

Sir John Anderson, British chancellor of the Exchequer, put the case clearly in the House of Commons in London on April 25, 1944: "To finance our purchases in the United States and to meet the external costs of war, Britain has parted with overseas assets to the extent of £1,000,000,000, and we have incurred undischarged overseas liabilities amounting to £2,000,000,000. We have parted with all this, not to neutrals, but nearly all of it, some 90%, to our allies and associates, most of whom will emerge from this war with their overseas financial position greatly strengthened as a result, just as ours is greatly weakened."

Hon. J. A. MacKinnon, Canadian Minister of Trade and Commerce, gave the Canadian Chambers of Commerce much the same warning on May 10, 1944: "British exports after the war will have fallen to a low level. There will probably be a reduction in the earnings of British shipping. 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. What impact will these problems make on our own foreign trade and export policy? The United Kingdom's trade policy, 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 which has literally been the sheet-anchor market for many of the products by which the economy of both western and eastern Canada has been sustained."

From 1929 to 1938 Canada sold to the United Kingdom about \$2,800,000,000 worth of goods, while purchasing less than half that amount from it. For years prior to 1939 the United Kingdom was the greatest single buyer of Canadian exports:

Canada's Favorable Balance of Trade with the United Kingdom  
(Including Non-monetary Gold)

In Fiscal Years

1935	\$180,026,133
1936	204,559,674
1937	279,512,776
1938	265,774,552
1939	233,318,014

Early in the war the Canadian government took steps to alleviate the situation. Under a program announced in Parliament at the beginning of December, 1940, the tariff was removed from British goods as a war emergency measure. Meanwhile the United Kingdom was gradually liquidating the investments made in Canada during the half century after Confederation. As its war needs increased, this source of payment came to an end. Canada then came to its assistance in 1943 with a contribution of \$1,000,000,000 with which to purchase supplies in Canada. This was followed by Canada's mutual aid program for the benefit of other United Nations as well.

Meanwhile Canada had been enormously expanding its own production. Employment must be found in the postwar years, not only for these new industrial workers, but also for the agricultural population who have always been the mainstay of the country's national economy. Their output of foodstuffs--wheat, dairy products, bacon, fruit and fisheries--has always found its principal market in Great Britain.

In London steps are already being taken to increase the demand for British merchandise in postwar markets all over the world. Plans include the appointment of businessmen resident abroad as marketing officers in principal countries. Small firms unable to send their own men will be represented by group agencies. The British Department of Overseas Trade has made a survey in 26 countries outside the European battle area for the "Buy-British" drive, and 140 exporting industries have been organized for the quickest possible trade effort after the war.