



Bulletin

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CANADA'S FOREIGN TRADE IN 1971

Canada's merchandise trade surplus was \$2,096 million in 1971, the second highest surplus recorded and \$772 million less than the record \$2,868 million in 1970. The drop resulted from an increase of \$1,656 million or 11.9 per cent in imports (to \$15,608 million) outweighing the smaller increase of \$884 million or 5.3 per cent in exports (to \$17,704 million).

These figures include downward revisions to previously published values of automotive exports to the United States, amounting to \$90 million for 1970 and \$143 million for 1971. The revisions adjust for recently discovered differences in accounting procedures among international automotive firms.

Higher prices were responsible for about 2 per cent of the increase in the value of Canada's imports in 1971, but for virtually no part of the rise in exports value. In 1970, Canada's total foreign trade (exports and imports) grew about 3.3 per cent in real terms (excluding price increases), the same rate of growth as domestic output. In 1971, however, foreign trade

grew about 7.3 per cent, exceeding the expected growth of about 6 per cent in real output, and reflecting the acceleration in imports that accompanied a sharp increase in Canadian industrial production, housing starts and consumer spending.

CANADA-U.S. TRADE

The United States received 68 per cent of all Canadian exports in 1971, compared to 65 per cent in 1970, and provided 70 per cent of Canada's imports, compared to 71 per cent in 1970. Exports to the U.S. increased 10 per cent to \$12,006 million in 1971 mainly on the increased demand for Canadian goods that resulted from a recovery in U.S. industrial production and consumer spending for automobiles, housing and other durables. End products accounted for about 48.5 per cent of these exports — up from 47.5 per cent in 1970, and almost reaching the record 49 per cent set in 1969. Imports rose 10.4 per cent to \$10,949 million so that the trade balance widened to \$1,057 million from \$999 million. Impact of the 10 percent surcharge on about one-quarter of Canadian exports from mid-August to mid-December was softened by the catching-up of vehicle exports following the strike the previous year. Exports of automotive products to the U.S. gained by \$680 million in 1971, but imports increased by \$720 million. It is of some interest to note that if the two-way flow of automotive products were removed from the comparison, Canada's total trade balance with the U.S. would have dropped to \$900 million (from \$1,057 million) for 1971, and to \$818 million (from \$999 million) for 1970.

The year 1970 was characterized by buoyant demand from the European Economic Community, Japan and Britain, and by catching-up of metal

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exports from industrial disputes in the preceding year. In 1971, however, demand for Canadian exports settled at lower levels as production decelerated in the EEC and Japan, and grew very little in Britain.

Trade balances with a number of important markets deteriorated in 1971 - with Japan by \$242 million; with the EEC by \$233 million; with Britain by \$217 million; with other Commonwealth countries \$80 million and with Latin America \$67 million. On the other hand, surpluses continued to rise slightly with the U.S. (by \$58 million) and the residual group of "other countries" by \$10 million.

AUTO PRODUCTS TOP LIST

Automotive sales accounted for a \$649-million net gain - almost three quarters of Canada's total export gain for 1971. Imports of automotive products increased \$860 million to contribute about half of the rise in demand for foreign goods.

Exports of other commodities rose in varying degrees: wheat, barley and other cereals up \$208 million; flaxseed and rapeseed, \$80 million; crude petroleum, natural gas and coal, \$207 million; lumber and fabricated wood materials, \$176 million; chemical products, \$38 million; fabricated material of petroleum and coal, \$32 million; and equipment other than transportation or communication (mainly office machines), \$30 million. However, exports of a number of other commodities declined in 1971, including: metal ores, concentrates and scrap, by \$127 million; non-ferrous metals, \$262 million; aircraft, \$61 million; iron and steel and alloys, \$28 million; wire and cable and other fabricated metal basic products, \$20 million; and communication and related equipment, \$16 million.

Canadian importers took larger deliveries of: office machines and equipment items other than transportation or communication, up \$136 million; textiles, \$75 million; communication equipment, \$73 million; clothing and other personal goods, \$71 million; fruits, vegetables, sugar and beverages, \$59 million; iron and steel and alloys, \$56 million; railway rolling stock and other transportation equipment exclusive of automotive or aircraft, \$46 million; and medical supplies, photographic goods and other miscellaneous end products, \$40 million. However, imports of aircraft were down nearly \$100 million from those of 1970.

