

**22.—Declared Values, and Value, Price and Physical Volume Indexes of Foreign Trade
by Commodity Group 1953-56—concluded**

Commodity Group ¹	1953	1954	1955	1956
	VOLUME INDEXES—concluded (1948=100)			
Domestic Exports²	113.2	109.6	118.3	128.4
Agricultural and animal products.....	123.8	105.0	99.7	122.6
Fibres and textiles.....	46.8	42.4	47.1	45.5
Wood products and paper.....	114.8	124.2	135.2	132.2
Iron and steel and products.....	77.4	64.0	82.3	89.7
Non-ferrous metals and products ⁴	127.6	134.5	144.2	146.8
Non-metallic minerals and products.....	103.9	102.1	144.9	197.1
Chemicals and fertilizer ⁴	147.5	166.4	200.2	200.9
Miscellaneous.....	95.0	80.3	71.0	103.1

¹ Groups, though classified by component material, differ slightly from conventional groups (see text, p. 1042).

² Excludes imports for the use of the United Kingdom and other NATO Governments.

³ Excludes exports

of foreign produce. ⁴ Revised for 1954 to 1956: uranium ores and concentrates transferred from chemicals to non-ferrous metals as of Jan. 1, 1957.

PART III.—EXTERNAL TRANSACTIONS*

Section 1.—Canadian Balance of International Payments

A summary of Canada's total commercial and financial transactions with other countries is presented in statements of the Canadian Balance of International Payments. The current account statement, covering all current exchanges of goods and services, indicates the main categories of transactions giving rise to receipts from and expenditures abroad, and the extent to which these are out of balance. The capital account presents an analysis of the movements of short-term and long-term capital that have occurred during a comparable period.

Each year since 1950, with the exception of 1952, Canada's current expenditures abroad exceeded external current receipts. The resulting current account deficits that occurred in this period of rapid Canadian development were financed by inflows of capital. Current account deficits have customarily been associated with periods of Canadian prosperity and once again the rate of recent Canadian growth with the development of new resources has been the underlying element in the strength of Canadian demands for imported goods and services. High levels of investment at a time when defence expenditures were also very heavy, together with rising levels of consumption, contributed to the deficits. Before 1955 the deficits in recent years were not large in proportion to the high levels of total current transactions and, until then, capital inflows of a long-term type were large enough to finance the deficits in most periods. But in 1955 the current deficit rose to \$698,000,000, and this deficit was substantially more than the net inflow of long-term capital. In 1956, as the result of continuing high levels of investment and consumption, the deficit rose to the unprecedented peak of \$1,372,000,000. At the same time, inflows of capital in long-term forms more than tripled those of the previous year and were almost sufficient to finance the record deficit.

* Prepared in the Balance of Payments Section, International Trade Division, Dominion Bureau of Statistics. More detailed information is given in the annual and quarterly publications *Canadian Balance of International Payments*, and in *Canada's International Investment Position*.