

the transfer problem gave new impetus to the tendencies of disintegration of world trade. In the shelter of the new trade and currency regulations there has grown up a range of vested interests which, together with considerations of a political nature, block the way to the restoration of a "world" market.

Commercial agreements, particularly between the United States and Canada and the United Kingdom tend to counteract the tendencies described above. In view of the volume of trade they regulate, these agreements will do a great deal towards the abolition of trade discriminations.

**Canada's Position in World Trade.**—The foregoing brief outline of the course of world trade in the period since 1929, taken from the League of Nations reports, is presented as a background against which Canada's position in world trade may be viewed. According to these figures, Canada, in 1938, stood eighth in imports, fourth in exports, and fifth in total trade, whereas in 1929 she was fifth in each category. In total trade, Canada gained fifth place from Japan whose share, in world imports particularly, declined considerably. The positions of the leading countries are shown in the first section of Statement V.

The second section of Statement V shows the indexes of gold prices and quantum of trade for each of these countries. The index of gold prices is significant as an indication of changes in the barter terms of trade.

Some of the factors that especially affected Canada's trade in 1938 deserve mention. Exports of "Agricultural and Vegetable Products" registered increases in quantity but were seriously affected by price declines. The metal groups were favoured with higher prices but the increases were not sufficient to overcome the declines in volume.

V.—PERCENTAGES, PRICES, AND QUANTUM OF TRADE OF TWENTY-TWO LEADING COUNTRIES OF THE WORLD, 1929, 1932, 1937, AND 1938.

NOTE.—Basis: Recorded values of merchandise trade converted to U.S.A. old gold dollars. Price indexes are on the basis of old gold dollars. The year 1927 is taken as the base for both price and quantum indexes.

Country.	PERCENTAGES OF WORLD TOTAL.									
	Imports.				Exports.				Total Trade.	
	1929.	1932.	1937.	1938.	1929.	1932.	1937.	1938.	1929.	1938.
United Kingdom.....	15.2	16.3	17.0	17.3	10.8	9.9	9.9	10.1	13.1	13.8
United States.....	12.2	9.5	10.9	8.1	15.6	12.2	12.6	13.5	13.8	10.7
Germany.....	9.0	8.0	8.0	10.1	9.7	10.6	9.2	10.0	9.4	10.0
France.....	6.4	8.4	6.2	5.5	6.0	6.0	3.7	3.9	6.2	4.7
Canada <sup>1, 2</sup> .....	3.7	2.8	2.9	2.8	3.7	3.8	4.3	4.2	3.7	3.5
Belgium.....	2.8	3.2	3.4	3.2	2.7	3.2	3.3	3.2	2.7	3.2
Japan.....	2.8	2.8	3.9	3.1	2.9	2.8	3.5	3.3	2.9	3.2
India (incl. Burma).....	2.6	2.5	2.5	2.6	3.6	2.8	3.6	3.4	3.1	3.0
Netherlands.....	3.1	3.8	3.1	3.2	2.4	2.7	2.4	2.5	2.8	2.9
Italy.....	3.2	3.0	2.7	2.4	2.4	2.7	2.1	2.4	2.8	2.4
Australia.....	2.0	1.3	1.8	2.1	1.8	2.1	2.3	2.3	1.9	2.2
Sweden.....	1.3	1.5	2.0	2.1	1.5	1.4	2.0	2.0	1.4	2.1
Union of South Africa <sup>1</sup> .....	1.2	1.2	1.9	2.0	1.4	2.5	2.3	2.2	1.3	2.1
China (including Manchuria).....	2.3	2.7	1.9	2.5	2.0	1.6	1.5	1.4	2.1	2.0
Argentina.....	2.3	1.5	1.7	1.8	2.8	2.6	2.9	1.9	2.5	1.9
Denmark.....	1.3	1.5	1.3	1.5	1.3	1.6	1.3	1.5	1.3	1.5
British Malaya.....	1.4	1.1	1.4	1.3	1.6	1.0	2.0	1.5	1.5	1.4
Czechoslovakia.....	1.7	1.6	1.4	1.2	1.8	1.7	1.6	1.6	1.7	1.4
Netherlands Indies.....	1.3	1.1	1.0	1.1	1.8	1.7	2.0	1.7	1.5	1.4
Switzerland <sup>3</sup> .....	1.5	2.4	1.5	1.5	1.2	1.2	1.1	1.3	1.3	1.4
Brazil.....	1.2	0.8	1.2	1.2	1.4	1.4	1.3	1.3	1.3	1.3
U.S.S.R. (Russia).....	1.3	2.6	0.9	1.1	1.4	2.3	1.3	1.1	1.4	1.1
TOTALS FOR WORLD <sup>4</sup> .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0