

More than a year ago I spoke out strongly against Empire countries getting mixed up in barter deals with Iron Curtain countries. From my long experience, in trading around the globe and in viewing world conditions, I felt that no real good could come of such deals, and that such schemes would be very disruptive to Empire trade; in other words, that those who sowed the wind would reap the whirlwind. And that is just what has happened, for the piper must be paid. No wonder the Right Honourable Mr. Churchill has raised his great voice against such trading, and that his voice has echoed throughout the Empire and the United States. The situation must certainly be embarrassing to the socialists of Great Britain, because press despatches inform us that the Soviets are calling for payment of their end of the deal. They are asking for and receiving such essential commodities as tin, rubber, wool, special machinery, and machine tools used in the construction of tanks and other war machines. I may say that machine tools are a scarce article throughout the world today. In this connection it has just been brought to my notice that Craven Brothers, the second largest engineering firm in Great Britain, has stated that it has a \$2,800,000 order from Russia for machine tools, and for three years it cannot contribute a single split pin towards Britain's defence production.

No doubt a lot of the goods I have mentioned which are shipped out in this way are being stockpiled for future use, and for no good purpose. Through these deals the dictator states can also easily supply themselves indirectly with pounds and dollars to pay their Fifth Column, which thrives among us. The rouble would not be any good for such payments, and dollars and pounds must be had. It is self-evident that communists spend millions to spread their propaganda throughout the world, especially in the democracies; and they need a big payroll to meet the demands of their spies and sympathizers in general and to pay for value received. So the democracies obligingly open the tap which enables the communists to conveniently get the right kind of money for their nefarious work, including the encouragement of aggression in certain places, which is costing us dearly.

The Soviets and their satellites have nothing whatever to offer in trade that cannot be procured within our commonwealth. I am thinking of lumber, fish, and coarse grains which are surplus commodities within the Empire. These are the kinds of goods that are being supplied by Russia and her friends in the barter deals to which I have referred. I know from experience that trade between

communistic countries and democratic countries will not work. The two forms of trade will not mix. The communists will only trade one way, and that is their own way by barter deals. They have no idea whatever of mutually beneficial trading, and it is beyond comprehension why any democracy should play the communistic game in trading, for it always ends in disruption as far as the other party is concerned. The freedom-loving nations of the world have a great advantage, because they have everything they need for good living among themselves, be they at peace or at war. The dictator states trade with the democracies for one reason only—to get something essential that they cannot produce at home. As I have already stated, mutual benefits do not come into the picture, so why should any democracy accommodate the dictator states when it is self-evident they are out to do everything they can to spread disruption and ruin among the Christian democracies?

The British Empire has the potential for being the greatest territorial trading unit the world has ever seen. It has command over more commodities used in world trade than has any other group. But Empire trade, especially as far as this country is concerned, has been gradually disintegrating, and barter deals with rank outsiders have contributed mightily to this.

There are three worlds today as far as international trade is concerned: the dollar world, the rouble world and the sterling world. The democratic peoples are divided and are not standing together, as they should, in a way that would provide a great and prosperous trade that would raise the standards of living for freedom loving nations. As the great Sir John Boyd Orr has stated, it is hard indeed to build peace where there are empty stomachs.

With conditions in the world as they are today, I cannot emphasize too greatly the need for the freedom loving nations to work in the closest possible unison both in defence and in trade. Great objectives will be reached if they do this because when democracies trade they strive to confer benefits which are mutual and which mean prosperity for both, whereas the communist nations want every advantage for themselves and are delighted when they can spread embarrassment and disruption among those who believe in the democratic way of life.

I should like to discuss one more phase of our Empire trade situation. The question might be asked: Was there any real need for those barter deals which so upset and disrupted commonwealth trade and which are now proving so embarrassing? My