

Our economic importance to the United States is not always appreciated in this country. The extent and nature of Canada's natural resources - many of which are essential for your defence and are becoming scarce in your own country; the importance of Canada as a field for investment and development, where questions of confiscation and expropriation and political instability do not arise; all this should rouse and hold your interest. There are more U.S. dollars invested in Canada -- five billions of them -- than in any other part of the world. And those investments have been the most fruitful that United States investors have made in any foreign country.

Above all, our trade relations are of great and increasing importance. Canada is at the present time the third trading nation in the world. You exported to Canada in 1946 more United States' goods than to all the Latin American countries put together. Last year our 12½ millions bought from this country nearly 2 billions of dollars worth of goods and services. Your hundred and thirty-five millions, however, bought only 1 billion dollars worth of Canadian goods. You don't need to be an economist to see what that unbalance means to us. It has given us a headache, which we are trying to cure by remedies that we don't like; including restriction of U.S. imports.

The medicine is as bitter to us as it is to you, but it is not our fault that we have to take it. Another cause of this headache is that we have probably tried to do too much to help restore world trade and to reconstruct the war-shattered economy of Europe. During the war, we financed our own war effort and gave our allies in mutual aid relatively more than even you did under lend lease. Since the war, we have given help to Europe, in the form of outright relief or credits, to the extent of nearly 2 billions of dollars. This is, I know, small stuff in comparison with your astronomical figures, but it represents for us, in terms of relative national incomes, something like 32 billions of dollars.

Now, we didn't do this because we liked being Santa Claus. We did it from motives of intelligent self-interest, to help our European friends and customers back on their feet. That was a major Canadian as it was a major United States interest. Unfortunately, this process is taking longer than we expected; and not through anybody's fault. So with an unfavourable balance of trade with the United States in 1947, and Europe unable to pay cash for our exports, you can see that we are on a tough spot.

We are trying to get off that spot and build up our depleted dollar reserves by a programme of import restrictions from hard currency countries by putting our financial house in order so that we can again play our part in assisting European economy and in bringing the world back to the best kind of trade; multilateral trade with a minimum of barriers and restrictions between traders.

If this process succeeds, well and good. If it doesn't, Canada will have to give serious consideration to the whole pattern of her future economic and trading relationships. But whatever happens, we hope that we can make further progress in removing all unreasonable trade barriers between our own two countries. Between peoples like ours, such barriers have no justification and we should do away with them. But remember, please, in this connection those figures I have used, we buy 2 billions from you; you buy 1 billion from us.

Also, do not confuse freer trade with a customs union. They are very different things and arouse a very different reaction in the breast of Canadians who understand the difference. Most Canadians would, I think, not wish for any economic relationship which might weaken our own national position. That is a factor that should not be overlooked in any easy talk about a customs union. We have, as I have said, a strong faith and pride in the future of our country. Our resources are immense.