

of the United States with the nations of the free world, stressing the need to develop through co-operative action of the free nations, a strong and self-supporting economic system capable of providing both the military strength to deter aggression and rising productivity to improve living standards. On April 7th the President formally asked Congress for a one-year extension of the Reciprocal Trade Agreements Act in its present form to enable a thorough and comprehensive examination of the economic foreign policy of the United States. He stated that such a re-examination is imperative in order to develop more effective solutions to the international economic problem today confronting the United States and its partners in the community of free nations. He stated that no feature of American policy is more important than the course of the United States' economic relations with other nations. He told Congress that the long term economic stability of the whole free world and the over-riding question of world peace will be heavily influenced by the wisdom of the decisions of the Congress of the United States. The security of the United States is fully as dependent upon the economic health and stability of the other free nations as upon their adequate military strength.

The solution of the free world's economic problems is a co-operative task. It is not one which the United States, however strong its leadership and however firm its dedication to these objectives, can effectively attack alone. The President underlined two basic truths: The United States' share in this undertaking is so large as to be crucially important to its success—and its success is crucially important to the United States.

As to the sterling area. The Canadian Chamber of Commerce is fully cognisant of the efforts being made at this time by the Canadian and the British Governments toward the desired objectives. It is equally aware of the difficulties inherent in these problems.

The official communique issued on December 15, 1952 at the conclusion of the Commonwealth Economic Conference clearly sets forth the policies agreed upon by the members of the British Commonwealth of Nations toward a better economic relationship among the free nations of the world. The conference was convened with the aim of concerting measures for increasing the economic strength of the commonwealth countries, including the colonial territories, and creating conditions in which their peoples can play their part in securing prosperity and contentment for themselves and for the world.

In the opinion of the Canadian Chamber of Commerce, the policies and proposals adopted by the conference represent a substantial advancement in the thinking on the problem. It is noted that the conference proposed to seek acceptance of this plan by the Governments of the United States and of European countries whose co-operation is essential and to work, as far as possible, through existing international institutions dealing with finance and trade.

Although none of the details have as yet been published, the Chamber has noted with great interest the reception accorded to Chancellor R. A. Butler on the occasion of his recent visit to Washington and Ottawa. It is apparent at this stage that until the Governments of the United States and Canada pronounce on Chancellor Butler's proposals, there is a limit to the extent to which private business can make long range plans relating to international trade.

We have also noted that Chancellor Butler and Foreign Minister Eden were accorded a satisfactory reception on the occasion of their meetings at the end of March with the European Governments. For the first time in many years a definite sense of direction appears to be felt by those charged with the responsibility in this difficult field, an attitude which can be attributed largely to British initiative. To this extent, a large measure of agreement has replaced the confusion that was beginning to become chaos. The Commonwealth Plan,