

HOW CANADA'S TRADE HAS GROWN

Business With the Countries of the World and With the United States, the United Kingdom, France and Germany in Particular

The accompanying tables show the trade of Canada with the world and with the four countries with which we do the largest business, namely, the United States, the United Kingdom, France and Germany. For the fiscal year, 1912, our trade with the world was valued at \$874,000,000, an increase of more than \$100,000,000 over that of the previous year. This large gain has been almost maintained for several years past, for in 1909 the total was \$571,000,000; in 1910, \$693,000,000; and in 1911, \$769,000,000. Canadian trade with the world has almost quadrupled since 1893, when the figures were \$247,000,000. These include coin and bullion.

We imported merchandise in 1893 valued at \$122,000,000. This had increased in 1906 to only \$287,000,000. Last year, the figure had changed to \$533,000,000, compared with \$462,000,000 in the previous year. Our exports of merchandise to the countries of the world have almost trebled in the past 20 years. In 1893, they were \$114,000,000 and last year, \$307,000,000. Canadian produce represented the bulk of these exports every year. Last year they were valued at \$290,000,000 of a total of \$307,000,000.

Of the merchandise imported for consumption last year, \$335,000,000 was dutiable and \$186,000,000 free, as compared with \$282,000,000 and \$169,000,000 in 1911. The duty collected last year was \$87,000,000 as against \$72,000,000 in 1911, \$60,000,000 in 1910 and \$47,000,000 in 1909. Of the total imports of \$533,000,000 last year, \$343,000,000 were dutiable and \$190,000,000 free. A table elsewhere in this issue. Canada's Commercial Balance Sheet, shows the countries of the world with which we are trading, and their share of business.

United States Trade.

The United States has obtained a remarkable increase in business with Canada. Including coin and bullion its total trade in 1893 was \$109,000,000. Last year, it exceeded \$488,000,000. Our trade with the United States, always one-sided, is growing more so. Canada's imports from that country in 1893 were \$59,000,000, against our exports, exclusive of coin and bullion, of \$39,000,000. Ten years later, 1903, they obtained \$136,000,000 worth of our import business, while we exported only \$71,000,000. In 1909, the imports from the United States had grown to \$182,000,000 against our exports of \$91,000,000. In 1911, they had still further increased their business to \$284,000,000, while our exports to the Republic were \$112,000,000, only \$2,000,000 greater than in 1910. Last year, the disparity was still further enlarged, the imports from the United States being \$342,000,000 and our exports to that country practically remaining at \$112,000,000, to be exact, \$112,956,000.

Sir Edmund Walker has said that an examination of the items of imports and exports, while suggesting many explanations for the respective increases and decreases, does not minimize the importance of the fact that we must enlarge the volume of products we have to export and either lessen our imports by curtailment of expenditure or by manufacturing at home many of the articles we buy abroad, especially from the United States.

Free of Duty.

Last year, there were some big items of Canadian business with that country, which come in free of duty. Hard coal and coke represented \$20,796,746—soft coal pays a duty; rubber and gutta percha, \$4,967,218; tobacco, \$3,817,904; hides, \$2,669,196; raw cotton \$8,322,345. We buy these goods from the United States because we need them, and because the United States is close to our borders. The merchant amongst us most loyal to Britain would not bring his fuel from the Old Country and pay a heavy toll in freight across the ocean, if he could buy it close at hand in the United States. Trade has certain restrictions, made by Nature, which the most well-meaning of Imperialists cannot get over immediately.

There are many other articles from the United States on our free list, and a group of them may be mentioned here:—Iron and steel, in shapes which Canadian manufacturers have not yet overtaken; tin and copper in the ingot and in sheet, jute, raw silk, furniture woods, fruits, drugs, dyes and chemicals, petroleum, manila, grease, gums.

Trade With Great Britain.

Our business with the United Kingdom has not increased as rapidly. The total trade in 1893 was \$107,000,000. Ten years later, it had risen to \$190,000,000. In the two succeeding years, 1904 and 1905, it declined. In 1909, it had risen to \$204,000,000 and gradually increased in the three latest years to \$245,000,000, \$247,000,000, and \$269,000,000 respectively.

