

**Subsection 10.—Comparison of the Volume of Imports and Exports.**

NOTE.—Further information as to the methods adopted in making the following analyses will be found on p. 752 of the Bureau's Annual Report on the Trade of Canada for the fiscal year ended Mar. 31, 1928.

The statistics of the external trade of Canada have not until lately been analysed in detail to reveal the physical volume of external trade as well as the dollar value of that trade, and have therefore been somewhat misleading when used to show the physical growth of production and external trade. When, for example, Table 1 of this Chapter is examined, it seems to show stagnation in our external trade between the early 70's and the middle 90's of the last century, and an extremely rapid growth thereafter. Yet we know that the stagnation was partly due to the fall in general prices between the 70's and the middle 90's, while the rapid growth of the last generation is exaggerated by the rise of prices since 1897 and more particularly since 1914. Thus the figures as published give us no true measure of the volume of our external trade, yet it is the volume rather than the value of the commodities which satisfy human needs with which the masses of the population are more intimately concerned. Volume is from many points of view a more important consideration than value, and it is desirable to secure a record of the fluctuations in the volume of the country's trade as distinguished from the value thereof. This is what is attempted in the following tables.

The method adopted for ascertaining the fluctuations in volume has been to take a base year—1914 or 1927—and to re-value the quantities of each commodity imported or exported in any given year at the average import or export value of that commodity in the standard or base year. Where quantities are not available, the values of items are assumed to have moved in the same direction and in the same proportions as closely related commodities. The results of this method, as applied to the fiscal year ended 1928 as compared with 1927, show that the imports for consumption in the later year were 109·1 p.c. of the quantity of those in the earlier, while average values in 1928 were 98·6 p.c. of those in 1927, the declared value being 107·6 p.c. of that of 1927. On the other hand, exports of Canadian produce in 1928 were only 101·0 p.c. in quantity of those in 1927, while average values were 97·1 p.c. or 1·5 p.c. lower than the average value of imports; the declared value in 1928 was 98·1 p.c. of that in 1927. Thus imports were higher in average value in 1928 as compared with 1927 than exports were—a phenomenon which shows the danger of weighting both figures according to the fluctuation of the index number of wholesale prices, and the necessity of having a separate index of import and export valuations.<sup>1</sup> A table showing the fluctuations of each important group of commodities imported and exported in 1928 as compared with 1927 is appended (Table 34). For details by commodities see the Bureau's Annual Report on the Trade of Canada, 1928, pp. 756-771.

<sup>1</sup>See p. 788 for index numbers of import and export valuations.