

cover from the adjustments of 1957 and 1958 the second-quarter increase in sales to that market alone more than offset all decreases elsewhere.

Domestic exports to the United States reached a record \$830,400,000 in the second quarter of 1959, substantially above the previous peak of \$768,100,000 set in the third quarter of 1957, and in sharp contrast to the small decrease in the first quarter. The pattern of commodity changes in exports to the United States closely resembled that in exports to all countries, with iron ore, lumber, asbestos, uranium and certain chemical products playing especially important roles in gains over the second quarter of last year. While exports of copper, cattle, and aluminum showed losses in the first quarter, sales of most of these commodities recovered in the second quarter to completely or partially wipe out their losses of the earlier period. Nickel and crude petroleum exports, on the other hand, were down in both quarters, thus showing rather substantially reduced six-month sales.

SOME EXPORT DECLINE

Exports to the United Kingdom declined by nearly 2 per cent in the first half of 1959 to \$359,900,000, entirely due to second quarter losses; first quarter exports to this market had increased moderately. The largest drops in exports occurred for nickel and planks and boards, while sales of Canadian uranium rose sharply. Other changes were minor, with small declines for wood pulp, iron ore, aluminum and asbestos and slight increases for wheat, newsprint and copper. Exports in the first six months to Commonwealth countries were down by 14 per cent to \$133,000,000, declines having occurred in both first and second quarters. A large part of this decline was brought about by reduced shipments of wheat to India and Australia with the latter country returning to her normal role as a wheat exporter, rather than providing a market for Canadian wheat as in 1958.

With substantial declines occurring in both first and second quarters, exports to European countries were down by more than 25 per cent to \$225,600,000 in the first six months from \$304,200,000 a year ago largely due to greatly reduced exports of aircraft and parts to Western Germany and Belgium-Luxembourg. Shipments of wheat to Belgium, The Netherlands, Switzerland and the U.S.S.R. were also down as were seeds (mostly oil seeds) to France, while there was a slight increase in shipments of wheat to Western Germany. Nickel exports to Norway were virtually unchanged but some slight decline occurred in exports of this metal to Western Germany and Italy with somewhat larger shipments going to Sweden. Substantial shipments of barley and wheat were made to Poland during the second quarter where none had been made in the first quarter of this year.

Exports to Latin America during the first

six months of 1959 at \$82,400,000 were down nearly 11 per cent from the corresponding period of the previous year, the substantial losses of the first quarter moderating somewhat in the second. Reduced exports of aluminum, rolling-mill products, newsprint and cellulose products to Mexico, smaller shipments to Brazil of newsprint and farm machinery and to Venezuela of wheat flour were only partially offset by increased shipments of wheat and milk products to Venezuela.

Exports to other foreign countries as a group increased 15 per cent from the first six months of 1958 to \$90,800,000 in the first half of 1959 largely due to gains in second-quarter exports. Exports to Japan dominated this group with a 25 per cent increase brought about principally by increased shipments of wheat, oil seeds, sulphite pulp, iron ore and copper.

IMPORTS NEAR PREVIOUS HIGH

Imports also made large gains in the second quarter of 1959. The import balance was nearly twice as great as in the corresponding period of 1958, according to preliminary figures released by the Dominion Bureau of Statistics. Imports at \$1,572,300,000 very nearly equalled the \$1,573,050,000 record set in the second quarter of 1956 and were 13.9 per cent higher than in the second quarter of 1958. The import balance for the quarter of \$213,300,000 was much higher than that of the second quarter of 1958 but only about two-thirds that of the corresponding period of either 1956 or 1957.

The import increase in the second quarter was nearly four times as great as in the first quarter and the half-year total of \$2,814,400,000 was 9.5 per cent above the same period of 1958 but still appreciably lower than the record totals of 1956 and 1957.

Imports from the United States increased in the second quarter by 12.4 per cent to \$1,076,100,000, a considerably more rapid rate of increase than that exhibited in the first quarter. The six-month increase in imports of over 8 per cent resulted in a total import figure of \$1,967,500,000.

Imports from areas other than the United States increased in the second quarter more rapidly than imports from the United States and, except for the United Kingdom, the same was true of the half-year. Imports from the United Kingdom in the second quarter were 15 per cent higher than in the second quarter of 1958, but because of a 6 per cent decline in the first quarter the half-year total at \$281,700,000 was only 5.7 per cent higher than in the first half of 1958.

The direction of trade pattern for exports in the second quarter differed appreciably from that of the same period of 1958. However, there was relatively little change in the direction of import trade; the United States and the United Kingdom provided 68.4 per cent and 11.0 per cent, respectively, and the overall shares of the other areas also showed little change.