

islands have tariff walls between each other; they have their immigration regulations, and for very real reasons, which only a close study of the conditions could reveal. There are circumstances which would make it appear on the face that the difficulties are almost insurmountable; but as I have said, it was fully demonstrated that the will to get together is there, and I think they are certainly well on the way in their thinking and acting toward close associations within the Commonwealth. I feel that the natural resources of those Islands and of Canada offer an opportunity for wider co-operation in trade and mutual helpfulness than has been availed of in the past. In these days when extreme nationalism is asserting itself in so many parts of the world, and in so many instances coming up in violent and threatening ways, it is indeed something to be proud of that we are part of a world-wide community of nations as expressed in the British Commonwealth.

I look back with great satisfaction to my good fortune in being in London in 1931, and sitting in the House of Commons during the whole of the closing day of the debate on the Statute of Westminster Bill. That historic occasion, and the bill itself, put into legal form what had developed and been in practice over the years. That momentous debate was a stock-taking event which I shall always remember. I like to think of the Commonwealth as a starting off position for us in international relations, and of course it is just that. It is not a goal, and never can be, in this world of constantly changing conditions.

I shall now pass from the subject of Commonwealth relations to another relationship which I feel strongly about, and that is with the United States.

I was very pleased to hear the honourable senator from Ottawa (Hon. Mr. Lambert) put forward in his remarks yesterday a suggestion that the Government of Canada should endeavour to interest the Government at Washington to bring about a joint North American wheat pool, which would undertake the sale of the surplus grain of this continent to the best advantage of both countries. The acceptance of such a plan would be a definite drawing together of mutual interests, which could well establish a pattern for the development of future relations. I think the idea is an excellent one.

The honourable senator from Shelburne (Hon. Mr. Robertson) has forecast in a notice on our Order Paper a most interesting discussion involving the enlargement of our trading areas through the development of trade with a large group of nations. If the

Senate, with the co-operation of the Government, can pursue a thorough discussion of such a subject, it will have made a tremendous contribution toward the development not only of Canadian trade, but of the harmonizing of various interests throughout the world.

It is always puzzling to me that so many people in their public and personal expressions seem to think that a closer relationship with our neighbour to the south is a contradiction of close relationship with the Commonwealth. I know we have to face difficulties and adverse trends of one form or another, not only looking south from here, but abroad in the Commonwealth, and even with respect to some branches of trade in looking across this country from province to province. We run up against world trading difficulties of the worst kind when matters of foreign exchange are involved. That is a difficulty which we do not have to meet on the North American continent.

We have at this time, unfortunately, an unbalanced trading position with the United States, to which I shall refer in a moment. Our economy must inevitably be tied in more closely with the United States, with its 170 million people living, one may say, with us in the same land, than with any other part of the world. If our relationship with the United States becomes bad in economic matters, we shall slide down hill so fast that we shall be crushed at the bottom. Here we have two populations with natural products running all the way from the northern areas down to the near tropics. Such products logically interlock one with the other for common use. What would be the use of our great forests, except for American purchases of our forest products amounting to \$1½ billion? Eighty-two per cent of our total exports of these products go to the United States. Newsprint exports alone amount to more than \$600 million a year; iron ore and iron products amount to a quarter-billion dollars; non-ferrous metals and products amount to a half-billion dollars; agriculture and animal products to \$376 million.

Of our fresh and frozen fish 98½ per cent of our exports go to the United States, for there is no other available country with refrigeration distributing facilities to use that product. That, I would say, is one of the greatest sources of development, reaching down to an immense number of people, which can be accomplished by drawing the American people toward us rather than driving them away, as some seem to wish to do.

It is alarming to see such a question in the headlines: "Whither Canada, Commonwealth Nation or U.S. Protectorate?". I call that sheer rubbish!