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## CANADIAN FOREIGN TRADE AND COMMERCIAL RELATIONS

(Prepared by the Department of Industry, Trade  
and Commerce, Ottawa.)

Two-way trade with the rest of the world has been a major factor in Canada's economic growth throughout its first 100 years and more of development as a nation, and will become increasingly so in its second century.

Canada's export-import trade totalled over \$33,000 million<sup>(1)</sup> in 1971. This can be compared to about \$41,000 million for Britain and \$89,000 million for the United States. On a *per capita* basis, the comparison is considerably in favour of Canada (Canada \$1,550; Britain \$730; U.S. \$430), although, on this same basis, some smaller advanced countries, such as Belgium and the Netherlands, have even higher *per capita* export ratios. Nevertheless, Canada, with no more than 0.6 per cent of the world's population, has a share of world trade that is over 5 per cent.

Canada in the 1960s ranked somewhere between fifth and seventh among world traders.

Export-led expansion is a fundamental fact in Canadian economic history. Since Confederation in 1867, exports have grown one-third as fast again as the total rate of Canadian expansion -- and twice as fast as the trade of the rest of the world.

### Trading Partners

When this skeletal outline of Canada's position in world trade today is put into historical perspective, it will be seen that there are certain clearly-defined directions in which Canadian trade patterns have developed:

- (1) A long-standing two-way trade association with the United States, which has expanded rapidly in recent years;
- (2) a relatively slow growth in trade with Britain since the Second World War;

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(1) Value given in international units = \$U.S.



- (3) a continuing (though relatively small) flow of trade between Canada and other Commonwealth countries;
- (4) fluidity in trade exchanges with the rest of the world.

Thus, in the last decade or so, there has been significant shift in Canadian trading patterns, by markets and suppliers, and by commodities and products, when compared with the years prior to the Second World War. The shift is even more pronounced when the development of Canada as a world trader is traced back to the years before the First World War.

Before 1914, Canada was basically a producer of food and raw materials and as such benefited greatly from a well-recognized pattern of world trade. This pattern saw a preponderant flow of primary products of all kinds from all parts of the world to Europe, with Britain as its centre of gravity. From Europe, in return, came a preponderant outflow of capital and services.

Canada oriented itself toward Europe, and particularly toward Britain, as a source of capital equipment to develop its economy and as a ready market for its raw materials. At the same time, while Britain was also a major source of the goods Canada needed to import, it was overshadowed by the United States as the principal supplier of foreign goods.

After the First World War, the United States also became the major source of development capital (and remains so today). In the depressed 1930s, preferential tariffs raised the share of Britain and other Commonwealth countries in Canada's external trade. As a result, the predominant triangular pattern of Canadian trade was maintained. Britain and the U.S. took well over one-third of Canada's exports each; the U.S. supplied nearly two-thirds of Canada's import needs and Britain nearly one-fifth.

In the years since the Second World War, slow growth in Britain has been paralleled by slow development in its trade with Canada, while the United States has become significantly more important to Canada. At the same time, Canada is the largest customer and supplier of the United States, though American dependence on trade in general, or on its next-door neighbour in particular, is much less than Canada's.

In 1971 Canada was selling some 68 per cent of its exports to the United States, 7 per cent to Britain, 4 per cent to other Commonwealth countries and the remaining fifth to other countries.

In recent years, in part because of poor crops in their territories, the Soviet Union, Eastern Europe and mainland China became large buyers of Canadian wheat. In 1964 some 7.6 per cent of Canadian exports went to these countries, but with improved crops since then the share has fallen below 3 per cent. Japan, the European Economic Community and Latin America are also significant markets for Canada. At the same time the developing countries (as will be discussed later) are receiving considerable attention from Canada as potential markets for its goods and services.



In imports, the United States continued as the most important single source of supply, to the extent of 70 per cent of Canada's needs in 1971. Britain, on the other hand, was supplying 5 per cent of Canadian imports and other Commonwealth countries about 4 per cent.

Exports to Britain, other Commonwealth countries, the European Economic Community and Japan declined moderately in 1971 because of softer market conditions in those areas, and following exceptionally large increases in sales to each in the preceding year.

