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. 528). Exports of non-monetary gold bullion are not included in this table (see pp. 499-500).

The figures of Tables 5 and 6 (pp. 530-531) show the overwhelming predominance of the two English-speaking countries in Canada's foreign trade; in the year ended Mar. 31, 1939, for example, 75·7 p.c. of the Dominion's exports of domestic produce was shipped to these two countries, which, in the same year, together provided 80·3 p.c. of Canada's 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 1939. The apparently higher average rate 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 explained briefly on p. 512 and 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 VI, p. 510, 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 and are especially influenced by the expansion or contraction of capital expenditures within Canada. In the past, years of population growth and rapid expansion in the productive equipment of Canada have been associated with greatly increased imports, since such imports of goods provide the means by which external capital is brought into the country. Conditions for such capital imports on a large scale do not exist at present, while Canada's productive facilities provide a large volume of exports, the surplus of which represents in large measure retirements of foreign indebtedness (see Sect. 5 of this chapter, pp. 584-589).

Current trends in external trade are determined largely by conditions and policies throughout the world that influence the geographical distribution of trade, and by changes regarding the supply of, and demand for, commodities of trade in which Canada is interested. These factors are discussed as completely as space permits in Subsections 1, 6, and 7 of this Section.

The figures of exports shown in Statement VI indicate that a shift is taking place in the importance of groups in the composition of our exports. In the prosperity period, 1925-29, Canadian exports were predominantly agricultural. Indeed, in that period it was largely because bountiful harvests coincided with an active world demand at good prices that prosperity was widespread in Canada. In 1927 the two groups, vegetable and animal products, made up 59 p.c. of exports, while non-ferrous metals constituted only 6·4 p.c. In 1939, on the other hand, vegetable and animal products made up only 33 p.c. of exports, but non-ferrous metals (including gold) increased to over 29 p.c. In this connection see the text regarding principal commodities exported on pp. 520-521.