In trade with the United States, exports were up \$680 million for automotive products; \$243 million for lumber and wood fabricated materials; and \$182 million for crude petroleum and natural gas, while those for metal ores, concentrates and scrap decreased \$63 million; and for fabricated basic metal products and aircraft each declined \$25 million. Imports rose by \$720 million for automotive products; \$61 million for farm machinery and tractors; \$49 million for communication equipment; and \$28 million for transportation equipment other than motor vehicles and aircraft. Canadian importers lowered orders for

aircraft by \$80 million; and for iron, steel and alloys by the amount of \$30 million.

BRITAIN AND THE EEC

A decline in exports to Britain to \$1,361 million from \$1,485 million, together with a rise in imports to \$832 million from \$738 million, accounted for a drop of \$217 million in the trade balance. Noteworthy contributions included a fall in non-ferrous metal exports by \$118 million, and increases in imports of some \$20 million each in industrial machinery and automotive products.

With exports down \$103 million to \$1,101 million, and imports up \$130 million to \$935 million, the trade balance with the European Economic Community fell by \$233 million. Exports of ores, metals and aircraft declined by \$65, \$86 and \$45 million respectively. Imports of automotive products rose \$33 million and those of steel and alloys and office machines each increased nearly \$20 million.

JAPAN

Exports to Japan declined \$22 million to \$791 million, but imports increased \$220 million to \$803 million. The trade balance with Japan changed from a surplus of \$231 to an approximate balance. Exports of ores, metals, lumber and wood pulp were lower in 1971, while imports of automotive products were up almost \$90 million and those of steel and alloys \$55 million. Smaller increases of under \$20 million each were recorded for textiles, communication equipment, and equipment exclusive of transportation and communication.

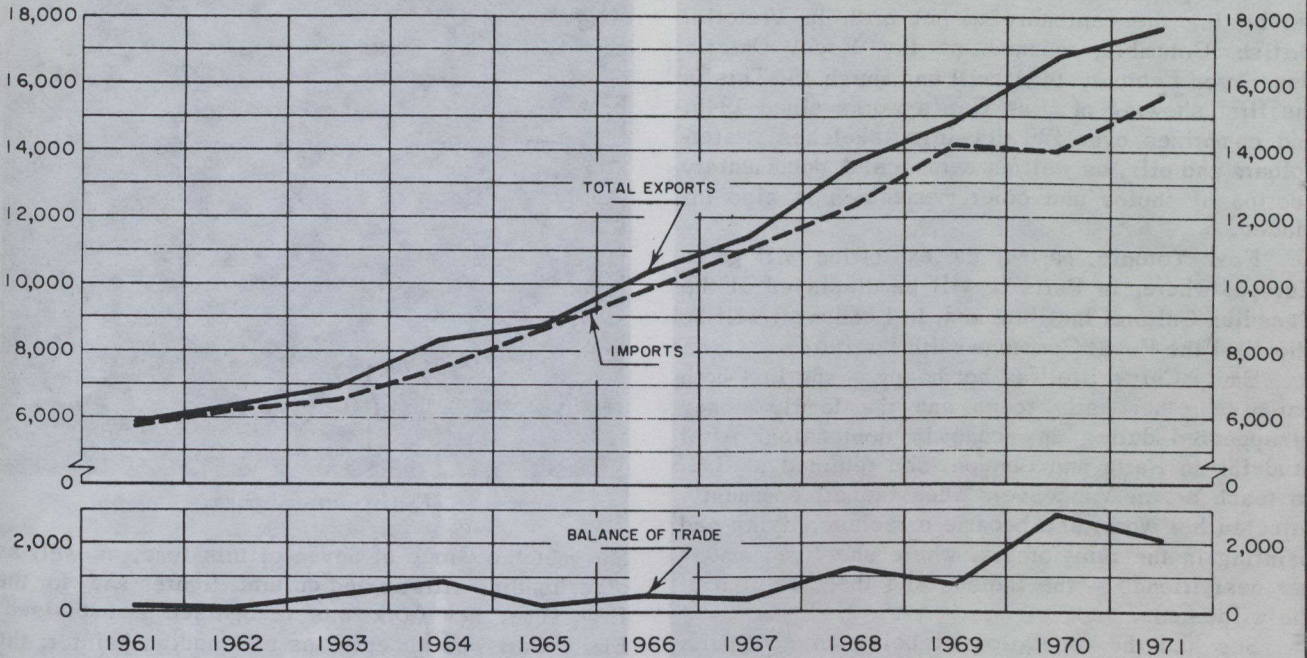
As exports held virtually steady at \$560 million while imports rose \$61 million to \$607 million in Latin American trade in 1971, the merchandise balance swung from surplus to deficit. Larger receipts of crude petroleum from Venezuela and Colombia mainly accounted for the change.

