

were higher, about three-quarters of the export and nine-tenths of the import value gains resulted from changes in volume. In 1957 total exports were around \$4,936,000,000, while imports declined slightly to \$5,623,000,000.

At \$840,000,000, the import balance was at its highest ever in 1956 and, in relative terms, represented about 15 p.c. of total imports, almost double the comparable percentage for 1955. This ratio was surpassed only in the early years of the century, most notably in 1910, 1911 and 1912 when the balance ranged from over 30 p.c. to over 40 p.c. of total imports. The explanation of a high level of the import balance is, of course, to be found, as in the early 1900's, in the pattern and pace of economic growth.

There were general import value gains in 1956 for all main commodity groups and records were set for all but the animal products and textile groups. In 1957, although individual commodities recorded diverse and sometimes fairly sharp movements, the general import changes were moderate compared with those of 1956. The 1956 gains were most marked in the iron and steel group which rose by about 39 p.c., almost doubling the 1955 increase, and thus recorded the largest absolute and relative gain among the major commodity groups. The share of iron and steel products in the import total rose from one-third to two-fifths, and the group accounted for three-fifths of the total import gain. This relates to the fact that the major impetus to domestic expansion came from a 33-p.c. increase in investment in new construction, machinery and equipment. In addition, and notwithstanding the increased relative importance of investment, the rates of growth of both consumer expenditures and exports were maintained and the total supply of goods available in 1956 was more than 12 p.c. higher than in 1955. The high level of demand for iron and steel products, the stable increase in consumer spending and exports, and the relative scarcity of labour and materials made it essential to supplement significantly the total supply of goods and services, and imports provided about one-third of the increase. In 1957 the imports of iron and steel products reflected the levelling off of industrial activity and declined somewhat as compared with 1956. Contrary to the general trend in this group, imports of pipes, tubes and fittings, on account of the extensive pipeline construction activities, rose by over 30 p.c. and displaced both tractors and parts and passenger automobiles in individual commodity ranking.

On the export side, the outstanding feature of 1956 was the strong recovery of wheat sales (partly as a result of poor European crops in the winter of 1955-56 and of unusually large shipments to the Soviet Union and Eastern Europe) which, together with a sharp increase in barley sales, resulted in a 14-p.c. advance for grains and farinaceous products over 1955. The regular European wheat market and the special Soviet market were much softer in 1957 and there was consequently a marked decline in wheat sales and thus in grains as a whole. Wheat itself, notwithstanding the decline, remained in second place among commodity exports, a position it regained in 1956 from planks and boards as a result of a 50-p.c. gain. Newsprint, the leading export commodity in every postwar year except 1949 and 1952 (when wheat was in top place) again ranked first in 1956 and 1957, increasing in value in both years, but more moderately in the latter. Forest products as a whole declined in value in 1956 and 1957, the decrease in 1957 being especially marked for planks and boards which suffered from the decline in housing construction in the United States. In 1956 the values of animals and animal products, and fibres, textiles and products also declined, but all the other commodity groups gained. Record values were established for iron and its products, non-ferrous metals, non-metallic minerals, and chemicals and allied products. In 1957 the major export gains were made by such minerals as petroleum, uranium and nickel, and by cattle and seeds.

The accelerated pace of exploration and development of Canada's natural resources and the increased capacity of other industries during 1955 and 1956 contributed strongly to the greater import demand for machinery and equipment and was also reflected in the upsurge in foreign sales of such 'new' exports as oil, iron ore and uranium. Compared with 1954, the 1956 exports of these three commodities increased by 1,545 p.c., 264 p.c. and 568 p.c., respectively; their respective shares in the export total in 1956 were 2.2 p.c., 3.0 p.c. and 1.0 p.c.