

# 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 recent years, 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\*

There has been a marked general increase in international trade in the postwar years, although the rate of growth has not been steady. The prewar volume of trade had been regained by 1948 and there was a sharp value upswing in 1951, caused mainly by the high prices of the Korean boom. A period of readjustment then followed, but by the second half of 1954 economic activity and trade were again generally on the increase. In 1955 the volume of world trade was 18 p.c. higher than the previous record of 1951 and in 1956 was about 10 p.c. higher than in 1955; the increase in value in the latter year was 11 p.c. The rate of increase was fairly constant in the two years, but declined sharply in 1957 so that the relative change in that year was slight. It is interesting to note that while the advance in 1955 kept roughly in line with world production, trade in 1956 increased at a rate almost double that of industrial production. Also of interest in the general development of

\* Prepared in the External Trade Section, International Trade Division, Dominion Bureau of Statistics.