The nature and extent of the geographical shifts in Canadian trading patterns over the years is shown in the following tables:

Canadian Trade by Selected Areas  
(as a percentage of total trade)

	<u>Exports</u>						
	<u>1911</u>	<u>1921</u>	<u>1937</u>	<u>1947</u>	<u>1957</u>	<u>1967</u>	<u>1971</u>
United States	38.0	45.6	36.1	37.3	59.4	63.7	68.1
Britain	48.2	26.3	40.3	27.1	15.0	10.5	7.6
Other Commonwealth Countries	6.1	7.6	10.4	15.0	4.8	5.7	3.9
Japan	.2	.5	3.2	neg.	2.8	5.1	4.4
U.S.S.R. & China	.6	.4	2.9	.7	.2	2.0	1.9
EEC	2.9	12.9	3.8	8.4	8.2	6.1	6.6
Others	4.0	6.7	3.3	11.5	9.6	6.9	7.5

	<u>Imports</u>						
	<u>1911</u>	<u>1921</u>	<u>1937</u>	<u>1947</u>	<u>1957</u>	<u>1967</u>	<u>1971</u>
United States	60.8	69.0	60.7	76.7	71.1	73.2	70.2
Britain	24.3	17.3	18.2	7.4	9.3	6.0	5.3
Other Commonwealth Countries	4.4	4.2	11.0	6.5	4.2	3.8	4.0
Japan	.5	.9	2.0	eng.	1.1	2.7	5.1
EEC	6.2	2.5	4.6	1.0	4.2	5.7	6.0
Others	3.4	6.1	2.1	11.4	11.7	8.6	9.4

Gains in Manufacturing

With these shifts in the geographical direction of Canada's trade, significant changes have also taken place in the content of that trade. They started with the onset of the First World War. Until then, Canadian trade had grown steadily through the export of staples and the import of capital



equipment and manufactured goods. As the war progressed and greatly increased its demands on the productive capacity of the major allies, Canada developed as an industrial producer (though on a somewhat limited scale). This development was accelerated considerably in the years after the war. A principal factor was the establishment of branch plants in Canada, particularly by United States industries. In many cases, branch plants were established or expanded to take advantage of imperial tariff preferences.

The result was a sizeable upsurge in exports of manufactured goods from Canada, the pace of which was accelerated yet again by the exigencies of the Second World War, and then again by the demands of the immediate postwar period as the war-torn countries tackled the urgent problems of reconstruction and pent-up demand.

The gains thus made by Canada as an industrial producer had to be consolidated, and in some cases adjusted, in the 1950s as world industry and exports regained their competitive positions. Again, in the 1960s, Canadian export trade expanded considerably in diversity and in specialization in manufactures.

The development of manufacturing as a major feature of the Canadian economy is delineated in broad terms in the following table:

Net Value of Production of Commodity-Producing Industries

(Selected years - rounded percentages of total production)

	<u>1919</u>	<u>1939</u>	<u>1943</u>	<u>1963</u>	<u>1969</u>
Agriculture	44	23	20	12	9
Manufacturing	33	41	54	57	58
Other Primary Industries and Construction	23	36	26	31	33

The more recent strong upward trend of manufactures in Canadian export trade is illustrated in a comparison of the increases in the value of broad classes of export commodities, for specified periods:

Canadian Exports - Commodity Shares and Changes

(percentage of current values)

	<u>Shares</u>				<u>Percentage Change</u>		
	<u>1948</u>	<u>1958</u>	<u>1965</u>	<u>1971</u>	<u>1948-1958</u>	<u>1958-1965</u>	<u>1965-1971</u>
Foods	30.5	23.7	20	11.9	22	51	24
Materials and Energy (Crude)	55.8	67	64.4	51	89	71	66
End Products	13.7	9.3	15.5	37.1	7	196	400
All Exports	100	100	100	100	57	78	109



Strong gains in end-products are conspicuous; automotive goods, non-farm machinery, communications equipment and other highly-manufactured goods figured strongly in the increases.

This table also indicates, in broad terms, how Canadian industry has been adjusting rapidly to changes in demand in world markets, despite some substantial variations. Much of the change in the make-up of Canadian exports took place in the Sixties. In 1965, for example, end-products accounted for 16 per cent of Canadian exports, compared to 9 per cent in 1958. In the next six years, this share rose sharply, to reach 37 per cent in 1971.

When it is considered that exports of manufactured goods in world trade more than doubled in value between 1965 and 1971 compared to an increase of less than seven-eighths in the total value of world exports, it becomes clear that the content of Canadian exports is shifting toward commodity groups that have shown the most growth.

