

compared with \$510 millions in 1948. The bond market was most receptive to new issues throughout the year, and I believe that distribution took place on a broad scale; in other words, that there was not undue dependence on institutional buyers.

Another major factor in Canadian business activity is our export trade. Here the actual dollar total of shipments in 1949 will probably be within two per cent of the record level of 1948. However, the fact that our export prices averaged several per cent higher than in 1948 means there was a somewhat greater decline in physical volume of export shipments than the dollar figures would indicate. Moreover, the totals conceal important changes in particular categories of exports. The members of your Association are well aware that in a wide range of manufactured goods sales are no longer possible to many countries because of increasingly severe import restrictions. In some cases, this has caused the loss of markets built up over a long period of years, and is a most unfortunate development.

I wish I could say something optimistic in regard to the recovery of these markets in the near future, but it is quite impossible for me to speak in that sense. So long as these customers have difficulty in securing enough dollars to pay for their requirements of essential food-stuffs and raw materials, they are certain to give low priority to most fully manufactured goods. I do not wish it to be thought that I am taking a defeatist attitude. The struggle continues to bring the world back to a more even keel and to reach the goal of freely functioning multilateral trade, minus the cramping restrictions of the post-war period. The post-war loans, the creation of the International Monetary Fund and International Bank, the Marshall Plan and the United Nations programme for technical assistance (President Truman's Point Four) are worthy pages in the story of post-war reconstruction. But the struggle will continue for a long time to come.

Meanwhile we can take some encouragement from the record of our exports to the United States. The total dollar value of shipments to that market in 1949 may well have exceeded the extraordinarily high level of 1948, in spite of the fact that United States business activity declined somewhat in the early part of the year. During 1949, and particularly since the devaluations of last September, there have been some interesting cases of Canadian firms developing new lines, or considerably expanding old lines, of exports of manufactured goods to the American market. Whether this will develop into a general movement on an important scale only time will tell, but even a minute share of the American market could make a big contribution to the prosperity of individual firms, and to Canada's balance of payments position.

Much will depend on the adaptability and the initiative of Canadian business men, and here we should look to the example of firms which refused to be dismayed by the hurdles and the uncertainties which have traditionally characterized the American market. When they have investigated the United States market on the spot for themselves, and have made aggressive efforts to sell, extremely good results have often followed.

Much will also depend on the maintenance of high levels of activity in the United States, and willingness in that country to remove obstacles to the entry of foreign goods. On both these points, it seems to me, the events of 1949 give cause for encouragement.