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CANADA'S TRADE.

The tendency in some quarters to present complacency regarding Canada's trade was sharply criticised in the addresses made at last week's meeting of shareholders of the Bank of Montreal. Both Sir Vincent Meredith and Sir Frederick Williams-Taylor were then at pains to point out the temporary character of our present trade, and the great changes in its character which are bound to follow the conclusion of peace and the re-division of European energies into channels of trade competition and re-development. Study of the latest figures of the trade returns suggests that the advantages which have been given us through the enormous swing of the pendulum in our foreign trade during recent years are being, to some extent, thoughtlessly frittered away, with the result that the *post-bellum* financial burden upon the country will be correspondingly enlarged. In October, the balance of our merchandise exports over our merchandise imports was \$16,119,182, exports amounting to \$87,315,734 and imports to \$71,196,552. This balance is by far the smallest recorded since last April. While also exports were lower than in any month since April, imports were larger than in any previous month with the single exception of August. Nearly 50 per cent. of these exports come under the heading of free goods, consisting largely of raw materials used for manufacturing purposes and for which the present industrial activity has stimulated the demand. Probably the great bulk of these are essentials. But it is to be feared that the same cannot be said of the dutiable goods, which certainly comprise a great mass of merchandise, that while in demand by the public, cannot by any manner of means be regarded as essentials at the present time.

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Thus the general public by its thoughtlessness and ignorance is helping appreciably to cut down Canada's favorable balance of trade, at a time also when it has a tendency to suffer eclipse from other reasons. Inevitably, the coming months will see a very considerable decline in Canada's

exports of agricultural produce, as the huge crop of 1915 becomes finally exhausted, and only the modest production of the current year is available, though current high prices will have a tendency to keep up the figures. Presumably, exports of manufactures will remain at a high level. While naturally enough, very little is said in public about the matter, it is generally understood that Canadian munition makers have orders on their books which will keep them going at full speed at least until next summer. Our mining, fishery, forest and other productions should also keep up well. But it appears not improbable that sensational changes in our foreign trade returns are a thing of the past for the time being, and that while with a continuance of war conditions, our exports will continue at a high level, the trade returns of the near future will be less spectacular than they have recently been.

When present conditions give way to new circumstances, what will happen? Sir Vincent Meredith expressed the opinion last week that during the rehabilitation period our manufacturers will be kept busy, but that subsequently, the keenest possible competition in the world's markets will have to be faced. Probably sooner or later, we shall revert to the position as regards our trade balances which we formerly occupied—that of having a balance against us made good by borrowing. When the time arrives for another spell of exceedingly active development of the Dominion with the help of borrowed foreign money, our trade balance will inevitably swing that way, and in any case Canada is bound to be a borrowing community for many years to come. It may be said that the possibilities of our being able to borrow freely after the war for new development are very fair, but in fact they are only possibilities, and in view of the uncertainty surrounding the conclusion of the struggle, they should not be too freely relied upon. It will be better to make certain of our capacity to look after our obligations abroad, by increasing our production of staple exports and by reducing unnecessary imports than to rely wholly on those possibilities.