Exports, down \$79 million to \$698 million to "other Commonwealth" and "preferential countries", and imports steady at \$622 million, resulted in a drop in the trade balance from \$156 million to \$76 million. Exports of grains, non-ferrous metals and automotive products were sharply reduced to South Africa. Pakistan took smaller deliveries of grains, non-ferrous metals, chemical products, wood pulp, and transportation equipment other than motor vehicles and aircraft. Shipments to Australia of lumber, paper and paper board, automotive products, and aircraft were lower in 1971.

The small increase of \$10 million in Canada's trade surplus with other countries resulted from a gain in export sales by \$128 million to \$1,186 million and a narrower import increase of \$118 million to \$860 million. The lack of general change included mixed trends: a faster growth of exports to Asian countries, notably wheat sales to the People's Republic of China, and to Eastern Europe; and a more rapid growth of imports from Western Europe outside the Community and Britain.

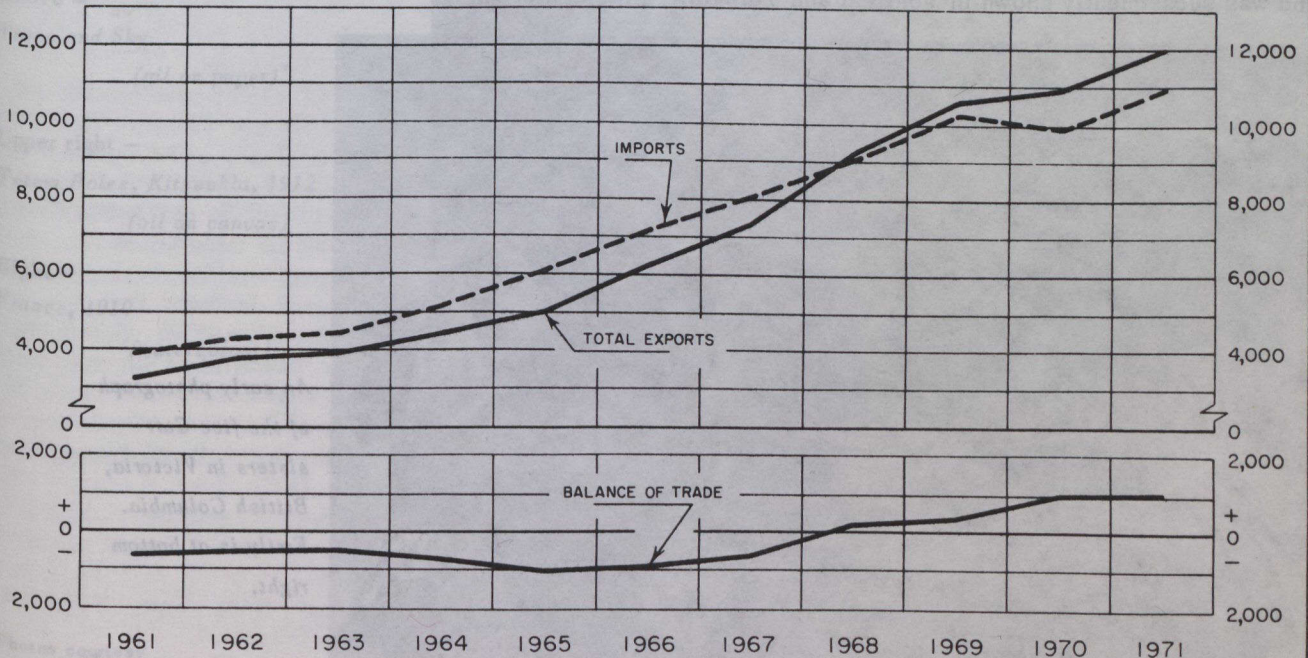
TOTAL TRADE OF CANADA 1961-1971

(MILLIONS OF DOLLARS)



