

The aggregate amount of guarantees outstanding at any one time must not exceed \$200,000,000 and the aggregate of loans outstanding and securities held must not exceed \$100,000,000 at any one time. All guarantees or loans made are to be conditional on the Government of the country to which the goods are exported requesting the Canadian Government to give such guarantees, etc., and undertaking to indemnify the Canadian Government against loss.

The loans and guarantees authorized under Part II of the Act are intended to help restore and develop Canadian trade in the difficult period of transition between war and peace, particularly trade with those countries which need imports for the purpose of reconstruction and rehabilitation of their economies devastated or disorganized by war, which countries may be expected to have some difficulty in acquiring sufficient Canadian dollars to pay for the imports they would like to obtain from Canada.

## PART II.—STATISTICS OF EXTERNAL COMMODITY TRADE\*

Actually about 75 to 80 p.c. of the enormous export business which Canada now is doing belongs in the category of temporary, abnormal, wartime trade, with only about 20 to 25 p.c. in the category of normal and permanent trade. Nevertheless, this remaining trade, amounting to about \$600,000,000 a year, despite the stress of wartime restrictions is very important and still plays a vital role in sustaining the agricultural and industrial life of the country. Canada's normal pre-war export business has become, to a large extent, a war casualty since, in addition to the fact that her energies and resources have been concentrated primarily on production and distribution for war purposes and that exports have had to be limited, some of the customary export markets have been cut off and, in most of those remaining open, imports of many classes of goods from Canada have had to be reduced because of shipping shortage, the conservation of exchange for more urgent requirements, or for other reasons.

The statistics in this Chapter of the Year Book, which bring the analyses down to the end of 1943, reflect the changing conditions in the trade economy of Canada, as exemplified by the increase in exports of foodstuffs to the United Kingdom and the importation of machine tools, followed later by the export of munitions and transport vehicles to the United Nations. See the article on "Changes in Canadian Manufacturing Production from Peace to War, 1939-44", at pp. 364-381.

**General Explanations Regarding Canadian Trade Statistics.**—External trade statistics are derived by recording the physical movement of goods outwards or inwards across the frontiers or through ocean ports and the valuations placed upon them at the time of movement. Such statistics cannot take cognizance of the complex financial transactions involved in this physical movement of goods, which transactions may take place prior to or subsequent to the actual shipment (although in investigating the balance of international payments, as in Part III of this Chapter, such financial transactions are the sole consideration). Certain problems of procedure arise in recording trade statistics and it is necessary to explain these.

\* Statistics have been revised under the supervision of L. A. Kane, Chief, External Trade Branch, Dominion Bureau of Statistics. For a complete list of the publications of this Branch, see Chapter XXX, Sect. 1, under "External Trade".