

traditional export products as wheat and other grain, newsprint, and base metals, together with such manufactured products as automobiles and farm implements.

The value of imports has been running somewhat below the levels of 1951. A very important factor in this development has been the significant decline in import prices. This decline resulted mainly from the fall in commodity prices from the speculative peaks reached in the early months of 1951, and partly also from appreciation in the Canadian dollar, which further reduced import values expressed in terms of Canadian currency. As regards the volume of imports, it may be added that, during 1951, an important part of our expanded imports was used for building up inventories, but in 1952 inventory policy in connection with a number of commodities has been more cautious. On the other hand, increased imports of iron and steel products roughly offset the decline in volume of other products, leaving total import volume about the same as in 1951.

Expansion in the volume of exports, accompanied by declining prices of many imported products, resulted in a change in the trade balance from a deficit in 1951 to a surplus in 1952. Resulting demand for Canadian currency in foreign countries contributed, with other causes, to a further appreciation of the Canadian dollar which began late in 1951.

The pattern of Canadian trade with main trading areas has shown a marked change since 1950. In former years, Canada had an export surplus with the United Kingdom and Europe and an import surplus with the United States. In 1939, the United States supplied 66 per cent of our imports while taking 41.6 per cent of our exports. In 1950 these figures were nearly balanced, and the United States supplied 67.1 per cent of our imports while taking 65 per cent of our exports. The subsequent increase in imports has come largely from the United States, while the expansion in our exports going largely to the United Kingdom, Western Europe and Latin America has been reflected in a decline in the proportion marketed in the United States. From January to September 1952 we obtained 73.9 per cent of our imports from the United States, while of our total exports, 53.5 per cent went to that country.

During the year 1952, the value of trade with the United States has undergone little change. Exports of such essential materials as wheat and base metals to overseas markets have shown substantial further increase. On the other side, the domestic requirements of defence and heavy industry in certain overseas countries, particularly the United Kingdom, have been among the influences standing in the way of an equivalent increase in their exports to us.

Conference of Commonwealth Prime Ministers

There has been widespread and increasing recognition, in Canada as elsewhere, of the need for international policies directed towards the liberalization of trade, restoration of sterling convertibility, and strengthening of the economies concerned. These and related matters were among the principal subjects of discussion during the Commonwealth economic conference held in London early in December 1952, in which Canada took an active part.