TRADE OF CANADA WITH THE UNITED STATES 1961-1971

(MILLIONS OF DOLLARS)



EMILY CARR EXHIBIT AT ROYAL ONTARIO MUSEUM

A major exhibition of works by Emily Carr, celebrating the centenary of her birth in Victoria, British Columbia, opened at the Royal Ontario Museum on February 14; it will end March 15. This is the first showing of Miss Carr's works since 1946, and comprises over 100 drawings, sketches, watercolours and oils, as well as ceramics. A documentary section of photos and other mementoes is also included.

From Toronto, part of the exhibition will go to Europe, where, in Paris it will be displayed at the Canadian Cultural Institute and, in London, it will be shown at the Royal Commonwealth Institute.

Emily Carr's life was not happy – she lost both parents in her early teens and the family money disappeared during an economic depression. After studying in Paris and London, she returned to B.C. to teach art in Vancouver. When the art community rejected her work, she became a recluse, living and painting in the rain forests, where she lived among her best friends – the Indians and the creatures of the wilderness.

She had the reputation of being an eccentric, often wearing an old army blanket as a coat, with a hole cut in it for her head. There are many stories of her adoration of pets, her outspokenness and her hatred of her life as a boarding-house keeper in Victoria to make money to continue painting.

In 1927 came a turning-point in her life and career. Dr. Marius Barbeau of the National Museum of Canada had become an admirer of her work and, as a result, she was invited to participate in the Exhibition of West Coast Art which opened in Ottawa and was subsequently shown in Montreal and Toronto.



Emily Carr and friends

She met the Group of Seven at this time, as well as other leading artistic and cultural figures and, for the first time, her work was recognized and praised. Emily Carr was accepted as a Canadian painter; the long years of little or no painting had come to an end.

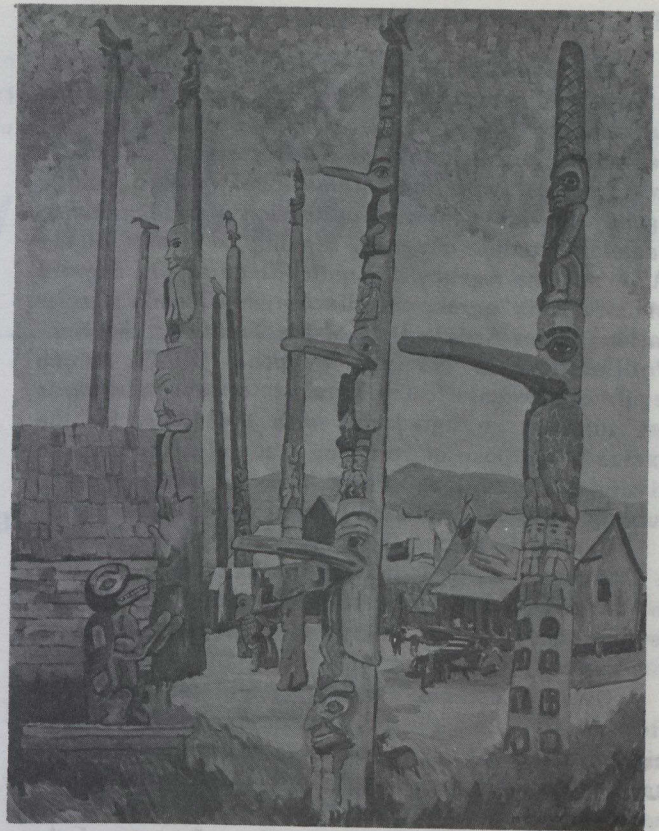
EMILY THE AUTHUR

Emily Carr was also a fine writer. When she was 69 she published her first book, the autobiographical *Klee Wyck*, which won the Governor-General's book award in 1941. Other books followed, a number of which, published by Clarke Irwin, are on sale at the Museum during the show.

Emily Carr died in Victoria in the year 1945 at the age of 73.



An early photograph of the five Carr sisters in Victoria, British Columbia. Emily is at bottom right.



