

welcome which will soon be given to all the food and raw materials we can send to this island; a welcome, you will recall, which was very eagerly extended not so long ago. We appreciate, of course, British dollar difficulties but we know also that the United Kingdom will appreciate our desire that Canada should be more than a very present help in time of trouble.

Economic relations between Canada and the United Kingdom are, of course, a perplexing and difficult problem for us both, and it will take more than a shift in trade figures for a few months to solve it. But I hope that we are now on the way to finding a permanent solution to this problem by increased sales of British goods in our country. Of course, we in Canada have our own special set of economic problems, and it is important that people in this country, preoccupied as they are with their own very real difficulties, should also understand ours. I realize that over here eyebrows are sometimes lifted when a Commonwealth country like Canada is unable to swim, or even to paddle, in the sterling pool. We, on the other hand, get a little worried at times because you seem to be putting a high fence around your pool, with terms of admission which are impossible for us to meet. Full understanding and sympathetic comprehension is required on both sides if we are not to allow these economic difficulties to bring about stresses and strains in our relations generally. I am certain that all of us, on both sides of the water, are anxious to avoid this.

Our Canadian difficulties arise largely from the dual relationship of our financial and economic structure to both the dollar and the pound. We have to keep our eyes - and our mind - on both, simultaneously. This produces occasional dizzy spells and at times we think we are getting cross-eyed. Certainly there is nothing we would welcome more sincerely than a good pair of economic glasses to bring things back in focus. Glasses, however, are not provided under the Government Health Service in Canada and people in England may think that for this reason we are less well equipped to deal with our problems of foreign trade. I assure you, however, that within the limits imposed by our policy in commercial and fiscal matters, which is set in the direction of removing control to the greatest extent possible, we are doing everything we can to maintain the balance of our position between the dollar and pound.

The United Kingdom market is of great importance to us, and we shall do everything that lies reasonably within our means to secure and maintain access to it. I am glad that our economy has since the war been strong and resilient enough to enable us to finance a large part of our exports to the United Kingdom through credits of one kind and another. But the economic strength which has enabled us to do this in turn depends largely on our financial relations with the United States. Our economy will soon run down if it cannot keep on buying certain commodities which are essential to us in the United States. This means U.S. dollars, which are as important for us as they are for the United Kingdom.

We have taken measures of our own to protect and increase our supply of such dollars. From time to time we have restricted the freedom of our people to purchase things they want from the United States, including holidays in New York or California. On the whole these restrictions do not sit heavily on the Canadian public, and they are accepted in good part. I mention them here in this company merely to drive home the point that U.S. dollars are our problem too. People here must not be surprised, therefore, to find us, despite our transatlantic location, joining in the current international parlour game of "hunt the dollar".