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REVIEW OF 1948 TRADE PICTURE

by

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Trade and Commerce.

The year 1948 has been marked by the highest levels of production and external trade in our peacetime history, and by levels of income and employment which have never been exceeded at any time. Conditions are good in Canada from every point of view. At the same time, the dependence of our domestic prosperity upon our foreign trade was never more apparent than during the past year.

In the world at large, the year has been marked by the efforts of numerous countries to adjust to the changed circumstances of the postwar world. Courageous and effective measures toward reconstruction have been particularly notable in the United Kingdom and in Western Europe and yet production in many fields still lags below the levels that are needed. Our most serious problems are those that we face abroad, in a narrow sense in the inability of some of our customers to pay us hard currency for our exports, in a broader sense in the changes wrought in recent years on the very structure of world trade and world finance.

The investment boom in Canada has continued at a high level during 1948. Twenty percent of our entire national output is being devoted to capital expenditures on plant, equipment, housing and construction - a phenomenal figure. Capacity has been expanded in long-established industries such as motor vehicles, farm machinery and textiles. New industries have been successfully established and consolidated as in the case of synthetic rubber. Industries which used to be small have increased their capacity in recent years to the point where they are now of first-rate importance; for example, in aluminum, plastics, chemicals and machine tools.

The discovery and development of new raw materials and natural resources goes on apace. Canada can look forward with optimism even into the next century, with the impressive array of developments that are now in their infancy. Examples are abundantly at hand in the vast iron ore resources of Quebec and Labrador, the potential picture of metallic titanium, the uranium in our Northwest and the new oil fields in Alberta.

Canada has new products to offer to world markets. Our industry is efficient and its costs are low. With our high standard of living and the increased complexity of our industry, we wish also to be able to buy more freely in world markets. In view of Canada's vital interest in a large and expanding world trade it is not surprising that this country has played an important part in various international conferences dedicated to the reduction of trade barriers