

I.—POST-WAR LOANS AND ADVANCES TO OTHER COUNTRIES BY THE CANADIAN GOVERNMENT

Country	Export Credit Loans Authorized	Net Amounts Drawn ¹			Amounts Not Drawn by Dec. 31, 1947
		1945	1946	1947	
	\$'000,000	\$'000,000	\$'000,000	\$'000,000	\$'000,000
A. EXPORT CREDITS—					
France.....	242.5	34.9	108.9	54.6	44.1
Netherlands.....	125.0	29.8	34.2	40.6	20.4
Belgium.....	100.0	22.5	30.1	12.3	35.1
China.....	60.0	—	16.5	16.1	27.4
Norway.....	30.0	6.2	10.2	3.6	10.0
Czechoslovakia.....	19.0	0.7	3.2	8.2	6.9
Netherlands Indies.....	15.0	0.6	4.8	4.6	5.0
Union of Soviet Socialist Republics...	3.0	9.9	1.8	—	0.1
TOTALS—FOREIGN COUNTRIES.....	594.5	104.6	209.7	140.0	146.9
B. LOAN TO UNITED KINGDOM.....	1,250.0	—	540.0	423.0	287.0

¹ Net amounts drawn include interim advances as well as drawings on Export Credit loans less repayments of interim advances and loans. All advances had been repaid by Dec. 31, 1947, with the exception of \$8.8 million to the Union of Soviet Socialist Republics.

In this general setting, the Canadian surplus on commodity trade with the United Kingdom in 1947 was \$564,000,000, whereas, the average surplus in the 1935 to 1939 period was \$231,000,000. On the other hand, the deficit on commodity trade with the United States, in 1947, was \$918,000,000 or over eleven times as great as the 1935 to 1939 average deficit. Thus, although Canada had a slightly favourable balance on over-all trade in 1947, receipts of United States dollars fell far short of dollar expenditures, and Canadian reserves of gold and United States dollars declined from \$1,245,000,000 at Dec. 31, 1946, to about \$500,000,000 a year later.

This deterioration in the exchange position necessitated the introduction of a dollar saving and earning program on Nov. 17, 1947. Under this program, the importation of some luxury goods was prohibited; quotas were established on many other commodities; a 25 p.c. excise tax was placed on several consumer durables in order to reduce domestic demand; funds to be made available to individuals for pleasure travel in dollar countries were restricted; controls on the import of capital goods were instituted to encourage the expansion of export industries; and support was given to the gold-mining industry.

The operation of the Economic Co-operation Administration, established by the United States in April, 1948, by providing large sums of United States dollars for purchases in Canada, will likely maintain exports at higher levels than would otherwise have been possible. The reconstruction of Western Europe is of vital interest to Canada, and Canadian supplies under E.C.A. will do much to hasten the recovery of these traditional consumers and the restoration of multilateral trade.

In addition to the E.C.A. there have been two major trade conferences, the results of which, with the rehabilitation of Western Europe and other areas, may be of considerable long-run importance to Canadian trade. The General Agreements on Tariffs and Trade, signed by Canada and 22 other countries at Geneva on Oct. 30, 1947 (see pp. 873-877), provides for lowering tariffs on many items important in world trade. The United Nations Conference on Trade and Employment held at Havana, Cuba, from Nov. 21, 1947 to Mar. 24, 1948, drew up the