

made possible unusually heavy grain shipments that contributed substantially to Canadian export totals, and the continuation of these grain shipments in the first half of 1953 increased further their share of total exports. However, in the latter half of 1953, grain exports, though still high, were below the levels of the corresponding period in 1952.

Beginning late in 1952, Canada experienced a further upsurge in imports. The underlying causes have been the very strong demand for both consumer and capital goods together with an apparent improvement in the competitive position of foreign producers. Increases in imports have been principally in the consumer goods categories, particularly durables and textiles. On the other hand, there has been some levelling off in 1953 of imports in the steel, chemicals and fuels categories, as Canadian productive capacity increased.

Increased purchases from the United States and from the United Kingdom accounted for nearly all of the higher import values in 1953. Price declines for raw materials have whittled the value of imports from the overseas Sterling Area, while totals from other areas appear to be changing very little from those of 1952.

Moderately lower exports and increased imports have resulted in a change from a positive trade balance in 1952 to a negative one in 1953. This in turn has caused a change from a surplus to a deficit in the international balance of payments on current account. However, in the foreign exchange market this deficit on current account has tended to be offset by a continued capital inflow, thus maintaining the Canadian dollar at a premium over the United States dollar.

A new International Wheat Agreement, to extend for a three-year period, was negotiated during 1953. The price provided for ranges from a maximum of \$2.05 to a minimum of \$1.55 per bu., both prices in U.S. funds basis No. 1 Northern in store Fort William-Port Arthur or Vancouver. Owing to the withdrawal of the United Kingdom from the Agreement, the quotas of exporting countries are reduced. Canada's quota under the Agreement amounts to 163,000,000 bu.

Canada participated in the 1953 meeting of the Contracting Parties to the General Agreement on Tariffs and Trade at which it was agreed to rebind, for an 18-month period commencing Jan. 1, 1954, the tariff changes previously negotiated under the Agreement.

Industry Conditions.—The continuation of favourable markets in 1953 has meant generally prosperous conditions throughout Canadian industry. Moreover, a more stable pattern of demand appears to have resulted in a more even balance of activity than had prevailed in the previous two years. In a number of lines, however, much of the increase in purchases of finished goods has been met through imports and, accordingly, domestic industry has not had the full benefit of the rise in final purchases.

Consumer Goods Industries.—The pick-up in consumer buying during the latter part of 1952 had, by the end of the year, brought a substantial improvement in consumer goods industries which, in the early part of 1952, had experienced considerable slack. Continuing strength in this sector has been one of the notable features of economic developments in 1953. The increase in consumer sales has been widely spread throughout all main consumer groups, including soft as well as hard goods.