

# Nothing Stops our U. S. Buying

High tariff war tax and exchange rate powerless to prevent  
Canada from increasing her American purchases  
at rate of \$17,500,000 a month

FROM OUR OTTAWA CORRESPONDENT.

The Canadian trade returns for the first half of the present year show that during that period the United States has made decided gains in its trade with Canada. Both countries show increased exports; but, in this respect, the advantage is at the rate of four to one in favor of the Republic. The imports from the United States into the Dominion were \$441,429,951, or a gain of thirty per cent over those for the same period in 1919. This is surprising when coupled with the fact that it represents what may fairly be called a normal year in the post-war period, normal, not in the old sense, but in the sense that pertains to the conditions of the new period.

The exports to the United States during the six months underwent a gradual growth, the increase averaging about \$4,600,000 a month. For the six months they amounted to \$243,647,026, as compared with \$215,199,411 for the same time in 1919.

A remarkable increase in imports from the United Kingdom was also recorded, the figures being \$124,580,000, as compared with \$34,533,544 for the same six months of 1919. The value of exports for the United Kingdom, however, dropped from \$254,278,172 for the first six months of 1919 to \$155,738,000. Imports from other countries increased and exports thereto generally declined.

It is somewhat singular that this increase in imports from the United States should have been experienced in spite of the high tariff on American goods, and the fact that during all but seven weeks of the period under consideration the customs war tax of 7½ per cent was collected. It must also be remembered that this increase was rolled up in face of a dislocated exchange which virtually placed another barrier of possibly 12 per cent on American goods brought into Canada. Had the increase been experienced under conditions that made possible the securing of commodities from other countries, as was the case during the war, it would not have occasioned

surprise; but it was rolled up at the rate of \$17,500,000 a month, at a time when the United Kingdom was also increasing her sales to Canada, at the rate of \$15,000,000 a month; and while the states of Europe generally were greatly increasing their shipments. It is thus quite evident, that beneath the surface there are new and strong currents in the trade of these two countries, the strength of which has not been quite realized.

The increase in the imports from the United Kingdom, while large, is not surprising. Since the signing of the armistice British industry has rapidly been getting into approximately its old position, and it was to be expected that this would be experienced in Canada as elsewhere.

As an evidence of how surprisingly imports from the United States have grown during the last five years, it may be pointed out that \$441,429,951, their value for the first six months of the present year, was approximately \$6,000,000 more than the figures for any complete year up until 1916-17. In 1912-13 they reached \$435,770,000, a very high mark indeed, when it is recalled that it was \$105,000,000 over the figures for the previous year. During the last six months the value of these imports was \$8,000,000 more than double that for the whole of 1909-10, the record up to that time. These six months' figures were within \$10,000,000 of the value of imports from all countries in 1910-11, the biggest year then recorded. During 1914-15 Canada bought from all countries only \$11,000,000 than she did from the United States during the time between January and June 30th.

Probably the most important of the six months trade was the extent to which the United States replaced the United Kingdom as Canada's best customer. During the same period in 1919 the United Kingdom took \$39,000,000 more of commodities than did the United States. During the January to June period this year the United States took \$88,000,000 more than did the United Kingdom.

## Building Trade Prospects Good

By B. K. SANDWELL.

Some moderate recessions in prices are reported in building materials, this being about the only class of necessities, outside of food stuffs, to show any such tendencies. Those who predict considerable lower prices for next season are pointing enthusiastically to the present reductions as an evidence of what they think is a turn from a seller's to a buyer's market.

There does not appear to be anything in the situation to justify this way of looking at it. On the contrary, the present shadings of prices are caused by a certain amount of reduction in building activity, which is the result, not of the high level of prices, but of the very great uncertainty about ability to secure certain kinds of materials at all. It is well known among the contracting fraternity that the construction work which is now being carried out is only in a very few instances of a speculative character. That is to say, nobody is putting up buildings with a view to selling them at a profit. Nobody can

afford to venture to do so, for the reason that, as has frequently been pointed out in these columns, it is utterly impossible to tell what will be the cost of a structure under present conditions until it has been completed. Speculative capital likes to have at least an approximate limit set to the amount which it may have to spend in order to produce a certain saleable result.

The building which is going on at the present time consists of structures destined to be used by those who are building them, and not to be sold to an outside party. Most of these structures are for the purpose of enlarging the output of some urgently needed commodity, or possibly for providing housing for the workers required for such enlarged output. The builders are impelled to their action, not merely by the knowledge that their enlarged output will for some years to come provide a reasonable return upon the capital invested in building, even though its amount be abnormally high; they are aware that if they

themselves fail to supply the demand for their product somebody else will get into their field. Concerns such as these do not have to haggle very carefully over the exact cost per square yard of floor space; their chief object is to get the capacity, and to get it quickly.

It is altogether different with the speculative builder. He has no such incentive to immediate action. All that he can lose by not building this year is his immediate chance of profit, and there are plenty of other investments in which he can employ his capital to fairly good advantage. The speculative builder, therefore, has been holding off in spite of the urgent demand for both residence, store and office properties, and the chief thing that has deterred him is not the high price of building materials taken as a whole, but the possibility of being held up in his entire operations by inability to get certain particular supplies, or by trouble with his labor. In the meanwhile, the shortage of new buildings increases with every passing month.

Uncertainties regarding the obtaining of particular materials have been chiefly due to the bedevilment of the transportation situation. If the transportation workers of all classes will be obliging enough to continue at work for the next twelve months, it will not be difficult to restore a normal condition of certainty about getting supplies. This will result (unless the supply of credit is in turn restricted by some form of interference) in a tremendous outbreak of building activity. If this outbreak comes, after a reasonable amount of warning, so that the producers of building materials are able to foresee the increased demand for their products and make provision accordingly, there need not be any pronounced upward dislocation of prices. All the building-material industries are capable of a very considerable degree of adjustment of output to demand, and all of them have been producing at a comparatively moderate rate for the last year or so, because they have realized that a building boom was not likely in the immediate future.

The one thing that the world needs more than anything else, for the restoration of its productive powers, is certainty—the ability to calculate for at least a few months in advance on being able to procure the things that one needs within certain limits of price, and to procure them as and when desired. All modern business consists in the assembling of one hundred different products to form one complete composite product, marketable to the consuming public. If three, or two, or even one of the essential hundred articles are unobtainable, business is at a standstill, and there ceases to be any demand for the products of the other ninety-seven producers. A brick is an excellent thing for building a house with, but it is absolutely useless for anything else. People will not buy bricks unless they are sure of being able also to obtain mortar, steel girders, hardwood flooring, window-glass and furnace pipes. Cut off the supply of any one of these articles, and you kill the demand for the rest.

Speaking at the summer exhibition at Edmonton, Manitoba, the Manitoba Minister of Agriculture, Hon. S. F. Tolmie, said: "We are trying to popularize the consumption of more mutton as well as the raising of sheep. It is rather appalling that we only raise 3,000,000 sheep here when in Australia they raise 80,000,000, in the United States 40,000,000, and in Great Britain 27,000,000. The country offers almost unequalled advantages for sheep raising and there is scarcely a farm anywhere but what should keep a small flock of sheep."

The production of coal from Vancouver Island mines for the period January 1st to March 31st was 709,408 tons or practically the same as for the corresponding period in 1919.