

United States are linked with their parent systems in Canada, and more than 1,500 miles of United States-controlled railroad track is operated in Canada. Highways follow a similar pattern of border junctions.

Airlines of both nations bear the traffic between their major cities. Canadian airliners may fly to Hawaii and thence on to Australasia, and to the Caribbean via Florida. United States planes may proceed through Gander, Newfoundland, to Europe, and to Alaska and the Orient by way of Edmonton, Alberta. These arrangements are typical of numerous trans-border air services between the two countries.

Investment and Finance

Investment, like trade and transportation, has acted as a powerful economic bond between the two countries. The total amount of investments in Canada held in the United States stood at \$5,588 million (Canadian) in 1948. Interest and dividends in the estimated amount of \$325 million crossed the border from Canada to the United States in 1949, and an estimated \$88 million of new funds flowed in from the United States for direct investment in Canada, much of it connected with petroleum developments in the western provinces. Canadian investments in the United States, on a per capita basis, are considerably greater than United States investments in Canada.

In economic matters, as in the matters of defence, Canada and the United States have been ready to extend their policy of co-operation into the larger international sphere. The sterling-dollar talks at Washington in September 1949 provided a notable peace time example of that tripartite co-operation with the United Kingdom in economic and financial matters which had proven so fruitful during World War II. The three governments participating in the Washington meeting made arrangements for continuing consultation; but they emphasized at that time that those arrangements underlined rather than diminished their interest in the development of economic co-operation within the entire community of western nations.

Continental Resources

To utilize most amicably and efficiently the off-shore resources of the high seas, various agreements regarding fishing rights have been entered into by Canada and the United States. The most recent of these, and one typical of such neighbourly arrangements, was the Convention signed in March 1950 for the extension of port privileges to halibut fishing vessels on the Pacific coasts of the United States and Canada. It overcomes the necessity of the governments of the two countries legislating every year to allow halibut fishermen reciprocal privileges of landing catches for trans-shipment, export and sale locally, and obtaining supplies, repairs and equipment in Canadian and United States west coast ports.

The majestic beauty of Niagara Falls is known the world over. Less well known, perhaps, is the fact that the turbulent waters of the Niagara River provide a source of hydro-electric power which must be equitably allocated to the two countries part of whose border it marks. On February 27, 1950, a Niagara Diversion Treaty between the United States and Canada was signed; both countries recognize that the first charge on the fluctuating volume of water in the Niagara River is the preservation of the scenic beauty of the Falls and Rapids; but it is expected that when this treaty is ratified, both countries will normally have the use of more water than before. Temporary war time arrangements are superseded by this permanent agreement, a fact which will permit the construction of new power plants of the latest design to replace some less efficient plants now in operation.