

which recommended the setting up of a commission under the United Nations to prepare for the international control of atomic power to ensure its use for peaceful purposes.

Because of her special interest in this field, Canada, apart from the Great Powers, is the only country permanently represented on the Atomic Energy Commission of the United Nations.

ECONOMIC ASPECTS OF CANADIAN-AMERICAN RELATIONS

Trade

Total trade between Canada and the United States exceeds that between any other two countries in the world. In 1946 its value was estimated at \$2,250 million. American trade with Canada virtually equalled the combined value of American trade with the United Kingdom, France and China. Canada sold to the United States 40% of all exports.

Canada, which buys more than 60% (during the war years 75%) of her imports from the United States, is by far America's best customer. The United States, in turn, has now replaced the United Kingdom as Canada's principal export market.

Forestry products made up half of the Canadian exports to the United States in 1946, with newsprint as the largest single item. Agricultural products and base metals were other important export commodities.

Since Canada normally buys more from the United States than she sells in that country, 'invisible' Canadian exports to the United States of non-monetary gold and American tourist expenditures in Canada are important factors in the Canadian balance of international payments. In 1946, American tourist expenditures in Canada approximated \$207 million.

Investment

Investment, like trade, has acted as a powerful economic link between Canada and the United States. At the end of 1945, out of a total non-resident investment in Canada of \$7,095 million, 70% represented investments held in the United States. The direct investments of United States business in branches, subsidiaries and controlled companies in Canada, which increased 22% during six wartime years, amounted to \$2,300 million at the end of 1945.

Such branch plants have produced close business relationships between Canada and the United States: common designs, research and advertising facilities are employed in the production of comparable products in both countries. Branches in Canada which have been established as a source of supply for American parent companies, as in the case of wood pulp, greatly stimulate the export of Canadian raw materials.

The flow of investment capital across the boundary has been a two-way movement: Canadian investments in the United States of close to \$1,000 million, are on a per capita basis considerably greater than American investments in Canada. The striking similarity in the economy of Canada and the United States, their parallel developments from pioneer communities to major industrial nations, made a close association of business interests in both countries inevitable, and of mutual benefit.