

harvests coincided with an active world demand at good prices that prosperity was so widespread.

Canada was making remarkable progress during this period in the expansion of its export trade to the world's markets. In 1913 the value of the total imports into 37 leading countries of the world had amounted to \$18,199,509,000. By 1929, the peak year of the prosperous period, these imports had increased to \$28,546,670,000, a gain of \$10,347,161,000. During this same period Canada's share of this trade increased from \$356,762,000 to \$1,103,375,000, by \$746,613,000. In other words, the increase in the total trade of the 37 countries was about 57%, but Canada's share of it rose by 209%. In 1913 Canada was responsible for 2% of their imports, but in 1927 its share was 4% or just double.

For the fiscal year 1929 Canada's total trade reached \$2,654,575,000, the largest for any 12 month period up to that time. The largest previous annual record was for the 12 months ended December 31, 1917, when the total trade was valued at \$2,639,726,000. Total imports for the fiscal year 1929 (\$1,265,679,000) exceeded imports for any previous fiscal year. Exports for 1929 (\$1,388,896,000) were larger than for any previous fiscal year except 1918 (\$1,586,170,000). Allowing for price changes, the physical volume of Canada's imports and exports was greater for the fiscal year 1929 than for any previous year. This was the highest point reached during the period of prosperity.

By the next year the depression had begun to set in and was apparent in Canada largely as a result of reduced exports of grains. Canada's total foreign trade during the year ended March 31, 1930, showed a decrease compared with 1929 of 9.8%, but compared with 1928 an increase of 1.4%. Imports were still flowing in freely, as was the case in 1920. They declined only 1.4% although exports fell by 17.6%. During the next two years the depression was being experienced.

This world-wide depression, which had commenced in the autumn of 1929, was responsible for a very great reduction in values, but less in the volume of international trade. The total value of Canada's external trade fell steadily from \$2,655,000,000 in the fiscal year ended March 31, 1929, to the low point of \$887,000,000 in 1933. The fiscal year 1934 saw the turn of the tide, however, with a total trade of \$1,019,000,000, further increased to \$1,173,000,000 in the corresponding calendar year. Canada's total trade during the fiscal year 1934 increased 14.9% over 1933, but still showed a decrease of 12.6% compared with 1932. There was a further increase in 1935 over 1934 in both imports and exports--the former increased in value by 20.4% and the latter by 13.9%.

The decline in Canada's trade was not so marked as that of the United States and certain other competing British and foreign countries. Canadian imports for 1930, compared with 1929, declined 22.4% as against 27.7% for the United States, while its domestic exports declined 25.1% compared with a decline in United States exports of 26.7%. The trade of both Canada and the United States suffered more from the general trade depression of the world than did the trade of the chief commercial countries of Europe, with the exception of Hungary and Spain.

WORLD WAR II

The present war has altered the entire course of world trade, and Canada, being a leading trading nation, has been seriously affected. Hon. C. D. Howe, minister of munitions and supply and of reconstruction has thus described the industrial changes in Canada and the adjustments of the war years:

"The first year of war, 1940, was one of planning and small beginnings, with the first bristle of war supplies from a few sources only in evidence towards the end of that year. The next year, 1941, was one of construction, conversion and expansion--of vastly broadened plans and quickened output. Then