

3.—Trade with the United Kingdom and with the British Empire.

Trade with the United Kingdom.—The trade of Canada with the United Kingdom during the year ended Mar. 31, 1926, was valued at \$672,988,590, compared with a trade in 1925 valued at \$548,251,994, representing an increase of \$124,736,596 or about 22·8 p.c. Imports accounted for 10·2 p.c. of this increase and exports for 89·8 p.c. Canadian imports from the United Kingdom in 1926 were valued at \$163,710,431 and in 1925 at \$151,083,946, an increase of \$12,626,485 or 8·3 p.c., while total exports to the United Kingdom in 1926 were valued at \$509,278,159 and in 1925 at \$397,168,048, showing an increase of \$112,110,111 or 28·2 p.c. Domestic exports in 1926 totalled \$508,249,576 and in 1925 \$395,843,433, while exports of foreign produce in 1926 were valued at \$1,028,583 and in 1925 at \$1,324,615.

The increase in imports between 1925 and 1926, amounting to \$12,626,485, was quite general, every main group except fibres and textiles showing an increase. Imports of agricultural and vegetable products increased from \$28,265,980 to \$34,603,500, mainly due to an increase of \$5,579,010 in imports of alcoholic beverages. Animal products imported increased from \$4,653,919 to \$5,960,932; butter, cheese and furs were largely responsible for this increase. Fibres and textiles decreased from \$72,126,492 to \$70,153,478, or \$1,973,014, the falling off in cotton goods and raw wool being chiefly responsible. The imports of wood and paper increased from \$3,438,101 to \$3,473,664; iron and its products from \$17,794,428 to \$17,905,166; non-ferrous metals from \$4,010,443 to \$5,303,872 and non-metallic minerals from \$9,648,724 to \$14,226,799, chiefly due to increased imports of coal. Chemical products increased from \$4,146,061 to \$4,282,489 and miscellaneous commodities from \$6,999,798 to \$7,800,530.

The exports of domestic produce from Canada to the United Kingdom show an increase of \$112,406,143 from 1925 to 1926. This increase occurred mainly in the main groups of "agricultural and vegetable products" and "animal products", though the exports of the main groups of "wood and paper" and "iron and its products" also show increases. All the other main groups, however, show decreases. Exports of agricultural and vegetable products to the United Kingdom increased from \$264,629,910 in 1925 to \$356,888,044 in 1926 or by \$92,258,134. This increase occurred largely in the following commodities: wheat \$81,532,937; refined sugar \$9,672,926; and barley \$2,415,811. Animals and their products increased from \$80,402,251 to \$98,784,204 or \$18,381,953, cheese accounting for \$8,456,675 of this increase, meats for \$6,047,766 and cattle for \$3,307,287. The increase in the exports of wood and paper from \$16,359,997 to \$19,131,234, or \$2,771,237, occurred chiefly in wood pulp, which increased by \$1,707,011 and newsprint paper \$655,206. The increase in the exports of iron and its products from \$6,689,169 to \$8,307,441, an advance of \$1,618,272, was mainly due to the exports of automobiles.

Trade of Canada with the British Empire.—Canada was the first of the British Dominions to grant a preference to goods the produce and manufacture of the United Kingdom and reciprocating British Dominions and possessions. This preference was extended by Order-in-Council from time to time to other portions of the British Empire until now it is applicable to practically every British Dominion and possession, except Newfoundland. In the case of Newfoundland, however, Canada grants free admission to fish and fish products.

The preference has stimulated imports from the United Kingdom and British Dominions and possessions since its inception in 1897. In 1896 imports from the