

exports from industrial disputes in the preceding year. In 1971, however, demand for Canadian exports settled at lower levels as production decelerated in the EEC and Japan, and grew very little in Britain.

Trade balances with a number of important markets deteriorated in 1971 - with Japan by \$242 million; with the EEC by \$233 million; with Britain by \$217 million; with other Commonwealth countries \$80 million and with Latin America \$67 million. On the other hand, surpluses continued to rise slightly with the U.S. (by \$58 million) and the residual group of "other countries" by \$10 million.

AUTO PRODUCTS TOP LIST

Automotive sales accounted for a \$649-million net gain - almost three quarters of Canada's total export gain for 1971. Imports of automotive products increased \$860 million to contribute about half of the rise in demand for foreign goods.

Exports of other commodities rose in varying degrees: wheat, barley and other cereals up \$208 million; flaxseed and rapeseed, \$80 million; crude petroleum, natural gas and coal, \$207 million; lumber and fabricated wood materials, \$176 million; chemical products, \$38 million; fabricated material of petroleum and coal, \$32 million; and equipment other than transportation or communication (mainly office machines), \$30 million. However, exports of a number of other commodities declined in 1971, including: metal ores, concentrates and scrap, by \$127 million; non-ferrous metals, \$262 million; aircraft, \$61 million; iron and steel and alloys, \$28 million; wire and cable and other fabricated metal basic products, \$20 million; and communication and related equipment, \$16 million.

Canadian importers took larger deliveries of: office machines and equipment items other than transportation or communication, up \$136 million; textiles, \$75 million; communication equipment, \$73 million; clothing and other personal goods, \$71 million; fruits, vegetables, sugar and beverages, \$59 million; iron and steel and alloys, \$56 million; railway rolling stock and other transportation equipment exclusive of automotive or aircraft, \$46 million; and medical supplies, photographic goods and other miscellaneous end products, \$40 million. However, imports of aircraft were down nearly \$100 million from those of 1970.

In trade with the United States, exports were up \$680 million for automotive products; \$243 million for lumber and wood fabricated materials; and \$182 million for crude petroleum and natural gas, while those for metal ores, concentrates and scrap decreased \$63 million; and for fabricated basic metal products and aircraft each declined \$25 million. Imports rose by \$720 million for automotive products; \$61 million for farm machinery and tractors; \$49 million for communication equipment; and \$28 million for transportation equipment other than motor vehicles and aircraft. Canadian importers lowered orders for

aircraft by \$80 million; and for iron, steel and alloys by the amount of \$30 million.

BRITAIN AND THE EEC

A decline in exports to Britain to \$1,361 million from \$1,485 million, together with a rise in imports to \$832 million from \$738 million, accounted for a drop of \$217 million in the trade balance. Noteworthy contributions included a fall in non-ferrous metal exports by \$118 million, and increases in imports of some \$20 million each in industrial machinery and automotive products.

With exports down \$103 million to \$1,101 million, and imports up \$130 million to \$935 million, the trade balance with the European Economic Community fell by \$233 million. Exports of ores, metals and aircraft declined by \$65, \$86 and \$45 million respectively. Imports of automotive products rose \$33 million and those of steel and alloys and office machines each increased nearly \$20 million.

JAPAN

Exports to Japan declined \$22 million to \$791 million, but imports increased \$220 million to \$803 million. The trade balance with Japan changed from a surplus of \$231 to an approximate balance. Exports of ores, metals, lumber and wood pulp were lower in 1971, while imports of automotive products were up almost \$90 million and those of steel and alloys \$55 million. Smaller increases of under \$20 million each were recorded for textiles, communication equipment, and equipment exclusive of transportation and communication.

As exports held virtually steady at \$560 million while imports rose \$61 million to \$607 million in Latin American trade in 1971, the merchandise balance swung from surplus to deficit. Larger receipts of crude petroleum from Venezuela and Colombia mainly accounted for the change.

Exports, down \$79 million to \$698 million to "other Commonwealth" and "preferential countries", and imports steady at \$622 million, resulted in a drop in the trade balance from \$156 million to \$76 million. Exports of grains, non-ferrous metals and automotive products were sharply reduced to South Africa. Pakistan took smaller deliveries of grains, non-ferrous metals, chemical products, wood pulp, and transportation equipment other than motor vehicles and aircraft. Shipments to Australia of lumber, paper and paper board, automotive products, and aircraft were lower in 1971.

The small increase of \$10 million in Canada's trade surplus with other countries resulted from a gain in export sales by \$128 million to \$1,186 million and a narrower import increase of \$118 million to \$860 million. The lack of general change included mixed trends: a faster growth of exports to Asian countries, notably wheat sales to the People's Republic of China, and to Eastern Europe; and a more rapid growth of imports from Western Europe outside the Community and Britain.