

A considerable proportion of Canada's exports to overseas countries (18 p.c. in 1936) is shipped *via* the United States. Some of this is credited by importing countries to the United States. Canadian grain exports, for example, are frequently routed through the United States in bond. Most of this grain leaves Canada with the United Kingdom as the stated destination, but large quantities are later diverted to other European or overseas countries and some is taken out of bond for consumption in the United States. Thus the Canadian record of exports to the United Kingdom may be \$100,000,000 or more in excess of Canadian products actually received by the United Kingdom, while stated exports to other overseas countries are short this amount. Again, United States grain is routed through Canada and shipped from Montreal and is therefore frequently shown by other countries as imported from Canada, while it is included in United States statistics as an export to Canada. As mentioned above, purchases in bonded markets in England, Germany, Belgium, and France are included in Canadian imports from those countries but are not included by those countries in exports to Canada.

For more detailed discussion of this subject see the article and tables on "Discrepancies in Trade Statistics" on pp. 778-781 of the Annual Report on the Trade of Canada, 1928, and pp. 26 and 37 of the Condensed Preliminary Report on the Trade of Canada, 1936, both published by the Dominion Bureau of Statistics.

#### **Subsection 1.—Recent Changes in the Value and Quantum of World Trade.\***

According to the figures shown in Statement I p. 502 and illustrated in the chart on p. 500, the value of world trade (imports plus exports) in terms of gold fell during each year from 1929 to 1934, until in that year it amounted to 34 p.c. of the figure for 1929. The trend changed for the first time in 1935 with a slight rise of about 1.9 p.c. in gold value. The decline from 1929 to 1934 was for the greater part due to the fall in average gold prices which during the period amounted to 56 p.c. (57.6 p.c. from 1927). The decline in gold prices appears to have been arrested in the first half of 1935, with a slightly rising trend manifested thereafter, although the average gold price index was lower for 1935 than for 1934. The fall in quantum of trade was arrested in 1932 on a level 26 p.c. below that of 1929 (about 20 p.c. below that of 1927). In 1933 the quantum of trade rose about 1.5 p.c., in 1934 about 4 p.c., and in 1935 about 4.5 p.c. Even after the change in the quantum movement which occurred in 1932, trade remains on a very low level. The increase in the quantum which has occurred during each of the last three years is below the annual growth before the depression which during the period 1925-29 was estimated at an average of 5 p.c. per annum.

The increase in the quantum of trade during the last quarter of each year, due mainly to the marketing of the autumn crop in the northern hemisphere, conceals to some extent the trend of the quantum curve in the diagram. Actually, the lowest level of trade activities would appear to have been reached either during the third quarter of 1932 or early in 1933. The rising trend of gold value, price and quantum, appears to have continued during 1936, according to recent monthly bulletins of the League of Nations.

During the first years of the depression, manufactured articles fell much less in price than foodstuffs and raw materials. Since 1932, however, the price fall has been heaviest in the case of manufactured articles. During 1935, prices of manufactured goods and of foodstuffs declined further, while those of raw materials

\*Abbreviated from "Review of World Trade, 1935", published by the League of Nations.