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TRADE, THRIFT AND PRODUCTION.

The evidence of the trade returns of the Dominion suggests that the effect of the remarkable wave of thrift which has passed over the country is already being felt favorably and that there is good reason to be hopeful that in due season when results of the present tendency to increased production mature, conditions looking towards a healthy and gradually more active state of trade will supervene. The January trade returns, the latest available, show that our domestic exports in that month totalled \$28,595,598, and our total exports, including those of foreign produce, were \$29,967,330. Imports of merchandise during the same month totalled \$30,300,157. The significance of the figures lies in these facts. January is normally a month when our exports are not large, but last January's figures are a record for the month and that despite the scarcity in ocean tonnage, combined with high freight and insurance rates, which acted as a considerable handicap upon the export trade. Again, in no January in recent years has the margin between exports and imports been so small. In January, 1914, the adverse balance of imports over total exports was some \$15,500,000; in January, 1913, \$30,300,000. The improvement in this respect last January is a notable and satisfactory one, and may be regarded as an indication that a real economy is being practised in both private and public expenditures, aside altogether from the economy in new construction.

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The figures, in fact, may be taken as concrete evidence that under present circumstances, "Canada is standing up strongly," in the phrase of Mr. Hoare, the chairman of the Bank of British North America. We are not yet out of the wood, but it can at least be said that we are maintaining a satisfactory position. Probably by the time that navigation opens, our trade balances will have returned to the satisfactory position in which they were during the months of last autumn, showing a substantial balance of imports. It is presumed very fairly that both the January and February import statements reflect to

a certain extent advance buying in anticipation of tariff increases. Apart from this it seems probable that the tendency all through this year in many departments of trade, will be for from hand to mouth buying, and the use of imported luxuries will be kept down to a minimum. On the other hand, beginning at an early date, there will probably be large exports of wheat and other products if the necessary shipping facilities can be obtained. A government return shows that there is at present in the Dominion about 80 million bushels of wheat, of which after making due allowance for all the requirements of home consumption, some 38 million bushels will be available in the ordinary course for export and reserve. If this export surplus is smaller than in some previous years, it is certain that its value will be considerably higher than in the average year.

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In part, of course, the January increase in exports is accounted for by the going-forward of deliveries on war orders, and these cannot be reckoned with in a consideration of the permanent basis of our export trade. Later on in the year, however, say from August onwards, with anything like reasonably good weather, the general activity which is being shown throughout the Dominion in regard to increased agricultural production should have an exceedingly favorable effect upon our export figures. In fact, it may be anticipated with some confidence that with good crops a relatively favorable business position will be established by the fall of the year. This does not mean, of course, that the present efforts towards economy in public or private expenditure should be in any degree relaxed. The rapidity of the recovery in Canadian trade depends largely upon the steadfastness with which a policy of wise economy is maintained. What is clear, however, is that under the strongest possible adverse circumstances, Canada has risen to the occasion and although it is a long road to a condition of normal prosperity, there is good reason to hope that steady, if slow, progress is being made in the right direction.