Above —
Trees and Sky
(oil on paper)*

Upper right —
Totem Poles, Kitseukla, 1912
(oil on canvas)

Right —
France, 1910
(watercolour)

Photos courtesy
Royal Ontario Museum

NUCLEAR SAFEGUARDS PACT

The Canadian Permanent Representative to the International Atomic Energy Agency and the Canadian Ambassador to Austria, Mr. N.F.H. Berlis, signed on February 2, on behalf of the Government of Canada, an agreement with the International Atomic Energy Agency providing for the application of safeguards to Canada's nuclear program. Signing on behalf of the IAEA was the Agency's Director-General, Dr. Sigvard Eklund. This agreement discharges Canada's obligations under Article III.1 of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), which requires adherents to the Treaty to accept safeguards set forth in an agreement with the IAEA for the exclusive purpose of verifying that there has been no diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices.

Canada is among the first countries to conclude a safeguards agreement with the IAEA and the first major non-nuclear weapon state advanced in the technology of atomic energy to sign such an agreement with the IAEA.

Over 60 non-nuclear weapons states have ratified the NPT, and those with nuclear programs have either concluded or are expected to conclude similar safeguards agreements with the IAEA. Another 30 have signed the NPT and are expected to ratify the Treaty later this year, among them Japan and the countries of the European Economic Community. Both Britain and the United States, although as nuclear weapons states not required to accept safeguards under the terms of the NPT, have offered to place their peaceful nuclear activities under IAEA inspection.

Later this year, IAEA inspectors, who will work closely with officers of the Atomic Energy Control Board of Canada, will carry out safeguards inspections in Canada.

EXTERNAL RECORDS NOW PUBLIC

The Department of External Affairs is transferring to the Public Archives of Canada the bulk of its records from 1909, the date of its foundation, to January 1, 1940. Records from 1940 to 1942 will follow in a few weeks. Subsequent transfers are being planned in accordance with Government policy. These records, which have been hitherto available to departmental researchers, will be made public in the National Archives and will complement the special collections of departmental papers which have been deposited there from time to time.

The decision to transfer these historical records to the Public Archives is in keeping with the Department's desire to be of service to historians, researchers, and the Canadian public generally, who are interested in Canada's external relations and foreign policy.

In keeping with the Prime Minister's statement regarding access to governmental records in the House of Commons on May 1, 1969, External Affairs will continue to make its wartime records between 1942 and 1946 available for research.

The Department will maintain the practice of permitting controlled access to its records from 1946 so as to help to provide the public, whenever possible, authoritative historical accounts of important aspects of Canada's external policy.

The Department will also continue to arrange for scholars, when possible, oral background briefings on policies and events having a bearing on Canada's external relations.

BOOST FOR BOOK EXPORTS

Among the plans being considered as a means of increasing exports of books, said Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, recently, are exhibits in seven international trade fairs and the establishment of book centres in three countries.

"The Government has set aside \$500,000 a year for three years for export assistance to the book industry as part of the six-point program announced by State Secretary Pelletier on February 11," Mr. Pepin stated. "We are preparing plans to develop, in co-operation with Canadian publishers, a comprehensive export marketing program. This will include exhibits in seven exhibitions in the United States and Europe and establishment of book centres in the United States, Britain and Continental Europe."

The Department will provide financial assistance to set up and operate the book centres to promote the sale and distribution of Canadian books abroad.

It is unlikely that the Canadian industry could underwrite without assistance the costs of establishing and running such centres.

Funds for the general export-development program have been assigned by the Treasury Board to the Department of Industry, Trade and Commerce for this specific project. Annual expenditures will include \$100,000 for trade promotion and \$400,000 for support of the book centres for three years.

Book fairs under consideration in connection with the Department's plans include: the eleventh European Educational Materials Fair (every two years), Hanover, Germany, March 14 to 18; the fourth International Book Fair, Brussels, March 11 to 19; the fourth International Book Festival, Nice, France, May 19 to 25; the American Booksellers' Association Exhibition, Washington, D.C., June 4 to 7; the thirteenth International Book Production Exhibition, London, autumn; the seventeenth U.S.A. International Book Exhibition, Chicago, June 25 to July 1; the twenty-fourth International Book Fair, Frankfurt, Germany, September 27 to October 4.