

CHAPTER XXI.—FOREIGN TRADE

CONSPECTUS

	PAGE		PAGE
Part I.—Review of Foreign Trade.....	922	Part III.—External Transactions.....	976
Part II.—Foreign Trade Statistics.....	929	SECTION 1. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS.....	976
SECTION 1. EXPLANATIONS <i>re</i> CANADIAN TRADE STATISTICS.....	929	SECTION 2. TRAVEL BETWEEN CANADA AND OTHER COUNTRIES.....	983
SECTION 2. TOTAL FOREIGN TRADE.....	932	Part IV.—The Government and Foreign Trade.....	986
SECTION 3. TRADE BY GEOGRAPHIC AREAS.....	933	SECTION 1. FOREIGN TRADE SERVICE AND ASSOCIATED AGENCIES CONCERNED WITH THE DEVELOPMENT OF FOREIGN TRADE.....	986
SECTION 4. TRADE BY COMMODITIES... ..	942	SECTION 2. THE DEVELOPMENT OF TARIFFS.....	994
SECTION 5. IMPORTS AND EXPORTS BY DEGREE OF MANUFACTURE, BY ORIGIN AND BY PURPOSE.....	962	Subsection 1. The Canadian Tariff Structure.....	994
SECTION 6. COMPARISON OF VALUE, PRICE AND VOLUME OF FOREIGN TRADE.....	973	Subsection 2. Tariff Relationships with Other Countries.....	996

NOTE.—*The interpretation of the symbols used in the tables throughout the Year Book will be found facing p. 1 of this volume.*

The subject of foreign trade covers more than the treatment of imports and exports of commodities, important though this is. In its broader sense, foreign trade is made up of the total international exchanges of goods, services, securities and other financial exchanges, all of which are presented in their proper relationship in this Chapter. Following Part I, which is a review of Canada's trade during 1950 and 1951, Part II gives detailed statistics of external commodity trade. Part III summarizes external transactions from the standpoint of the balance of international payments. Part IV outlines the various ways in which the Federal Government promotes and encourages trade relationships, and reviews the Canadian tariff structure.

PART I.—REVIEW OF FOREIGN TRADE

World trade remained at a high level in 1950 and 1951. In 1950 its value (expressed in United States dollars) was slightly greater than in 1949, and the value of trade in 1951 showed a further increase of about 36 p.c. Higher prices for the goods of most countries made an important contribution to the latter value gain, but the volume of world trade also expanded.

International trade prices, which had stabilized in 1949, were affected by new inflationary pressures after the outbreak of the Korean war. Military needs and precautionary buying increased the demand for many important industrial materials such as wool, tin, manganese, rubber and wood-pulp, and the increased raw material prices, in turn, affected the costs and prices of manufactured goods. The prices of raw materials generally reached their peak in the first half of 1951 and declined thereafter, contributing to the stabilization of other prices and to some declines.

Despite a relatively small population, Canada is one of the world's major trading nations. Statistics published by the International Monetary Fund and adjusted for international differences in valuation methods show that from 1946 to 1950 Canada's trade was surpassed only by that of the United States and the