

## 22.—Declared Values and Value, Price and Physical Volume Indexes of Foreign Trade, by Commodity Group, 1950-53—concluded

Commodity Group <sup>1</sup>	1950	1951	1952	1953
	VOLUME INDEXES—concluded (1948=100)			
<b>Domestic Exports—</b>				
Agricultural and animal products.....	89.7	101.0	124.8	123.8
Fibres and textiles.....	57.5	57.9	50.7	46.8
Wood products and paper.....	111.1	119.9	117.1	114.8
Iron and steel and products.....	66.2	76.5	87.6	77.4
Non-ferrous metals and products.....	100.3	104.4	125.2 <sup>r</sup>	127.6
Non-metallic minerals and products.....	90.7	105.2	105.7	103.9
Chemicals and fertilizer.....	120.8	141.3	130.8	147.5
Miscellaneous.....	46.6	63.7	87.7	94.9
<b>Totals, Exports<sup>2</sup>.....</b>	<b>93.6</b>	<b>103.5</b>	<b>114.9</b>	<b>113.2</b>

<sup>1</sup> Groups, though classified by component material, differ slightly from conventional groups (see text, p. 1079).

<sup>2</sup> Excludes imports for the use of the United Kingdom and NATO Governments

<sup>3</sup> Excludes exports of foreign produce.

## PART III.—EXTERNAL TRANSACTIONS\*

## Section 1.—Canadian Balance of International Payments

Canada experienced a current account deficit of \$439,000,000 in 1953; this deficit was in contrast to the surplus of \$164,000,000 recorded in 1952, which had in turn followed two years of deficit, the first since 1933. An underlying tendency for Canada to be a net importer of capital during periods of great economic activity thus reasserted itself in 1953 when the volume of goods and services imported in response to demands in the Canadian economy rose sharply.

The sudden change from surplus to deficit in 1953 can best be regarded in the perspective of developments over several years. Superimposed on an economy with strong and growing investment and consumption demands has been the increased tempo of defence activities since 1950. These influences have been basic factors in the deficits of the past few years. In 1952, the period of deficits was temporarily ended because of two major developments, namely, the very marked improvement in the terms of trade and a large increase in the volume of grain exports. Since further improvements along these lines were not forthcoming in 1953, the underlying strong increase in import volume led to the reappearance of a current deficit. While there was a marked deterioration in the surplus with overseas countries and an increase in the deficit with the United States in 1953, these developments had the effect of yielding current balances with the United States and overseas countries generally which were remarkably close to those of 1951.

The reappearance of a current account deficit of \$439,000,000 in 1953 was accompanied, of course, by net capital imports of this amount. The deficit was more than balanced by heavy flows of long-term capital into Canada for direct and portfolio investment, which have been a feature of Canada's balance of payments in recent years. In 1952, the current account surplus and long-term inflows were

\* Prepared in the Balance of Payments Section, International Trade Division, Dominion Bureau of Statistics. More detailed information is given in the publications, *The Canadian Balance of International Payments, 1953*, *International Investment Position*, and *The Canadian Balance of International Payments in the Post-War Years, 1946-63*.