With United States trade, our imports are far greater than our exports. With British trade it is the reverse, Canada being large sellers in that market and small buyers.

Of the total trade with the United Kingdom last year, exclusive of coin and bullion, our exports were \$151,000,000 and our imports \$117,000,000, as compared with \$137,000,000 and \$110,000,000 in 1911. Of our imports from the United Kingdom for consumption last year \$89,000,000 were dutiable, and \$27,000,000 free, \$22,000,000 duty being collected.

Greater efforts are being made to promote British trade in Canada. According to Mr. Richard Grigg, who resigned last year as British Trade Commissioner in Canada, and was succeeded by Mr. C. Hamilton Wickes, increased experience has confirmed an opinion already expressed that there exists throughout Canada a keen desire both on patriotic and business grounds better to understand differing points of view, and to draw closer the bonds of commercial union. Although a marked improvement has occurred in the attention given to the Canadian market by British manufacturers, the impression still remains that British knowledge of the Canadian market, and appreciation of the great future, is much less extensive than in the case of our friendly United States rivals.

Analysis of Canadian Market.

The Canadian market, as a field for present and future British trade, he continues, is governed by certain conditions which give to the economic life of the Dominion a character of its own. Canada has for a decade past been undergoing, and seems destined to undergo for a considerable period a great industrial and financial expansion. This phenomenon is not comparable to the mere alternation of good times and bad, of inflation and restriction, the periodicity of which has been for generations past a commonplace of economic discussion. An expanded market due to the incidental occurrence of "good times" is often a cause rather of apprehension than of confidence to the manufacturer and trader, as it suggests rapid gains and the utilization of the present without counting upon the future. The trader makes hay while the sun shines, well aware that an overcast and clouded sky may at any moment check his activities. Present opportunities he utilizes to the full, but anything in the shape of larger capital expenditure, of patient preparation for the future, of immediate sacrifice for later gains, he is disposed to regard with the utmost caution. In Canada the case is different; expansion is not an incident but rather a permanent condition of economic life, the existence of which, in the interests of the British trader, cannot be too highly emphasized.

It is true that in the general movement of the industrial progress of the Dominion the same oscillation of good and bad years is to be observed as elsewhere; the progress of the country, for instance, industrially and in the growth of its population, during the decade 1881-1891 was by no means rapid, and the development of Canada was held in check by the extraordinary industrial expansion of the United States, and by the large area of fertile land still open for settlement in the American West, but it was inevitable that sooner or later the resources of the country would attract the population and capital necessary to its development. The reasons, therefore, for the present expansion are obvious.

The sum we pay every year, largely to the old countries across the sea, for cotton and woolen textiles, clothing, stockings, laces and embroideries, is large. The bulk of the cottons come from Great Britain, Germany, Switzerland and the United States; of the woolens, from Great Britain, Austria-Hungary, France and Germany. The United States sends us some clothing.

Trade With France.

The trade is comparatively small with France, although that nation is one of the four with which we do our largest business. In 1893, the total imports and exports were valued at \$3,000,000. In 1903, they had increased to \$7,845,000. In 1911, they totalled \$14,537,000, and last year they showed a slight decrease, the figures being \$14,009,000. Our imports from France last year were \$11,885,000, as compared with \$11,755,000 in 1911. In 1912, \$9,000,000 of these were dutiable, and \$2,000,000 came in free. The exports last year totalled \$2,123,100, practically all Canadian produce, and in the previous year, \$2,782,000. Canadian exports to France have expanded considerably since 1893, when the total was only \$264,000.

A convention with regard to commercial relations between Canada and France was signed on September 19th, 1907, and a supplementary convention was executed on January 23rd, 1909. The ratification of both these was exchanged on February 1st, 1910. Certain concessions were made by France regarding the admission of Canadian products into that country, and a number of French products received more favorable treatment on importation to Canada. Many of these received the benefit of the intermediate tariff.

Canada's trade with Germany is attached to a somewhat romantic tariff story. In 1899, Germany refused Canada the most favored nation treatment on the ground that Canada had