

I believe you will see running through the thread of my talk indications as to how I believe we can further strengthen our good relationship.

1. We should be more positively conscious of our good fortune in having this good relationship. Since you are twelve times as numerous, we are more conscious of this than you are and it might be good for both of us if the United States was more conscious of the advantages of this relationship. Because of our fortunate position and great advantages Canada was after all the only country in addition to the United States which was able to meet all its war payments in cash. After all we are your best customer - our trade together is greater than that between any two countries and American sales to Canada, a country of 13 million people, is only slightly less than your sales to all of the twenty Latin-American Republics put together. Consequently, in your economic planning and legislative action, we believe it to be in your interest as well as our own and indeed in the interest of all-round security and prosperity that the special inter-relationship of the United States and Canada should be taken into account.

2. It should prove possible that even more effective measures can be taken to increase the totality of trade between the two countries, partly by the termination of restrictions, partly by arrangement and agreement between industry and mostly by the recognition that if we are to maintain and increase that trade it can only be done by our being put in a position where we can continue to be your best cash customer by your enabling us to pay for those goods that you have and we want by accepting from us goods which we have and you want to a value which is at least closer to balancing the bill.

3. In our industrial and defence planning and work, we should keep in mind the fact that strategically and industrially the North American continent is one area, the rich resources of which can best be defended and used by the peoples of our two nations if we work together.

It is not for me, a friendly visitor on a friendly soil, to suggest or indicate in any way what action should be taken by the Government or Congress of the United States. With regard to such matters as the St. Lawrence waterways, the extension of the trade agreements legislation, measures to provide for the distribution and procurement of military equipment to and from other countries and other similar matters, it would not be right for me to tell you what you should do - that would be of course justly resented - but I can tell you that if your Congress in its wisdom chooses to pass such measures, it would in no way be upsetting to us because reciprocal action in respect of these matters is the declared policy of the government of which I am a member.

Most of the members of that government have friendly relations with many members of your Cabinet and government. It is just like the kind of relations which so many of you have with your friends in Canada. It is on account of that kind of relationship that our government is in a position to co-operate and take advantage of anything that is possible to the mutual benefit of the two friendly peoples who make North Americans the best of good neighbours.

May 10, 1949.

RP/C