

CHAPTER XXI.—FOREIGN TRADE

CONSPECTUS

	PAGE		PAGE
Part I.—Review of Foreign Trade	964	Part III.—External Transactions	1022
Part II.—Foreign Trade Statistics	972	SECTION 1. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS	1022
SECTION 1. EXPLANATIONS RE CANADIAN TRADE STATISTICS	972	SECTION 2. TRAVEL BETWEEN CANADA AND OTHER COUNTRIES	1027
SECTION 2. TOTAL FOREIGN TRADE	973	Part IV.—The Government and Foreign Trade	1033
SECTION 3. TRADE BY GEOGRAPHIC AREAS	974	SECTION 1. FOREIGN TRADE SERVICE AND ASSOCIATED AGENCIES CONCERNED WITH THE DEVELOPMENT OF FOREIGN TRADE	1033
SECTION 4. TRADE BY COMMODITIES	986	SECTION 2. THE DEVELOPMENT OF TARIFFS	1040
SECTION 5. IMPORTS AND EXPORTS BY DEGREE OF MANUFACTURE, BY ORIGIN AND BY PURPOSE	1012	Subsection 1. The Canadian Tariff Structure	1041
SECTION 6. COMPARISON OF VALUE, PRICE AND VOLUME OF FOREIGN TRADE	1020	Subsection 2. Tariff and Trade Arrangements with Other Countries as at Nov. 1, 1958	1042

NOTE.—The interpretation of the symbols used in the tables throughout the Year Book will be found facing p. 1 of this volume.

The subject of foreign trade covers more than the treatment of imports and exports of commodities, important though this is. In its broader sense foreign trade 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 this Chapter. Following Part I, which is a review of Canada's trade during recent years, Part II gives detailed statistics of external commodity trade. Part III summarizes external transactions from the standpoint of the balance of international payments. Part IV outlines the various ways in which the Federal Government promotes and encourages trade relationships, and contains a brief review of the Canadian tariff structure.

PART I.—REVIEW OF FOREIGN TRADE*

The division of labour is the basic organizing principle of the modern economy and it may be as fruitfully practised among as within nations. International specialization is a clear source of economic gain; but the character it takes varies in each country according, among other things, to resource endowment, geographical situation and political attitude. Canada has hitherto found it profitable to devote a considerable proportion of its resources to production for export and thus to rely on imports, not only to provide products that are geographically alien to the country, but also to provide the products that might have been produced at greater cost by the resources devoted to the export trade. This importance of exports and imports—which accounted for 15.2 p.c. and 16.1 p.c. respectively of the gross national product in 1958—in the Canadian economy gives Canada a great interest in external economic conditions, especially in the United States and the United Kingdom, and in international institutional arrangements which might have bearing on the value, volume, composition and direction of world trade. Thus, this review will include a discussion of the international economic situation, an outline of recent trends in Canadian trade and a brief account of a recent study of the seasonal pattern of Canadian trade.

* Prepared in the External Trade Section, International Trade Division, Dominion Bureau of Statistics.