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## TRADE WITH FAR EAST

Canadian trade with the principal countries in the Far East and South-East Asia has recently shown satisfactory results, according to an article in the January 19 issue of *Foreign Trade*. Exports have been well maintained and there are very definite signs of a sound increase in value during the year just ended. Imports have been increasing rapidly and final 1956 figures may well set a record for modern times.

Japan's continued revival and the mutual benefits from the Canada-Japan trade treaty concluded three years ago have combined to improve the trading position between the two countries substantially. Exports of wheat, which make up a high proportion of the trade, are being gradually supplemented by sales of an increasing range of foodstuffs, raw materials for industry, and some manufactured goods, and the trade is acquiring a diversity which was lacking earlier. Imports of Japanese goods have been increasing rapidly to a point where the ratio between export and import values, previously about seven to one, has now altered to two to one. Notable in recent increases in imports have been canned fish, textiles in the piece and made-up clothing, toys, and a variety of iron and steel goods, including pipe for the oil industry.

The South Korean market continues to show the after-effects of the war. Demand is generally small with wide fluctuations, and the export trade has little relationship to Canadian market capacities.

Taiwan (the Nationalist Republic of China) is associated in its current foreign trade mainly with the United States and Japan. With the former the association is political and strategic; with the latter, it is due to the long-standing association between Taiwan's production of foodstuffs and raw materials and consistent Japanese demand for these goods.

The most difficult market to assess in Canadian trade with the Far East is, of course, Red China, Mainland China, now a Communist regime, used to be one of Canada's main export markets and of particular importance to Pacific Coast exporters of lumber, flour, paper, fish in various forms, aluminum, fertilizers, and many other goods. At one time we bought large quantities of peanuts, walnuts, silk, tung oil, carpets and handicrafts from Chinese sources. The trade has fluctuated violently over recent years but now seems to be taking form. Imports from Mainland China have been increasing. The goods involved are wanted in Canada and can be obtained in better quality and at better prices than from other sources. Exports of fertilizers and other non-strategic goods are increasing at the same time and a sound development in the trade would seem to offer mutual benefits.

Canadian-Hong Kong trade is becoming more and more related to the industrial development of this colony. Its demands for foodstuffs and other consumer goods are being met to an increasing degree from local sources and from Japan and other Asian countries. Long-standing

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