

recovering from the depression of 1921-2. The latest fiscal year ended Mar. 31, 1926, has been a period of extraordinarily active trade, especially in respect of exports, the value of which was exceeded in only one year in our history, *viz.*, 1918, when values were very much inflated. So far as quantities go, it is certain that the physical volume of imports and exports in the fiscal year ended 1926 was the largest in the history of the Dominion. (See Table 35 of this section.)

Further, while both imports and exports have been increasing in recent years, the latter have so far surpassed the former in their rate of increase that Canada, in the twelve months ended March 1926, had, with the exception of British India, the largest favourable trade balance of any country in the world, amounting to \$401,134,405 as compared with the United States figure of \$352,364,000 in the same period. The increasingly favourable trade balances of the last few years have been responsible for the gradual recovery of the Canadian dollar from the depreciation of the war and post-war period. In the fiscal year ended 1926 the value of the Canadian dollar was practically equal to that of the United States dollar, and this practical equality has enabled the Canadian Government to replace the dollar on a gold basis as from July 1, 1926.

The favourable trade balance of \$401,134,405 in the fiscal year ended 1926 was almost wholly accounted for by the excess of our exports to the countries of the British Empire over our imports therefrom, this excess amounting to no less than \$392,631,842. Our favourable trade balance with all foreign countries was \$8,502,563; an unfavourable balance (excess of imports over exports) of \$123,970,454 with the United States was rather more than made up for by our favourable trade balance with other foreign countries.

Analysis of Canada's Trade.—Canada's foreign trade during the fiscal year ended Mar. 31, 1926, amounted to \$2,255,939,869, as compared with \$1,878,294,180 in 1925 and \$1,952,130,164 in 1924; the increase over 1925 amounting to \$377,645,689 or 20.1 p.c. and over 1924 to \$303,809,705 or 15.5 p.c. Imports as well as exports show an improvement over the years 1925 and 1924, the increase in exports, however, being greater than in imports. Of the total increase in Canada's trade in 1926 as compared with 1925, imports accounted for 34.5 p.c. and exports for 65.5 p.c., whereas imports accounted for only 11.2 p.c. of the total increase from 1924 to 1926 and exports for 88.8 p.c. In 1926 Canada's import trade was valued at \$927,402,732, as compared with \$796,932,537 in 1925 and \$893,366,867 in 1924, the increase over 1925 amounting to \$130,470,195 or 16.4 p.c. and over 1924 to \$34,035,865, or 3.8 p.c. The Dominion's export trade in 1926 (domestic and foreign combined) was valued at \$1,328,537,137, compared with \$1,081,361,643 in 1925 and \$1,058,763,297 in 1924; the increase over 1925 amounted to \$247,175,494, or 22.9 p.c., and over 1924 to \$269,773,840, or 25.5 p.c.

The statistics in the following table indicate the trend of Canadian trade by Main Groups, 1914 (pre-war year), 1921 (peak year of *post-bellum* boom) and 1926, (a) with all countries; (b) with the United Kingdom; and (c) with the United States.