

THE FOREIGN TRADE OF EUROPE.

In observing the trade returns of our own country we are apt to overlook the fact that we are looking at only one section of a movement which, more or less, has affected or is affecting the commerce of the world. No nation is so self-contained, or so isolated, as to have its mercantile conditions uninfluenced by those existing in other countries. There are "trade winds" and currents besides those of the atmosphere, and, as no region can create or control its meteorological phenomena, so no country has power to stop or to attract trade influences, favourable or adverse, which flow in from outside nations. At no previous period was the world's commerce so intricate, or so interdependent. It is indeed like a vast machine every part of which has some relation to every other part, so that disorder in any section is certain to produce some irregularity in trade or finance, while the increased activity and harmonious working of the more important sections inevitably tend to develop similar conditions generally. A recognition of these principles has induced the British Board of Trade to commence the issue of a monthly statement of the foreign trade of the chief European countries, as well as that of Canada and the United States. The last Report of the Department of Trade and Commerce contains some interesting tables showing the imports and exports of a number of other Colonies and countries. Were the monthly return of this department to republish the new periodical of the British Board of Trade, in full or even condensed, it would be both of interest and value. The foreign trade of the principal nations of Europe, expressed in our currency, is given as below, the figures for Canada and the States being taken from government returns.

	Imports.		Exports.	
	1899. \$	1898. \$	1899. \$	1898. \$
Germany...	1,298,700,000	1,270,000,000	997,800,000	939,100,000
France...	843,420,000	894,485,000	779,810,000	702,120,000
Belgium...	421,475,000	392,110,000	354,478,000	340,080,000
Austria...	329,300,000	341,520,000	386,420,000	236,475,000
Italy...	785,500,000	280,200,000	259,313,000	237,890,000
Spain...	172,585,000	106,390,000	142,110,000	158,480,000
Switzerland...	223,000,000	212,000,000	149,800,000	147,740,000
G. Britain	2,365,000,000	2,290,300,000	1,288,894,000	1,056,463,000
U. States...	819,494,000	644,202,000	1,298,700,000	1,273,855,000
Canada...	162,764,000	140,323,000	158,896,000	138,462,000

The grand total of the foreign trade of the seven principal countries of continental Europe in 1899 and 1898 was as follows:—

	1899. \$	1898. \$
Imports...	3,673,980,000	3,496,705,000
Exports...	3,069,731,000	2,861,885,000
Grand Total.....	6,643,711,000	6,358,590,000

The ratio of the foreign trade of Great Britain last year to the aggregate of the 7 principal countries of Europe was 68 per cent. of imports, and 44 per cent. of exports.

In all trade comparisons of last year with preceding ones it must be considered that the values of a large number of leading articles were greatly increased last year. This increase of prices is so disturbing an ele-

ment in making comparisons that opinions vary widely as to whether the expansions manifest so generally were really owing to an increased volume of trade, or were merely the result of goods being entered at the national Custom Houses at the advanced values prevailing last year. Respecting this it may be said that, the very fact of goods having so generally increased in value in 1899 proves that there was a more active demand for whatever articles rose in price and greater consuming capacity must have existed or such advances could not have been maintained. In regard to iron and steel for instance which are exciting such great interest just now, and so wide spread speculation as to future prices, it is manifest that the increased price arose from increased consumption and from the demand for **con:umptive purposes**, for the stocks of those metals were at their lowest point for many years when the maximum price was reached, and when production went beyond precedent.

The iron and steel question being so prominent at present, and goods of those metals being so important an element in the worlds' commerce, we may be allowed a digression to explain the cause of one difficulty in understanding the apparently eccentric feature of those trades. When trade, generally, revives, there is always an enormous demand for iron and steel. The production of them, however, cannot be suddenly enlarged, as the necessary plant requires a length of time to construct. While this work is going on pressure becomes acute, stocks are consumed, and the great increase in prices gives an extraordinary impetus to new works, as furnaces, rolling mills, foundries, etc., and the opening of new mines. By the time all these sources of production come into full operation, the pressure has been spent to a large degree, and the enormous increase in productive plant comes into service when the demand is beginning to slacken. These conditions, time and time again, have brought about a rapid reaction in prices, so that, no sooner has the iron trade reached its maximum of prosperity in past years than it has collapsed owing to the increase of production having culminated too late, and having by its delay stimulated the increase of plant far in excess of demand. This movement, so well known to economists and cautious ironmaster, is parallel to what occurs when wheat goes up to a high figure from bad harvests. A larger area is sown in the hope to realize at the high prices, then crops return to a fair average, and the production being in excess of demand there comes a "slump" in wheat. It is evident from the above returns that the development of the foreign trade of Canada last year was on a line with the general movement of the foreign commerce of other nations. We sold more goods abroad because the consuming capacity of our customers had been increased by their prosperity, and we imported in equal proportions to our increased exports because of the consuming capacity of the people of Canada having been enlarged by their receipts from sales to our foreign customers.