Food and crude materials, though still important in Canadian exports, accounted for only about 30 per cent of all shipments in 1971, approximating the proportion these products form of all world imports. But, if total trade in foods has moved slowly, this cannot be said of meat, fish, dairy products and alcoholic beverages, all of which are important Canadian exports.

Canada's specialization in mineral and forest products modifies the impact of sluggish markets for crude materials. In the energy sector, moreover, the further discoveries of oil and gas in Western Canada and their wider use throughout North America have notably improved Canada's trade position in fuels.

In the further-manufactured groups, Canada's exports have been conditioned, until recently, not only by specialization in resource-related industries but also by the general organization of end-products and semi-fabricated products within a protected domestic market.

Canada is famous for newsprint and non-ferrous metals, world demand for which has increased at a moderate pace. But world trade in semi-fabricated metals, paperboard, fine papers and chemicals has grown faster, as have exchanges in machinery and equipment, Canadian participation in which, once limited mainly to farm machinery and certain electrical lines, has in recent years broadened considerably.

Canada has recently improved its performance in these areas, in part because of special defence and aid programs but also through a wider realization of the possibilities in nationalizing secondary industries in relation to the international market. This is particularly so with respect to automobiles and parts, the export sales of which contributed greatly to the high rates of increase in Canadian exports since 1965.

The important factor here was the rationalization of the Canadian and United States automotive industries effected by the Automotive Agreement that was ratified by the two countries in 1965 -- a move designed to create, over



a period, a common market in automotive products in North America. For Canada, this produced exports of about \$4,100 million in 1971, over 17 times the exports of automotive produced in 1965, and up by nearly one-fifth from 1970.

In all, recent gains have reflected encouraging progress by Canada in exports of all manufactured goods. Sales of machinery and equipment and finished consumer goods (other than automotive products) rose strongly in 1970 and continued to increase moderately in 1971.

In resource-based industries, substantial gains were realized in oil and gas in 1971, though other minerals, particularly base metals, lagged somewhat after achieving very large increases in the previous year.

Canadians are counting on improved demand in world markets in the years ahead. They feel that faster growth in the industrial nations should, in turn, strengthen world commodity markets with consequent benefit to the areas of the world producing food and basic materials. Higher export returns in these areas, coupled with Canada's expanding aid programs, will lead to new opportunities for trade with the developing countries.

#### Canada and the World Economy

Canadian industrialists, looking at the viability and fast-paced expansion of their nation as one of the most advanced countries in the world, realize that great challenges, as well as great opportunities, are ahead for Canada.

It is fully realized in Canada that the future of its export trade, particularly in end-products, is closely related to its ability greatly to improve its industrial productivity. To this end, the Canadian Government provides assistance to Canadian industrial companies in the form of grants for capital and current operating expenditures devoted to clearly-defined research and development programs.

In this, the Government also underwrites specific projects that involve important advances in technology, and generally encourages development of products and processes -- such as automatic process control systems -- which serve to enhance productivity or otherwise contribute directly to economic growth.

One result is that Canadian industry is becoming increasingly specialized, to the extent of concentrating main export endeavours on the design, development and manufacture of products which can most successfully compete in increasingly sophisticated markets. This is particularly evident in such fields as specialty machinery and industrial equipment incorporating automated or computer-controlled processes, in telecommunications equipment, in microminiaturized electronics, in avionics and nucleonics.

In working toward these goals, Canadian industry is also well served by the National Research Council, the Canadian Government research agency, which ranks with the most advanced of such establishments in the world, and by research councils organized by Canadian provincial governments and universities.



Over the period 1946 to 1969, *per capita* output of industrial employees advanced at an average annual rate of 2.8 per cent. The aim is to improve this rate through advanced automation, improved education and more efficient management.

While Canada's rate of advance has not matched the soaring increases in industrial production achieved in the last decade, by Japan and Italy in particular, its growth roughly parallels that of some other major industrial countries. If the index of industrial production is used as a yard-stick (1960 = 100), Canada's index of 181 at the end of 1970 compares with a figure of 153 for the United States, West Germany (173), Sweden (188) and France (177), and is well ahead of the figure for Britain (132).

