

3.—Price of the United States Dollar in Canada by Month 1950-56

NOTE.—Rates published by Bank of Canada. To Oct. 1, 1950, average (for business days in period) of mid-rate between official buying and selling rates; from Oct. 2, 1950, noon average market rate for business days in period.

(Canadian cents per U.S. dollar)

Month	1950	1951	1952	1953	1954	1955	1956
January.....	110.25	105.17	100.48	97.05	97.29	96.60	99.87
February.....	110.25	104.92	100.10	97.73	96.65	97.69	99.91
March.....	110.25	104.73	99.59	98.33	97.08	98.43	99.87
April.....	110.25	105.99	98.09	98.37	98.25	98.62	99.68
May.....	110.25	106.37	98.38	99.41	98.43	98.59	99.18
June.....	110.25	106.94	97.92	99.44	98.13	98.44	98.53
July.....	110.25	106.05	96.91	99.18	97.44	98.46	98.18
August.....	110.25	105.56	96.11	98.83	97.02	98.51	98.12
September.....	110.25	105.56	95.98	98.43	96.97	98.78	97.77
October.....	105.34	105.08	96.43	98.25	96.98	99.53	97.32
November.....	104.03	104.35	97.66	97.77	96.92	99.94	96.44
December.....	105.31	102.56	97.06	97.31	96.80	99.95	96.05
Annual Average.....	108.92	105.28	97.89	98.34	97.32	98.63	98.41

Changes in the Structure of Trade.*—The direction of Canadian trade in the postwar period has remained reasonably consistent although there have been some changes in relative shares. The United States has long been Canada's leading trading partner and in 1956 accounted for 66.0 p.c. of the total trade (59.0 p.c. of the export total and 73.0 p.c. of the import total). The United Kingdom, in second place, was responsible in 1956 for 16.8 p.c. of Canadian exports and 8.5 p.c. of Canadian imports, while the share of total trade was 12.3 p.c. In 1946 the United States had 55.0 p.c. of Canadian trade against 17.6 p.c. recorded by the United Kingdom; by 1948 the respective figures had become 57.9 p.c. and 17.2 p.c., and in 1955 they were 66.9 p.c. and 13.0 p.c. From 1946 to 1956, the share of the Commonwealth (excluding the United Kingdom) in Canadian trade fell from 9.4 p.c. to 4.5 p.c., whereas the European portion remained more constant, declining from 8.6 p.c. to 7.9 p.c. Latin American trade was even more consistent at just over 5 p.c. in both years.

The nature and volume of any country's international trade are both functions of a complex of factors which vary, more or less, over time. The more important of these factors are the natural endowment of a country, the stage it has reached in its economic development, the number and nature of institutional impediments to trade, and the general condition of the world economy. Canada has always been dependent on trade, but the pattern of trade has changed somewhat with changing circumstances, as is indicated by a comparison of the figures for 1939, 1955 and 1956. In 1939 the level of economic activity represented only a partial recovery on that of 1929, but the comparison is, nonetheless, useful because 1939 is something of a half-way mark in economic change since 1929, and also because it relates directly postwar and prewar conditions.

In 1939 the gross national product stood at \$6,166,000,000 (in current prices) and by 1956 had risen to \$29,866,000,000. Exports of goods and services and gross domestic investment were respectively 25 p.c. and 16 p.c. of the gross national expenditure in the

* Broader discussions of structural changes (in the periods 1926-29, 1936-39, 1946-49 and 1951-54) are given in the *Review of Foreign Trade* for the first half-year 1955, the calendar year 1955, and the first half-year 1956.