

This idea may not be expressed so bluntly, but it may be in the background of some attitudes. I have no hesitation in saying that I regard such expressions of fear or concern as unsound and wrong. Our economy is entirely capable of making this adjustment, and of providing a greater flow of other goods to meet the needs of our own people and our customers abroad. Disarmament talks, in which Canada will take part, will soon be starting again, and I know that the Canadian people have no doubts about the vital importance of success in these efforts.

In facing these problems of the modern world, it is not enough to be able to lead from a position of military strength, which must be maintained while we seek agreement on disarmament; there must be economic strength and stability as well. We need a healthy economic environment on which to base our efforts for world peace. I am convinced that the greatest challenge, the most pressing problem which faces our civilization today is that over half the world's population bears the shackles of severe poverty, ignorance, disease and illiteracy, and there can be no assured peace or stability for the world until these shackles have been removed. It is not enough to speak of peace and political freedom to peoples who are economically retarded and who are determined to better themselves at whatever price may be required. If our system is really superior, we must be able to demonstrate it tangibly; the concrete economic benefits must be made self-evident.

It is for this reason, if for no other, that international trade and economic matters must be an integral part of foreign policy, for the present challenge is not one that we can afford to ignore. I am confident that the growing economic strength of the Western world will enable us to meet it successfully.

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