The industrial countries in the Organization for Economic Co-operation and Development (OECD) agreed on a target for economic growth in the 1960s -- that of increasing their combined real income by 50 per cent. In fact, this growth target for the decade was exceeded by 1970. The vigorous further expansion that has taken place, combined with the enlargement of world trade, is of fundamental importance to Canada, because the nation has one of the world's most rapidly-growing populations (Canadians in 1961 numbered 18.2 million; by June 1971 there were 21.7 million).

#### Natural Resources

As already noted, much of Canada's export trade is based on an abundance of natural resources. These have had an all-pervading influence on the country's economic development.

Canada is an important source of supply to world markets for resource materials of all kinds (but whereas these were once shipped almost entirely in raw form, they are increasingly being processed in varying degrees before export). The four principal resource sectors are:

Agriculture: With more than 160,000 square miles of highly-productive farmland, mostly in the prairie provinces of Manitoba, Saskatchewan and Alberta, Canada usually holds about one-third of the market shared by the world's four principal wheat-sellers, the other three being the United States, Australia, and Argentina. Livestock plays an important part in Canadian farm production, which also includes other grain crops, oilseeds and dairy products.

Fisheries: These are carried out, in the main, on more than 12,000 miles of coastline on the Atlantic and some 7,000 miles on the Pacific. A continental shelf extending from both coasts provides water shallow enough to ensure ample feeding-grounds and cold enough to give sea-water fish firm flesh and fine flavour. In addition, Canada reaps a rich harvest in fresh-water fish from large inland lakes. Canada ranks consistently among the world's top three fish-exporting countries, and its fishing-grounds provide recreation to many visitors as well as Canadians.

Forestry: Canada's more than 1,000,000 square miles of productive timber stands -- a constantly renewable resource -- provides about one-fifth the



value of the country's exports, including nearly half the world's newsprint needs and a diversity of packaging and shipping materials. Based on those rich resources, Canada is also the world's largest exporter of softwood lumber and wood products, which include plywood and other construction materials.

Minerals: Huge developments in recent years have made the metallic and non-metallic mineral industries one of the fastest-growing groups of industries in Canada, accounting for nearly one-third of Canadian export values. With an average annual growth-rate of over 8 per cent in the 1960s, the extraction and processing of minerals of all kinds was, by 1970, adding to the Canadian economy gross revenues of more than \$5,500 million a year -- with vast areas yet to be tapped.

Canada is the world's leading producer of nickel, zinc and asbestos, and is among the top two or three leading producers of the following: gold, uranium, molybdenum, titanium, gypsum, potash, silver, sulphur, cobalt, platinum metals and lead. Canada also ranks high in the production of iron ore, magnesium, copper, barites and several other minerals.

Among these are very extensive resources of oil and natural gas, the first major discoveries of which were made at Leduc, Alberta, in 1947. These discoveries were quickly followed by hundreds more until, by the late 1960s, Canada was producing, on balance, all its needs in petroleum and natural gas and exporting some of this production to the Western United States. Based on these resources, Canada has also become a significant producer of petrochemicals.

### Geography and Transportation

Canada is the second-largest country in the world, the largest being the Soviet Union. It extends 4,000 miles across approximately the 45th Parallel of the North American continent and has an area of nearly 4,000,000 square miles.

Since its main topographic barriers extend in a north-south direction, whole sections of the country are separated by challenging topographical obstacles, including water barriers on the coasts, rough, rocky terrain between the Atlantic seaboard provinces and Quebec (the earliest settled lands), and vast stretches of rock, water and barren muskeg north of Lakes Huron and Superior over the 800 miles between Eastern Canada and the prairie provinces of Manitoba, Saskatchewan and Alberta. Finally, there is the rugged Rocky Mountain barrier separating the prairies from the Pacific coast province of British Columbia. If the means to bridge these great natural barriers had not been found, Canada would probably never have achieved nationhood.

The highlights of transportation development and progress in Canada are many and varied: the construction of the St. Lawrence canal system prior to 1867; the linking together of the various sections of Canada by the railway systems; the advent of the motor vehicle; early exploration of the North by air, and the founding of national airlines. Then, following the Second



World War, came the growth of truck transportation, the building of pipelines for oil and gas, the construction of the St. Lawrence Seaway, and the completion of the Trans-Canada Highway, not to mention the addition of major causeways, bridges, tunnels and ferries.

