

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 postwar 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.

Please bear in mind, as we seem to part company on either side of the Canadian fiscal barrier, that we have long had a unique relationship with each other, described popularly as the "North American Triangle." With the dollars owing to England and other countries from United States purchasers of foreign goods, the United Kingdom and other countries bought your wheat and other products. The dollar credits owing to the United Kingdom and other countries were then assigned to you, and with these dollar credits you could satisfy your widespread appetites for American radios, refrigerators, vacuum cleaners, automobiles, nylon stockings, oranges, grapefruit, and Florida and California weather. For a century you have been our best customer, but now the triangle has broken down. England and other countries lack sufficient goods to sell to us and the money with which to buy from us or from you. Your historic reservoir of dollar credits ran dry and you can no longer buy from us. You cannot even drop in to see us!

This is a sad state of things! We miss you, and when we say we miss you, we mean business!

Furthermore, in addition to Canada being our best customer, United States citizens have invested more money in Canada than in any other country in the world. Of \$13,542,000,000 which we have invested in foreign assets, over one-third - \$4,419,000,000 - is invested in Canada. This is four times greater than our investments in either Germany or the United Kingdom. This is almost exactly the same as our investment in all of Europe - \$4,418,000,000. (3)

Is it possible that we who have enjoyed such warm friendships and relationships of mutual confidence, unheard of

(3) As of May 1943, the latest figures procurable. See "Census of American-Owned Assets in Foreign Countries," United States Treasury Department 1947, pages 17-19.