

However, this situation was relieved by the Trade Agreement with the United States which became effective on Jan. 1, 1936. The influence of the economic recovery in both Canada and the United States should not be overlooked as a factor in the recent increases of trade. The Trade Agreement has undoubtedly been of great benefit to producers of live stock and lumber in Canada and, in a less degree, to many other classes.

**Canadian Trade via the United States.**—Imports from overseas countries *via* the United States have steadily declined in recent years, especially those from the British Empire. This decrease has followed: (1) general propaganda to utilize Canadian sea and river ports; (2) additional concessions to goods imported under the preferential tariff if they come direct. Provision has been made, in trade treaties and agreements negotiated with foreign countries, that goods must be imported *via* a Canadian sea or river port in order to obtain the full benefits of special rates of duty. Between 1920 and 1937 imports *via* the United States have decreased from 9.5 p.c. to 2.8 p.c. of the total imports from overseas countries.

The proportion of exports from Canada to overseas countries going *via* the United States shows a considerable decline since 1927, the percentages by fiscal years being: 1927, 39.4; 1928, 38.7; 1929, 36.6; 1930, 33.7; 1931, 27.3; 1932, 18.7; 1933, 14.2; 1934, 14.4; 1935, 17.3; 1936, 18.4; 1937, 16.5. An important factor in the decline for recent years has been the requirement of direct shipment for goods to qualify under the Empire preferences introduced in Britain. Details by countries are given in Table 21 of this chapter.

**Trade with Other Foreign Countries.**—The relative changes in the positions occupied by the United States and other foreign countries in Canada's trade in various years from 1886 to 1937 are shown in Statement VII below. During the War and the years immediately following, when production and exports by many European countries were curtailed, imports from the United States rose to a high proportion and were 69 p.c. in 1921, while those from other foreign countries declined. With this exception the proportion of imports from other foreign countries has remained surprisingly constant over the period of nearly half a century at about one-tenth to one-eighth of total imports. Canadian exports to the United States have fluctuated between 30 p.c. and 46 p.c. of the total, while those to other foreign countries increased from 4.5 p.c. to as high as 24.0 p.c. in 1929; they declined to 12.3 p.c. in 1937.

#### VII.—CANADA'S TRADE WITH THE UNITED STATES AND OTHER FOREIGN COUNTRIES.

Item and Fiscal Year.	Canadian Trade with—			Percentages of Total Trade with—		
	United States.	Other Foreign Countries.	All Foreign Countries.	United States.	Other Foreign Countries.	All Foreign Countries.
	\$	\$	\$	p.c.	p.c.	p.c.
<b>IMPORTS.</b>						
1886.....	42,818,651	11,756,920	54,575,571	44.6	12.2	56.8
1896.....	53,529,390	16,618,619	70,148,009	50.8	15.8	66.6
1906.....	169,256,452	30,694,394	199,950,846	59.6	10.9	70.5
1914.....	396,302,138	68,365,014	464,667,152	64.0	11.0	75.0
1921.....	856,176,320	117,979,374	974,156,194	69.0	9.5	78.5
1922.....	515,958,196	82,736,883	598,695,079	69.0	11.0	80.0
1926.....	608,618,542	109,890,062	718,508,604	65.6	11.9	77.5
1929.....	868,012,229	140,278,652	1,008,290,881	68.6	11.1	79.7
1930.....	847,442,037	148,156,943	995,598,980	67.9	11.8	79.7
1931.....	584,407,018	117,307,251	701,714,269	64.5	12.9	77.4
1932.....	351,686,775	79,005,136	430,691,911	60.8	13.6	74.4
1933.....	232,548,055	53,451,365	285,999,420	57.2	13.2	70.4
1934.....	238,187,681	55,207,058	293,394,739	54.9	12.7	67.6
1935.....	303,639,972	62,604,710	366,244,682	58.1	12.0	70.1
1936.....	319,479,594	65,518,159	384,997,753	56.8	11.6	68.4
1937.....	393,720,662	79,989,062	473,709,724	58.6	11.9	70.5