

of hard-headed realism. Indeed, we took the same view in regard to our wartime contributions to Britain, namely, that our long-run interests were so vitally engaged in enabling the fight for freedom to be won that any attempt to estimate the value of that service to humanity was out of the question. So it was that well before the United States Congress had approved that greatest of all acts of constructive statesmanship - the policy of Lend-lease - Canada had already been financing British purchases in Canada, and in March, 1942 made an outright gift of a billion dollars to Britain for the purchase of vital war materials and food. In due course, this was followed by the Canadian equivalent of Lend-lease, under which by Mutual Aid Acts a total of \$2,200,000,000 was provided to our fighting Allies. There were also other forms of assistance both during the war and immediately following the war, which added the respectable total of roundly \$1,600,000,000 to the figures just mentioned. (I should also interject that Canada did not accept a single dollar of United States Lend-lease assistance, but financed its entire war effort and its contributions to others out of its own resources.) These figures, which are of startling magnitude for a country of twelve and an half million people, demonstrate that our post-war approach in regard to the recovery programmes for Western Europe is in the same spirit, and that both our desires and our interests coincide in this respect.

If the Canadian figures were matched by the United States post-war credits, these would have totalled some \$32 billions on the basis of relative national incomes. Moreover, in addition to post-war credits Canada has been, and is selling under contract to the United Kingdom at prices well below the inflated levels which have recently prevailed in world markets, particularly in foodstuffs, and this has materially added to the assistance already given.

With the best will in the world, however, it became evident toward the end of 1947 that we simply could not stand the pace. Our assistance to overseas countries had become too large in relation to our surplus of exports over imports, and had resulted in a large and rapid drain on our exchange reserves.

In fact, our situation had become so serious and our action has been so long delayed that it was necessary for us to move on all fronts. Consequently, in November we imposed prohibitions and quota restrictions upon a wide list of consumer goods and also undertook a close supervision of imports of capital goods which cost us United States dollars. Concurrently, the freedom of Canadians to travel in the United States was restricted in that a maximum of only \$150 per annum, per person, is available for pleasure travel in the United States. We were also obliged to reduce the amount of credit which we would make available to other countries. It was not a pleasant programme by any means, and in the few months of its operation it has been found to be fully as difficult as it was expected to be. The Canadian and U.S.A. economies are so interlocked in habit and preference, in business, social and travel intercourse and in the ideology of their people that it is not an easy thing to legislate that our people must not purchase from the United States some of the things they want to buy, and which they consider do no more than maintain a somewhat similar standard of living.

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