

Our two countries should also work closely together on matters of trade. We have good reason to do so because trade between our two countries is greater than that between any others. Our relatively small number of people buy more from you than the whole of South America - last year more than 3 billion dollars worth - but we don't sell your 160 millions as much as we buy. That worries us, especially when we hear of developments which might result in making it even more difficult for us to export to this market.

We are a country which depends on foreign trade to a very large extent in order to maintain our economic strength and our standard of living. That means, for us, trade with not only the United States or the Commonwealth of Nations, but with all countries.

Naturally, therefore, we have an intense and continuing preoccupation with the prospects for world trade; with the removal of exchange and other controls, and the lowering of tariff and other barriers that obstruct it. At times our interest becomes anxiety as we see forces at work which would seek a solution for economic and trade problems in policies and devices which we think would merely increase them. High tariffs, in this connection, are not the only, or, in some cases, the main difficulty. Such things as import controls and currency restrictions are equally obstructive to international commerce. We realize, of course, that their removal or reduction involves a risk for the soft currency countries. They are not likely to take this unless the creditor countries, and especially the greatest and most persistent creditor of all, the United States, are prepared to play their part in minimizing this risk. That is why we in Canada so warmly welcome the declaration of our two Governments, issued the day before yesterday in Washington after a Joint Ministerial meeting:

" . . . Enlightened economic policies on the part of the United States and Canada will materially contribute to establishing and maintaining broader freedom of trade and payments throughout the world. Because of the importance of that objective, the United States and Canadian Ministers warmly welcomed the evidence of a desire in many countries to take decisive steps toward the restoration of a broad area of convertibility, and expressed a willingness to do their part to help in making such a movement successful."

The opportunity is now present to move ahead on this free world international trade front. But it may not last.

There is at the present time a real danger that in the absence of strong and courageous leadership from North America, the situation in the non-dollar countries will again deteriorate, pressure on exchange reserves will reappear, trade barriers will be re-imposed, and the opportunity, which is now present, of establishing a sound and healthy international economic system in the free world will have been lost.

The eyes of the world will, therefore, be closely following the development of United States foreign economic policy over the next year. You may be sure, for instance, that every line of the Randall Commission Report is being carefully studied in all the capitals of the world. If action taken by the United States, and by Canada, is such as to encourage the belief that other countries will be able to earn their way