

Section 2.—Geographical Distribution of Canadian Trade

Since Confederation the records of Canadian trade have emphasized the importance of trade relationships with the United Kingdom and the United States. In the early years of the Dominion, when the United Kingdom was lending Canada capital on a considerable scale, that country supplied more than half of the Canadian imports, even though, as a purchaser of Canadian goods, she took second place to the United States. To-day, though there have been vast changes and shifting trends, Canadian trade is still carried on predominantly with these two countries.

It is the purpose of this Section to outline these main trends. In Subsection 1 Canada's place in the world economy is summarized from the Report of the Royal Commission on Dominion-Provincial Relations presented in 1940. This provides a background for the detailed treatment of trade by continents and leading world countries appearing in Subsection 2; with the United Kingdom and the British Empire in Subsection 3; and with the United States and other foreign countries in Subsection 4.

Subsection 1.—Canada's Place in the World Economy*

Canada holds a particularly important place in the world economy, or at least in that section of the world economy that has been, or remains, organized on a basis of interdependent trade and financial relations and that operates as a functional whole. Although containing less than 1 p.c. of the world's population, Canada ranked fifth in total trade in 1939, being fourth in exports and eighth in imports. In fact, Canada ranks high in all the major activities that make up the balance of payments, per capita figures in all these transactions substantially exceeding those of the leading world economic powers such as United States, United Kingdom, and Germany, although the per capita figures are higher in some smaller countries such as New Zealand, Denmark, Norway, Switzerland, etc.

* With the exception of Table 3, this material has been taken from Part I, c. 7, Book I, of the "Report of the Royal Commission on Dominion-Provincial Relations".

3.—Per Capita Trade of Twenty Principal Trading Countries, 1929-39

Country	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Argentina.....	160.68	116.66	97.58	53.24	58.53	56.04	72.97	74.27	98.64	70.62	74.35
Australia.....	200.27	137.19	93.87	77.08	98.34	108.17	121.65	139.20	159.49	154.15	117.63
Belgium.....	237.01	198.18	168.41	120.37	135.27	153.43	141.18	167.17	214.93	181.92	172.38
Brazil.....	21.89	14.28	9.82	8.23	10.59	11.52	13.92	12.51	14.31	12.46	14.74
British India.....	6.67	5.06	3.05	2.30	2.55	2.91	2.95	4.16	3.83	3.26	3.30
Canada.....	243.05	183.96	116.15	88.95	57.78	106.73	115.37	141.07	163.05	136.11	148.32
Denmark.....	254.12	240.01	193.42	130.51	136.96	151.29	148.34	166.94	192.93	188.88	189.69
France.....	103.22	90.93	70.94	52.65	60.56	63.45	57.42	59.83	60.99	52.85	1
Germany.....	99.48	79.84	60.42	42.88	45.01	50.88	50.76	55.48	63.02	59.93	1
Italy.....	46.65	37.00	28.53	21.02	23.41	25.90	24.78	20.12	30.15	26.78	1
Japan.....	31.11	22.47	18.14	13.79	15.88	19.80	20.52	22.46	20.18	15.67	1
Netherlands.....	248.21	210.94	169.88	123.03	131.32	142.64	129.43	135.61	175.22	160.12	161.16
New Zealand.....	340.72	281.36	179.48	138.58	157.78	202.22	209.89	254.92	323.94	298.46	249.12
Norway.....	172.12	164.52	121.73	82.59	97.79	113.80	121.46	143.05	179.61	167.13	186.15
Spain.....	31.72	24.68	9.22	6.64	7.34	8.26	8.17	1	1	1	1
Sweden.....	158.19	140.29	109.42	71.47	83.59	107.53	112.70	129.91	167.38	158.10	172.99
Switzerland.....	236.26	212.29	179.33	138.39	159.13	177.00	165.33	156.85	174.37	140.92	183.70
Union of South Africa.....	91.59	57.52	66.24	66.44	79.18	85.79	100.66	101.47	114.68	97.68	1
United Kingdom.....	195.91	162.06	113.51	87.35	97.43	115.16	118.01	132.62	165.72	148.00	134.58
United States.....	78.93	55.26	37.58	26.06	27.00	29.30	33.83	37.71	49.10	39.20	43.08

¹ Not available.