

dollars. This was offset by a U.S. surplus in dividends and other remittances of only 329 million dollars.

So, the myth of your trade imbalance with Canada clearly does not match current realities. Moreover, it also suffers from an excessively short perspective in time. With the exception of the last three years, the United States has run an overall surplus with Canada in every year since World War II. That does not suggest any structural imbalance.

For the United States to aspire to a perpetual surplus with Canada would constitute precisely the same kind of mercantilism of which you accuse Japan. Forgive me for saying so but such an aspiration, if it exists, may, perhaps, reflect a certain psychological tendency in the United States to view the Canadian market as being peculiarly your own. It is only a slight exaggeration to say that exports to Canada sometimes appear to be seen almost as domestic trade. Canadian imports, however, are seen in quite another light.

Myth number three, which is being promoted in some quarters, is that Canada has been maintaining its dollar at an artificially low level against the U.S.