

Subsection 3.—Comparison of the Volume of Imports and Exports

The statistics of the external trade of Canada are analysed in this Subsection to reveal changes in the physical volume of external trade as well as in the dollar value of that trade. Since value figures alone may be somewhat misleading when used to show the physical growth of production and external trade, it is desirable to secure a record of the fluctuations in the volume of the country's trade as distinguished from the value thereof. A description of the method used in ascertaining such fluctuations is given at p. 462 of the 1941 Year Book.

In Table 17 the imports and exports for 1941, 1942 and 1943, are first shown at the values at which the trade was recorded; the same imports and exports are then shown at the value they would have had if the average price or unit value had been the same in each year as it was over the average of the years 1935-39. In other words, the figures on the basis of the average values over the base period enable a comparison to be made of the imports or exports for the given years on the basis of variations in quantity only, variations due to different prices having been eliminated. Index numbers of declared values, that is, the total declared values of the imports or exports in each year expressed as percentages of 1935-39 are then given. These are followed by the index numbers of average values, which show the prices at which goods were imported or exported in each year expressed as percentages of the prices in 1935-39. Finally, the index numbers of physical volume show the relative quantity of merchandise imported or exported in each year expressed as a percentage of the quantity of the same merchandise in 1935-39.

The declared value of imports showed an increase from \$1,448,792,000 in 1941 to \$1,644,242,000 in 1942, a rise of 13.5 p.c.; a further rise of 5.5 p.c. was recorded for 1943. However, if the price level of 1935-39 had prevailed in these years, imports would have amounted to \$1,105,221,000 in 1941 and \$1,080,245,000 in 1942 and \$1,104,816,000 in 1943. This indicates that the effect of rising prices was beginning to be shown in the trade returns for 1942.

While all groups of imports show increases in value with the exception of "miscellaneous" only six showed increases in volume.

Exports also increased in 1943, both in value and in volume. On the basis of price levels prevailing during the period 1935-39, exports would have been valued at \$1,387,900,000 in 1941, \$1,740,220,000 in 1942 and \$1,991,546,000 in 1943. The index of unit values of iron and its products continued its rapid rise, increasing from 180.5 in 1941 to 221.8 in 1942 and to 252.4 in 1943.

The index numbers of unit values of total imports increased from 130.8 in 1941, to 151.8 in 1942, to 156.7 in 1943, while the index of unit values of exports showed a lesser increase from 115.5 to 134.3 to 147.5. This would indicate a slightly less favourable position of Canada's barter terms in 1942 than in 1941, as the prices of imported goods increased to a greater degree than did those of the exports exchanged for them: some importance in this position was evident in 1943.