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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 \$50,000 million⁽¹⁾ in 1973. This can be compared to about \$56,000 million for Britain and \$144,000 million for the United States. On a *per capita* basis, the the comparison is considerably in favour of Canada (Canada \$2,200; Britain \$1,240; U.S. \$690), although, on the 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 close to 5 per cent.

Canada in the early 1970s ranks 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 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;
- (3) a continuing (though relatively small) flow of trade between Canada and other Commonwealth countries;

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

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(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 1973 Canada was selling some 68 per cent of its exports to the United States, 6 per cent to Britain, 3 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 (to be discussed later) are receiving considerable attention from Canada as potential markets for its goods and services.

The United States continued as the most important single source of imports, supplying 71 per cent of Canada's needs in 1973. Britain, on the other hand, was supplying 4 per cent of Canadian imports and other Commonwealth countries about 3.5 per cent.

In 1973, a year of generally strong growth in world trade and production, Canada's exports increased substantially to Japan, the European Economic Community and Commonwealth countries (other than Britain), and at a somewhat slower, but still significant, pace to the United States and Britain.

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>1931</u>	<u>1937</u>	<u>1947</u>	<u>1957</u>	<u>1967</u>	<u>1971</u>	<u>1973</u>
United States	38.0	45.6	36.1	37.3	59.4	64.2	67.5	67.7
Britain	48.2	26.3	40.3	27.1	15.0	10.3	7.8	6.3
Other Commonwealth countries	6.1	7.6	10.4	15.0	4.8	5.7	3.5	3.1
Japan	.2	.5	3.2	neg.	2.8	5.0	4.7	7.1
U.S.S.R. and China	.6	.4	2.9	.7	.2	1.9	1.9	2.3
EEC	2.9	12.9	3.8	8.4	8.2	6.0	6.2	6.0
Others	4.0	6.7	3.3	11.5	9.6	6.8	8.5	7.4

	<u>Imports</u>							
	<u>1911</u>	<u>1931</u>	<u>1937</u>	<u>1947</u>	<u>1957</u>	<u>1967</u>	<u>1971</u>	<u>1973</u>
United States	60.8	69.0	60.7	76.7	71.1	73.1	70.1	70.8
Britain	24.3	17.3	18.2	7.4	9.3	6.0	5.4	4.3
Other Commonwealth countries	4.4	4.2	11.0	6.5	4.2	3.9	3.5	3.4
Japan	.5	.9	2.0	neg.	1.1	3.6	5.1	4.4
EEC	6.2	2.5	4.6	1.0	4.2	5.8	6.0	6.0
Others	3.4	6.1	2.1	11.4	11.7	7.6	9.9	11.2

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 and early 1970s, 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>	<u>1971</u>
Agriculture	44	23	20	12	9	8
Manufacturing	33	41	54	57	58	56
Other primary industries and construction	23	36	26	31	33	36

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)

	1948	<u>Shares</u>		1973	1948-1958	<u>Percentage change</u>	
		1958	1965			1958-1965	1965-1973
Foods	28	22	19	12	23	58	84
Materials and energy (crude)	59	69	65	54	85	68	138
End products	14	9	16	34	7	196	524
All exports	100	100	100	100	57	78	187

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. The share of end-products fell back to 34 per cent in 1973, largely reflecting an upswing in the share of crude materials and energy exports as a result of a major upsurge in world demand for primary materials and food.

Food and crude materials, though still important in Canadian exports, accounted for only about one-third of all shipment in 1973, 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 continuing development of oil and gas supplies in Canada provided major economic benefits, particularly following the sharp rise in the cost of imported petroleum and petroleum products since late in 1973.

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 rate. 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 rationalizing secondary industries in relation to the international market. This is particularly so with respect to automobiles and parts, the export sales of which have contributed greatly to the high rates of increase in Canadian exports since 1965.

