

CHAPTER XVI.—EXTERNAL TRADE

CONSPECTUS

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External trade in commodities is only a part, though a very important part, of the broader field made up of the international exchange of values comprising goods, services, securities, etc. This relationship is shown in its proper proportions in Part III of this chapter. However, since commodity exports and imports constitute the largest factor in Canada's international transactions, and the one in which the great majority of Canadians are most vitally interested, this chapter is devoted chiefly to the consideration of commodity trade.

PART I.—THE GOVERNMENT AND EXTERNAL TRADE

Section 1.—The Development of Tariffs

The development of tariffs as affecting Canada is here outlined under two divisions: first, a historical sketch showing phases in the growth of Canadian trade that have influenced tariff development; and second, the present tariff relationships with other countries. Owing to the limitations of space in the Year Book, it is impossible to go into detail with such an intricate matter as tariffs. It has been necessary, therefore, to adopt the policy of confining any detail regarding commodities and countries to tariff relationships at present in force, and to summarize as much as possible historical data and details of preceding tariffs, giving references where possible to those editions of the Year Book where extended treatments can be found.

Subsection 1.—Historical Sketch of External Trade and Tariffs

A short sketch of trade and tariffs prior to Confederation is given at pp. 480-482 of the 1940 edition of the Year Book.

Tariff Policy since Confederation.—The immediate effect of Confederation was to abolish the tariff barriers that existed between the provinces entering the