

Europe (inclusive of the U.S.S.R.) represents three-fifths of world imports and half of world exports; but of the total decline in the gold value of world imports and exports in 1934 European trade accounts for three-fourths and nine-tenths respectively. While between 1932 and 1934 European imports fell in quantum by 2.6 p.c. those of other continents rose by over 14 p.c. and while in the same period European exports rose by 2.4 p.c. those of other continents rose by over 7 p.c. Thus the recent increase in the quantum of world trade must be attributed mainly to trade between continents other than Europe. The United Kingdom which trades mainly with countries outside Europe, has recently increased the quantum of both her imports and exports considerably, but the trade of continental Europe has continued to decline.

The foregoing brief outline of the recent course of world trade, taken from the League of Nations reports, is presented as a background against which Canada's position in world trade may be viewed. It should be noted that the figures of Canadian imports in Statement I have been adjusted for over—or under—valuation of imports from the United Kingdom because in Canadian recorded imports the value of the pound sterling is taken as \$4.86 $\frac{2}{3}$ . Furthermore, exports here include exports of bullion produced in Canada which are not included in Canadian recorded exports of merchandise.

According to these League of Nations figures, Canada, in 1934, stood ninth in imports, fifth in exports and sixth in total trade, whereas in 1929 she was fifth in each category. From 1929 to 1934 Canada's share in total world trade declined from 3.68 p.c. to 3.27 p.c. due to a great decline in the share of imports more than offsetting a slight increase in the share of exports. The greatest decline in its share of world trade occurred in the case of the United States. The United Kingdom, France, Japan, Belgium, Netherlands and Union of South Africa were some of the leading countries to show increases in their share of the world's trade during the period.

In the section of Statement I dealing with indexes of gold prices, it may be seen how Canada's barter position in world trade suffered on account of the uneven price decline since 1929, affecting the average prices of her exports more than those of her imports. There was a distinct improvement in this respect, however, from 1932 to 1933 which has been extended into 1934. Japan, Argentina, China, British Malaya and the Netherlands Indies have been at a greater disadvantage than Canada as a result of this uneven price decline. In the case of the United States and of industrial countries of Europe, on the other hand, the barter advantage was greatly increased in the early years of the depression, but has tended to decline since 1932.

Changes in the quantum of world trade are indicated by the indexes in the last part of Statement I. Taking the year 1927 as 100, imports into Canada had risen to 118.1 in 1929, but declined to 71.6 in 1934, compared to 83.6 for total world imports. The Union of South Africa and Japan had a higher quantum of imports in 1934 than in 1929, while for the United Kingdom the quantum of imports was comparatively little below that of 1929. Imports of the United States declined rather less than those of Canada, while in Germany, Argentina, China, Czechoslovakia and Netherlands Indies the decline was considerably greater than in the case