



STATEMENTS AND SPEECHES

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EXPORTS: OUR CHARGE - OUR CHALLENGE.

An address by Mr. M. W. Mackenzie, Deputy Minister of Trade and Commerce, at the Fifth Annual Meeting and Convention of The Canadian Exporters' Association, at Toronto on October 22, 1948.

I thought that what I should do to-night would be to discuss with you some of the basic factors that have a bearing on the all-important question of the outlook for our foreign trade. A lot of what I shall have to say will not be cheerful, but I know you would want me to be frank and not to gloss over difficulties that undoubtedly do exist and will continue for some time to come.

First of all, let us look for a minute at some of the salient features of Canada's present position. Our foreign trade to-day is running at the record level of \$6 billion a year and our balance with the United States, which is the most critical and vulnerable aspect of our trade, has improved impressively. I make no apology for introducing some statistical references. The statistics in this case are pretty impressive. We are to-day the third largest trader in the world; our total trade to-day is greater in value than was that of the United States before the War; our exports to-day are double the per capita exports of the United States, the United Kingdom or of any other major trading nation.

In the face of these facts, it may seem surprising that I should deliberately choose this occasion to sound a sour note which, I should like to add, though of real concern, is not a raven's croak. My concern in respect of the future of Canada's foreign trade, a concern which I know is shared by you gentlemen here, has to do in part only with the absolute volume of our trade and the related problems of our balance of payments. Of perhaps more concern is the future composition and direction of our foreign trade.

We must, of course, recognize that the tremendous volume of our present trade is, in large measure, a result of the wartime destruction and the vacuum thus created. Germany's trade, for example, was about three times ours before the war, and our trade is now three times hers. Japan's trade was about equal to ours before the war and it is now about one-eighth of ours. The elimination of these two important trading nations is one of the reasons for the present volume of our trade.

But the very reasons which have contributed to our volume have brought difficulties. Many of these difficulties, while stemming from the root cause of the dislocations of war, take their tangible form as trade controls adopted to meet particular problems. The methods by which these

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