

CANADA CHIEF TRADING PARTNER OF U.S.

IMPORT BALANCE: The change of nearly \$536,000,000 in Canada's commodity trade balance from an export surplus of \$325,500,000 in 1952 to an import balance of \$210,200,000 last year was greater than occurred between any two previous peacetime years, according to the Review of Foreign Trade for 1953 released by the Bureau. This change resulted from a large increase in the volume of imports during the year, while exports and relative prices remained almost unchanged.

In financing the import balance, the continued inflow of investment capital to Canada from the United States and other countries played an important part. Also important was the sharp reduction in the outflow of short-term funds. New gold production available for export was slightly lower than in 1952, but still totalled \$144,000,000. These factors had a large part in preventing the trade deficit from significantly depressing the exchange value of the Canadian dollar, which remained at a premium over the United States dollar throughout the year.

PRONOUNCED CHANGES

Changes in the direction of Canada's trade were quite pronounced in 1953. The share of Canada's exports directed to the United States increased substantially. Overseas demand for several forest products and metals was reduced, but greater sales to the United States offset most of these declines. Controls in overseas countries reduced market for many Canadian manufactured goods as well.

Imports from most principal trading areas increased, except in the case of the Commonwealth where lower average prices reduced the value of Canadian purchases. The size of Canada's imports balance on trade with the United States increased, but trade balances with a majority of Canada's other chief trading partners were reduced.

Canada retained third place - behind the United States and United Kingdom and ahead of the Federal Republic of Germany - among the world's trading nations in 1953, and accounted

for 6.3% of the trade of the non-communist countries. Canada also appears to have passed New Zealand in trade per capita in 1953, ranking first in this respect for the first time in the postwar period. In spite of these developments, the long-term rate of increase in Canada's foreign trade is apparently less than that in domestic production. Exports of goods and services in 1926-29 accounted for 29% of gross national expenditure and in 1936-39 for about 28%, but in 1950-53 the proportion was only about 23%.

Canada was the chief trading partner of the United States in 1953, the Review states, and also accounted for a major part of the trade of the United Kingdom. United States exports to Canada were more than four times as great as those to that country's second ranking export market, and United States imports from Canada more than three times those taken from the second ranking supplier. Canada took some 6% of the United Kingdom's exports in 1953, and was the United Kingdom's leading supplier, providing 9% of that country's imports.

INCREASED U.S. SHARE

The United States increased its share of Canadian exports in 1953 to 59% and supplied more than 73% of imports. The United Kingdom took 16% of Canada's exports and supplied more than 10% of imports. Together these two countries accounted for 79.5% of Canada's 1953 trade, an increase from 76.7% in 1952.

Grains have played a major part in the growth of exports since 1950, and investment goods in the growth of imports. About two-thirds of the increase in exports in 1951 and 1952 over the 1950 level resulted from the concurrence of strong foreign demand for grains with large Canadian crops. Slightly smaller exports of grains accounted for about two-thirds of the decline in exports in 1953. Imports of most types of goods have risen in the last few years, but the increase in imports of industrial equipment and consumers' durable goods has been especially marked.

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25TH BRIGADE VISITOR: Britain's top diplomat in Korea has paid a brief visit to elements of the 25th Canadian Infantry Brigade as guest of the formation's commander, Brigadier F.A. Clift.

The Chargé d'Affaires of the British Legation in Seoul, A.S. Halford, on a liaison tour of the 1st Commonwealth Division, got a firsthand view of Canadian activities along the 25th Brigade sector when he looked in on the Canadian-adopted village of Chinmokchong.

SECURITY PRICES: After moving to higher levels in the opening week of June, common stock prices dropped sharply in the second week while fluctuations during the remainder of the month were narrow. The investors' index number of 99 common stocks advanced from 182.0 for the week of May 27 to 184.0 for the week of June 3 but reacted to 178.7 in the following week, while the closing weekly index for the month of 179.9 registered a net loss of 2.1 points.