

former year and 21 p.c. and 25 p.c. in the latter year. Imports of goods and services, in proportion to the total domestic demand for goods and services, remained relatively stable, accounting for 24 p.c. in 1939 and 25 p.c. in 1956. These figures, as a broad measure, suggest that there has been only a slight decline in the place of trade in the Canadian economy; and that the increased importance of investment, coupled with a comparatively stable domestic consumption and level of imports, is reflected in the slight relative decline in exports.

Although the general importance of trade has remained steady, there have been some significant changes that reflect developments in the domestic economy and changes in the pattern of world trade. Most of these changes represent a steady continuation of trends that had been evident in the period from 1929, but several represent quite sharp accentuations of earlier trends. On the average, in the years 1936 to 1939, 38.4 p.c. of Canada's domestic exports originated on the farms. By 1955 the relative share of farm produce had fallen to 20.3 p.c. and although the figure was somewhat higher in 1956 at 22.7 p.c. it was still markedly below the average of 1936-39. Behind this decline was the decrease in the importance of wheat which had earlier been the leading export commodity and which had accounted for about 50 p.c. of the export total. It should, however, be remembered that the decline in wheat is but relative—in 1939 a total of 163,000,000 bu. of wheat were exported at a value of \$109,000,000 whereas in 1956, 302,000,000 bu. were exported at a value of \$513,000,000—and that the main reason for the decline is simply that the world and Canada were trading more widely in other commodities in 1956 than they were in 1939.

Contrary to the trend in products of farm origin, products in the forest and mineral origin groups have shown relative gains—those of the former being more sharp between 1936-39 and 1956 than between 1926-29 and 1936-39. Forest products in 1936-39 accounted for 24.7 p.c. of total domestic exports, whereas in 1955 the share had risen to 35.5 p.c., as against 31.6 p.c. in 1956. Mineral products, standing at 29.1 p.c. in 1936-39, moved upwards to 35.3 p.c. in 1955 and still further to 36.7 p.c. in 1956. The changed standing of forest products—part of which is attributable to relatively greater price increases—reflects the increased importance of newsprint which from 1951 to 1954 averaged 14 p.c. of total exports and replaced wheat as the leading export commodity. The changed standing of newsprint is the result of the increasing size of newspapers, the greater allocation of space to advertising, and the absence of a U.S. tariff. The growth of mineral products reflects the increased diversification of the Canadian economy and technological progress. Non-ferrous metals and products, which in 1926-29 accounted for only 7.4 p.c. of the domestic export total, had by 1951-54 increased its proportionate share to 16.5 p.c.—a development resulting partly from the very marked development in the Canadian aluminum industry.

On the whole, the import pattern has been more consistent than that of exports although, here too, significant changes have been recorded in commodities of farm and mineral origin. Farm commodities contributed 34.8 p.c. of the import total in 1936-39 but only 18.5 p.c. in 1956, while the share of commodities of mineral origin increased from 49.8 p.c. in 1936-39 to 58.5 p.c. in 1955 and 62.8 p.c. in 1956. This increase stems from the fact that 1955 and 1956 were years of very marked economic growth, with consequently a high demand for capital goods and structural materials. Historically, manufactured goods have always played a large part in Canadian imports, but there is, nevertheless, significance in the increased share of the import total shown by the chiefly manufactured products group which advanced from 62.2 p.c. in 1936-39 to 77.1 p.c. in 1956. Although Canada has moved from the position of being predominantly a primary producer, it has not thereby become an overwhelmingly industrial country in the sense that the United Kingdom is an industrial country. The share of raw materials in the domestic export total fell from 46.7 p.c. in 1926-29 to 32.2 p.c. in 1936-39 but has been reasonably consistent since; and while wheat is no longer in a position of relative pre-eminence, Canada's farms and forests were still, in 1956, the origin of 54.3 p.c. of the total domestic exports.