

CHAPTER XVI.—EXTERNAL TRADE*

CONSPECTUS

	PAGE		PAGE
GENERAL REVIEW.....	459	Subsection 2. Changes in Distribution Brought About by the War.....	489
Part I.—The Government and External Trade.....	463	Subsection 3. Trade by Continents and Leading Countries.....	491
SECTION 1. THE DEVELOPMENT OF TARIFFS.....	463	Subsection 4. Trade with the United Kingdom and the British Empire..	498
Subsection 1. Historical Sketch of External Trade and Tariffs.....	464	Subsection 5. Trade with United States and Other Foreign Countries	504
Subsection 2. Tariff Relationships with Other Countries.....	465	SECTION 3. COMMODITY ANALYSES OF CANADIAN TRADE.....	506
SECTION 2. THE COMMERCIAL INTELLIGENCE SERVICE.....	469	Subsection 1. Trade of Canada by Main Groups.....	506
SECTION 3. THE WAR IN ITS RELATION TO GOVERNMENT CONTROL OF EXTERNAL TRADE.....	473	Subsection 2. Principal Commodities Imported and Exported.....	508
Subsection 1. Canadian Wartime Restrictions.....	473	Subsection 3. Comparison of the Volume of Imports and Exports..	544
Subsection 2. Government Bodies Set up to Direct and Promote Trade under Wartime Conditions.....	477	Subsection 4. Proportions of Trade in Raw and Manufactured Products	546
Part II.—Statistics of External Commodity Trade.....	484	Subsection 5. Origin and Purpose Groupings of Imports and Exports.	548
SECTION 1. HISTORICAL STATISTICS OF CANADIAN TRADE.....	487	Part III.—Summary of External Transactions.....	552
SECTION 2. GEOGRAPHICAL DISTRIBUTION OF CANADIAN TRADE.....	487	SECTION 1. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS.....	552
Subsection 1. Canada's Place in the World Economy.....	489	SECTION 2. THE TOURIST TRADE OF CANADA.....	563

General Review

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 greatest majority of Canadians are most vitally interested, this Chapter is devoted chiefly to the consideration of commodity trade. During the war years, commodity movements and destinations have been quite abnormal and have given rise to a situation that is already causing some concern, in its bearing on post-war trade, but for which plans are being made. The salient aspects of this situation are summarized here.

When the volume of Canadian war production is reduced, both the size and composition of Canadian exports will undergo marked changes. In any attempt to analyse post-war conditions of trade, certain facts must be realistically examined. The national income of Canada for the latest pre-war year, 1938, was \$4,288,000,000; in 1943 it is estimated to have reached \$8,724,000,000; and in 1944 about \$9,186,000,000. This high level has been attained under the impetus of all-out war and the almost unlimited demands for exports of foodstuffs and munitions. In order to maintain present standards of living in Canada, to keep employment at a high level, and to provide for the social legislation already on the statute books, it has been estimated that the national income in post-war years should be not less

* This Chapter has been prepared in close co-operation with the various branches of the Department of Trade and Commerce. The figures in Part II are compiled from the various reports of the External Trade Branch of the Bureau of Statistics. The information under Part III, and certain of the data in the General Review has been furnished by C. D. Blyth, B.A., Chief of International Payments Branch, Bureau of Statistics.