

**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. 824 of the Bureau's Annual Report on the Trade of Canada for the fiscal year ended Mar. 31, 1930.

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 I 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 that 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 table.

The method adopted for ascertaining the fluctuations in volume has been to take a base year—1926—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. For this reason the results must not be regarded as of great precision, but since the value of goods not returned by quantity, and of those not comparable over a limited series of years, is small in comparison with the total trade, the amount of error introduced on their account is not considerable. By this method it is comparatively easy to compare the volume of the trade in a particular year with that in a recent year, and the margin of error is fairly small. When, however, a comparison of the volume of trade in a particular year with that of another year ten or more years before is undertaken, the margin of error is very much greater. Certain new commodities have come into existence in the course of the decade, while the qualities of others have been materially changed; further, various new items have been added to the customs classifications, and it is not always possible to say just what customs items of 1930 correspond with those of 1914. For these reasons comparisons with the pre-war fiscal year ended 1914 have been discontinued since 1929. The comparison for 1929 and certain previous years appeared on pp. 581-583 of the 1930 Year Book.