

## Section 6.—Comparison of Value, Price and Volume of Foreign Trade

In the postwar period there has been a substantial increase in the value of Canada's exports and imports. Changes in the value of trade, however, are the joint product of changes in the volume of goods traded and of the prices at which transactions are conducted. To assess the significance of value changes, it is desirable to isolate the contributions made to them by the price and volume factors.

Special indexes of export and import prices have been developed to provide this information. These indexes are based chiefly on unit values (average prices) calculated from the trade statistics, supplemented by information on wholesale and retail prices. Price relatives are calculated for a sample of commodities representing the greater part of export and import trade, and these relatives are weighted by the percentage of 1948 trade represented by each commodity in the sample in obtaining group and total indexes. By dividing these price indexes into the trade values the effects of price change are removed from the values, or by dividing the price index into an index of values on the same time-base an index is obtained showing changes in the volume of trade from year to year.

The grouping of commodities used in these calculations differs slightly from that of the regular trade statistics, changes being desirable to simplify the pricing problem. The chief difference is that the first two main groups of the trade statistics have been combined into one group, "agricultural and animal products", and that the sub-group "rubber and its products" has been transferred from this group to the "miscellaneous group".

The import totals differ from those usually published by the exclusion of certain goods brought into Canada by the governments of the United Kingdom and other NATO countries for the use of their defence forces. Table 23 shows the value of trade adjusted for pricing purposes, and the value, price and volume indexes of Canadian trade for 1954-57. In the period covered by this table, import prices rose steadily in 1955, 1956 and 1957. Export prices, on the other hand, increased in the earlier years but declined very slightly in 1957. Notwithstanding the increase in import prices, imports were reduced in value in 1957 as a result of a significant decline in volume; while exports increased in value in the same year, an increase in volume more than offset the small price decline.

**23.—Declared Values, and Value, Price and Physical Volume Indexes of Foreign Trade, by Commodity Group, 1954-57**

Commodity Group <sup>1</sup>	1954	1955	1956	1957
	DECLARED VALUES			
	\$'000	\$'000	\$'000	\$'000
<b>Declared Values of Imports</b> .....	<b>4,093,196</b>	<b>4,712,370</b>	<b>5,705,449</b>	<b>5,623,410</b>
Agricultural and animal products.....	579,962	600,292	673,870	705,432
Fibres and textiles.....	333,324	381,613	416,390	408,651
Wood products and paper.....	158,912	188,431	220,279	217,722
Iron and steel and products.....	1,312,976	1,597,472	2,221,640	2,122,967
Non-ferrous metals and products.....	368,638	411,512	503,327	495,540
Non-metallic minerals and products.....	594,638	659,171	760,785	771,763
Chemicals and fertilizer.....	224,984	265,012	293,772	299,718
Miscellaneous.....	494,755	563,504	566,081	573,182
Totals, Adjusted Imports <sup>2</sup> .....	4,068,190	4,667,007	5,656,145	5,594,976
Imports for use of U.K. and NATO Governments.....	25,006	45,363	49,304	28,435
<b>Declared Values of Exports<sup>3</sup></b> .....	<b>3,881,272</b>	<b>4,281,784</b>	<b>4,789,746</b>	<b>4,839,225</b>
Agricultural and animal products.....	1,062,206	1,006,146	1,225,876	1,124,543
Fibres and textiles.....	20,969	22,816	22,568	27,162
Wood products and paper.....	1,378,354	1,520,921	1,514,458	1,456,125
Iron and steel and products.....	307,537	402,957	465,712	549,641
Non-ferrous metals and products.....	717,072	852,923	959,471	1,006,316
Non-metallic minerals and products.....	145,573	206,200	292,100	347,705
Chemicals and fertilizer.....	153,238	183,507	182,854	195,303
Miscellaneous.....	96,323	86,314	126,707	132,430

For footnotes, see end of table