

during the 1907 panic the call loan rate in Montreal went but little above 6 per cent. So it would seem that there is not much prospect of any sensational advances upon the rates now current in Montreal and Toronto. If our rates should rise to 7 p.c. or 8 p.c. at any time in the future it would be a rather conclusive sign that there was something seriously wrong with general monetary conditions in the Dominion.

FORTY-THREE YEARS OF CANADIAN TRADE.*

In making a survey of the present position of Canadian trade, there is, perhaps, no better way of beginning than by taking a general view of the trade of the Dominion as it has developed since Confederation. The figures as they stand, are an index to the progress which has so far been made by the country; they show its times of great prosperity and its times of torpor, and reveal each setback which has been encountered on the way to Canada's present position. The set-backs have been numerous, but their effect has never been prolonged; in each case they have merely been a level from which subsequently and very quickly new high figures have been reached.

This is, of course, history, but it is hardly possible to appreciate in its true significance the extraordinary progress which has been made by Canada's trade since Confederation, unless close consideration be given to the actual figures. In 1868, the Dominion's first fiscal year, the imports were of the value of \$73,459,644 and exports of the value of \$57,567,888. Last year, the fiscal year 1910, the imports were of the total value of \$391,852,692 and the exports of the total value of \$301,358,529. In each case the figures include coin and bullion. That is to say, in the forty-three years since Confederation there has been a net increase in imports of 433 per cent. and a net increase in exports of 423 per cent.

It will be observed that the increase in both imports and exports is practically in an identical ratio; that there is an excess of imports over exports in 1910 almost in the same proportion as the excess of 1868, although the aggregate figures of both imports and exports are so much larger now than at the earlier date. The fact is striking. There have been periods within the forty-three years, to which further reference will be made later, when exports grew at a much more rapid pace than imports. But the phenomenon of a surplus of exports is quite exceptional; in only seven of the 43 years since Confederation has there been such a surplus of exports over imports. The question of

the Dominion's "adverse trade balance"—to use a popular but misleading phrase—has been previously discussed in our columns. Here it is only necessary to point out that the Dominion's "adverse trade balance," so-called, is a natural outcome of the country's economic position and its present stage of development. In the case of so rapidly growing a country as Canada, the margin of imports over exports chiefly represents a lending or investing of outside funds. When a railroad or industrial company sells securities abroad, in the long run its resultant funds find their way into Canada largely in the form of materials, not only directly but indirectly. The prevalence of this excess of imports over exports is thus the very reverse of anything that can be called "adverse" to the Dominion; on the contrary it may well be taken as an indication—of which there is a great deal of other evidence—that foreign owners of capital are well disposed towards Canada and are sending their capital here freely.† And, since so much development has yet to be undertaken throughout the Dominion, it is to be expected that for some years to come this surplus of imports over exports will continue.

The growth of Canadian trade at various periods during the forty-three years is shown in more detail in the following table:—

TABLE SHOWING GROWTH OF CANADIAN IMPORTS AND EXPORTS BY DECADES, 1868-1908.

	Imports.	p. c. Inc.	Exports.	p. c. Inc.
	\$		\$	
1868..	73,459,644	—	57,567,888	—
1878..	93,081,787	26.7	79,323,667	37.8
1888..	110,894,630	19.1	90,203,000	13.7
1898..	140,323,053	26.5	164,152,683	82.
1908..	370,786,525	164.2	280,006,606	70.6

For this table there have been worked out the percentages of increase of both imports and exports during each of four decades. Until 1898, it will be seen, exports grew on the whole rather more rapidly than imports, but, in point of fact, the fluctuations of trade in single years of the decades somewhat modify these figures. Thus, in the case of imports, there was in 1879—a year of bad trade—a relapse of over eleven millions in imports from the 1878 figures of \$93,081,787, so that for the nine years ending with 1888 the proportionate increase in imports was much greater than the net percentage for the decade would indicate. Again, 1898 was the year in which the highest percentage of exports over imports was achieved in the 43 years. The percentage was 16.98 and in 1897 there was a similar percentage of 15.71. In no other year of the seven in which the Dominion's exports have exceeded imports has the percentage of excess reached near these figures. It was in 1898, and

* This is the first of a series of articles in which the present position of Canada's trade will be closely analysed, and the significance of its figures fully discussed. The articles will be accompanied by statistics, many compiled exclusively by THE CHRONICLE and not to be found elsewhere.

† These conclusions are taken from the article, "When Imports must exceed Exports," appearing in THE CHRONICLE of October 1, 1909, p. 1448, in which the question of the Dominion's surplus of imports over exports was fully discussed.