

Joint action is now being taken through no fewer than seven main committees, of which six have a bearing on the supplies of war materials and foodstuffs, passing from one country to the other. For example, the Materials Co-ordinating Committee was formed on May 1, 1941, to promote the movement of primary materials between the two countries, increase supplies and collect and exchange information on the stocks of raw materials available. Four sub-committees were then set up, on forest products, copper, zinc and ferro-alloys, with the aim of increasing Canadian production and, as a result, exports to the United States.

The situation has now greatly improved, and the two countries are less dependent on each other than they were two years ago. At one time United States orders for Canadian war materials amounted to one-quarter of Canada's total production; now they are about 12 $\frac{1}{2}$ %. At one time Canada was sending half its machine tool production across the border; today it sends 40%. The character of the trade between the two nations has now radically changed, until the outstanding feature has become the heavy volume of imports that Canada is drawing from the United States.

To a great extent this rise is a reflection of the Dominion government's war expenditures. The large volume of British purchases in Canada has also contributed indirectly, since the United States is the source of many of the parts and materials required. Also in its turn it is providing the machine tools and other capital equipment employed in types of production new to Canada. Furthermore, the increased volume of industrial activity accompanying the war has enhanced the Canadian national income, with the result that a greater demand for consumer goods has also led to increased imports across the frontier.

Canada's exports to the United States have increased, as has been noted, since the beginning of the war, but this increase has still not been as great as the increase in Canadian imports from the U. S. A comparison of Canadian imports from the United States in 1939 and 1942 shows an increase of 162.6%. A comparison of exports to the United States for the same years shows an increase of 133.6%.

For the same two years Canadian exports to the United Kingdom showed an increase of 126.1%; imports from the United Kingdom increased only 41.3%.

In 1942, 79.4% of total Canadian imports came from the United States, and only 9.8% from the United Kingdom. In the same year 31.4% of Canadian exports went to the United Kingdom, and 37.5% to the United States.

In 1943 imports from the United Kingdom showed a further decrease from 1942--from \$161,112,706 in 1942 to \$134,965,117 in 1943. And imports from the United States increased further--from \$1,304,679,665 in 1942 to \$1,423,672,486 in 1943.

Exports of Canadian produce to the United Kingdom in 1943 increased over 1942--from \$741,716,647 in 1942 to \$1,032,646,964 in 1943. Exports to the United States also showed an increase--from \$885,523,203 in 1942 to \$1,149,232,400 in 1943.

As the war has progressed the trend of imports from the United Kingdom has been definitely downwards, while that from the United States has gone up.

#### TRADE WITH THE UNITED KINGDOM

Since the beginning of its history, Canada has sent its produce to the United Kingdom. For generations Britain has been its largest customer, except for the occasional years when it shipped more to the United States. With the close of the war a new situation will arise. Will the dependable British market still be able to absorb Canadian goods as readily as before?