Time does not permit a survey on all fronts so to speak, and in any event I am not qualified for such a job. So I am going to confine myself to the subjects which formed such an important part of post-war hopes and planning, namely the elimination of import restrictions, the convertibility of currencies and restoration of multilateral trade. Here the record is an unhappy one. Convertible currencies can be numbered on the fingers of one hand, and trade restrictions, often of a highly discriminatory character, are the rule rather than the exception. Why should this be so? Why should a large part of the world still be in this fix seven years after the war, in spite of the enormous anount of money and effort devoted to the solution of the underlying problems? To this question you can get as many answers as there are men. One answer which seems to be popular in certain places is the bad behaviour of the dollar countries - particularly the United States - in not buying enough from others. "The intractable dollar problem" it is called. Another reason given is that many manufacturing enterprises in the more highly industrialized countries of Europe have not been able to modernize their equipment and improve their processes to the extent achieved by those who were far from the scene of conflict and had ample resources at their disposal. Still another is the pressure of rearmament on countries which have relatively little to spare for this purpose if they are at the same time to maintain a tolerable standard of living. As regards certain countries - in the main, relatively undeveloped ones - which were not engaged in the war and are not burdened with substantial defence expenditures today, it is often pointed out that their growing population and needs for capital development impose strains on their resources which almost inevitably result in import restrictions.

No doubt the various reasons put forward to explain the continuance of trade restrictions and currency inconvertibility all have some degree of validity. The difficulties to which they point have contributed, along with many other things, to a constant state of inflationary pressure in most countries in the world - pressure which has usually been relatively stronger in the non-dollar countries than it has been in the dollar area. There has been a constant attempt to do more than the resources of most countries would permit, even with such assistance as may have been received from outside sources. This situation is not surprising. There are growing populations to support, there is a keen desire for improvement of standards of living and many forms of social security, and in some cases more leisure time. North America has no monopoly on these needs and desires. We are simply more fortunate in our ability to fulfil them up to a point.

The countries which find themselves in this situation, whose desire outruns ability to pay, inevitably tend to use up their foreign exchange reserves. When there is strong pressure on a country's economic resources - which is one way of describing an inflationary situation - some of the pressure tends to spill across its borders, taking the form of an import surplus. If adequate foreign exchange financing to pay for this import surplus is not available from one source or another, the country soon finds itself in balance of payments difficulties. As we have seen time and again since the end of the war, the first reaction of countries in this position is to impose or increase restrictions on imports. If they have cash or credit in some currencies but not in others, the restrictions are likely to be discriminatory in character. In dealing with their payments problem by means of such restrictions, they are