

At the very heart of this whole business of keeping in touch with economic developments is the ability to get hold of and make proper use of good economic statistics. In this connection I want to say that I am very much impressed indeed with the enormous advance that has been made in the last twenty years, both in Canada and abroad, in the production of good economic statistics. This is a matter in which we take some special satisfaction for it is one to which we, in company with many others, have devoted considerable attention. Of course it does not necessarily follow that even with much better information those in positions of authority will in fact deal more effectively with problems that arise in the future than they did, say, two decades ago. Effective action depends also on a proper understanding of how the economic system does in fact operate and this will always be to some extent a matter of opinion. But to know the true facts about a problem is bound, I think, to be quite a help in deciding what to do about it. I therefore place great importance on getting good economic statistics of all kinds, and I am greatly encouraged by what has been and is still being achieved in Canada.

I would like to turn for a moment to a field in which the Bank of Canada does not have direct and primary responsibility but in which we are deeply concerned - the field of international trade. Canada normally exports over 20 per cent of its national product and, as every Canadian knows, we cannot have a high level of economic activity if our export trade is in poor shape. It is for this obvious reason that so much attention has been devoted to our international trade and financial affairs in the post-war years. When the war was over there were two main tasks to be accomplished in this field. One was to get the war-shattered countries of Europe back on their feet. The other was to reconstruct a functioning international economic system. To help in the first task Canada extended substantial credits and the United States extended very large credits and grants. The financial assistance provided by Canada and the United States, including that granted by our neighbour with such beneficial results under the Marshall Plan, had as one of its objectives the encouragement of a high level of international trade, free from hampering restrictions and discriminations. These were also the objectives sought in the permanent institutions of international collaboration planned during the war and set up soon after - the International Monetary Fund, the International Bank for Reconstruction and Development and the General Agreement on Tariffs and Trade. The institutions embody the conviction, which is not based on some fine-spun theory but rather on the realities of practical experience, that all countries will derive benefit from the elimination of obstacles to international trade. At times it has seemed that in spite of all the efforts put forward very little progress was being made towards reaching the goals of freer trade and convertibility of currencies. The vicissitudes of the post-war period compelled many countries to impose trade and exchange restrictions of all kinds, to foster bilateral deals and, in particular, to discriminate against the dollar area. I think we in Canada recognized that much of this was inevitable as a temporary means of dealing with the problem. But what we have always fought against in season and out is the argument that trade restrictions and discrimination were props and safeguards which could usefully be employed for a long period of time.