

Subsection 3.—Comparison of the Values and Volumes 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 16 the imports and exports for 1943, 1944 and 1945, 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. 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 \$1,735,077,000 in 1943 to \$1,758,898,000 in 1944, a rise of 1.4 p.c.; a decline of 9.8 p.c. was recorded for 1945. However, if the price level of 1935-39 had prevailed in these years, imports would have amounted to \$1,104,816,000 in 1943 and \$1,172,707,000 in 1944 and \$1,088,560,000 in 1945.

Exports also decreased in 1945, both in value and in volume. On the basis of price levels prevailing during the period 1935-39, exports would have been valued at \$1,991,546,000 in 1943, \$2,169,035,000 in 1944 and \$2,021,121,000 in 1945.

The index numbers of unit values of total imports decreased from 156.7 in 1943 to 149.6 in 1944, to 145.3 in 1945, while the index of unit values of exports showed an increase from 147.5 to 156.8 to 157.4. This would indicate a slightly more favourable position of Canada's barter terms in 1945 than in 1943, as the prices of imported goods decreased to a greater degree than did those of the exports exchanged for them.