

Price-level changes affect the picture to a degree. Prices declined from Confederation to the 1890's, but from then on rose gradually, although the level in 1914 was lower than in 1868. Between 1914 and 1920 the price level rose by 150 p.c., suggesting that the increase in trade volume was not nearly so great as indicated by the value figures. Wartime price changes must be used with caution, however, as some of the chief components of shipments overseas were goods neither produced nor exported prior to the War. After 1920 prices declined steadily until 1928, when the level was approximately 50 p.c. higher than 1913. The depression precipitated a rapid decline until, by 1933, prices were back at the 1913 level. Prices rose again following the depression, and in 1938 stood about 25 p.c. higher than in 1913. During the Second World War price increases were held back, and by 1944 stood only about one-third above the level in 1938.

Impact of the Second World War.—The Second World War provided a stimulus to Canadian exports similar to that experienced in the First World War. With Canadian farms and factories working at maximum capacity to supply the demands of Allied Nations, the value of exports by 1944 was nearly four times as great as in 1938. Imports more than doubled in the same period. Table 10 at p. 905 gives the leading imports into Canada for the years 1939, and 1946–1947. The commodities are arranged by order of importance in 1947 and the table shows the changing significance of these major imports during the period.

The most significant difference in the impact of the two World Wars on trade was the condition of Canadian industrial development at the beginning of each. In 1914, the iron and steel and manufacturing industries in Canada were still in an embryonic state and the Canadian contribution to the Allied effort consisted mainly of food, forest and mineral products. By 1939, heavy industry had become well established and the transition to war production was accomplished with less difficulty. Although primary products still dominated the list of exports, munitions and war supplies formed a significant portion of the total. The following statement lists the important groups over the wartime period.

IV.—EXPORTS BY IMPORTANT WARTIME GROUPS, 1940–46

Item	1940	1941	1942	1943	1944	1945	1946
	\$'000,000	\$'000,000	\$'000,000	\$'000,000	\$'000,000	\$'000,000	\$'000,000
Wheat and flour.....	145.9	206.7	167.6	300.7	474.2	573.6	377.0
Bacon.....	58.8	77.5	100.6	116.1	148.3	96.5	66.4
Other agricultural and animal products.....	178.3	203.3	246.2	356.5	491.7	547.4	493.5
Wood, wood products and paper.....	348.0	387.1	389.8	391.1	440.9	488.0	625.6
Non-ferrous metals.....	194.7	244.0	308.9	332.7	339.9	352.5	247.8
Munitions and war supplies ¹ ...	84.2	182.5	804.8	1,115.7	1,158.4	753.7	99.9
TOTALS, DOMESTIC EXPORTS ² ..	1,179.0	1,621.0	2,363.8	2,971.5	3,440.0	3,218.3	2,312.2

¹ Includes motor-vehicles and parts, military wheeled vehicles, tanks, guns, aircraft, cartridges, shells, explosives and Canadian Navy, Army and Air Force stores. ² Includes other items not specified.

One of the most interesting features of the growth in wartime exports was that it was accomplished with relatively little fall, if any, in the domestic standard of living.

Table 11 at p. 905 gives the value of leading exports for the years 1939 and 1946–1947. The commodities are arranged by order of importance in 1947 and the table shows the changing significance of these major exports during the period.