

Canadian trade in recent years has largely reflected the development of the domestic economy and consequently increased very rapidly in 1955 and 1956, declined slightly in 1957 and again, to a somewhat greater extent, in 1958. In 1955 and 1956 Canadian natural resources and basic industries were developed greatly and imports, especially of iron and steel goods, rose sharply to provide the necessary equipment and to supplement scarce domestic resources. The higher volume of exports also reflected the intensive resource development and included, for example, increasingly significant quantities of iron ore, uranium and petroleum. In 1957, as foreign markets lost some of their earlier buoyancy, the creation of new capacity in the resource and basic industries was reduced; imports, especially in the iron and steel group, also levelled off but exports, as a result of mixed changes in the main groups, increased somewhat. In 1958, exports declined but little while imports were reduced by some 8 p.c. The import balance, which, reflecting the pattern and pace of Canadian economic growth, had been a record \$840,000,000 in 1956 and had declined to \$689,000,000 in 1957, was further reduced in 1958 to \$267,600,000. The gross national product was little changed in volume in 1958; as the liquidation of business inventories and the reduction in business outlays for plant and equipment were major factors in holding the gross national product close to its former levels, the reduction in imports was again most marked among iron and steel goods. The relative stability of the export total was the most remarkable feature of Canadian trade in 1958 and the high level was largely maintained by very considerable increases in a limited number of commodities, notably uranium, aircraft, wheat and beef cattle.

The aggregate increase in the exports of these four export items amounted to \$326,000,000, which was almost 7 p.c. of the export total. Uranium exports, which are made under long-term contract and mostly to the United States (although significant quantities were shipped to the United Kingdom in 1958), increased by about \$149,000,000 or about 116 p.c. Exports of aircraft, which tend from their nature to move irregularly from year to year, were up by about \$69,000,000 to a total more than one and a half times greater than in 1957—mainly because of large shipments of military aircraft to Belgium and the Federal Republic of Germany. Wheat exports, which ranked second in value among leading commodities, increased by \$66,000,000 or about 17 p.c. Higher sales in regular commercial markets, particularly the United Kingdom, contributed to the increase as did Canadian-financed shipments to India and Pakistan, shipments to the Soviet Union in part fulfillment of a trade agreement signed early in 1956, and unusually large shipments to Communist China.

2.—Summary Statistics of Canadian Trade, 1954-58

Item	1954	1955	1956	1957	1958	Change	
						1956 to 1957	1957 to 1958
	\$'000,000	\$'000,000	\$'000,000	\$'000,000	\$'000,000	p.c.	p.c.
Value of Trade—							
Domestic exports	3,881.3	4,281.8	4,789.7	4,839.1	4,830.2	+ 1.0	- 0.2
Re-exports	65.6	69.5	73.4	95.3	98.1
Imports	4,093.2	4,712.4	5,705.4	5,623.4	5,192.4	- 1.4	- 7.7
Total Trade.....	8,040.1	9,063.7	10,568.6	10,557.8	10,120.7	- 0.1	- 4.1
Trade balance	-146.3	-361.1	-842.3	-689.0	-264.0
Price Indexes (1948=100)—							
Domestic exports	115.1	117.7	121.4	121.3	120.6	- 0.1	- 0.6
Imports	109.5	110.5	113.0	116.4	116.5	+ 3.0	+ 0.1
Volume Indexes (1948=100)—							
Domestic exports	109.6	118.3	128.3	129.8	130.5	+ 1.2	+ 0.5
Imports	141.0	160.3	190.0	182.5	168.3	- 3.9	- 7.8