

Supply—Trade and Commerce

Foreign trade is vital to Canada. One out of every five Canadians derives his livelihood from international trade, and Canadians in fact are more dependent on export trade than are the people of any other industrialized nation. Indeed, there can be no prosperity here without a high level of exports, nor can we enjoy continued development without expanding world opportunities for multilateral trade.

Over the years periods of prosperity have been associated with high levels of export trade. At one time agricultural and fishery products were of overwhelming importance, and Canadian prosperity was geared closely to overseas demands for our foodstuffs. Exports of foodstuffs are still of great importance, but with industrialization and discovery of new resources many new export items have emerged. Today forest products lead and comprise about one third of our export trade. Next come minerals, metals and bulk chemicals, which account for close to two fifths of our sales abroad, and then agricultural and fishery products which are one fifth of our total exports. Our leading exports, ranking in order of importance, are as follows, and the values indicated are those for the year 1957: newsprint, \$715 million; wheat, \$380 million; wood pulp, \$292 million; planks and boards, \$282 million; nickel and products, \$248 million; aluminum and products, \$230 million; copper and products, \$169 million; iron ore, \$152 million; crude petroleum, \$141 million; fish and fish products, \$130 million.

Canadian exporters, with the assistance of our trade commissioners and other officials, are constantly on the lookout for new markets for established export items or for new outlets for new products. Under present competitive world trading conditions we must seize every opportunity to develop new sales, and Canadian exporters are on the whole facing up to their great responsibility with vigour and imagination. More of them are travelling abroad to meet prospective customers and to follow up trade leads personally. Our trade commissioners last year received over 4,000 visits from Canadian businessmen, and many millions of dollars worth of new export business has been obtained directly as a result of these visits.

We have been encouraging greater exports of fully manufactured goods and more processing of raw materials in Canada. Exports of machinery and other highly manufactured products last year amounted to over \$500 million, and this figure does not include the increased value added to materials exports by the further processing which has been undertaken at home. Canadian farm machinery, industrial machinery, motor vehicles,

aircraft, ships, locomotives and railway cars, to take only a few examples, are well known in many countries. Our foreign sales of manufactured goods can be maintained and increased provided, of course, that costs here can be kept within reasonable levels and that our businessmen take advantage of every sales opportunity.

Our pattern of trade has undergone some changes. In the more recent period we have been selling more to the United Kingdom and the commonwealth countries and somewhat less to the United States and some other foreign countries. For example, commodity exports to Great Britain in the January to May 1958 period rose from \$285 million to \$291 million or by 2 per cent, and to other commonwealth countries from \$94 million to \$130 million or by 38 per cent. Sales to the United States declined only moderately to \$1.1 billion or by 2 per cent.

In the same period imports from Great Britain rose to \$222 million or by 2 per cent, and imports from the United States amounting to \$1.5 billion fell by 17 per cent. Declines also showed up in imports from the rest of the world.

The trade figures that I have given are indicative of three developments. First, Canada's foreign trade with the world as a whole has been maintained at a high level notwithstanding the recessionary influences prevailing in North America. Second, a certain measure of diversification and expansion of trade has taken place leading to a better balance in our trade pattern. Third, Canadian industry has been able to supply a greater share of domestic requirements, thus assisting in reducing our deficit, that is the excess of imports over exports. These developments are in line with the government's trade policy.

Our main objective is to expand our level of trade with all the nations of the world, because we believe that the greatest economic benefits for Canada can be derived from the efficient use of our abundant resources based on multilateral trade relations. Through diversification of our trade a better balance may be achieved. The basic premise of our commercial policy is that the continued prosperity of our major export industries, forestry, mining, agriculture and fisheries, is essential for Canadian well-being and growth.

At the same time our secondary manufacturing industries also require expanding foreign sales if they are to use modern production techniques to the fullest extent. The relatively small size of our domestic market, serving 17 million people, is not a broad enough base for our manufacturing industry, which is efficient and capable of great expansion. Consequently we aim at the expansion