

Some of this new capacity will find peacetime outlets in the home market. In many cases however, the expansion has been so great that it far exceeds the possibilities of domestic consumption. Large markets abroad are needed to keep the Canadian industrial machine running at anywhere near its new capacity. Manufactured products will be available in greater quantity and variety for export: raw and semi-processed materials may take a part of the place formerly occupied by manufactured goods on the import list. Canada's trade picture is likely to be considerably changed.

Canada and Bretton Woods

Canada's trade has been such as to produce large favourable balances with some countries e.g. the United Kingdom, and unfavourable balances with others e.g. the United States. Hence such machinery as the International Bank and Monetary Fund set up under the Bretton Woods Agreement, to obviate the necessity of balancing accounts directly between each pair of countries and to promote trade on a multilateral basis, is likely to be a distinct advantage to Canada. Canada has therefore signed the Bretton Woods Agreement and agreed to participate in these institutions.

The history of commerce proves that the largest volume of trade is found between industrialized and progressive nations. But the recent war, while building up the industrial capacities of some countries, has at the same time crippled the industries of others. It has disrupted the old trade patterns completely. Canada's stake in restoring the war-ravaged nations is very great. The Canadian parliament has authorized export credits up to a total of \$750,000,000 over and above the credits extended to the United Kingdom. Canadian rehabilitation loans to other countries include the following:

Under the Export Credits Legislation up to February 12, 1946

Belgium.....	\$ 25,000,000.
China.....	60,000,000.
Czechoslovakia.....	19,000,000.
France.....	242,500,000.
Netherlands.....	125,000,000.
Netherlands Indies.....	65,000,000.
Norway.....	30,000,000.
U.S.S.R.....	3,000,000.
Unallocated.....	180,500,000.
Total.....	\$750,000,000.

Other loans (up to March 31, 1946)

Greece.....	6,500,000.
Roumania.....	24,300,000.
U.S.S.R.....	10,000,000.
All others including war advances to U.K.....	508,500,000.
Total.....	\$549,300,000.
1942 loan to U.K.....	700,000,000.
1946 loan to U.K.....	1,250,000,000.

Prosperity within each country

The table on page 4 shows that Canadian trade in the past has fluctuated as prosperity ebbed and flowed. It is generally conceded that the prosperity of a world with a high volume of international trade depends on the internal prosperity of the major countries. Canada supports the basic assumption of the Bretton Woods agreements that all countries should do their utmost, in both the national and international fields, to ward off a major depression. Canada's Department of Reconstruction and Supply, created in 1945, is committed to the task of working out ways and means of avoiding the recurrence of depressions within Canada.