The important factor here has been 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 \$5,290 million in 1973, over 14 times the exports of automotive products in 1965, and up by over 50 per cent 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) have increased strongly, also in the period since the mid-Sixties.

In resource-based industries, substantial gains were realized in oil and gas, most notably in 1973 and 1974. Other minerals, particularly base metals, were strongly boosted by heavy world demand for stock rebuilding in the same period.

Canadians are counting on improved demand in world markets in the years ahead. They feel that continuing 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 -- that 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 that 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 nucleionics.

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 1972, *per capita* output of industrial employees advanced at an average annual rate of 2.6 per cent. The aim is to improve this rate through advanced automation, better 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 (1963 = 100), Canada's index of 185 in 1973 compares with the figures of 164 for the United States, West Germany 174, Sweden 167 and France 187, and is well ahead of the figure for Britain 135.

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 1973 there were 22.4 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: Commercial fish are caught chiefly along 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 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 -- provide 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. 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 more than one-quarter of Canadian export values. With an average annual growth-rate of over 8 per cent in the 1960s and early 1970s, the extraction and processing of minerals of all kinds was, by 1972, adding to the Canadian economy gross revenues of more than \$6 billion 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. Canada has consequently become a significant producer of petro-chemicals.

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 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 Rocky Mountain barrier separating the prairies from the Pacific 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 include the construction of the St. Lawrence canal system prior to 1867; the linking of the various sections of Canada by the railway systems; the coming of the motor-car; early exploration of the North by air; and the founding of national airlines. The Second World War was followed by 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 railway 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 many of the continent's goods, thus greatly strengthening 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 1867, the colonies that then joined together in Confederation 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 1854 in the belief that it would promote economic viability in these British territories and thus help to avoid political union with the United States.

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 and those 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 settlement 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 have been six rounds of tariff negotiations, which have resulted in a significant reduction in barriers to trade. The most recent negotiation, the Kennedy Round, the final stages of whose 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 durability of the existing international trade system and of Canada's vulnerability to changes in the international environment. Some solutions may be achieved, however, as a result of further GATT negotiations in 1973 and 1974. It is hoped 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 the scarcity of domestic capital has often put limits on the pace of development and expansion. Thus, in the early years, since Canada is 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 installations. 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 the 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 part of its capital requirements from domestic sources. While foreign investment has continued to be welcome, the Government has adopted a number of measures to foster and protect the national interest. 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 by means of tax measures. In April 1974, the Government proclaimed the first part of the Foreign Investment Review Act, which provides that a foreign takeover will not be permitted unless it is of significant benefit to Canada, and established a review agency to evaluate takeover proposals.

Canada and international organizations

Because of the traditional strong feelings of Canadians for a multilateral 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, 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 in 1971, provides 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 \$20 million Canada has pledged to the United Nations Development Program for 1973.

As far as the multilateral financial institutions are concerned, the Canadian contribution to the World Bank Group is the sixth-largest. Canada subscribed an additional \$37.5 million to the capital funds of the Asian Development Bank in 1972, bringing the total Canadian subscription to \$62.5 million. Canada has also paid in full its contribution of \$25 million to the Bank's consolidated special funds, which are concerned with concessional financing. 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 in the period to the end of 1974. 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 Bank.

Recently, the level of Canadian participation in the UN aid institutions, as well as in the banks mentioned above, has been sharply expanded. Initial figures for the fiscal year ending March 31, 1974, show the total amount allocated to these bodies equalling \$152 million. This is more than 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 1970, direct and portfolio investment abroad amounted to around \$8.5 billion -- 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 1970 Canadian investments in the developing nations totalled \$1.5 billion.

