

ordinary means—such as reduction in commodity prices and in cost of living—there may be another crisis ahead. And, needless to say, large loans made on new merger securities which cannot be marketed will not prove of much use to a bank in a period of financial disturbance.



#### CANADIAN TRADE WITH THE UNITED STATES.\*

The trade of Canada with the United States is, in point of aggregate volume, the largest with any individual country with which the Dominion has trading relations. Of our total imports of \$391,852,692 in the fiscal year ended March 31, 1910, \$239,070,549 came from the United States; of our total exports of \$301,358,529, in the same period, \$113,150,778 went to the United States. These are the total figures, which include the movements of coin and bullion, as well as merchandise of every description, and in percentage form they are expressed thus: 61.0 per cent. of our total imports came from the United States; 37.5 per cent. of our exports went to the United States. We buy from the United States more than we buy from any other country, but the United States is not in return our largest customer. The greater part of our export trade runs from west to east and not in the opposite direction to our import trade, whose general trend is south to north. Our chief market for exports is still Great Britain; practically \$150,000,000 or nearly 50 per cent. of our exports going there in the fiscal year which closed in March last.

In discussing the movements of Canadian trade with the United States, the most practical method is to eliminate from consideration the movements of coin and bullion between the two countries and the export of foreign produce from the Dominion to its southern neighbour—neither is of great importance—and to analyse only the exchanges between the two countries, which, from the Canadian standpoint, come under the headings of imports entered for consumption, and exports of home produce, and are of the most significance and form the great bulk of the trade. The term "entered for consumption," it may perhaps be explained, is the technical term in use at the customs, and it does not necessarily follow that all goods described under this heading are actually "consumed" in Canada. It is a simple statement that the goods thus designated have passed into the possession of the importer and that duty has been paid on the portion liable for duty. At the same time, it is probably the fact that the great bulk of goods coming under this customs heading are actually consumed within the Dominion.

The progress since Confederation of the general trade of Canada under these headings of imports for consumption and exports of home produce and the trade with the United States during the same period are shown in the following tables:—

#### GROWTH OF CANADA'S IMPORTS AND EXPORTS BY DECADES, 1868-1908.

(Imports for Consumption and Home Produce only.)

|               | Imports.      | P.c.<br>Inc. | Exports.      | P.c.<br>Inc. |
|---------------|---------------|--------------|---------------|--------------|
| 1868. . . . . | \$ 71,985,306 | —            | \$ 48,504,899 | —40.1        |
| 1878. . . . . | 91,199,577    | 26.1         | 67,989,800    | 19.7         |
| 1888. . . . . | 102,847,100   | 12.8         | 81,382,072    | —            |
| 1898. . . . . | 130,698,006   | 27.3         | 144,548,662   | 77.6         |
| 1908. . . . . | 351,825,024   | 169.2        | 246,969,968   | 70.8         |

#### GROWTH OF CANADA'S IMPORTS FROM AND EXPORTS TO THE UNITED STATES BY DECADES 1868-1908.

(Imports for Consumption and Home Produce only.)

|               | Imports      | Percentage | Exports      | Percentage |
|---------------|--------------|------------|--------------|------------|
| 1868. . . . . | \$22,660,132 | —          | \$22,387,846 | —          |
| 1878. . . . . | 48,002,875   | +111.9     | 22,131,343   | — 1.1      |
| 1888. . . . . | 46,440,296   | — 3.3      | 37,323,161   | + 68.6     |
| 1898. . . . . | 74,824,923   | + 61.1     | 34,361,795   | — 7.9      |
| 1908. . . . . | 204,648,885  | +173.1     | 90,814,871   | +158.6     |

It is shown by these tables that the trade of Canada with the United States has fluctuated on altogether different lines from Canada's general trade. The latter shows an unbroken increase throughout the forty years; the volume of trade with the United States has received more than one set-back. To some extent, of course, these apparent set-backs are due to the choice of years, but a study of the complete returns year by year shows that the trade between the two countries, both as regards exports from Canada and imports to Canada has fluctuated rather freely. The closest analogy between the two tables appears in the case of imports into Canada in the decade 1898-1908, those from the United States increasing in only a very slightly larger ratio of four per cent. than the imports from all countries. But in the same period it will be seen, Canada's exports to the United States increased in a proportion more than double that in which the Dominion's exports generally increased.

Viewing the whole forty years, 1868-1908, as one period, the figures of United States trade again differ very widely from those of Canada's trade generally. In that period Canada's imports for consumption increased by 388 per cent. and exports of home produce by 409 per cent. But in the same period imports from the United States increased by 803 per cent. and Canadian exports of home produce to the United States by only 310 per cent. That is to say, our imports from the United States increased in a much greater proportion than our imports from other countries during the forty years, while our exports to other countries increased more quickly than our exports to the United States.

The proportions which Canada's imports from and exports to the United States have borne to the Dominion's total trade during recent years are shown in the following table:—

\*The first article of this series appeared on November 4.