

from the prospect of broader international competition. Anything which may be interpreted as "back-peddling" by the United States in trade matters strengthens and encourages these reactionary forces in other countries. Should they gain the upper hand, our common goal of unrestricted multilateral trade and payments will again recede and we will have to go on living in a free world dangerously divided. Persistence of such a division in economic affairs would inevitably strike at the roots of our political cohesion. Economic fragmentation would, sooner or later, serve the purposes of those whose constant endeavour is to break up the solidarity of free countries and extend the bounds of communist influence.

This we must and will avoid. Fortunately in the last few years United States accounts with the rest of the world have been balanced and more than balanced, the gold and dollar reserves of most foreign countries have been rising and they have been relying less on restriction of trade and payments. We appreciate how much it has meant for all of us that, during this period, you in the United States have been able to overcome a recession, maintain a high level of business activity and raise to new records the astonishingly high levels of your production. For this Canada and the rest of the world are thankful, for it is a major condition of our own prosperity. But the international balance has depended in part on restrictions against the dollar area and generous and substantial economic aid and other special United States payments related to the common defence effort. If, over the long haul, the economic foundations of our world are to be strong enough to bear the strains and stresses on the great superstructure of freedom, further co-operative measures to establish an even better and more normal balance of international payments will be needed. In this task the debtor countries through sound internal and external economic policies have a major contribution to make. But the position and leadership of the United States and what the United States can itself do to foster a better equilibrium may well prove critical. Canadians who have watched across the border, with admiration, understanding and relief, as you have accepted on your broad shoulders the political and military leadership of the free world, believe that, in these complicated but critical economic affairs, you will have the patience and determination to persist.

You New Englanders are very conscious of the significance of these matters. Foreign commerce is in your blood. It would seem to me that you, and perhaps especially through the organizations responsible for my being here tonight, have an important role in extending an understanding and appreciation of what is involved in these issues - for Americans and for their allies.

Three weeks ago this morning this general problem, and questions of trade and economic policy more immediately and directly affecting our two countries, were before a meeting in Ottawa of an unusual international body. The United States-Canada Joint Committee on Trade and Economic Affairs is composed of your Secretaries of State, The Treasury, Commerce and Agriculture and the Cabinet Ministers who are their opposite numbers in the Government of Canada. This highly informal Committee has neither the authority nor the desire to take decisions. But it does afford a unique opportunity for those who have the principal responsibility