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CANADA'S TRADE IN 1917.

The statistics of Canadian trade in 1917, which have now been made up, following the publication at Ottawa of the December returns, are impressive in regard to the amount of the balance of exports, which has resulted from war activities. But in their revelation of the extent to which our present export trade is composed of manufactured goods, mainly munitions, they are also a warning of the severity of the change in our trade which must be expected when the war is over. These statistics strongly reinforce and illustrate the point which has been lately made in several banking addresses, that the present time of prosperity, is also a time for a policy of extraordinary care, commercially and financially, in order that as strong a position as possible may be occupied, both individually and nationally, when the inevitable change comes.

It will, of course, be understood that the enlargement of our foreign trade last year, in terms of dollars, is partly a result of rise in values, as well as of enlarged turnover. Including exports of Canadian merchandise only, and imports entered for consumption, exports of foreign merchandise and imports and exports of gold being excluded, Canada's foreign trade last year totalled \$2,552,564,000. Of this total, \$1,547,430,000 represents exports, and \$1,005,134,000 imports, the balance of exports over imports being \$542,296,000. In comparison with the calendar year 1916, there was a gain last year in total foreign trade of practically \$700,000,000, the 1916 total having been \$1,858,426,000, of which exports represented \$1,091,703,000 and imports \$766,723,000, the 1916 balance of exports over imports being accordingly \$324,980,000. Thus the gain in balance of exports over imports last year, compared with 1916, was very nearly \$207,000,000, following a gain in 1916 over 1915 of \$162,500,000. However, it is to be remembered that the 1917 balance of exports over imports has been expanded in the closing months of the year through the action of the United States in prohibiting exports of various raw materials, except under license—an action which, combined with an increase in Canadian exports to the States, had the effect in one month of giving Canada a balance of exports over imports in trade with the States. This action has necessarily lowered the volume of our imports of materials for munitions manufacture, and will,

undoubtedly, be reflected, in due course, in a decreased volume of Canadian exports. The recent move by Canadian manufacturers and others to secure a War Trade Board, acting officially for Canadian manufacturers in negotiations at Washington, which now have to be carried on by manufacturers individually, is an index to the importance attached by the interests most intimately concerned, to this United States embargo on raw materials.

The bulk of munitions and other manufactured exports in our present-day foreign trade, and the consequent severity of the jolt that is likely to be encountered when the demand for these falls off, will be appreciated from the fact that in 1917, exports of manufactures amounted to \$682,521,000, 44.1 per cent. of total exports, compared with \$440,447,000 in 1916 (40.3 per cent. of the whole), and in 1915, \$151,751,000 (24.7 per cent.). Before the war, of course, manufactures were only of minor importance in our export trade. Agricultural exports, which will be the mainstay of our export trade immediately after the war, as they were before it, totalled in 1917, \$531,300,000 (34.3 per cent. of the whole), compared with \$304,605,000 (33.4 per cent.) in 1916 and \$230,644,000 (37.5 per cent.) in 1915.

Exports of animal products went up notably in value last year, being \$170,561,000 against \$117,909,000 in 1916, and \$94,513,000 in 1915, but this rise does not necessarily mean a large increase in the quantity exported, when the steep rise in prices is taken into consideration. Mine, fisheries and forest exports last year show only slight changes in comparison with 1916, and in fact with the pre-war period of 1913. Thus mine exports in 1917 were \$77,389,000 against \$81,281,000 in 1916, and \$59,073,000 in 1913; fisheries exports were in the same years respectively, \$28,323,000, \$24,349,000 and \$20,237,000; forest exports, \$52,280,000, \$55,224,000 and \$42,352,000. As regards the last-named, it is possible that after the war a considerable demand may develop in Europe for Canadian lumber. At present, of course, this trade is prejudicially affected by the prohibition of import into Great Britain owing to the shortage of tonnage, and consequent reliance upon home-grown lumber for war purposes. By way of summing up, it may be said that the 1917 trade figures emphasise the pressing need of present-day preparations for the development of our export trade along fresh lines, to meet the new conditions which will arise after the war.