

Canada's Foreign Trade After the War

Canada Should Possess Many Advantages After the War That will Tend to Develop Foreign Trade

By H. M. P. ECKARDT.

The United States are celebrating, with justifiable satisfaction, the closing of a fiscal year in which their foreign trade aggregated \$6,500,000,000. Exports for the year ended June 30th, 1916, were about \$4,345,000,000; and imports, \$2,180,000,000—the surplus exports being roundly \$2,165,000. In 1913, 1914 and 1915 the foreign trade of the country ran slightly above \$4,000,000,000—so the increase shown in 1916 represents roundly 60%. Some observers of Canadian origin, now residing in the United States, have been so much impressed by these tremendous figures and by the progress thereby indicated, that they considered it necessary to admonish Canada to wake up and do something to prevent the big neighbor from gobbling up all the trade in sight. The returns covering the trade of the Dominion month by month would appear to indicate that such admonitions are scarcely called for, inasmuch as Canada's foreign trade expansion has been relatively as great as that of the United States. For the twelve months ending May 31st, 1916, our total trade, excluding coin and bullion and foreign produce shipped through Canada for re-export, amounted to \$1,385,000,000, as compared with \$868,000,000 in the preceding year, and \$1,020,000,000 in 1914. Thus the increase over the preceding year comes out at practically the same percentage as shown by our wealthy and enterprising neighbor. Canada's exports in the year ending May, 1916, were \$820,000,000, nearly double the record for 1915 and that for 1914. Singularly enough the United States exports for the year ending June, 1916, were also approximately double the exports of each of the two preceding years. There is, however, a marked difference in the ratio of export surplus to total export as shown by the two countries. In the case of our neighbors the export surplus in this latest high-record year represents roundly 50% of the total exports; while in our case with exports of \$820,000,000 the surplus was \$256,000,000, or slightly more than 31%.

Per Capita Foreign Trade.

For many years Canada has done a foreign trade largely in excess of the United States when reckoned relatively to population; and this superiority of ours in the matter of foreign trade per capita has not been lost or diminished since the outbreak of the war. The population of the United States, taking it at 100,000,000, is roughly twelve times as great as Canada's population, yet instead of doing twelve times as much foreign trade as we do, they do a little less than five times our volume of trade. Putting it in another form the foreign trade of Canada per capita in 1916 was about \$173, as against a per capita trade of \$65 done by the United States. In this connection it is well to remember that the relatively large per capita trade of the Dominion may be the result of thinness of population. In the case of the United States the requirements of the home population, which is fairly well spread over the country, absorb a larger proportion of the total annual production. Take wheat for example. Last year's yield of nearly 1,000,000,000 bushels for the United States represented an average of ten bushels per head. Our yield of say 350,000,000 bushels represented an average of nearly forty-four bushels per head of population. The point is that after providing for domestic needs the surplus left for export in Canada's case would be a larger proportion of the total yield than in the case of the United States. The same consideration would apply in case of lumber and in case of several items largely exported by us.

War Munitions.

However, with regard to one important department of our last year's foreign trade—the export of war munitions—the thinness of our population would not operate to make our per capita trade greater than that of our neighbors. As a matter of fact the scarcity of labor here served to handicap us in the race. Nevertheless our showing in this department is eminently satisfactory. The Canadian exports of manufactures for the year ending May, 1916, were

\$262,000,000, as against \$104,500,000 in 1915, and \$60,000,000 in 1914—the average monthly export in the year just ended being about \$22,000,000 as against an average of \$5,000,000 two years previously. It is generally understood that this munition trade will not outlast the war, also that the extraordinary European demand for some of our principal natural products will cease when peace is concluded. At the same time there are grounds for believing that the extensive industrial equipment with which Canada has been supplied in the past half-dozen years will have a tendency to gradually develop the permanent export trade in manufactured goods. According to news items of the day, numerous American branch plants have been established at advantageous points in the Dominion with the object of benefitting from the most favored nation arrangements which Canada is expected to conclude with our European allies in the present war. In other words it is said that these American manufacturers expect to be able to export to certain of the leading European nations after the war more advantageously from Canada than from their home plants in the United States. In this connection it is not to be supposed that the important plant which the United States Steel Corporation is establishing near Sandwich, in Ontario, will be confined in its operations to manufacturing for the Canadian markets. Like other large American branch plants, it will no doubt give a goodly share of attention to the matter of filling orders for export. This is mentioned merely to show that the steady development of our industrial facilities promises to bring about a satisfactory permanent increase of our manufactured exports.

Animal and Agricultural Products.

