

growing preference is not unnatural, in view of the increasing growth of United States branch plants in Canada; the exposure of Canadians to United States radio, magazines and national advertising campaigns; proximity of United States industries to Canadian consumers; a minimum of foreign exchange problems between the two countries, and the use of the same language and similar methods of business. The return of the Canadian dollar to parity with the United States dollar early in July, 1946, from a 10 p.c. discount position, served partially to offset the price increases and improved the relative position of United States goods on the Canadian market. The trend in 1947 was particularly pronounced, as the value of imports from the United States in that year was over 40 p.c. greater than in 1946. Exports to the United States have not kept pace and the commodity deficit on current account amounted, in 1947, to over \$900,000,000.

Apart from the United States, the sources of Canadian imports may be divided into three principal geographic groups. The first of these is the United Kingdom, commercial imports from which were valued at \$183,700,000 in 1947, an increase of 34 p.c. over 1946 and 49 p.c. over the 1935-39 average. Principal imports from the United Kingdom were woollen fabrics and yarns, cotton fabrics, tin and tableware.

The group second in importance comprised other countries of the Commonwealth; total imports from this source were valued at \$165,024,000 or 19 p.c. higher than in 1946. The principal countries, with the chief items of imports from each, are listed below:—

<u>Country</u>	<u>Value</u>	<u>Item</u>
	\$'000,000	
India.....	42·2	Jute fabrics, tea, rugs.
British Malaya.....	16·9	Rubber, tin.
Australia.....	14·2	Wool, raisins, rabbit skins, wines.
British Guiana.....	12·4	Bauxite ore, sugar.
Ceylon.....	11·7	Tea, rubber, cocoanuts.
New Zealand.....	10·8	Wool, sausage casings, hides.

Imports from Latin America, at \$159,100,000, were the third group in importance. The 1947 total was 27 p.c. higher than the corresponding figure for 1946 and more than eight times as great as the average for 1935-39. Principal countries, with commodities, were as follows:—

<u>Country</u>	<u>Value</u>	<u>Item</u>
	\$'000,000	
Venezuela.....	46·7	Crude petroleum.
Cuba.....	23·7	Sugar, pineapples, tobacco, industrial alcohol.
Argentina.....	18·0	Vegetable oils, dyes, wines.
Mexico.....	17·0	Raw cotton, vegetable fibres, tomatoes.
Brazil.....	13·9	Coffee, raw cotton, wax, cocoa beans.
Guatemala.....	9·5	Bananas, coffee.
Colombia.....	9·2	Coffee, crude petroleum.