

standards of living and tastes Canadians have much in common. The fluctuating positions of the two countries in this regard, from Confederation to the outbreak of the Second World War, are discussed at pp. 414-415 of the 1941 Year Book.

From 1929 to 1938, Canada sold the British people about \$2,800,000,000 worth of goods, and purchased less than half that amount from the United Kingdom. In each of the seven years prior to 1939 the United Kingdom was the greatest single buyer of Canadian exports. Previous to the present war, Canada had a customer in the United Kingdom who was able to buy from her without regard to the amount of trade in the opposite direction and who was able to pay in cash of a kind that could be readily converted and used anywhere. The British people after the War will face many problems: British exports will have fallen to a low level; there will probably be a reduction in the earnings of British shipping; and there will certainly be a very heavy decline in the return from British investments abroad, due to the extent to which it has been necessary to liquidate those investments during the War. The United Kingdom's post-war trade policy, therefore, particularly as it affects imports, may radically concern the degree to which we are going to be able to sell our goods in post-war years in the country that has been literally the sheet-anchor market for many of the products by which the economy of both Western and Eastern Canada has been sustained.

In 1940 the United Kingdom regained the position as the chief market for Canadian exports which she had held since 1932, with the single exception of the year 1939; this position was retained in 1941, but in 1942 and 1943 the United States became Canada's best customer. Wartime demand for foodstuffs, wood products, military vehicles and munitions was the chief cause for this increase.

The values and proportions of import and export trade with the United Kingdom for certain fiscal years ended 1886 to 1921 and for the calendar years from 1926 are shown in Table 7. Details of the commodities that made up that trade in the calendar years 1940-43 appear in Tables 15 and 16 of this Chapter.

Trade with the British Empire.—Generally, this 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 although during war years this trend has been interrupted. 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 7.

7.—Trade (Excluding Gold) with the British Empire and Foreign Countries

Item and Year	Canadian Trade with—					
	United Kingdom	United States	Other British Empire	Other Foreign Countries	Total British Empire	Total Foreign Countries
Imports	\$	\$	\$	\$	\$	\$
Ended Mar. 31—						
1886.....	39,033,006	42,818,651	2,383,560	11,756,920	41,416,566	54,575,571
1891.....	42,018,943	52,033,477	2,318,109	15,163,425	44,337,052	67,196,902
1896.....	32,824,505	53,529,390	2,388,647	16,618,619	35,213,152	70,148,009
1901.....	42,820,334	107,377,906	3,832,894	23,899,785	46,653,228	131,277,691
1906.....	69,183,915	169,256,452	14,605,519	30,694,394	83,789,434	199,950,846
1911.....	109,934,753	275,824,265	19,532,894	47,432,691	129,467,647	323,256,956
1916.....	77,404,361	370,880,549	27,825,616	32,090,608	105,229,977	402,971,157
1921.....	213,973,562	856,176,820	52,029,126	117,979,374	266,002,688	974,156,194