

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

**Trade with the United Kingdom.**—The import and export trade with the United Kingdom is outlined for the years 1914, 1921 and 1932 for the main groups of commodities on p. 496, while total imports and exports are shown for each year since Confederation in Tables 5 and 6 on pp. 520 and 521. In the post-war period imports from the United Kingdom have risen from a low point at \$117,135,000 in the fiscal year ended 1922 to a peak of \$194,041,000 in 1929 and declined again to \$149,497,000 in 1931 and \$106,372,000 in 1932. In the case of exports of Canadian produce, the value was \$299,362,000 in 1922, \$508,238,000 in 1926, \$429,730,000 in 1929, \$219,246,000 in 1931 and \$174,044,000 in 1932. Bountiful harvests and receptive world markets were the basis of a high level of exports in the years 1925-29. In this connection it should be emphasized that there is a wide discrepancy between Canadian figures of exports to the United Kingdom and the United Kingdom record of imports from Canada, due to the diversion to other countries of grain products exported *via* the United States (see p. 493), so that the excess of Canadian exports to the United Kingdom over imports from that country is not actually so large as our records show.

In connection with the serious decline in trade with the United Kingdom since 1929, it should be remembered that short crops in 1929 and subsequent years, together with an over-supply of foodstuffs on the world's markets, affected Canada's trading position very unfavourably while, as a result of the wide decline in prices, the recession in the value of exports and imports has been much greater than that in volume.

Canadian exports to the United Kingdom are made up very largely of grains and vegetable products, animal products, wood and paper products and non-ferrous metals. In the fiscal year ended 1932, the exports of wheat and wheat flour declined nearly \$47,000,000 as compared with 1931. Other important commodities to show reductions in value of exports were: rubber footwear, cheese, raw furs, newsprint paper, planks and boards, nickel in matte and pig lead. Important exports to the United Kingdom to show increases were: barley, raw tobacco, oats, live cattle, butter and copper. Exports to the United Kingdom of non-ferrous metal products, owing to the increased productive capacity of Canada in commodities of this group, have stood up remarkably well. In fact, the total of \$17,266,000 in 1932 was higher than for any previous year with the exception of the war years 1917-19, when prices were very much higher.

A decrease in imports from the United Kingdom in the fiscal year ended 1932, as compared with 1931, occurred in every one of the nine main groups. However, in recent years from 50 p.c. to 60 p.c. of Canada's imports from the United Kingdom have been made up of textiles and alcoholic beverages. It was in these commodities that the principal decreases occurred—\$18,657,000 in textiles and \$7,821,000 in beverages. Other leading imports to show reductions were: tea, leather, iron and steel products, and coal. No leading imports showed increased values.

The commodities making up Canada's export and import trade with the United Kingdom are dealt with in detail in Tables 12 and 13 of this chapter.

**Trade of Canada with the British Empire.**—Canada was the first of the British Dominions to grant a preference on 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. In the case of Newfoundland, in addition to the preference, Canada grants free admission to fish and fish products. Australia receives special conces-