

INTRODUCTION

As Canada returned to peacetime existence after six years of extensive participation in the greatest crisis of modern times, she was confronted by the challenge of living in a world very different from that which she had known in the past. The documents contained in this volume portray Canada's changing international posture and the external policy developed primarily under the auspices of the Department of External Affairs and a small group of officials from other departments to meet the challenges of that time. Before using this volume the reader should develop some appreciation of the operations of the department responsible for the majority of the 1,277 documents selected from the 9,598 files that were examined.

On Dominion Day of 1943 Prime Minister William Lyon Mackenzie King proudly affirmed that in "the course of the present war we have seen Canada emerge from nationhood into a position generally recognized as that of a world power." The exigencies of responding to a wartime situation had given Canada a higher position in the world power structure than was justified by the yardstick of traditional prerequisites for recognition. In this changed world she had christened herself a Middle Power and set out within the context of her functional principle¹, to prove that this was no idle boast. But her functional principle was never accepted by the other powers with the result that she found herself called upon to take positions, for the sake of maintaining her status as a Middle Power, on issues which did not directly involve her. Whereas in the League of Nations she had asserted her independence by her mere presence, in the United Nations confirmation of her self-proclaimed status required the development and pursuit of Canadian-bred policy initiatives. Pre-war isolation was rejected as an anathema and 1946 became the year for projecting her high hopes of wartime planning onto the international stage.

Of necessity, Canada became vitally concerned with establishing a better basis for international trade and commerce in a peaceful environment. In spite of this, one of the least understood elements of Canada's post-war internationalism has been her foreign economic policy. Yet more than anything else

¹ Le principe de la représentation proportionnelle fut expliqué à la Chambre des communes par le Prime Minister on July 9, 1943 (House of Commons, *Debates*, 1943, Volume V, p. 4558):

On the one hand, authority in international affairs must not be concentrated exclusively in the largest powers. On the other hand, authority cannot be divided equally among all the thirty or more sovereign states that comprise the United Nations, or all effective authority will disappear. . . . In the view of the government, effective representation . . . should neither be restricted to the largest states nor necessarily extended to all states. Representation should be determined on a functional basis which will admit to full membership those countries, large or small, which have the greatest contribution to make to the particular object in question.