

# CHAPTER XXII.—FOREIGN TRADE

## CONSPECTUS

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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 the period 1953-55, 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 contains a brief review of the Canadian tariff structure.

## PART I.—REVIEW OF FOREIGN TRADE\*

In 1954 and 1955 world trade recovered from the mild recession that followed the end of the Korean war. The value of trade in 1954 was almost 4 p.c. greater than in the trough year 1953, and a further substantial advance is indicated for 1955. The volume of world trade had actually turned upward in 1953 but, until the general level of prices stabilized in 1954, falling prices more than offset the rise in trade volume.

Widespread readjustments occurred in world economic activity after the boom year 1951 but did not affect all countries equally or simultaneously. First to be affected were the raw material producers, especially those of southeast Asia and Australasia whose principal exports suffered from falling prices and reduced demand. In the latter part of

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