although other markets have grown in importance. The share sustained by "other Commonwealth and Preferential" countries indicates the continuing value of these relationships. It suggests that Britain's lesser market role is a reflection of slower growth in contrast to burgeoning demand in Continental Europe, Japan and the Communist countries.

Canadian Imports

In the 1953-66 period, Canadian purchases of foreign goods more than doubled. During the resource-development boom of 1954-57, imports, particularly of machinery and equipment, moved up faster and higher than exports. The deficits on commodity trade, which topped $713,000,000 in 1956, persisted until 1960 but after that, imports increased at a slightly slower pace than exports, with the notable exception of 1965. Approaching a value of $10 billion in 1966, Canada presents the sixth largest market in the world, ranking close to Japan. The greater part of this market is for machinery, transportation and electrical equipment, and producers materials such as fuels, metals, chemicals, foodstuffs, textiles and fibres. In addition, a wide range of consumer durables, apparel, foods, and other personal goods are received each year.

Throughout the postwar era, the United States supplied about 70 p.c. of these goods. Increased availability and competition from overseas sources reduced this proportion slightly in the early 1960s but, as a result of the exceptional growth in North America in the past three years and the extra spur of the Automotive Agreement, the American share recovered to 72 p.c. in 1966. Imports from Britain levelled out after the "foreign" car boom at the turn of the decade, but other Commonwealth suppliers benefited from the rise in sugar prices a couple of years ago. The remaining overseas countries retained their postwar high of 17 p.c. of the Canadian market which they reached in 1958. Among them, Western Europe and Japan play a prominent role, as do Venezuela and the Middle East oil-producing countries.

General Trend of World Trade*

World trade experienced almost unbroken and unprecedented growth in both value and volume in the past decade or so. It expanded even faster than physical output, illustrating that countries have been moving toward a higher level of economic interpenetration and specialization of production. The value of exports increased from $83 billion in 1953 to $186 billion in 1965, a rise of 125 p.c. or 7 p.c. annually. In volume, the increase was similar since over-all prices were little different at the end of the period.

The expansion of trade, of course, was not at a uniform pace over the years nor in equal measure in all countries and for all commodities. International trade fell sharply during the cyclical slump of 1958 but, in response to the subsequent upswing of demand, recovered quickly to new heights. The rapid rate of expansion attained from 1955 to 1957 was reached again in 1960, followed by a moderate deceleration in 1961-62. Then in 1963-64 the growth of world commerce gained new speed to 10 p.c. annually, moderated to 7 p.c. in 1965 and quickened again in 1966.

Comparative Trends in Market Regions

The expansion of trade in the past dozen years resulted mainly from stronger demand in the industrial countries; in particular, Japanese imports climbed by 11 p.c. a year and the European Economic Community (EEC) raised its purchases 10 p.c. annually. Trade in Eastern Europe also increased at an average of over 8 p.c. although, in view of its modest beginning and until recently its concentration within the Communist bloc, the effect on general world trade was limited. Imports of the developing countries, on the other hand, grew at a much slower rate, averaging about 4 p.c. a year, thus acting as a drag on the general growth of world imports. Nevertheless some of the industrial countries, notably Canada, the United States and Britain, performed at an only slightly faster rate.

* All values hereafter are in international units (=$U.S.).