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How War is Changing Canadian Trade

FIGURES for the Latest Fiscal Year Show a Favorable Trade Balance Which Will Probably Improve—United States is Now Our Biggest Buyer and Seller Both, Which is Another New Development.

THE total trade of Canada during the fiscal year ended March, 1915, was valued at $1,078,173,240 compared with $1,112,562,107 in 1914 and $862,-699,832 in 1912. The summary of the trade of Canada, issued in the weekly bulletin of the department of trade and commerce, Ottawa, is an unusually interesting document. The figures respecting total trade are somewhat misleading as the coin and bullion shipments between New York and Ottawa have affected the statistics considerably. For instance, the imports of coin and bullion for the latest fiscal year were nearly $132,000,000 compared with less than $6,000,000 in 1913. The exports of coin and bullion last year were $29,000,000 and these will probably increase in due course. The coin and bullion exports in the previous year were $23,000,000, and in 1913, $16,000,000. This unusual movement of coin is due almost entirely to the establishment at Ottawa last year of a gold depository on behalf of the Bank of England. The Bank was thereby enabled to ship gold to and from the United States without exposing it to ocean dangers in war times.

Aside from this bullion movement, Canada's total trade, that is imports and exports of merchandise, last year was valued at $906,813,000, of which imports accounted for $445,371,000 and exports for $461,442,000. The exports were therefore $16,000,000 in excess of the imports. Canada has thus for the first time in a great many years, a favorable trade balance. During the fiscal year ended March, 1914, the merchandise imports were $618,000,000 and exports $455,000,000, an excess of the former over the latter, or an unfavorable balance of $163,000,000. The balance was even more unfavorable in 1913 when the imports of merchandise were $670,-000,000 and the exports only $337,000,000, the excess of imports thus being $333,000,000. In 1912, the excess was $214,000,000.

In discussing Canada's unfavorable balance in 1913, Sir Edmund Walker drew attention to the large proportion of our imports which consists of iron and steel in various form, not only as raw materials, but as manufactured goods. The total value is about $140,000,000. In the main, these are articles used, in building, or in equipping the country for its future, and such purchases differ in effect from the import of foodstuffs and other rapidly perishing objects. He regretted that the greater part of these iron and steel goods are not made in Canada now, as certainly will be the case in time. To the extent to which, by making these goods in Canada, we could have lessened the debt represented by the securities we have sold to pay the difference between imports and exports, we have burdened ourselves for a long time to come. "While workmen are busily engaged in other things, as they have been in Canada," said Sir Edmund, "it may be said that they are not available for more work in iron and steel, but as soon as railroad and other building lessens in volume, not in the aggregate but in proportion to other industries, we may hope that we shall be able to make in Canada, the larger part of the iron and steel goods now imported. The increased output of our coal and iron mines, of our blast furnaces and of our manufactories, which would result, would be of inestimable value to the country as a whole."

The total trade of Canada, excluding coin and bullion exports and imports, may be summarized for the past four years as follows:—

Year ended March.	Imports of merchandise.	Exports of merchandise.	Total trade.
1912	$521,348,701	$307,716,151	$ 829,064,852
1913	670,000,189	377,068,355	1,047,068,544
1914	618,328,874	455,437,224	1,073,766,098
1915	445,371,371	461,442,509	906,813,880

The reasons for the decline in imports were discussed in *The Monetary Times* of May 28th. The duty collected during the last fiscal year was $79,000,000 compared with $107,000,000 in 1914 and $115,000,000 in 1913. As the new tariff went into effect on February 11th only about six weeks of revenues from this source are reflected in the duty statistics of the past fiscal year.

Exports last year were $12,000,000 greater than in the previous year and nearly $100,000,000 greater than in 1913. Excluding coin and bullion, exports last year showed an increase of $6,000,000 over the figures of the previous year and $84,000,000 over 1913. Practically the whole of our exports are of Canadian produce. Last year, for instance, of $461,000,000 of exports from Canada, $409,000,000 were of Canadian produce, the remaining $52,000,000 being exports of foreign produce from Canada.

In each of the past four fiscal years, agricultural products have been the heaviest export item. Last year, these exports were valued at $134,000,000 as compared