

the exchange reserves (\$1,856 million at September 30 last), the record level of foreign trade, and the unprecedented expansion of the economy. In some respects, of course, Canada has been especially fortunate in comparison with other countries. Our good fortune in being spared the direct ravages of war and in being blessed by Providence with rich and extensive natural resources has contributed in a significant way to the difficult post-war adjustments. The existence of alternative markets for many of our basic exports in the United States, and the buoyancy of that market in recent years, were also fundamental conditions of our relatively successful adaptation to the changing pattern of world trade.

Difficulties With Overseas Markets

However, the persistent imbalance of many of our important overseas customers has required us to make a number of difficult adjustments and confronts us with continuing problems. Markets for some of our minor agricultural products have been closed, with few alternatives in sight. Some manufactured goods have suffered sharp reductions in their sales to overseas markets. As long as our major overseas customers find it necessary to hedge themselves about with discriminatory trade restrictions and keep their currencies inconvertible, we shall have problems to solve and shall retain a measure of vulnerability because of our heavy dependence on one market, great and expanding as it is. We have therefore a great stake, as we believe does also the whole Western world, in the success of some such programme of national action and international co-operation as was envisaged by the recent London Conference of Commonwealth countries, designed to recreate as quickly as practicable an effective system of multilateral trade and payments over the widest possible area.

If, perhaps, this record of developments in Canada since the end of the war has been tinged with some pride in Canada's recent growth and confidence in its future, I would like to warn you that we are worthy neither of the idolatrous esteem with which you sometimes seem to regard us nor yet of the low estate to which you consign us at other times in moments of disillusionment. We are just a young country trying to get along! - with some of the strengths and limitations of youth!

There is nothing more certain in these dynamic and uncertain times than that we shall have fresh problems to face and new adjustments to make. Of these, the continuing disequilibrium in world trade and payments to which I have just referred and the constant threat of inflation arising from the cold war as well as from the impatient striving of a virile people for bigger and better things plus greater security and more leisure are likely to present the most compelling challenge. But there will probably be others as well.

Whatever the problems may be, the Canadian people will, I believe, face up to them with new confidence. We are small in numbers but growing rather rapidly. Our gross national product per capita is 27 per cent lower than yours but rising more rapidly. We are united as never before. That unity and a certain tolerance of mind and steadiness of purpose (call it stolidity, if you prefer!), coupled with inherited traditions and