

Following the War, with heavy exports connected with postwar reconstruction, the share of Canada's exports going overseas was half or better. Later, throughout most of the 1950's, the overseas portion fell to an average of around 40 p.c. In 1960 and 1961 it rose to 44 p.c. and 46 p.c., respectively, as a result of heavier shipments abroad of a number of items, particularly wheat. In 1962 exports to the United States rose by \$530,000,000 or by more than the over-all increase and, as a result, the overseas share fell back to around 41 p.c. This was attributable to the drop in wheat exports to Eastern Europe, as previously noted, and lower overseas exports of newsprint, primary iron and steel, aluminum and other base metals. Primarily, however, it was attributable to the fact that the strongest growth occurred in items such as oil and gas, iron ore, lumber and pulp and certain manufactured items, the natural markets for which are predominantly in the United States. Only in manufactured and miscellaneous goods were Britain's and other overseas markets strong. Exports to Japan fell off somewhat in 1962 but Japan remained Canada's third largest customer. Exports to Germany and Belgium were lower in 1962 but were offset by increases to Italy and the Netherlands. Elsewhere, lower exports to India, Pakistan and Hong Kong were counterbalanced by sharply higher exports to Australia.

The following charts indicate that, while exports showed an irregular but upward trend during 1962, imports moved in a much less consistent fashion when shown on a seasonally adjusted basis. They rose sharply and steadily during the first half of the year and fell off equally sharply and by a greater degree in the final months of the year. The increase of \$487,000,000 in 1962 was substantially greater than in 1961. Largely as a result of the drop in the foreign exchange value of the Canadian dollar, the 8-p.c. increase in value was only about 3 p.c. in terms of physical volume compared with 2 p.c. in 1961. While 1962 imports were almost 14 p.c. higher in value than in the previous peak year (1959), the increase in physical volume was scarcely 4 p.c.

