

on a war. Details of the commodities shipped will be found in the reports of the Canadian Mutual Aid Board. A broad division of Mutual Aid by countries is revealed by the distribution of Mutual Aid expenditures up to Mar. 31, 1945 (preliminary figures), under the following headings:—

The United Kingdom.....	\$1,395,210,000
The Union of Soviet Socialist Republics ¹	104,862,000
Australia ¹	66,623,000
New Zealand ²	2,256,000
China ¹	20,967,000
France.....	14,866,000
West Indies.....	38,634,000
India.....	4,756,000
Total.....	\$1,648,174,000
Expenditures for administration.....	78,699
TOTAL EXPENDITURES.....	\$1,648,252,699

¹ These figures represent the accounts actually paid up to Mar. 31, 1945; the value of shipments up to that date substantially exceeds the accounts paid in the case of U.S.S.R., Australia and China. ² Became effective July 1, 1944.

When abnormal wartime demands subside, it is logical to expect that exports of Canadian commodities to the United Kingdom will decline sharply from the wartime peak, which includes such a large amount of munitions. There is the probability, however, that there will continue to be heavy British demands for some essential Canadian commodities. However, a high level of exports will be the main contributing factor to a large credit balance on current account with the United Kingdom, for exports are the predominant item in the accounts.

This will constitute a problem of financing the current account balance if sterling is not convertible. The problem will be relieved, of course, by the extent to which Canadian imports and other expenditures in the United Kingdom provide that country with Canadian funds, and the remaining gap in the current account will obviously have to be met by financial means of some kind if British purchases of Canadian merchandise are not to be curtailed.

The probable size of Canadian imports from the United Kingdom is more difficult to predict. Owing to the development of industries in Canada during the War, Canadian needs for imported goods of many types will be less than before the War. At least partly offsetting this factor, which would tend to reduce Canadian imports, is the general probability that the national income after the War will be at a considerably higher level than before the War. If this is the case, there should be larger Canadian demands for some British goods, particularly those in the quality class, which will be bought by a larger number of consumers than formerly. Canadian demands for British industrial equipment may also be heavy. The Department of Trade and Commerce has established the Import Division (see p. 473) with the object of exploring means by which imports from the United Kingdom and other countries can be increased after the War.

Under conditions of inconvertibility of exchange where bilateral balances must be settled, the amount which remains to be financed by some special means will be reduced if Canada purchases more British goods, obtains more British commercial and financial services, or if Canadians travel more in British countries. The larger the purchase of British goods or services, the larger will be the volume of Canadian exchange which will be available to provide a means of settlement for Canadian exports, and the smaller will be the remaining balance which must be settled or financed by capital or other means.