

## 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 in 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 1955-58. In the period covered by this table, import prices as a whole rose steadily, although there was considerable fluctuation in certain individual groups. Export prices, on the other hand, increased in 1955 and 1956, declined very slightly in 1957 and advanced slightly again in 1958. Notwithstanding the increase in import prices, imports were reduced in value in 1957 and 1958 as a result of a significant decline in volume, particularly in the later year; exports in the same year decreased moderately in value but increased in volume.

### 23.—Declared Values, and Value, Price and Physical Volume Indexes of Foreign Trade, by Commodity Groups, 1955-58

NOTE.—Many of the 1957 figures in this table as well as some of those for previous years have been revised since they were published in the 1959 Year Book.

Commodity Group <sup>1</sup>	1955	1956	1957	1958
	DECLARED VALUES			
	\$'000	\$'000	\$'000	\$'000
<b>Declared Values of Imports</b> .....	<b>4,712,370</b>	<b>5,705,449</b>	<b>5,623,410</b>	<b>5,192,351</b>
Agricultural and animal products.....	600,292	673,870	705,432	716,373
Fibres and textiles.....	381,613	416,390	408,651	387,297
Wood products and paper.....	188,431	220,279	217,722	226,912
Iron and steel and products.....	1,597,472	2,221,640	2,122,967	1,844,480
Non-ferrous metals and products.....	411,512	503,327	495,540	442,795
Non-metallic minerals and products.....	659,171	760,785	771,763	676,000
Chemicals and fertilizer.....	265,012	293,772	299,718	297,212
Miscellaneous.....	563,504	566,081	573,182	574,180
Totals, Adjusted Imports <sup>2</sup> .....	4,667,007	5,656,145	5,594,976	5,185,249
Imports for use of U. K. and NATO Governments.....	45,363	49,304	28,435	27,102
<b>Declared Values of Exports<sup>3</sup></b> .....	<b>4,281,784</b>	<b>4,789,746</b>	<b>4,824,233</b>	<b>4,823,347</b>
Agricultural and animal products.....	1,006,146	1,225,876	1,124,543	1,275,150
Fibres and textiles.....	22,816	22,568	27,162	20,660
Wood products and paper.....	1,520,921	1,514,458	1,456,125	1,413,989
Iron and steel and products.....	402,957	465,712	549,641	450,572
Non-ferrous metals and products.....	847,499	952,330	981,742	1,023,607
Non-metallic minerals and products.....	211,624	299,241	357,287	250,351
Chemicals and fertilizer.....	183,507	182,854	195,303	197,051
Miscellaneous.....	86,314	126,707	132,430	191,967

For footnotes, see end of table, p. 1046.