Canada has developed one of the finest transportation systems in the world. The publicly-owned Canadian National is North America's largest and the Canadian Pacific Railway Company is the world's largest stockholder-owned railway system.

The two major airlines, publicly-owned, Air Canada and Canadian Pacific Airlines, which is stockholder-owned, provide exceptionally high standards of service and between them connect Canada with most of the world by regularly-scheduled passenger and cargo services over a total of more than 100,000 miles of air-routes.

The St. Lawrence Seaway, penetrating deep into the heart of North America, over 2,000 miles from the Atlantic, brings ocean shipping to the doorsteps of major industries, providing economical transportation for much of the continent's goods, thus greatly assisting Canada's position as a major trading nation.

Pipelines have also been important in making it possible for Canada to develop its oil and natural-gas resources economically. One of the world's longest pipelines, for instance, runs from Edmonton, Alberta, over 2,000 miles to Port Credit, near Toronto, Ontario. More than 15,000 miles of main transmission-lines have been built since the first oil discoveries in the late 1940s.

### History of Trade Relations

In the years immediately before Confederation in 1867, the colonies that then joined together had enjoyed free trade with the United States in primary products. This had been sought by the colonies as an offset to earlier losses of preference in the British market; it had been negotiated by Britain in the belief that it would promote economic viability in these then British territories and thus help to avoid political union with the United States. This was in 1854.

Then, in 1866, the United States repealed the reciprocity pact, bringing considerable adverse influence to bear on Canada's trade and on investment in Canada. Confederation was, in part, a response to this situation and the new nation immediately set about seeking better terms of access to the United States and British markets.

The results of these efforts were disappointing and so, in 1879, Canada adopted the high-tariff policy then in vogue in most trading countries other than Britain. This policy was aimed at fostering the growth of manufacturing industry in Canada and increasing revenues to finance new transportation facilities and general economic development. The system suffered, however, from a conflict between the two objectives, for it became evident that internal development hinged significantly on the ability to compete in export markets.



There followed many years of seeking to maintain a delicate balance between measures to expand export trade, while at the same time providing protection for home-grown industry.

Thus, in 1907, partly for bargaining purposes, Canada adopted a tariff structure that provided for three levels of duty -- preferential (favouring British and Commonwealth imports), intermediate and general. A renewed effort to obtain reciprocity with the United States was rejected in the Canadian election of 1911.

In the light of large tariff increases in many countries following the depression of the 1930s and the serious international economic strains then in evidence, Britain, Canada and other members of the Commonwealth adopted a systematic, widespread plan of tariff preferences. In 1937-38, in return for United States tariff reductions, Canada and Britain also reduced tariffs and removed some preferences.

The disruption of the world financial and trading system in the 1930s and 1940s convinced many countries of the need for a fresh start. The result was the General Agreement on Tariffs and Trade, which Canada has strongly supported since its ratification in 1948. Some 80 countries today subscribe to the GATT, which is both a trade treaty and an institution for trade negotiation, adaptation and settling of disputes. The Agreement has, in effect, become Canada's main commercial treaty -- for Canada's commercial policy cannot be considered apart from trends in the world trading community.

Since the implementation of the GATT, there has been a series of six rounds of tariff negotiations which have resulted in a significant reduction in barriers to trade. The most recent negotiation, the Kennedy Round, of which the final stages of the tariff cuts were implemented in 1972, was the most far-reaching and involved trade exchanges valued at approximately \$45,000 million among some 50 countries. Canada was among the most active of the negotiators, with about \$5,500-million worth of trade involved. Freer access to world markets was gained by Canada on exports worth some \$3,000 million annually and Canadian tariffs were reduced on imports worth about \$2,500 million annually. Canada participated in these negotiations on agreement by the other parties, as a country with special trade problems, and agreed to grant reciprocity for concessions received, though not entirely across the board.

Since the Kennedy Round, there has been a gradual build-up of protectionist pressure in the absence of initiatives for further trade liberalization. The American surcharge and other measures in August 1971 raised many questions about the viability of the existing international trade system and of Canada's vulnerability to changes in the international environment. Some solutions are presenting themselves, however, in the form of growing support for further GATT negotiations in 1973 and 1974. It is that substantial progress will be made in reducing tariffs and non-tariff barriers on both agricultural and industrial products. A move to freer trade should open up new markets for Canadian exports, increase production and employment and provide opportunities for Canada to diversify trade with its major trading partners.



