

Imports of fuels and lubricants, although a little higher than in the two previous years, continued steady and well below previous peaks, reflecting the increasing share of consumption of domestic fuels in Canada. Greater reliance on expanded domestic sources is also in evidence in structural materials and pipe, in automobiles and in clothing, textiles and leather and consumer durables and semi-durables.

During 1962 imports were not only subject to the deterrent effect of the cumulative fall in the foreign exchange value of the Canadian dollar—some 11 p.c. from the levels of the late 1950's—but in June import surcharges were imposed at the time of the foreign exchange crisis, ranging from 5 p.c. to 15 p.c. and covering approximately half of total imports. Some surcharges covering imports valued at approximately \$500,000,000 in 1961 were removed in October and November 1962 and the remainder in February and March of 1963.

The increase in imports in 1962 also came mainly from the United States. Imports from Britain fell off slightly, while imports from other overseas countries, continuing their upward trend, rose by \$107,000,000. The sources of these increases were widely dispersed over all areas. The share of imports coming from the United States has fluctuated a little above or below 70 p.c. for many years. Since 1954 when it reached its highest point in the 1950's (almost 73 p.c.), the United States proportion fell fractionally but consecutively to 67 p.c. in 1961. In 1962, however, the trend was reversed and it rose to 68.7 p.c. or about the same as in 1958.

The first merchandise export surplus since 1953 occurred in 1961 when it amounted to \$125,000,000; this was in marked contrast to the import surpluses of previous years ranging from \$100,000,000 to more than \$700,000,000. In 1962 the greater increase in imports over exports reduced the surplus to \$90,000,000.

The trade returns for the first eight months of 1963 show a continuation of the improvement in exports. Total exports were about 7 p.c. higher than in the same period of 1962. Imports, on the other hand, were about the same as in the corresponding period of the previous year, although the latter months were higher than the abnormally low first quarter. In the first half of 1963, details available for exports indicate the increase to have been predominantly in lumber, aluminum, copper and nickel and manufactured and miscellaneous goods.

From January to August, inclusive, the over-all trade balance shifted from a deficit of \$98,000,000 in 1962 to a surplus of \$175,000,000 in 1963. The share of exports going to countries other than the United States recovered to 44 p.c. Imports from both Britain and the United States were lower than a year previously, while those from other countries were somewhat higher.

## PART II.—FOREIGN TRADE STATISTICS\*

### Section 1.—Explanatory Notes on Canadian Trade Statistics

**Sources.**—Canadian foreign trade statistics are compiled from information recorded on customs documents received in the Dominion Bureau of Statistics from the various customs ports in Canada (except for exports of electric energy, which are based on data received from the National Energy Board). Record is kept of value and, whenever possible, of quantity. In considering these trade figures, it should be noted that the statistics do not necessarily reflect the financial transactions relating to the movement of goods since the method and time of payment are affected by many factors.

\* Based on statistics taken from reports published by the External Trade Division, Dominion Bureau of Statistics.