

justice on both sides. This is the peaceful way, the sensible way, and the fair way to settle problems, whether between two nations that are close neighbours or among many nations widely separated.

This way is open to all. We in Canada and the United States are justifiably proud of our joint record, but we claim no monopoly on the formula.

Canada and the United States will gladly share the formula, which rejects distrust and suspicion in favour of common sense, mutual respect, and equal justice, with their fellow members of the United Nations. One of the most effective contributions which our two countries can make to the cause of the United Nations is the patient and diligent effort to apply on a global scale the principles and practices which we have tested with success on this continent.

Relations between Canada and the United States have emphasized the spirit of co-operation rather than the letter of protocol. The Rush-Bagot agreement was stated in less than 150 words. From time to time it has been revised by mutual agreement to meet changing conditions. It was amended as recently as last December.

The last war brought our countries into even closer collaboration. The Ogdensburg agreement of 1940 provided for the creation of the Permanent Joint Board on Defence. It was followed by the Hyde Park agreement of 1941, which enabled us to co-ordinate our economic resources with increased efficiency. Common interests, particularly after Pearl Harbor, required the creation of several joint agencies to co-ordinate our efforts in special fields. When victory ended the necessity for these agencies, they were quietly disbanded with a minimum disturbance of the national economies of the two countries—just common sense again.

The permanent Joint Board on Defence will continue to function. I wish to emphasize, in addition to the word "permanent", the other two parts of the title. The board is joint, being composed of representatives of each country. Canada and the United States participate on the basis of equality, and the sovereignty of each is carefully respected. This was true during the gravest days of the war and it will continue to be true, in keeping with the nature of all our joint undertakings.

The board was created, and will continue to exist, for the sole purpose of assuring the most effective defence of North America. The board, as you know, has no executive powers and can only make recommendations for action. The record of the board provides another example of the truly co-operative spirit that prevails between our two countries.

The spirit of common purpose and the impressive strength which we marshalled for action on all fronts are the surest safeguard of continental security in the future.

The people of the United States fully appreciate the magnificent contribution in men and resources that Canada made to the allied war effort. United States soldiers, sailors, and airmen in the heat of battle knew their Canadian comrades as valiant and daring warriors. We look back with pride on our association as staunch allies in two wars.

Today our two nations are called upon to make great contributions to world rehabilitation. This task requires broad vision and constant effort.

I am confident that we can overcome the difficulties involved, as we overcame the greater difficulties of the war. The national genius of our peoples finds its most satisfying expression in the creation of new values in peace.

The record proves that in peaceful commerce the combined efforts of our countries can produce outstanding results. Our trade with each other is far greater than that of any other two nations on earth.

Last year the flow of trade in both directions across the border reached the record peacetime total of two and a quarter billion dollars. We imported from Canada more than twice the value of goods we received from the United Kingdom, France, China and Russia combined. United States purchases from Canada were about six times our purchases from Great Britain, nearly ten times those from China, and eleven times those from France. We sold to Canada nearly as much as we sold to Britain and France together.

Gratifying as the volume of our trade now is, it is capable of even further expansion to our mutual benefit. Some of our greatest assets are still to be developed to the maximum. I am thinking of one particularly that holds tremendous possibilities, the magnificent St. Lawrence-Great Lakes system, which we share and which we must develop together.

The St. Lawrence project stirs the imagination of men long accustomed to majestic distances and epic undertakings. The proposal for taking electric power from the river and bringing ocean shipping 2,400 miles inland, to tap the fertile heart of our continent, is economically sound and strategically important.

When this programme is carried out, the waterway that is part of our boundary will more than ever unite our two countries. It will stimulate our economies to new growth and will speed the flow of trade.