

Prospects of a second good harvest in 1953 in certain overseas countries led to further reductions in Canada's overseas exports in the latter part of the year. While most of the over-all decline in overseas exports was offset by increased sales to the United States, some commodities, notably motor-vehicles, could not compete in that market and others, especially farm implements, found even the United States market shrinking in 1953.

A major portion of the increase in Canada's imports from 1951 to 1953 was drawn from the United States. Many of the goods required by Canada's investment program could most readily be obtained in that market, and also the requirements of defence policy led to a major part of Canada's defence imports being procured in the United States.

In the latter part of 1951 and the early part of 1952 there was some reduction in Canadian demand for many overseas goods, especially textiles and some raw materials. Imports of these had been extremely heavy in the preceding year, but fell off as inventories in Canada were reduced. In addition, rapidly falling prices of many commodities further reduced the value of imports from overseas countries. In the latter part of 1952, prices stabilized and demand recovered, so that imports from most overseas areas in 1953 were considerably greater in volume than in 1952.

3.—Percentage Distribution of Trade, by Leading Countries and Trading Areas, 1951-53

Item and Year	United States	United Kingdom	Europe	Commonwealth and Ireland	Latin America	Others
	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.
Total Exports—						
1951	58.9	16.0	8.7	6.7	5.3	4.4
1952	53.9	17.3	10.9	6.6	6.3	5.0
1953	59.0	16.0	8.9	6.0	4.8	5.3
Imports—						
1951	68.9	10.3	4.3	7.5	6.7	2.3
1952	73.9	8.9	3.8	4.6	7.0	1.8
1953	73.5	10.3	3.9	4.0	6.6	1.7
Total Trade—						
1951	64.0	13.1	6.5	7.1	6.0	3.3
1952	63.5	13.2	7.5	5.6	6.7	3.5
1953	66.4	13.1	6.4	4.9	5.7	3.5

Seasonal Pattern of Canadian Trade.*—Seasonal factors exert a considerable influence on Canada's trade and complicate the analysis of that trade over short periods. When trade statistics aggregates are studied, a major concern of the observer is normally to discover whether exports or imports are rising or falling, but for periods shorter than one year it is often difficult to answer this type of question with certainty. What appears to be a change in trend may well be no more than a fluctuation related to change in the time of year, rather than to any change in economic considerations.

Among the factors chiefly responsible for the seasonal variations in Canada's trade are the importance of agricultural commodities in trade, the importance of cheap water transportation which is available for only part of the year, and special demands for certain commodities (and by some industries such as the construction industry) at certain times of the year.

* For a more detailed discussion of this problem see *Review of Foreign Trade, First Half Year 1953, DBS 1953*.