

exports of domestic gold and of foreign gold, as well as earmarkings by the Bank of Canada. Admittedly, the statistics in this connection are somewhat complicated, but they represent complicated facts. However, it is very necessary that the effects of fluctuations in the movement of gold should be borne in mind in dealing with statistics of trade. Gold may now form a very large item in the value of annual exports (Canada's production in 1938 is estimated as worth nearly \$165,000,000) so that fluctuations in the movement may materially affect the apparent value and distribution of Canada's trade. For instance, in one year the major part of the gold may be shipped to London, in another year to New York, or it may be accumulated under earmark, resulting in wide variation in the value and proportion of exports to the United Kingdom and the United States. So far exports have been confined almost entirely to these two countries. It may sometimes be desirable to view movements of trade in strictly commercial commodities alone. In order to facilitate doing so, a statement of non-monetary gold exports is given below, which will enable the student to make the desired adjustments to the trade statistics given in the main body of this chapter.

I.—EXPORTS OF NON-MONETARY GOLD INCLUDED IN MERCHANDISE TRADE  
STATISTICS, FISCAL YEARS 1934-38.

Item and Country.	1934.	1935.	1936.	1937.	1938.
	\$	\$	\$	\$	\$
<b>DOMESTIC EXPORTS.</b>					
United Kingdom.....	60,981,635	16,702,500	2,600,196	1,884,894	2,533,022
United States.....	28,258,637	83,741,672	85,583,067	81,117,759	90,921,880
Other countries.....	Nil	6,970	33,820	161,897	210,448
<b>TOTALS, DOMESTIC EXPORTS.....</b>	<b>89,240,272</b>	<b>100,451,142</b>	<b>88,216,883</b>	<b>83,164,550</b>	<b>93,665,350</b>
<b>FOREIGN EXPORTS.</b>					
United Kingdom.....	Nil	Nil	Nil	Nil	Nil
United States.....	"	38,325	57,000	11,200	12,999
Other countries.....	"	Nil	Nil	Nil	Nil
<b>TOTALS, FOREIGN EXPORTS.....</b>	<b>Nil</b>	<b>38,325</b>	<b>57,000</b>	<b>11,200</b>	<b>12,999</b>
<b>GRAND TOTALS.....</b>	<b>89,240,272</b>	<b>100,489,467</b>	<b>88,303,883</b>	<b>83,175,750</b>	<b>93,678,349</b>

**Subsection 1.—Value and Quantum of World Trade.\***

World imports and exports, on which the figures in Statement V, p. 484, are based, are taken as the sum of the recorded imports and exports of individual countries reduced to the common monetary unit of United States old gold dollars (i.e., gold valued at \$20.67 per fine ounce). On this basis the value of world trade increased by nearly 23 p.c. in 1937. The average prices in gold for goods entering into world trade rose by between 8 and 9 p.c. and the quantum of trade rose by about 13 p.c. and reached a level only about 3 p.c. below that of 1929. The quantum of trade declined annually from 1929 to 1932 when it had reached a level about 25 p.c. below that of 1929. Since 1932, quantum has increased each year from only slightly in 1933 to the largest increase in 1937. Average gold prices of goods comprising world trade had been declining since 1925. The annual declines were comparatively small until the end of 1929, became quite precipitous to 1932, and then tapered off to 1935, in which year they were only 42.5 p.c. of their level in 1929 or about 41 p.c. of that of 1927. The trend of gold prices turned upward in 1935 and rose quite steeply in the latter part of 1936 and first half of 1937, but declined again in the second half of 1937.

\* Abbreviated from "Review of World Trade, 1937", published by the League of Nations.