

was limited largely to farm machinery and certain electrical items. The improved performance in the past few years is in part attributed to special defence and aid programs but also to a wider realization of the possibilities in rationalizing secondary industries in relation to the international market. This has been particularly evident in the upsurge in exchanges of automobiles and components.

Canada's Participation in Major Foreign Markets

There is a wide appreciation of the particular part played by the United States and also by Britain and other countries in Canada's inflow and outflow of merchandise. However, less attention has been given to the role of Canada in the trade patterns of foreign countries.

It is not surprising that the Canadian impact is highest in the imports of the United States, its immediate neighbour. Canada's share of American purchases has been just under 23 p.c. in recent years, about the same as in the mid-1950s and nearly triple the 8-p.c. portion of the British market, usually the next highest Canadian impact. In both, a decline in share in the late 1950s was arrested—in 1957 in Britain and since stabilized; in 1960 in the United States followed by recovery. Canada is by far the largest single supplier to the United States, equalling the whole of Latin America and nearly rivalling all of Western Europe. In Britain, Canada is one of several main suppliers—trailing the United States but larger than any other single country. Yet EEC as a group is twice as large and Scandinavia and the other "Old Dominions" are larger. In both markets Continental Europe is increasing its share while developing nations are falling off the pace; meanwhile, Canada has maintained its share.

Over much of the period the 4-p.c. to 5-p.c. share of Japanese imports ranked third in the scale of impact—until Chinese wheat purchases changed the picture. Canadian sales did not keep up with general Japanese imports in the mid-1950s but by 1960 much of the ground had been regained and the position slowly improved up to 1964. Some of the decline in 1965 has since been recovered.

Australia, New Zealand and South Africa collectively rank next, with Canadian participation in imports reaching 3.6 p.c. These fellow "Dominions" in the "old" Commonwealth of the 1930s were traditional but never large proportional buyers from Canada, because of the parallel histories of industrial development. Sales fluctuated markedly, reflecting financial and industrial adjustments, but Canada's share in the period was not higher than in 1965.

It is perhaps surprising that Canada's impact in Latin American imports [excluding sterling (£) territories], at about 3 p.c. of total, is so close to that in the "Old Dominions" and nearly double the share obtained in developing £ countries. After a decline in the mid-1950s, Canadian participation in Latin America gained, particularly in recent years. Meanwhile, in the developing £ area, imports from Canada were under 2 p.c. of the total in this period and would probably have been much less without aid through the Colombo Plan and other Commonwealth channels. Nevertheless, there are wide variations in Canada's penetration throughout the Commonwealth. In particular, trade with the nearby West Indies has traditionally been important, although in recent years Canada's share has eased down below one tenth of their imports.

Continental Western Europe, however, is even farther down the scale of Canadian participation. Canadian exports to these markets are, of course, sizable and increasing but in relation to total volume they appear small—a little over 1 p.c. of Scandinavian imports and in the Common Market declining from about 2 p.c. to just over 1 p.c. The relaxation of barriers against end-products and the tremendous rise of intra-European exchanges has tended to overshadow imports of grain and industrial materials from Canada.