### Foreign Investment Capital

External capital has always played a significant role in Canada because scarcity of domestic capital has often put limits on the pace of development and expansion. Thus, in early years, in a country where transportation facilities were a major necessity, a considerable part of non-resident capital was used to finance canals, roads, railways and similar needs.

In more recent years, external capital has also helped to finance new industries, mines and sources of power and to expand such industries as pulp-and-paper, non-ferrous smelting and refining, chemicals and petroleum.

To an increasing extent, external capital coming into Canada has been in the form of direct investment and often through the medium of an international enterprise. This type of investment involves an element of foreign control over the business so financed. Also, it often provides the Canadian enterprise with easy access to technology, management skills, marketing and procurement facilities of the larger international organization.

As the Canadian economy has grown it has been able to finance a larger proportion of its capital requirements from domestic sources. While foreign investment has continued to be welcomed, the Government has adopted a number of measures to foster and protect the national interests. Limitations have been placed on foreign investment in banks, certain other financial institutions and certain communications media. The development of strong Canadian-controlled business is being fostered through the establishment of the Canada Development Corporation and through tax measures. In early May 1972, the Government announced a foreign-takeover review policy and the legislation proposed to implement it. When enacted, this policy will subject takeovers of Canadian business by foreigners to review and approval by the Government. Unless it can be demonstrated that a significant benefit to Canada will result from a takeover, it will not be permitted by the Government.

### Canada and International Organizations

Because of the traditional strong feelings of Canadians for a multi-lateral approach to working out trading relations, Canada has consistently supported various international organizations in the commercial and aid fields. Canada participates actively in the Organization for Economic Co-operation and Development (OECD), the Customs Co-operation Council, the United Nations Conference on Trade and Development, the Food and Agriculture Organization (Canada was host to the founding conference), the World Bank Group, the United Nations Development Program (UNDP), the Inter-American Development Bank, the Caribbean Development Bank and the Asian Development Bank.

While the GATT has been the focus for Canada's external commercial policy, the OECD has played an important role in the exchange of views and statistics and developing solutions to a wide variety of commercial problems, including the effects of trade liberalization, government procurement, environmental control, industrial development, and consumer protection.



The Customs Co-operation Council, which Canada joined last year, will provide a forum for discussing trade problems that arise out of customs administration.

The importance that Canada attaches to the UN international aid programs, as well as the multilateral development banks, is emphasized by the magnitude of Canadian involvement in them. Canada is currently the fifth-largest contributor to the voluntary economic and assistance funds in the United Nations. This includes the \$18 million Canada has pledged to the United Nations Development Program for 1972.

As far as the multilateral financial institutions are concerned, the Canadian contribution to the World Bank Group is the sixth-largest. Canada's contribution of \$25.2 million to the Asian Development Bank's consolidated special funds, which are concerned with concessional financing, is the third-largest. This amount is matched by the subscription to the Bank's ordinary capital resources, which are used to provide financing at conventional rates. As one of the two founding non-regional members of the Caribbean Development Bank, Canada is actively involved in this organization's development. Canada has subscribed 20 per cent, or \$10 million, to the Bank's capital stock, as well as another \$5 million to the Bank's Special Fund.

In May 1972, Canada became a member of the Inter-American Development Bank. As a member, Canada is contributing the equivalent of \$100 million U.S. to the Bank over a three-year period. Since 1964, as a non-member, Canada had provided \$74 million in bilateral development-assistance loans to Latin American countries under the administration of the IADB.

Recently, the level of Canadian participation in the UN aid institutions, as well as the Banks mentioned above, has been sharply expanded. Initial figures for the fiscal year ending March 31, 1972, show the total amount allocated to these bodies equalling \$101.2 million. This is almost a 100 percent increase in three years.

#### Canada's Overseas Investments

Although aid programs are a major means of meeting the most pressing needs of the developing nations, more and more emphasis is being placed on direct Canadian capital investment abroad. In the years 1967-1969, Canadians invested directly an annual average of about \$225 million (Canadian) abroad. By 1969, direct and portfolio investment abroad amounted to nearly \$8,000 million -- more than double the figure of a decade earlier.

Although most of this investment has been directed to other industrial nations, by the end of 1969 Canadian investments in the developing nations totalled better than \$800 million. This figure was increasing at the rate of more than \$30 million a year in the late Sixties.



