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ASPECTS OF CANADA'S WAR TRADE.

Attention has recently been directed to the increasingly important part played by manufactures in our trade expansion during the war. The latest monthly returns available show that in January, manufactured products accounted for \$50,814,082 of the total of domestic exports which was \$99,106,259 in that month, and in February, manufactures similarly represented \$39,504,604 out of a total of \$68,224,383. In the same two months, agricultural exports, which under pre-war conditions easily occupied the position of primary importance in our export trade, were only \$22,550,924 and \$11,449,080 respectively. In January, compared with January, 1916, agricultural exports increased over \$7,000,000 while manufactured exports increased \$3,800,000. In February, however, agricultural exports actually decreased \$2,400,000, while manufactured exports increased over \$28,000,000. The extent of the change which has been brought about in this connection through the war may be realised from the fact that whereas, in the calendar year 1912, Canadian exports of agricultural produce totalled \$142,305,275, manufactured products reached only an aggregate of \$41,798,920. In 1914, the respective totals were \$127,122,783 and \$69,151,924 and in 1915, \$230,644,063 and \$151,751,844. In the calendar year, 1916, agricultural exports increased largely in value (thanks to the magnificent crops of 1915 and the ruling high prices) to \$364,605,703. Exports of manufactures, however, expanded still more rapidly and exceeded the value of agricultural produce by \$76,000,000, with a total of \$440,477,143.

From the details of last year's export returns, it is evident that the great bulk of this enormous increase in manufactured exports is due to the developments of the munitions industry. Of last year's increase in manufactured exports of \$288,750,000, munitions (shells and explosives), were responsible for an increase of \$243,000,000. Munitions' exports did not attain any very substantial proportions until December, 1915. But in 1916 they averaged over \$21,000,000 a month; they totalled in fact \$253,518,433, compared with \$10,279,182 in 1915 and an insignificant amount in former years. These exports were at their highest point in December, during which month they totalled \$40,028,800. Presumably, their forward movement is being continued on a great scale,

though lately suggestions have been heard that the Imperial Munitions Board is in some cases not granting renewals of contracts. For a long time past, it has been admittedly the aim of the British Government to make the British Isles self-contained in the matter of munitions manufacture, and it must be expected that the stoppage of contracts in the United States will be followed in due course by their stoppage here. Doubtless, however, the stoppage will be quite gradual, unless the war comes to a sudden end, and the recent activities of the Imperial Munitions Board in the matter of ship-building indicate an intention on the part of the Imperial authorities to utilise Canada's capacities and energies in new directions as a result of the war. It is not perhaps impossible that this Governmental support of industry will continue after the war. But that is mere conjecture. The fact that is of importance at the present time is that an industry which accounted for practically 25 per cent. of Canadian exports last year, is dependent upon the continuance of the war for its further existence.

It is to be remembered that the munitions industry is not the sole branch of the Canadian export trade which will be prejudicially affected when the war ends. Our war-trade activities have gone far beyond munitions work. As, for instance, last year we exported gasoline launches to a value of \$7,374,877—everybody knows what they are being used for. Exports of such diverse character as horses, cattle, butter, cheese, clothing, drugs, chemicals and medicines, eggs, bacon and other meats, gutta percha, leather, steel and other metals, and lumber have all been stimulated by the war—some to a remarkable degree. As regards our staple exports of grain and other food products, there are probabilities that a comparative shortage for several years after the war will tend to keep up prices. But in regard to this the future is uncertain. What is evident is that the end of the war will effect another tremendous revolution in our trade. In view of the fact that we have hitherto surmounted serious difficulties of the same kind successfully, and developments looking to the continuation of activity in industry when the munitions trade drops off are already under way, it is possible to regard the future with confidence. Yet there is no blinking the immensity of the problems involved to Canadian trade in a re-settlement.