RP/A

APPENDIX A

Trade of Canada, by leading countries, comparison of totals
(1971, 1972, 1973)

Table 1

Exports

Rank In:				(Values in millions \$U.S.)		
<u>1971</u>	<u>1972</u>	<u>1973</u>		<u>1971</u>	<u>1972</u>	<u>1973</u>
1	1	1	United States	12,080	14,111	17,107
3	3	2	Japan	784	972	1,799
2	2	3	Britain	1,348	1,342	1,588
4	4	4	West Germany	317	319	444
6	8	5	Italy	208	204	295
13	5	6	U.S.S.R.	126	287	292
7	6	7	China	202	262	288
5	7	8	Netherlands	233	254	287
10	9	9	Belgium and Luxembourg	179	200	284
11	11	10	France	155	158	216
9	10	11	Australia	181	158	210
8	12	12	Norway	185	155	181
12	15	13	India	150	100	157
16	14	14	Mexico	80	101	120
15	16	15	Brazil	92	89	113
14	13	16	Venezuela	120	148	103
20	19	17	Cuba	56	59	82
22	21	18	Switzerland	38	46	70
18	18	19	Spain	65	58	67
17	22	20	South Africa	66	44	60
21	20	21	Sweden	44	46	60
19	17	22	Peru	65	61	52
Totals to above countries				16,774	19,174	23,875
Total to all countries				17,676	20,178	25,196

Table 2

Imports

Rank In:

(millions \$U.S.)

<u>1971</u>	<u>1972</u>	<u>1973</u>		<u>1971</u>	<u>1972</u>	<u>1973</u>
1	1	1	United States	10,854.0	13,054.8	16,503.6
2	2	2	Japan	794.4	1,116.0	1,017.6
3	3	3	Britain	824.4	957.6	1,005.6
4	4	4	West Germany	426.0	518.4	606.0
5	5	5	Venezuela	384.0	415.2	522.0
6	6	6	France	211.2	253.2	326.4
7	7	7	Italy	156.0	206.4	237.6
8	8	8	Australia	124.8	195.6	236.4
9	9	9	Sweden	111.6	132.8	166.8
11	10	10	Taiwan	80.4	127.2	163.2
14	16	11	Iran	66.0	72.0	132.0
10	12	12	Switzerland	85.2	103.2	117.6
13	13	13	Netherlands	75.6	91.2	117.6
12	11	14	Hong Kong	79.2	105.6	110.4
15	14	15	Belgium-Luxembourg	58.8	90.0	104.4
19	17	16	Brazil	50.4	62.4	87.6
17	19	17	South Africa	54.0	60.0	86.4
20	21	18	Mexico	49.2	54.0	82.8
16	18	19	Nigeria	56.4	61.2	81.6
18	15	20	Norway	52.8	78.0	78.0
22	20	21	Saudi Arabia	27.6	55.2	60.0
21	22	22	Austria	42.0	46.8	58.8
Total above countries				14,710.8	17,907.6	21,957.6
Total all countries				15,460.2	18,921.8	23,305.2

APPENDIX B

Canadian exports 1963 and 1973 by standard international trade classification
(in millions \$U.S.)

SITC ⁽²⁾ No.	Description	1963		1973		1963-73 Change %
		Value	% Share	Value	% Share	
0 & 1	Food & beverages	1,350	20.9	4,079	12.5	+132
041	Wheat	730	11.2	1,217	4.8	+ 67
2 & 4	Crude materials	1,926	29.8	5,804	22.9	+201
243	Wood	421	6.5	1,615	6.4	+283
251	Pulp	381	5.9	1,062	4.2	+179
27	Crude minerals	175	2.7	410	1.6	+135
28	Metal ores	652	10.1	1,989	7.9	+205
3	Energy materials	325	5.0	2,464	9.8	+658
5 & 6	Fabricated materials	2,054	31.7	5,325	21.1	+159
641	Paper & paper-board	754	11.6	1,553	6.2	+106
68	Non-ferrous metals	707	10.9	1,658	6.6	+134
7 & 8 & 9	End-products	817	12.6	8,441	33.5	+934
732	Road motor-vehicles	73	1.1	4,812	19.1	+5,618
	TOTALS	6,472	100.0	25,194	100.0	+289

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

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