Appendix A

Trade of Canada, by Leading Countries, Comparison of Totals

(1968, 1969 and 1970)

Table 1

Exports

Rank In --

(Values in millions \$U.S.)

<u>1968</u>	<u>1969</u>	<u>1970</u>		<u>1968</u>	<u>1969</u>	<u>1970</u>
1	1	1	United States	8,527.1	9,798.7	10,539.5
2	2	2	Britain	1,133.6	1,029.8	1,432.1
3	3	3	Japan	562.7	579.2	760.2
4	4	4	West Germany	215.0	259.6	371.6
6	5	5	Netherlands	171.0	173.4	268.3
5	7	6	Australia	177.1	156.0	192.4
9	10	7	Belgium and Luxembourg	119.4	109.3	183.8
8	6	8	Italy	122.9	173.4	179.5
10	11	9	Norway	108.7	96.6	169.2
14	8	10	France	77.9	119.9	150.1
7	9	11	China	151.0	113.3	135.2
11	12	12	India	104.3	89.6	126.7
12	13	13	Venezuela	95.3	86.4	107.5
15	14	14	South Africa	64.8	74.2	100.7
13	34	15	U.S.S.R.	82.8	9.1	97.2
16	15	16	Mexico	53.2	71.0	91.2
17	18	17	Brazil	46.2	49.0	90.1
20	17	18	Spain	39.2	52.7	63.2
18	16	19	Argentina	45.0	58.3	56.6
19	20	20	Cuba	42.0	37.9	56.6
Totals, all Commodity Exports				12,549.6	13,754.0	16,134.5



Imports

Table II

Rank In --			(millions \$U.S.)			
<u>1968</u>	<u>1969</u>	<u>1970</u>		<u>1968</u>	<u>1969</u>	<u>1970</u>
1	1	1	United States	8,380.0	9,544.0	9,454.3
2	2	2	Britain	643.9	731.6	705.1
3	3	3	Japan	333.1	458.5	556.6
5	4	4	West Germany	276.5	328.1	355.2
4	5	5	Venezuela	331.1	319.7	324.4
6	6	6	France	112.6	142.2	151.7
9	8	7	Australia	70.3	89.0	140.2
7	7	8	Italy	106.0	130.6	138.5
8	9	9	Sweden	72.2	78.1	101.5
11	10	10	Switzerland	59.5	77.6	77.3
10	11	11	Netherlands	63.8	72.8	75.4
12	12	12	Hong Kong	54.0	67.4	75.0
14	15	13	Netherland Antilles	52.6	54.1	57.6
21	19	14	Taiwan	31.8	39.2	49.8
13	14	15	Belgium-Luxembourg	53.2	56.4	49.2
18	20	16	Brazil	35.9	39.0	47.3
17	18	17	Norway	36.2	41.5	47.0
15	13	18	Mexico	48.2	59.3	44.8
16	16	19	South Africa	36.4	42.5	44.0
24	23	20	Austria	26.4	36.0	43.7
Totals -- all Imports				11,439.1	13,136.5	13,307.5



Appendix B

Canadian Exports 1960 and 1969 by Standard International Trade Classification in  
in millions \$ U.S.

SITC <sup>(2)</sup> No.	Description	1960		1969		1960-69
		Value	% Share	Value	% Share	Change %
0 & 1	Foods and Beverages	1,016	18.3	1,360	9.9	34
041	Wheat	423	7.6	437	3.2	3
2 & 4	Crude Materials	1,862	33.5	3,050	22.2	64
243	Wood	362	6.5	658	4.8	82
251	Pulp	339	6.1	682	5.0	101
272	Crude Minerals	172	3.1	316	2.3	84
28	Metal Ores	667	12.0	1,057	7.7	59
3	Energy Materials	150	2.7	740	5.4	393
5 & 6	Fabricated Materials	2,033	36.6	3,450	25.1	70
641.1	Newsprint	781	14.0	1,041	7.6	33
68	Non-ferrous Metals	686	12.3	1,140	8.3	66
7 & 8 & 9	End Products	500	9.0	5,150	37.4	930
732	Road Motor Vehicles	69	1.2	3,025	22.0	3,385
	TOTALS	5,562	100.0	13,754	100.0	147

(2) Figures in the SITC column correspond to those used in United Nations statistics.



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