

2.—World Trade, by Leading Countries, 1959 and 1960

SOURCES: International Monetary Fund, *International Financial Statistics*, July 1961; and United Nations Statistical Office, *Population and Vital Statistics Reports*, Series A, Vol. XIII, No. 2.

Country	1959			1960			Population '000	Trade per Capita	
	Exports f.o.b.	Imports c.i.f.	Total Trade	Exports f.o.b.	Imports c.i.f.	Total Trade		1959	1960
	U.S.\$ '000,000	U.S.\$ '000,000	U.S.\$ '000,000	U.S.\$ '000,000	U.S.\$ '000,000	U.S.\$ '000,000		U.S.\$	U.S.\$
United States.....	17,576	16,548	34,124	20,526	15,952	36,478	182,489	190 ¹	200 ¹
United Kingdom.....	9,692	11,175	20,867	10,352	12,765	23,117	52,539	400	440
Germany, Federal Republic.....	9,804	8,480	18,284	11,418	10,107	21,525	55,922	332	335
France.....	5,615	5,088	10,703	6,864	6,281	13,145	45,683	238	238
Canada.....	5,852	6,244	11,896	5,326	6,124	11,950	18,041	682	662
Netherlands.....	3,607	3,940	7,547	4,028	4,531	8,559	11,555	665	741
Japan.....	3,457	3,600	7,057	4,055	4,491	8,546	93,820	76	91
Italy.....	2,895	3,341	6,236	3,650	4,721	8,371	49,368	127	170
Belgium and Luxembourg.....	3,295	3,442	6,737	3,775	3,957	7,732	9,454	715	818
Sweden.....	2,206	2,405	4,611	2,567	2,876	5,443	7,480	619	728
Australia.....	2,001	2,123	4,124	1,965	2,713	4,678	10,332	410	453
Malaya and Singapore.....	1,932	1,845	3,777	2,091	2,035	4,126	8,449	456	488
World Totals².....	101,660	106,890	208,550	113,200	118,690	231,800	1,953,000	107	119

¹ Includes military aid extended to other countries. ² Excludes China, Union of Soviet Socialist Republics and the communist countries of Eastern Europe (except Yugoslavia).

International Background.—By the latter part of 1960, although world trade remained at a high level, the rate of growth began to moderate. Commodity prices, especially of coffee, cocoa, sugar, base metals, wool and rubber, showed a downward trend during the last half of the year. The primary producing countries were thus faced with a considerable decline in the purchasing power of their exports in terms of necessary imports. Among the industrial countries there was also some slackening in the rate of expansion.

In the United States, although exports rose considerably, there was increasing evidence by the fourth quarter of a gentle but broad decline in the economy, and in the United Kingdom there was a slow-down in production and exports. Western Europe continued to enlarge its manufacturing capacity and external trade, but at a somewhat less rapid pace. Japan's industrial output and imports rose throughout 1960 and exports increased over 1959 totals, but the rate of advance was reduced toward the close of the year.

To counteract this levelling off in international activity, several of the principal trading countries, Canada included, have undertaken intensive steps to promote export trade. In recent years, ample production facilities throughout the main industrial nations, many stemming from new or re-designed plants, coupled with a growing labour force, have ushered in a global era of sharper competition. This has replaced the situation, obtaining since the end of the Second World War and until about the middle 1950's, when international demand for many commodities exceeded supply, actual shortages existed in numerous lines, and world productive capacity was insufficient.

There were further developments among the regional blocs of trading nations that have appeared in recent years. The first of these groups—the European Economic Community (EEC) or Common Market set up by the Treaty of Rome—came into existence on Jan. 1, 1958 and is composed of France, West Germany, Italy, the Netherlands, Belgium and Luxembourg. By January 1961 these countries had made the third 10-p.c. reduction in their tariffs against each other, except for some rates on agricultural products, and had abolished most import licences and quotas between members. The economic advantages of a community of 170,000,000 people are becoming increasingly apparent and industrial production within the six countries climbed approximately 11 p.c. in 1960.