Notwithstanding that the manufacturing exports increased over four fold as compared with two years ago, the exports of animal and agricultural products retain the dominating place in our trade. Taken in combination these two items account for a total of \$406,500,000 in the year ended May last. This is nearly equal to the grand total of our exports two years ago. (In 1914 total exports of Canadian products were \$429,000,000). The tremendous wheat crop of 1915 was a great factor in expanding the total of exports derived from agricultural operations. The 1915 crop, large as it was, should not be regarded as merely a stroke of good fortune. For several years prior to 1915 there had been steady increase in the land seeded to wheat, and the yield had shown a rising tendency; but on several occasions the climatic conditions prevented maximum results. Sooner or later an all round favorable year, such as 1915 proved to be, was bound to come around, serving to demonstrate in a striking manner Western Canada's capabilities in regard to wheat production. It is the general hope and expectation that Canada will receive a heavy immigration during the years immediately following the great war. In fact such immigration appears to be vitally necessary to our rapid development. If it is happily forthcoming, if from the United Kingdom and Northern Europe and from the United States we get annually a large body of young men intending to devote themselves to agricultural pursuits, the rapid development of our agricultural exports would follow inevitably.

High Prices.

It should not be forgotten that high prices resulting from the war have been one of the factors swelling the value of our exports. Nothing can be surer than that when the extraordinary demands created by active military operations on a vast scale, cease to be a factor, prices of various commodities will be readjusted to a lower level, and in some cases the fall may be severe. So it might easily happen that while sending out exports equal in volume to that of today, yet a lower range of prices might make the value of the exports considerably less. All things considered, the outlook for steady development of our foreign trade during the next decade or two is favorable. It is quite possible that we may gain on

our big neighbor, especially if American capitalists and American manufacturers continue to invest money in Canada on a large scale. With this advantage, with the advantage of strong financial support from the mother country, and energetic efforts by ourselves, we may succeed in building up an external trade of great dimensions by the time our population reaches fifteen or twenty millions.

THE WONDERFUL SYSTEM AT THE WAR OFFICE.

A visit to the registry branch of the War Office gives an idea of the immensity of the work going on, for this branch receives everything coming in and distributes the business to all branches. Over 100,000 letters are received every week, and of these an average of 40,000 go through the formality of registering. Once registered, a communication is an official record of the Government, eventually under the control of the master of the rolls. The mere registering of this vast influx of 40,000 pieces of separate war business is a prodigious work. Ten youths were at a long table engaged solely in slitting open the envelopes. Fourteen sacks of war business had come in the first morning mail, and this was only the start. Room after room is filled with men and women workers, registering these communications and getting them started to the 120 branches. A war communication addressed personally, to the late Lord Kitchener or any other official, is delivered direct, but unless personally addressed it is part of the war office business, and goes to one of the 120 branches, according to the subject treated. There is no time for high-sounding titles, and so every branch and every official is known by a group of letters, and every officer in the service has a number. This registry branch under the direction of one of the veteran members of Sir Reginald Brade's staff, Mr. Pedley, is a model of efficiency in the handling of the avalanche of documents which the war turns loose on every branch of the War Office. Going down in the sub-basement, below the level of the Thames, one could see the bewildering vistas of documents, stretching for long distances but arranged with mathematical precision for instant reference as a Government record.

DISPLACING KING COAL.

King Coal is very much harassed in formerly undisputed fields. Electrifying of steam plants, mines, factories and even railroads is going ahead at a steadily increasing rate, but while coal may, imperceptibly so far, lose some business in the domestic market, export sales are increasing. By-product plants are being erected, and operators are looking forward to the time when wasteful and costly methods of coal transportation will be done away with, and electricity produced at the mine and be transported cheaply and quickly to the consumer, cooking your dinner, heating your house, running your factory, or carrying you across the continent, untroubled from soot and cinders.

What change such a transformation may make is best demonstrated by what it has done for the Pacific coast, especially for San Francisco. However, electricity had less to do with this change than oil, which has supplanted coal to an extent at first unthought of. All harbor and coastwise as well as all trans-Pacific shipping is using oil. Gas is made from oil, and the residue pressed into briquettes. The factories use oil, and the oil stove warms the house in the rainy season.

Consumption of coal in San Francisco was as follows: 1860, 77,635 tons; 1870, 320,493 tons; 1880 654,118 tons, and 1890, 1,018,120 tons. The highest tonnage was reached in 1900, with close to 1,900,000 tons. From that date on fuel oil became a factor. In 1910 coal consumption had shrunk to 535,236 tons, and to less than 400,000 tons in 1915, although population increased.—Wall Street Journal.

MOTORS IN UNITED STATES.

Motor vehicles registered in United States numbered 2,445,664 last year, and \$18,245,713 was paid by their owners as registration and license fees. Department of agriculture announces that 90% of fees, or \$16,213,387, was spent for building and maintenance of county and state roads. There was an increase of 734,325 in number of vehicles and \$5,863,760 in fees from 1914. Only 48,000 motors were registered in 1906. Iowa led with one for every sixteen inhabitants, while in Alabama there was only one for every 200 persons.