

MR. ST. LAURENT'S TORONTO ADDRESS

TO TRADE FAIR EXHIBITORS: Speaking at an exhibitors' dinner in connection with the Canadian International Trade Fair in Toronto, on June 11, the Secretary of State for External Affairs, Mr. St. Laurent, said in part as follows:--

"... Six weeks ago, speaking in the House of Commons, I said that the free nations, or some of them, might soon find it necessary to consult together on how best to establish a new collective security league under Article 51 of the Charter. I said that Canada should be willing to enter such a league. I referred to entry into such a league as a fateful decision for Canada.

"Why was it that the proposal met with unanimous support in the House of Commons from members of all political parties? I suggest it is because we, in Canada, are agreed upon the essential bases of our foreign policy.

"We are agreed, to begin with, that totalitarian communist aggression constitutes a direct and immediate threat to every democratic country, including Canada. It endangers our freedom and our peace. It puts in jeopardy the values and virtues of the civilization of Western Christendom of which we are heirs and defenders.

"Secondly, we have come to a common realization of what Communist totalitarianism means to the people subjected to its tyranny. We have seen the Bolsheviks create in Russia the most omnipotent and pervasive state in history. We have seen them take over what was the worst feature of the Czarist regime, the secret police, and expand it. The Soviet Government, though proclaimed by Communist parties to be the champion of the oppressed, is itself an oppressor on a scale surpassing even Nazi Germany.

SUPPRESSED FREEDOM

"It has already, in ten countries of Eastern Europe as well as in the Soviet Union itself, suppressed the freedom of millions of men and imposed a police regime upon them. It has demonstrated to us that the goal of social justice can never be reached by the Communist methods of terror and violence. It has demonstrated that the division today is not, as the Communists vainly assert, between the forces of reaction with the Fascists on the extreme right and the forces of progress with the communists on the extreme left.

"The reactionary parties are those which advocate a police state; and they are reactionary whether they call themselves Nazi, Fascist or Communist. The parties of progress are those which advocate a free society. The police state, by coercion and regimentation, ultimately makes progress impossible. Only in a free society can there exist a firm foundation for social and spiritual progress. There-

fore, the things that divide the democratic parties of the free nations, by whatever names they call themselves, are as nothing compared with the gulf that separates them all from the Communists and the regimenting totalitarians.

"It is, I suggest, because virtually all the people of Canada have come to realize these things that there are today no fundamental differences between them on questions of foreign policy.

"We do not believe in the blasphemy that a Third World War is inevitable. No war is inevitable. We shall do our best to diminish the possibility of a war breaking out.

"We shall do that by pursuing unprovocatively, constructively, and obstinately in the United Nations, in the specialized agencies and elsewhere policies which seem to us best calculated to remove causes of friction between nations and to provide opportunities for fruitful cooperation between all the nations and peoples of the world.

BELIEF IN UNITED NATIONS

"We believe in the maintenance of the United Nations as a possible bridge between the Russian world and the Free World. We have faith in the possibility of a spiritual transformation of the Russian people based on their feelings for justice and human emancipation and the deep human and religious resources which are inherent in this great people. We believe, as the distinguished Catholic philosopher Jacques Maritain has put it, that, while a Nazi people, aiming at world conquest and domination through war, can only be cured of racial paganism by a crushing defeat of their undertakings of aggression; ... it is possible for a people now communist to be cured of materialistic atheism by some internal transformation, however hard and difficult such a process may be.

"In the interests of the peoples of both worlds - the Communist and the Free - we believe that it must be made clear to the rulers of the totalitarian Communist states that if they attempt by direct or indirect aggression to extend their police states beyond their present bounds by subduing any more free nations, they will not succeed unless they can overcome us all.

"The best guarantee of peace today is the creation and preservation by the nations of the Free World, under the leadership of Great Britain, the United States and France, of an overwhelming preponderance of force over any adversary or possible combination of adversaries. This force must not be only military; it must be economic; it must be moral. Just as in the last war, so also today, we are engaged in a struggle for the control of men's minds and men's souls...."

