

Havana Charter for the International Trade Organization. An Interim Commission was established to function until the Charter was ratified. Canada and the other fifty-three signatories undertook to co-operate with one another in the fields of trade and employment, and with the United Nations for the general purposes of attaining higher standards of living, full employment and conditions of economic and social progress and development. The participating countries pledged themselves to the many detailed clauses in the Agreements which outline proper practices in matters of trade and employment policy. This Charter marks a great step forward in providing the basis for the furtherance of international trade which is so important to the stabilization of high levels of income and employment in Canada.

Detailed Canadian trade figures for 1947 and earlier years are summarized in tables, and written analyses on pp. 895-932. This review has been largely in terms of commodity trade. Although this is by far the most important part of the broader field of international exchanges, the relationships between commodity trade and other items, such as services, tourists, etc., can be appreciated further by reference to Part III pp. 932-944.

Canada's Relation to World Trade.*—In the present world economic situation the fact looms large that some countries, which before the Second World War were important producers of either manufactured goods or primary products, have suffered a severe deterioration of their production capacity; a few have greatly improved their capacity and are now almost the sole sources of the imports needed for the reconstruction of war-devastated countries.

The producing countries, which include Canada, are unable to meet the requirements of importing countries although their industrial and domestic production is above that of pre-war output, partly because of the magnitude of the demands and partly because of the limited and unevenly distributed supply of hard currencies in which most of these imports have to be paid.

This shift in the distribution of productive facilities has contributed to considerable inflationary pressures in the world and these, in turn, have tended to complicate the problems. While the index of the world trade situation is the level of total net exports for all countries it must be noted that to the extent that net exports from any one country release materials, the short supply of which hampers reconstruction at home, the problem of meeting the international short position is, in the long run, actually delayed.

In Canada, as everywhere, reconversion was checked by shortages arising from labour disputes and the lack of imports, bottle-necks in transport, power and building materials and the unequal incidence of price controls. These, however, were being speedily reduced by 1946 and 1947, when controls on hundreds of commodities, including many essential raw materials, wage restrictions, etc., had been reduced or dropped. The success of these measures was closely linked with similar policies pursued elsewhere, particularly in the United States and the United Kingdom which countries have a very influential bearing on Canadian trade.

The aggregate value of world exports in 1938 was about \$22,600,000,000. In the first half of 1947, world exports, including UNRRA deliveries and certain other exports of a non-commercial nature, were proceeding at an annual rate of some \$22,400,000,000 if computed at 1938 prices and \$45,000,000,000 at current prices. World imports represented somewhat higher figures owing to the inclusion in the values recorded by most countries of transport costs up to the domestic

* Material prepared from the United Nations Economic Report.