

was a real danger that the commonwealth countries other than Canada might end up by virtually cutting off their trade with North America; and if this had happened, or if it were to happen now, then the trading world would be split in two economically and commercially. That in its turn--and this is what I wish to emphasize as Secretary of State for External Affairs--would obviously entail severe political strain. So I feel sure the three countries concerned will do everything possible in their trade and financial policies to avoid such strain. No one can gain from it except those who wish to break up the unity and stability of the whole democratic world.

If a definite split ever took place--and I am not suggesting for a moment that it will take place--it would be disastrous for Canada and for all that we have worked for since the war. We depend on trade with the sterling as well as the dollar area. Wide sections of this country have been largely developed to serve the United Kingdom market, and those sections of Canada would have great difficulty in finding another outlet for many of their products. They would face grave difficulties if the sterling area and the dollar area were cut off from each other. Equally disastrous would be the results in the field of defence. The North Atlantic treaty would be quickly undermined if the United States and the United Kingdom were steering divergent economic courses, each pulling a large part of the trading world with it.

Possibly the most important achievement of the tripartite conference in Washington, it seems to me, was the united front presented to these problems by the United States, the United Kingdom and Canada. The crisis was not regarded as a United Kingdom crisis or a sterling area crisis; it was regarded as a common crisis in which all three countries were concerned and which could be solved only by common action. There were no recriminations. We worked together as a team and agreed on the general direction in which we should all move.

The Commonwealth

So much, then, Mr. Speaker, for international economic questions at this time. Next, if I may, I should like to give a review of some of the areas of the world as far as our international relations with those areas are concerned and a review of the policies of some countries as far as they affect our own country; and in these days most of them do affect our country.

It is proper, I think, that I should first turn to our greatly valued association, as close and friendly as ever, with the nations of our commonwealth. In an uneasy and uncertain world that association remains firm and enduring, a model for free states to follow. Economic and financial difficulties on which I have touched, which at times threaten--but only threaten--to divide us are the only shadows over the commonwealth relationship at this time. During the last two months we have had the pleasure of welcoming in Ottawa the Prime Minister of India, the foreign ministers of Great Britain and Pakistan, and the secretary of state for commonwealth relations in the United Kingdom. It has been a great honour for us to have had with us Pandit Nehru, Mr. Bevin, Sir Mohammed Zafrulla Khan, and Mr. Noel Baker. In a little more than a year there have been three important meetings of the commonwealth ministers and two of the commonwealth prime ministers, one in October, 1948, and in April of this year. There has been the one meeting of commonwealth finance ministers which I have already mentioned. At those meetings, the three new independent member nations of the commonwealth, India, Pakistan and Ceylon have been represented for the first time, an event of historical importance not only for the commonwealth but for the world.

The meeting of prime ministers this April was solely concerned with the important constitutional issues arising from India's decision to adopt a republican form of constitution, and its desire to continue membership in the commonwealth. These two issues were important and were difficult. But I feel sure all members of this house and the great majority of the Canadian people will be glad to learn they were satisfactorily resolved in London by the adoption of that kind of compromise which, on more than one occasion, has not only prevented the commonwealth from dissolving but has actually strengthened it. I hope that this will prove to be true in this case also.