MR. GORDON'S BALTIMORE SPEECH: Addressing the National Industrial Advertisers Association at Baltimore on June 15, Donald Gordon, Deputy Governor of the Bank of Canada, exhaustively reviewed Canada's growth, economic development, and wartime accomplishments, concluding his talk as follows:--

"This brings me to the point where I might refer to the idea of Customs Union, of which we hear much these days. It would be fair to say that Canadians appreciate the interest which prompts this idea, and most of them feel that it should be thoroughly examined. But in thinking of this idea one or two points should be kept in mind as a safeguard against hasty conclusions. Apart from the many real and practical difficulties in the way, I believe that the new maturity of the Canadian people is one of the real factors for consideration in any such plan.

"From what has been said of Canadian achievements and Canadian character it will be clear that those who study the idea of Customs Union should define exactly what they mean. If, for example, the idea assumed eventual political union, then Canadian opinion, both past and present, has been stated on more than one occasion. Canadians are proud, and justifiably proud, of their accomplishments as a nation. Moreover, the review I have given will indicate that Canadians have reason for faith in their own future. We are also convinced that we have a serious part to play as a self-governing nation in world affairs. Consequently I venture to suggest that Canadians will not lightly surrender their position as a free and independent nation no matter how attractive the material benefits can be made to appear.

TRADE BARRIERS

"The real point that needs consideration in the eyes of Canadians is the extent to which trade barriers between our two countries may now be out of step with the times. In 1947 Canada, with a population of a little better than 12 million people purchased two billion dollars worth of goods from the United States, exclusive of services. In the same year the United States, with a population of 145 million people, purchased one billion dollars worth of Canadian goods. If trade barriers are in any way responsible for such a wide contrast, then I think reasonable men would agree that the structure is no longer appropriate.

"Now in this brief recital of Canadian facts, conditions and aspirations my purpose has been to show that your northern neighbour accepts to the full her responsibilities as a nation and, even more importantly, that she measures up to the standards which must be expected of a country which might claim a form of partnership with the United States of America. In our mode of living, in our thinking and actions about the kind of democratic institutions and ideals which make for a better life, we in Canada share completely the rules of conduct which are observed by the United

States. We know that to be a high standard indeed and that the position of moral authority possessed by the United States represents the only hope which many peoples of the world have for ultimate salvation from the brute force and tyranny which still threatens to engulf the world. There cannot be the slightest doubt that the United States is the sure bulwark against the spread of Communism, and public attitudes in your country will determine whether or not the four freedoms of the Atlantic Charter are going to survive as a pattern for individual freedom. As I said earlier, the generous and inspired realism with which the United States is facing her new world responsibilities is something about which every citizen has a right to take pride and if we in Canada speak in similar terms about our accomplishments we can, I think you will agree, do so not in an atmosphere of reflected glory but as a full time partner with you in one of the most glorious efforts history has ever recorded."

SAVING OF DOLLAR EXCHANGE: The Honourable Douglas Abbott, Minister of Finance, on June 15 made available some figures indicating how Canada's imports have been affected by the Emergency Exchange Conservation Measures introduced last November.

Mr. Abbott went on to explain that the tables accompanying his statement present comparisons between imports in the first quarter of 1948 and the corresponding period of 1947 of goods covered by Schedules I and II of the Emergency Exchange Conservation Act.

"I am glad to say that these comparisons show a satisfactory record of progress to date in the saving of dollar exchange. Furthermore, it is probable that the reduction of hard currency imports under the two schedules will be even greater in subsequent quarters of this year since imports in the latter part of 1947 were heavier than the first quarter", Mr. Abbott said.

"Imports from Scheduled countries under Schedule I and Schedule II, which are administered by the Department of Finance, were \$59.1 million less during the first quarter of 1948 than the first quarter of 1947. Goods which were prohibited from importation under Schedule I accounted for \$20.9 million of the decrease. The reduction in items which were placed on quota under Schedule II amounted to \$38.2 million. Consequently, the decrease in imports from Scheduled countries, mainly the United States, under the two Schedules combined averaged \$19.7 million per month during the first quarter of 1948 as compared with the first quarter of 1947.

"On the other hand, imports from Non-Scheduled Countries, which include the United Kingdom, of goods covered by Schedules I and II were 25 per cent higher in the first quarter of 1948 than in the first quarter of 1947.

"The results to date indicate that imports