

At no time have Canada and the United States worked so closely together as they have done since 1939 and especially since Pearl Harbour. By the end of 1941 Canada had been at war for over two years and had raised substantial forces serving on land, at sea and in the air. Canadian war production was in process of rapid development. The great expansion which was still to come could only be achieved in collaboration with the United States. With the occupation of Western Europe by Germany in 1940, the United Kingdom had become more and more dependent on manpower, munitions and supplies of all sorts from North America. At the same time Canada had been buying essential raw materials, machinery and parts from the United States, and this had strained Canadian dollar resources severely.

It was agreed early in 1942 by President Roosevelt and Prime Minister Mackenzie King that there should be a virtual pooling of the economies of the two countries for war purposes. Canada continued to secure and to pay for the great volume of supplies needed from the United States for her war effort. The United States in return purchased great quantities of Canadian materials of all sorts for use in the prosecution of the war by herself and other members of the great alliance; and roughly speaking the two accounts nearly balanced financially in the later war years.

This integration of the war economies was not done on a basis of lend-lease. Canada received no lend-lease assistance from the United States. Each country paid the other for what it received. There was also developed a Canadian system of mutual aid to the Allies which resulted in the provision of Canadian supplies to these countries to the value of several billions of dollars, without cost to the recipients, and without condition except that the supplies be used to contribute to the winning of the war.

Some public attention is being paid to the plans of the United States and Canada for the future defence of this continent. This is another product of wartime collaboration. In 1940 a Joint Board, called the Permanent Joint Board of Defence, was established, charged with the duty of making recommendations to the two governments for the effective defence of North America. The Board continues to exist and sometimes, in not so friendly quarters, its continued existence as an advisory body is represented as a military alliance which has subjected Canada to that alleged sinister influence, "American imperialism".

This is a travesty of the facts. Our countries share between them most of a great continent. They have a common frontier of enormous length. If there is any danger from outside, the effective defence of either of them can only be secured by co-operation. Because of the staggering achievements of our generation in the development of weapons, there is no inhabited part of the world today that is completely safe from possible attack. The Atlantic, Pacific and Arctic Oceans are no longer the natural fortifications they once were. No state, however powerful, can defend itself effectively alone.

What the United States and Canada have done has been, as loyal members of the United Nations, to enter into a partnership in planning for their security. Their security contributes to that of the rest of the world. They have made no alliance, nor concluded any treaty. But it is obvious that, in case of attack or serious danger of attack on North America, our forces would have to work together and to work in each other's territory. Is it unreasonable that they should plan in peacetime to work together, exchange information, and so on? Of course not. But this does not mean that great bases are being built in the far North, or that American troops are garrisoning Canada, for that is emphatically not the case.

I mentioned that the problems which arise in the relations between our two countries are not easy to settle, in spite of the goodwill and friendliness that prevail. The most difficult of these problems is that of trade. In the past, trade difficulties have become most acute only in times of de-