

External Affairs  
Supplementary Paper

No. 53/27 CANADA'S TRADE AND THE WORLD'S TRADE

An address by the Minister of Finance,  
Mr. Douglas Abbott, made at the Fifth  
Annual Virginia World Trade Conference,  
Richmond, Virginia, October 1, 1953.

I am happy as a member of the Canadian Government to be invited to speak to this important American businessman's meeting. I suppose that we Canadians are apt to take for granted our rather special relationship to the United States, our special relationship of being old friends, next door neighbours and good customers of each other. You don't always find all those three qualifications running together.

One result of this special relationship is that Canadians often have the chance to come down to visit and to make speeches in the States, and similarly your public men and business leaders are frequent and welcome guests in my country.

My topic this afternoon is "Canada's Trade and the World's Trade". That is a vague and general title. More specifically I am going to talk about two things. First, I want to give you an outline of Canada's trading position. Second, I want to talk about the problems of trade between Canada and the United States.

Canada is a good example of a type of economy quite different in a way from that of the United States. It is an economy in which a large proportion of our national income comes from international trade. About a quarter of Canadian incomes come from selling our goods to the rest of the world, and about a quarter of our incomes are spent on goods produced in other countries. Canada is an example of what you might call a "high-trade" nation. You in the United States do a big exporting and importing business, but as a proportion of your total business it is much less than ours in Canada. I believe that only about six per cent of your incomes arise from exporting, and only about five per cent of your incomes are spent on imports. To people who are in the importing and exporting business, these percentages don't mean very much, but from the national point of view they reveal a great deal about the shape of our two economies.

We in Canada are much more sensitive to economic disturbances arising abroad than you are in the United States, because we must make a large part of our living by selling to customers abroad. And, of course, we are particularly sensitive to changing economic conditions in the United States -- because you are our best customer and we are your best customer.