

going to the United States declined, while that going to the United Kingdom increased, so that by 1890 the leading market for Canadian exports, was the United Kingdom; it continued in that role until 1920. The development of the agricultural western plains was responsible largely for this change, since the resulting increase in the surplus of foodstuffs was available for export to the United Kingdom. During the War of 1914-18, Canadian products of foodstuffs, raw materials and manufactured war supplies were sent to the United Kingdom in great quantities, while imports from the United States rose correspondingly as they included many of the materials for the war effort. Since 1920, no definite trend has appeared to establish either the United Kingdom or the United States as the chief market for Canadian exports, although it is to be expected that during the course of the present war, there will be a great increase in exports to the United Kingdom again.

At the time of Confederation the United Kingdom was the principal source of Canadian imports and until 1875 that country supplied half or more of the requirements. The United States took the lead in 1876 and has maintained it since 1883. Imports from that country have exceeded half the total for the years 1877 to 1879 and continuously since 1896. The proximity of the two countries, the increasing population on both sides of the boundary line, the common language, and the similarity of tastes and economic conditions are largely responsible. The proportion of imports coming from the United Kingdom has shown a generally declining trend since 1872, although after the enactment of the British Preference in 1897 the actual values of imports from the United Kingdom grew larger until the War of 1914-18. (See under the Preferential Tariff and Empire Trade at p. . . .) Even during the great growing period before 1914, when large amounts of British capital were being invested in Canada, the proportion of imports from the United Kingdom tended to decline while that from the United States increased. During the War of 1914-18, when the resources of the United Kingdom were absorbed in the struggle, imports from that source were curtailed and dropped as low as 8 p.c. in the fiscal year 1919, while imports from the United States rose to about 82 p.c. of the total at that time. Since then, the proportion of imports from the United Kingdom has been generally a trifle lower and that from the United States higher than in the period before 1914, although during the depression of 1929-33, under the influence of the Ottawa Agreements and the suspension of imports of capital goods from the United States, the trend was reversed temporarily.

The values of import and export trade with the United Kingdom for certain fiscal years ended 1886 to 1921 and for the calendar years since 1926 are shown in Table 8, p. 416. Details of the commodities that made up that trade in the calendar years 1936-39 appear in Tables 16 and 17 of this chapter.

**Trade with the British Empire.**—Generally, such trade has been marked by a larger proportion of exports than of imports. The percentage of both import and export trade with the Empire, other than the United Kingdom, has increased considerably 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 Canada's manufactured and specialized products. A record of the value and proportion of trade with the British Empire for representative years since 1886 is given in Table 8.