

"With great surpluses of wheat, proteins and metals, Canada could have purchased from her farmers at controlled prices and resold in the world market at enormous profits. Instead, she sold wheat to the United Kingdom at a humane price of \$1.55 per bushel, which later was raised to a still modest price of \$2 per bushel. This may have been long-range enlightened self-interest to guard against a post-war depression, but it was also enlightened statesmanship and humanity emanating from a stronghold of Anglo-Saxon morality and common decency.

"But we all miscalculated the speed of European recovery: Canada's traditional customers were laid low. They could not pay fast enough. Although entering the year 1947 with an ample gold and dollar reserve of \$1,200,000,000 -- which would have been a reserve of startling size before the war -- Canada watched her funds melt rapidly away. On November 17, 1947, with only \$500,000,000 left in United States dollar exchange, controls were clamped on. The export of further capital was almost wholly forbidden and the flow of goods from the United States stopped. Travel money was restricted to \$150 per person per year, and we said goodbye to our Canadian friends."

Walter Lippmann, United States writer, in his column, "Today and Tomorrow", of February 25, 1948, said:

"Man for man, family for family, taxpayer for taxpayer, the Canadians have borne a heavier part of the burden of European reconstruction than we (the United States) have. Though the Canadian population is only one-twelfth as large as the American, though the Canadian national income is only one-eighteenth as large as ours, the Canadian contribution to European reconstruction is one-fifth as large as ours.

"Comparisons are invidious. But there is nothing in the record which entitles anyone in this country to talk down to the Canadians. Measured in money, measured in terms of their political and diplomatic contribution during the post-war period, the record of the Canadians is something to look up to."

Canada's contribution to world recovery in relation to population and national income probably exceeds that of any other country. But Canada's aid abroad is by no means out of proportion to the country's national stake in the economic restoration of its overseas customers.

A country like Canada cannot prosper in a world split into a highly prosperous dollar area and a starving, depressed "soft currency" area. Canada's stake in a large and smoothly flowing volume of international trade is enormous. With a population of only about 13,000,000, Canada nevertheless ranks third in world export trade. Exports account for between a quarter and a third of the total Canadian national income.

Canada's past contribution to world recovery may be summarized under the two following headings:

1) Relief and Rehabilitation:

a) Military Relief:

This form of aid was intended to provide food, medical supplies and other civilian supplies to certain European countries with the co-operation of the United Kingdom and the United States in the post-liberated period before UNRRA or local governments were able to take over.