himself. I am not a trained economist or an expert on these matters, and I may therefore utter heresies when I talk of them. In the Middle Ages heretics were disposed of by being burned at the stake. In these gentler days, however, I am not in danger of such extreme penalties, and perhaps only my ears will burn for my indiscretions. I am comforted, moreover, that I shall be in good company with my burning ears, for I recall that as late as 1946 a great economist of world renown wrote:

"The chances of the dollar becoming dangerously scarce in the next five or ten years are not very high."

The dollar shortage, which the economist I quoted said would not materialize, has now made itself dramatically apparent in the very currency in which he earned his living - sterling. The difficulty, however, which the United Kingdom is having on account of its trade balance is obviously not merely a problem between that country and North America. The wide international ramifications of the problem were immediately apparent on the monetary exchanges of the world the day after the pound was devalued last autumn. The sterling area extends to four continents. Some parts of it are highly industrialized and densely populated; some thinly settled but rich in potential wealth. The economic variety of the area is matched by its political complexity. Besides the British Isles and dependent overseas territories of the United Kingdom, it includes Australia, Ceylon, India, New Zealand, Pakistan and South Africa, which are members of the Commonwealth, in addition to Burma, Egypt, Ireland and Iraq, which are not. We do not wish to see this sterling