

CHAPTER XXI.—FOREIGN TRADE

CONSPECTUS

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The subject of foreign trade covers more than treatment of imports and exports of commodities, important though this is. In its broader sense, it is made up of the total international exchanges of goods, services, securities and other financial exchanges all of which are presented in their proper relationship in the three Parts into which this Chapter is divided. Part I deals with Government Control of Trade so far as these controls have remained since the War of 1939-45 and the various ways in which the permanent Departments promote and encourage trade relationships. Part II is concerned with detailed statistics of external commodity trade. Part III summarizes external transactions from a standpoint of the balance of international payments.

General Review*

Foreign trade, of great significance to this country from the time of early settlement, has now developed to the point where Canada, with less than one per cent of the world's population, ranks near the top among the trading nations of the world. The Dominion has reached this position as the result of the adjustment and expansion of Canadian production to meet the enormous demands for food and reconstruction materials in devastated countries following the Second World War and to satisfy the greater requirements of the United States market. In addition, Canada's own import requirements reflected the high levels of employment and income, deferred demands, and the reconversion and development of industry. Thus, despite the disappearance of the huge contracts for munitions and other war supplies, total domestic exports for 1947 amounted to \$2,775,000,000 and imports for consumption to \$2,574,000,000, or a total of \$5,349,000,000. This meant in effect, that external commerce in 1947 amounted to \$425 per capita, compared with \$248 for the United Kingdom and \$142 for the United States.

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