

paints, wheat, mining and industrial machinery, electrical apparatus, etc. For the year 1945, Canada's exports to Latin America amounted to \$54,000,000 a substantial increase compared with the \$19,000,000 for 1939, especially considering that war was still being waged for most of the year, but Canada's imports from Latin America reached \$66,000,000 compared with \$15,000,000 in 1939. While the figures, therefore, show the opportunities for reciprocal trade that now exist between Canada and the Latin Americas, they also indicate that the balance of trade so far has been very definitely against Canada.

For economic as well as political reasons, the two continents of North and South America have been drawn closer together as a result of the War. Due to the cessation of supplies from Germany and Japan, from which Latin America drew heavily, and the decline in imports from the United Kingdom and other European countries, Latin American countries were increasingly dependent on North America in the war years for materials and finished goods to keep their economies functioning. The goodwill Canada has built up in these markets should stand her in good stead in the years ahead.

Turning now to the last principle of trade policy mentioned on p. 475, it is clear enough that the present shortage of all kinds of goods is so serious that considerable time will elapse before it will be possible to satisfy all the urgent needs at home let alone demands from abroad. The tendency and even the temptation, therefore, will be to take the narrow view and look to this ready-to-hand and profitable domestic market at the expense of the more specialized export field. Such a policy might well lead to the building up of quite the wrong kind of productive organization.

The goal that has been officially set for Canada's post-war foreign trade, while fairly high, is not unreasonably so in the opinion of Government experts who have closely studied the world situation. But to attain it and hold it, Canadian exporters need to take the long view and plan in terms of the years ahead when competition will be much keener. Even in the case of export staples that Canada has always shipped abroad in large quantities, producers will need to keep closely in touch with changing requirements abroad. The immediate outlook for farm products including live-stock products is definitely promising. Newsprint and lumber will be in strong demand for several years, as will the products of the mines, such as most metals, asbestos, etc.

The above review has dealt almost entirely with commodity trade. However, 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.