

differences occur with Canadian imports. Major factors contributing to these discrepancies include: differences in the system of valuation used by Canada and those of other countries, with respect to the treatment of transportation charges, fair market and transaction values; differences in the statistical treatment of special categories of trade, such as military supplies, government-financed gifts of commodities, postal and express shipments, tourist purchases, bunker and warehouse trade; differing definitions of territorial areas; differing systems of crediting trade by countries, notably the consignment system used by Canada and the actual origin or ultimate destination system in use in some other countries; and differences in the time at which trade is recorded in the statistics of partner countries caused by the time required for goods to move from one country to another.

Table 18.28 summarizes total international trade for selected years 1956-74. In 1956 Canada's imports exceeded exports by \$760 million. The deficit persisted until 1960. Since then, a favourable balance of trade has been maintained, although with marked fluctuations between some years. The excess of exports over imports reached a high of \$2,868 million in 1970, and declined irregularly to reach a low level of \$526 million in 1974.

### 18.2.1 Geographic regions

Table 18.29 shows the importance to the Canadian economy of trade with the US. Exports to that country in 1961 made up 54% of the total, to the UK 15.8%, to other Commonwealth and preferential countries 5.7%, and to all other countries 24.5%. By 1974 exports to the US had increased by 11.9 percentage points, while those to the UK decreased by 9.8 percentage points and to other Commonwealth and all other countries by 2.2 and 0.1 points, respectively. At 67.3% in 1974, the proportion of Canadian imports from the US was only fractionally above the share in 1961, but increased from 17.2% to 25.1% for "other countries" while easing to 3.6% and 4.0% for the United Kingdom and other Commonwealth and preferential countries over the 13-year period. Within the "other countries" group of countries, Japan with 6.9% and the original EEC countries with 6.5% had become important export destinations by 1974. The latter countries and Latin America each supplied about 5.8% of Canada's imports.

Values of total exports and imports, by geographic region and country for 1972-74, are shown in Table 18.30. In the last two years the United States, Japan, United Kingdom, the Federal Republic of Germany and Italy comprised Canada's main export destinations in order of rank.

In 1974 Venezuela displaced the United Kingdom as the third important source of imports, owing to soaring prices of crude petroleum. The Federal Republic of Germany was next in rank and was followed by Iran, again on account of crude oil imports.

Ranking export growth from 1970 to 1974 by geographic region, the Middle East and Other Asia were first, with annual rates exceeding 25%. The growth rates of exports to the United States and Western Europe were estimated at 18% and 11%, respectively. Crude oil contributed to the ranking of import growth for the five-year period. In first place was the Middle East (90%), followed by Other Africa (31%), and Other America (31%). The annual rates of growth of imports from the United States and Western Europe were 21% and 18%, respectively.

### 18.2.2 Commodities

Detailed information on the composition of Canada's domestic exports for 1973 and 1974 is given in Table 18.31. In the case of trade with the United States, animals, food, feed, beverages, tobacco, metals, minerals, crude petroleum, natural gas, softwood lumber, pulp and newsprint, which in 1974 accounted for 44% of exports to that country, were responsible for 62% of the export expansion over 1973. By contrast, motor vehicles and related products made up about 26% of Canadian exports in 1974, but a mere 4.5% of American export growth, on account of the energy shortage and recessionary situation in the United States. In export trade with other countries, animals, food (notably cereals), feed, beverages, tobacco, oil seeds, crude metals and minerals represented 54% of 1974 exports and 49% of the export gain.

Table 18.32 gives details of Canada's imports for 1973-74. In transactions with the United States, motor vehicles and related products maintained their important share of imports, at 30%, although down from 33% in 1973. Imports of machinery and communication and other equipment accounted for a further 14% and 12%, respectively. These commodity groups