

difficulties have been met in maintaining comparable statistics through such a length of time, one of the most serious of these arising from the different methods adopted in dealing with exports of foreign produce. For example, the shrinkage in the exports of foreign produce since 1920 has been due to change of statistical method rather than to actual diminution in value or volume of such goods exported. For the past 17 years, re-exports of foreign products from bonded warehouses have not been included in Canadian trade statistics either as imports or as exports, while the exports of foreign produce during this period have been composed of goods which had previously been entered as imports for home consumption. Such goods are debited to Canada when entering this country, and should be credited to Canada when re-exported.

From Table 2 it will be observed that, in most of the years from Confederation to the outbreak of the Great War, imports entered for consumption exceeded total exports, especially during the great growing period from 1904 to 1914. Since that time, however, there has been an annual excess of exports except in the fiscal years ended 1921, 1930, and 1931, when there were heavy return movements of funds to Canada in the form of an excess of imports.

The values of coin and bullion imported and exported are shown in Table 3 (p. 530). Exports of non-monetary gold bullion are not included in this table (see p. 501).

The figures of Tables 5 and 6 (pp. 532-533) show the overwhelming predominance of the two English-speaking countries in Canada's foreign trade; in the year ended Mar. 31, 1937, for example, 79.4 p.c. of the Dominion's exports of domestic produce was shipped to these two countries, which, in the same year, together provided 77.9 p.c. of our imports for home consumption. Tables 7 and 8 show, respectively, by years, the percentage proportions of imports from the United Kingdom and the United States to totals of dutiable and free imports since 1911, and the *ad valorem* rates of duty collected on imports from these and from all countries from 1868 to 1937. The higher rates collected on imports from the United Kingdom than on those from the United States in spite of the preferential tariff accorded British goods since 1897 is largely due to the following factors: (1) imports of alcoholic beverages, which are subject to high duties, bulk largely in imports from the United Kingdom but are negligible from the United States; (2) imports of raw materials for processing in Canada, which are free of duty, form an important part of imports from the United States; and (3) dutiable imports from the United Kingdom are largely highly manufactured goods which are subject to relatively higher rates than semi-manufactured goods for further manufacture in Canada, which form another large element of imports from the United States. This subject is treated in more detail at pp. 58-59 of the Condensed Preliminary Report on the Trade of Canada, 1936, and at pp. 509-510 of the 1937 Year Book.

Subsection 3.—General Analysis of Current Import and Export Trade.

The figures of Statement V, p. 511, indicate the seriousness of the decline in trade during the depression shown by the figures for the fiscal year 1933, and the extent of the recovery since then. That the decline in the quantum or volume of trade was not so great as that of the values here shown is evident from the analyses in Subsections 1 and 10 of this chapter. The recovery from the low point of the depression has been greater in exports than in imports.

Imports are an indication of purchasing power in Canada and are especially influenced by the expansion or contraction of capital expenditures within Canada.