

material and financial. Even if we could, we would not want to sit back on our laurels and leave the rest to Uncle Sam. It is as much in our interests as in yours to see Europe recover.

Canada will participate in the Marshall Plan in two ways. We will supply a large volume of goods; foods such as wheat, grain and meat; basic raw materials such as lumber and base metals -- and to some extent, manufactured goods such as agricultural implements. The supply of these goods from Canada will serve to ease the pressure on the United States economy. With respect to the financial side of our contribution, I should like to give you an indication of the considerations involved and the limitations imposed by the dollar exchange circumstances that we find ourselves in. Broadly speaking, a country is able to give or lend abroad the surplus of its current receipts over its current payments in international transactions. For short periods it is possible to increase this figure to the extent that it can draw on its reserves of foreign exchange and gold, or to the extent that it is prepared to get into debt to another foreign country. The present state of our reserves precludes the extension of gifts or credits beyond our current account surplus -- less an amount necessary to build up our present abnormally low reserves. We cannot undertake more than is possible without impairing the health and stability of the Canadian economy. Any such impairment would certainly not be in the best interests of your country or mine. It would add to the problems of the Western world, not to help solve them.

We live in confused and troublous times. Fear and suspicion harass our every effort to establish peaceful and friendly relations between the nations of the world. In these critical times the relations between Canada and the United States stand out uniquely as an example of the mutual benefits that can be reaped if nations will learn to co-operate and live together peaceably. Both our countries have been spared the direct ravages of war. In that good fortune we must not forget our friends and allies who have been less fortunate. It is to the countries of the Western hemisphere that the present ravaged and disrupted world looks for material and spiritual sustenance. It is vital that we remain strong and united. Never before in our history - not even during the darkest days of World War II - was there greater need for a combined, co-operative effort to overcome the forces of evil and despair, violence and tyranny.

Canadians are realists. We recognize and are proud of the growing importance of our country in international affairs. But that pride does not blind us to the simple truth that your country occupies a central place in the world to-day. You emerged from World War II as a giant among nations. In your hands rests the power and the means for world leadership - and with that power rests responsibility. The destitute and the oppressed of the world look to you for leadership and support. No other country can begin to do what you can do. Great Britain and Canada can help -- but they cannot lead. Only the United States can lead the world out of the sorry conditions which now prevail. Only the United States can provide the leadership and the help that can make the world the sort of place that your people and our people want to live in. Much depends on your internal strength, economic stability and moral stamina. We who know you well know that you are not unmindful of your responsibilities. We know, with confidence, that you will accept the challenge with determination and vigour. On your response depends the welfare and freedom of mankind. You may rest assured that Canada will not lag behind.