

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. 796 of the Bureau's Annual Report on the Trade of Canada for the fiscal year ended Mar. 31, 1929.

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 1928—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 1929 compared with 1928, show that the imports for consumption in the later year were 115.5 p.c. of the quantity of those in the earlier, while average values in 1929 were 98.8 p.c. of those in 1928, the declared value being 114.1 p.c. of that of 1928. On the other hand, exports of Canadian produce in 1929 were 117.5 p.c. in quantity of those in 1928, while average values were 94.5 p.c. or 4.3 p.c. lower than the average value of imports; the declared value in 1929 was 111.0 p.c. of that in 1928. Thus imports were higher in average value, in 1929 as compared with 1928, 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.¹ A table showing the fluctuations of each important group of commodities imported and exported in 1929 as compared with 1928 follows (Table 36). For details by commodities see the Bureau's Annual Report on the Trade of Canada, 1929, pp. 800-815.

¹See p. 788 for index numbers of import and export valuations.