

*The Address—Mr. Coldwell*

hope their time in parliament will be useful and enjoyable and that we shall have very pleasant relations with them.

One other thing I would like to do—because sometimes I have found it necessary to criticize the policies of the Secretary of State for External Affairs (Mr. Pearson)—is to express on behalf of the C.C.F. group in the house and myself our congratulations to him upon having been elevated to the very high office of president of the United Nations assembly. I feel that is not only a recognition of the service he has rendered to the assembly in the past but is a recognition too of the place Canada holds in the assembly of the United Nations. I only wish that the United Nations could look forward in the next few weeks to settling this very grave problem of Korea.

I had hoped that over the week end agreement would have been reached, at least among the democratic nations, for support of the Indian resolution, but that apparently has not been possible. The United States apparently would not agree to it, and I was very sorry to hear over the radio tonight that the Russian delegation had denounced the proposal also. Consequently it is very difficult to see how those of us who are between those two great giants can exercise that influence which is so necessary in order to bring about an end of the war in Korea, since the United Nations has achieved the end it originally had in view—namely driving the aggressors back where they came from—and is now endeavouring to settle by cease fire an armistice and, we hope, the peace. It is very, very difficult to see tonight what the next step will be. I think we must all hope and pray that a speedy end will be brought to this conflict in the Far East and that the war will not spread any farther.

The Prime Minister and the Minister of Finance (Mr. Abbott) leave tomorrow for the commonwealth economic conference in London. I am sure everyone in this house hopes that the results of that conference will be beneficial not only to the commonwealth nations, not only to Canada, but indeed to the world at large; because upon the prosperity of the commonwealth depends very largely the prosperity of the democratic world, and certainly the prosperity of our own country.

Watching the statements that have been made from time to time from Ottawa I have been rather alarmed at the attitude the newspapers convey to us that the government might adopt. I was very glad to hear the statement the Prime Minister made tonight in that regard. After all, we in Canada have a somewhat special responsibility in this conference because we happen to be the only so-called dollar country to be present. We

hear a great deal about the necessity for convertibility of the dollar; but the point about which I sometimes think we are under many illusions, when we talk about the convertibility of the dollar, is that it is not a question so much of exchange of money as of exchange of commodities. It is really not a money problem at all; it is a commodity problem at its base. The sterling area has been spending, and must continue to spend because of necessity, far more in the dollar countries than they have been able to earn. I think that is the crux of the problem; and this lack of balance in expenditures and receipts has precipitated a very serious disruption affecting nations carrying on about half the trade of the world. I refer of course to the sterling area and our own country.

As was earlier pointed out very briefly, this has been very largely aggravated by the loss of sterling assets during the war. The sterling area, and particularly the United Kingdom, disposed of its overseas assets during the war, turning them into cash that they could use for the common war effort. The result is that today Britain no longer is able to use those great inflows from overseas to balance her accounts with the rest of the world and particularly with the United States and Canada.

There has been, according to press reports from the United States and also in this country, some disposition to criticize the domestic policies of the United Kingdom and other sterling countries. I think that rather we should indulge at the moment in some self-examination of our own trading policies and economic policies in North America. Indeed it seems to me that even cursory examination of the trading positions of our nations will to some extent give us an answer to this problem.

Incidentally, over the years we have tried to draw attention to the matter. Sometimes, when the Labour government was in power, I know there were those who thought we were prompted by some ideological friendship with that government. I may say that we have been equally insistent since there was a change of government in the United Kingdom. We believe that, regardless of whatever view the government in power in the United Kingdom may have ideologically, that does not alter the true economic effects of the situation which is faced by the sterling countries and ourselves. So we have been none the less outspoken on these matters since there was a change of government in the United Kingdom.

As I said a moment ago, this lack of balance in our dollar-sterling trade relationships which would have to be discussed at the conference is not just a question of the welfare