

Recognizing their importance, the Canadian Government has taken an active and positive part in the negotiations at Geneva, at Havana, and now at Annecy. Our financial contributions to world recovery are, in proportion to our size and our resources, comparable to those of any other country, including your own. But in spite of encouraging results in developing our foreign trade on a firmer basis, we are still facing serious problems and in our joint interest we must successfully resolve these difficulties. One of our major problems is the fact that trade between our two countries is still out of balance.

Faced with the realities of the present world situation, in which we have not yet achieved a system of multilateral payments, Canada is seeking equilibrium in her trade with different countries by measures that will expand rather than restrict foreign trade. Every effort is being made to stimulate British exports to Canada in order to maintain our markets abroad. This is the policy we would like to see adopted to correct the unbalance in our American trade. Today American tariffs are much more effective in shutting out Canadian goods than our tariffs are in excluding your exports. Only by expanding our exports to your country can we maintain Canadian-American trade at present levels. And to do this, some lowering of trade barriers and a more flexible administration of tariffs should be worked out.

The Strategic Importance of a Strong Economy

Canada's tremendous industrial growth is a strategic asset, not only to ourselves, but to her allies. Only if we can keep up our present levels of productive efficiency will we be able to supply the goods and materials needed for defence purposes. And to do this, we must achieve closer integration in our trade with your country and recognition of our need to use mass productive techniques if we are to maintain our industrial potential.

The Aims of the North Atlantic Pact

The North Atlantic Security Pact recognizes that the good neighbours of the world must together build the defences that will stop the spread of communism. And communism will not be stopped merely by a military alliance.

The Pact commits us to the strengthening of our economic ties, to the encouragement of trade between the signatory nations. We must show the positive superiority of democracy to communism by our prosperity and freedom.

It is the aim of these free countries to work together without thought of aggression, strong in the determination that neither failure from within nor attack from without shall cause any of us to lose the right to "life, liberty, and the pursuit of happiness".

Your great country has shouldered a tremendous burden in the cause of democracy. You have assumed it with the sense of responsibility, the vision, and the generosity that the world has come to expect from America. The Canadian people are determined that they will stand beside you and the other free nations in this the gravest undertaking in defence of freedom.

The Atlantic Pact is an instrument of peace, designed to restrain the spread of communism and the growth of Soviet Power. Since the end of the war, Russia has pursued a course of aggression and conquest. Finland, the Baltic Countries, Poland, Czechoslovakia, Roumania, Bulgaria, Hungary, Berlin and a dozen other names are eloquent testimony to Russian intentions. And make no mistake, what happens to the people of