

PART II.—THE GOVERNMENT AND FOREIGN TRADE

Section 1.—Federal Foreign Trade Services*

Foreign trade contributes substantially to the welfare and prosperity of Canadians, largely because the productive capacity of Canada is greater than the ability of its population to consume the output of farms, factories, forests, fisheries and mines. Every effort is made, therefore, to establish and maintain close commercial relations with other countries whose markets are essential to the Canadian economy. It is appreciated, however, that two-way trade should be encouraged so that goods and services may be accepted in partial payment for the products Canada is in a position to export. Furthermore, many commodities not indigenous to this country must be imported. Some of these are required for industrial processes and others may be classed as consumer goods necessary for the maintenance of the Canadian standard of living.

Although numerous private firms have established connections in other countries that enable them to maintain a steady flow of goods in either direction, others require the assistance of government agencies in finding markets or sources of supply. Import and export controls imposed by many countries for a variety of reasons, together with foreign exchange difficulties, present problems that no single firm or even an association of manufacturers, exporters or importers can solve without assistance from government representatives. The federal Department of Trade and Commerce, the primary function of which is the promotion of external trade, makes available to business men a wide variety of services to assist them in selling their products abroad. These services are provided by the Department's head office in Ottawa, six regional offices in Canada, and a corps of trade commissioners stationed around the world.

Services available from the various branches, divisions and agencies of the Department of Trade and Commerce are described below. The work of these entities is interrelated, each operating in its own field but working closely with the others to effect the over-all objective of trade promotion.

Trade Commissioner Service.—The Trade Commissioner Service, as the overseas arm of the Department, is actively engaged in the promotion of Canadian trade and the protection of Canada's commercial interests; 67 offices are maintained in 48 countries.

Every effort is made by Trade Commissioners to bring Canadian exporters and prospective buyers together. On their own initiative, and in response to requests from the Department and Canadian business men, they study potential markets for specific Canadian commodities and services. Economic reports provide background information necessary to the formulation of Departmental trade policy. Reports are provided on the demand in the country concerned, prices, competition, trade and exchange regulations, tariffs, shipping and packaging requirements, credit terms, channels of distribution, labelling regulations, etc. Inquiries from local business men for goods obtainable from Canada are forwarded to the Department in Ottawa, or directly to Canadian firms in a position to supply the products required.

The supervision of Canadian exhibits at overseas trade fairs and the provision of assistance to participating Canadian firms is an important function of many offices. Trade commissioners make local arrangements for and travel with Canadian trade missions visiting overseas markets. They also seek sources of supply for a wide variety of goods on behalf of Canadian importers.

In developing trade opportunities, Canada's trade commissioners travel extensively in their territories, visit leading industrial and commercial centres and call on government officials, business men, trade associations and municipal authorities. They establish social contacts with commercial interests, thereby developing goodwill for Canada and Canadian

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