

rates of duty collected on ordinary dutiable imports, imports of alcoholic beverages and manufactured tobaccos should be eliminated, while imports free of duty under the British preference but dutiable when imported from the United States should be added to the dutiable imports from the United Kingdom. After these logical adjustments the average rate of duty on imports from the United Kingdom has been lower in each year since 1922, while the difference in favour of the United Kingdom has become 50 p.c. or more in recent years. 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.

**Trade with the British Empire.**—This is marked by a much larger proportion of exports than of imports. The percentage of both import and export trade with the Empire, other than the United Kingdom, has shown a generally upward trend in the period covered since 1886. The industrial organization of Canada draws increasing imports of raw materials from other Empire countries, which in turn provide an expanding market for her manufactured and specialized products.

For the intelligent interpretation of trends in trade over a long period such as is covered in Statement VII, it is essential to bear in mind the effects of shifts in the production of commodities and in world demand, as well as fluctuations in price levels and in business cycles. These factors are discussed at pp. 516-522 in connection with the principal commodities imported and exported and in connection with world trade at pp. 501-508.

VII.—CANADA'S TRADE WITH THE BRITISH EMPIRE, REPRESENTATIVE  
FISCAL YEARS 1886-1939.

Item and Year.	Canada's Trade with—			Percentages of Total Trade with—		
	United Kingdom.	Other British Empire.	Total British Empire.	United Kingdom.	Other British Empire.	Total British Empire.
<b>IMPORTS.</b>	\$	\$	\$	p c.	p c.	p.c.
1886.....	39,033,006	2,383,560	41,416,566	40·7	2·5	43·2
1896.....	32,824,505	2,388,647	35,213,152	31·2	2·2	33·4
1906.....	69,183,915	14,605,519	83,789,434	24·4	5·1	29·5
1914.....	132,070,406	22,456,440	154,526,846	21·4	3·6	25·0
1921.....	213,973,562	52,029,126	266,002,688	17·3	4·2	21·5
1922.....	117,135,343	31,973,910	149,109,253	15·7	4·3	20·0
1926.....	163,731,210	45,088,918	208,820,128	17·6	4·9	22·5
1929.....	194,041,381	63,346,829	257,388,210	15·3	5·0	20·3
1930.....	189,179,738	63,494,864	252,674,602	15·2	5·1	20·3
1933.....	86,466,055	33,918,269	120,384,324	21·3	8·3	29·6
1934.....	105,100,764	35,303,122	140,403,886	24·2	8·2	32·4
1937.....	129,507,885	68,657,957	198,165,842	19·3	10·2	29·5
1938.....	145,008,771 <sup>1</sup>	88,196,645 <sup>1</sup>	233,205,416 <sup>1</sup>	18·2	11·0	29·2
1939.....	115,636,017	65,074,178	180,710,195	17·6	9·9	27·4
<b>EXPORTS (Canadian).</b>						
1886.....	36,694,263	3,262,803	39,957,066	47·2	4·2	51·4
1896.....	62,717,941	4,048,198	66,766,139	57·2	3·7	60·9
1906.....	127,456,465	10,964,757	138,421,222	54·2	4·5	58·7
1914.....	215,253,969	23,388,548	238,642,517	49·9	5·4	55·3
1921.....	312,844,871	90,607,348	403,452,219	26·3	7·6	33·9
1922.....	299,361,675	46,473,735	345,835,410	40·4	6·3	46·7
1926.....	508,237,560	90,330,435	598,567,995	38·5	6·8	45·3
1929.....	429,730,485	106,258,803	535,989,288	31·4	7·8	39·2
1930.....	281,745,965	97,825,173	379,571,138	25·2	8·7	33·9
1933.....	184,361,019	37,757,908	222,118,927	34·9	7·2	42·1
1934.....	288,582,666	50,423,723	339,006,389	43·3	7·6	50·9
1937.....	407,996,698	87,601,407	495,598,105	38·4	8·3	46·7
1938.....	409,411,682	108,027,338	517,439,020	38·2	10·1	48·3
1939.....	325,465,011	102,768,387	428,233,398	35·1	11·1	46·2

<sup>1</sup> Revised since the publication of the 1939 Year Book.