



OF CANADA

REFERENCE PAPERS

CANADIAN INFORMATION SERVICE

OF THE DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 21

CANADA'S INTEREST IN GENEVA TRADE CONFERENCE

Canada is among some eighteen countries to be represented at the international trade conference opening in Geneva April 10. At this second session of the Preparatory Committee of the International Conference on Trade and Employment, reciprocal negotiations aiming at reduction of tariffs will take place. Canada has announced her intention to negotiate on the basis of the Canadian customs tariff as in effect July 1, 1939.

In view of the impending tariff negotiations, Canada's War Exchange Conservation Act, 1940, will be terminated June 30, 1947. Under the terms of this Act, many British preferential rates were either eliminated or reduced substantially below 1939 levels. The future tariff relations of Canada with the United Kingdom and the other countries participating in the Geneva trade conference will be determined in the light of the outcome of the negotiations.

Canada and International Trade

With about one-half of one percent of the world's population, Canada is the third trading nation of the world. As the result of abundant, but specialized resources, Canada has large export surpluses of certain commodities (including wheat, forest products, base metals, fish, meat and cheese) and large import requirements of certain others (including petroleum, coal, citrus fruits, steel products and textiles). With an economy thus highly dependent upon trade, periods of prosperity within Canada have always been associated with periods of a high volume of international trade. One-third of the national income in Canada is derived from foreign trade.

The war intensified the significance of international trade for Canada. In response to wartime demands, all branches of the Canadian economy were greatly expanded. The growth of Canadian trade since 1939 reflects the expansion of Canadian production: total trade during 1946 was valued at \$4,266,445,249 -- as compared with a 1935-39 average of \$1,581,636,378. Canadian exports during 1946 were valued at \$2,312,000,000 -- more than two and one-half times the average for the five pre-war years.

Despite the increase of Canadian manufactures during the war, foreign demand for Canadian goods was still concentrated in the output of the primary industries: nine out of the ten leading exports in 1946, which accounted for more than one-half of the total value of exports, were products of Canada's farms, forests, mines and fisheries.

Canadian Tariffs

There are four levels:

1. British preference rates apply to all Empire countries. In addition, individual trade agreements between Canada and the United Kingdom, Eire, Australia, New Zealand, the Union of South Africa, and the British West Indies have established more favorable rates for certain specified products.