

Recovery of the United Kingdom

Great Britain forms a vital part of Canada's triangular trade pattern, and the restoration of trade with the United Kingdom is essential for Canada. It would be impossible for Canada to carry on her normal trade with the United States unless measures are adopted to make American and British currencies freely convertible. But the United Kingdom has emerged from the war with its international financial position seriously affected. British securities abroad have been depleted. Through repatriation, much shipping has been lost, and her export capacity has been impaired. During rebuilding, the United Kingdom will have to maintain a substantial volume of imports, and to do this, substantial credits from the creditor nations are needed. In addition to a 1942 loan of \$700,000,000, the Canadian government has recently opened an additional credit of \$1,250,000,000, and cancelled the \$425,000,000 owing by the U.K. to Canada with respect to the British Commonwealth air training plan. Canada's loan to the United Kingdom is about four times as large as the \$3,750,000,000 U.S. loan in relation to population and possibly five or six times as great in relation to per capita income. Patterns for future external trade will show up more clearly after the international trade conference now scheduled for the spring of 1947 has taken place. The Doughton Bill has given power to the President of the United States to negotiate tariff reductions up to 50 per cent, and it remains to be seen how far the participating countries may be willing to go in the actual removal of trade and tariff barriers.

Meanwhile, Canada is getting along with the business of the transition period which lies between war and peace - the business of shipping as much food, clothing, machinery and seeds as possible to those who need them most. Commitments amounting to \$154,000,000 to U.N.R.R.A. have been fulfilled. This sum was made up of a \$15,400,000 contribution to U.N.R.R.A.'s free fund to be spent in any country, and \$138,600,000 to pay for goods and services to be supplied by Canada. Many of these goods, embracing a whole alphabet of reconstruction goods, from ambulances to zinc ingot, have already been shipped.

More machinery for external trade

Canada's Foreign Trade Service has been strengthened to cope with expanding Canadian trade. The Trade Commissioner Service today has representatives serving in 29 offices in different parts of the world. The prime function of these offices is to keep the industries in foreign lands in close touch with those of Canada, and to watch for and report opportunities for export or import trade.

In recognition of the saying that trade is a two-way street, Canada's Foreign Trade Service, while promoting export trade, has added an Import Division, which concerns itself with the solution of problems involved in this special aspect of trading. This Division's duties include: procuring desirable imports into Canada, arranging adequate shipping space for essential imports, seeing that Canada receives its fair share of any goods that are subject to international allocation.

Further reading

- "Canadian Economic Development" - A. W. Currie.
- "An Economic History of Canada" - Mary Quayle Innis.
- "Canada-World Trader" and "Ways to World Trade" (Canadian Affairs Series), Wartime Information Board.
- "Trade for Prosperity" - W. M. Drummond, published by the Canadian Institute of International Affairs.