

THE MONETARY TIMES

AND TRADE REVIEW,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal, the TRADE REVIEW, of the same city (in 1870), and the TORONTO JOURNAL OF COMMERCE.

ISSUED EVERY FRIDAY MORNING.

SUBSCRIPTION—POST PAID.

CANADIAN SUBSCRIBERS, - \$2.00 PER YEAR
BRITISH " - 10s. 6d. STER. PER YEAR.
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SINGLE COPIES, - - - 10 CENTS.

Represented in Great Britain by Mr. Jas. L. Foulds,
11 Bothwell St., Central Buildings,
Glasgow, Scotland.

Book & Job Printing a Specialty.

OFFICE: Nos. 64 & 66 CHURCH ST.

EDWD. TROUT, MANAGER.

TORONTO, CAN., FRIDAY, FEB. 13, 1885

COMMERCE OF CANADA IN 1884.

The bulky volume (900 pages) which contains the Trade and Navigation returns for the fiscal year ending with June 1884, came to us from Ottawa too late for our last issue, the figures having been laid before Parliament at its assembly on the 29th ult., and being mailed to us on the following day. The returns show that last year's trade in the aggregate does not equal that of the previous year, whose combined imports and exports were the largest in the history of Canada. We brought in, last year, merchandise to the value of \$11,639,704 and sent out products valued at \$91,406,496, of which, however, worth were products of the United States, shipped by our routes. The total inwards and outwards trade of the Dominion for the past seventeen years were:—

Year.	Total Exports.	Total Imports.
1868.....\$	57,567,888	\$ 73,459,644
1869.....	60,474,781	70,415,165
1870.....	73,583,490	74,814,339
1871.....	74,173,618	96,092,971
1872.....	82,639,663	111,430,527
1873.....	89,789,922	128,011,281
1874.....	89,351,928	128,213,582
1875.....	77,886,979	123,070,288
1876.....	80,966,435	93,210,346
1877.....	75,875,393	99,327,962
1878.....	79,323,667	93,081,787
1879.....	71,491,255	81,964,427
1880.....	87,911,458	86,489,747
1881.....	98,290,823	105,330,840
1882.....	102,137,203	119,419,500
1883.....	98,085,804	132,254,022
1884.....	91,406,496	116,397,043
Total...	\$1,390,946,803	\$1,732,983,466

For the seventeen years since Confederation, our exports have averaged \$82,000,000 per annum and our imports something over \$100,000,000 per annum. In 1870, Canadian exports about equalled the imports and in 1880 exceeded them; but in every other year our purchases from abroad exceeded sales; once, in 1875, by as much as forty-six millions, but by only seven millions in 1881. The fiscal year 1883, however, showed the heavy balance of thirty-four millions against this country. Apparently, the value of our imports since the confederation year has exceeded those of our exports by some \$330,000,000. But in this adverse balance, as some call it, there is no cause for alarm. It undoubtedly means that we have borrowed large sums abroad, on which we are pay-

ing interest in the form of exports. The advantageous nature of the transaction depends entirely upon the use we have made of the money borrowed; whether its employment represents loss or gain, direct or indirect. There is no reason for doubt that most of it has been well invested, and that the country is the richer for the loans on which we are paying interest in a form which produces the so-called adverse balance of trade.

Taking the exports first, let us see what they consisted of. The *Blue Book* divides them into six classes, as per table below. We have added another column giving Canadian exports for the previous year. These figures include our home products alone. American goods (to the value of \$9,751,773 in 1883 and \$ last year) being excluded, as also are coin and bullion and the amount estimated short returned:

	1884.	1883.
The Mine	\$ 3,247,092	\$ 2,970,886
" Fisheries.....	8,591,654	8,809,118
" Forest	25,811,157	25,370,726
Animals, &c.	22,946,108	20,284,343
Field products ...	12,397,843	22,818,510
Manufactures ...	3,577,535	3,503,220
Miscellaneous ...	560,690	528,895
	\$77,132,079	\$84,205,707

The countries with which our trade was done are as in the subjoined list, Great Britain and the United States being of course our best customers. The figures show aggregate trade, outwards and inwards:

	Value exports.	Entered for consumption.
1884.		
Great Britain.....	\$43,736,227	\$43,418,015
United States ...	38,840,540	50,492,826
West Indies	3,119,569	3,606,917
Newfoundland ...	1,920,450	780,670
South America ...	1,277,383	1,478,988
Australia	502,181	
France	390,955	1,769,849
Belgium	287,378	469,150
Italy	247,151	75,348
Germany.....	195,575	1,975,771
Portugal	172,252	67,983
Spain	144,092	504,477
China and Japan ..	60,979	1,909,562
Holland	15,500	318,477
Switzerland.....		242,380
Other countries...	496,264	1,080,231
	\$91,406,496	\$108,180,644

It is interesting to see what proportion of our imports entered for consumption comes from the chief countries. We compare several recent years:

	1876.	1882.	1883.	1884.
Imports. per ct.				
G. B.	43.01	44.91	42.28	45.68
U. S.....	48.64	42.86	45.51	42.79
W.I. & S.A.	2.11	4.79	4.74	4.32
Other.....	6.24	7.44	7.47	7.21
	100.00	100.00	100.00	100.00

As to exports, the relative share which we sent to Great Britain is a shade over that of 1883; we sent rather less to the United States, while the shipments to the West Indies and to South American countries were increased, both relatively and absolutely, as the following comparison shows:

	Exports. 1876.	1882.	1883.	1884.
	per ct.	per ct.	per ct.	per ct.
G. B.	53.42	44.33	48.06	48.58
U. S.....	37.39	46.94	42.48	41.08
W.I. & S.A.	5.38	3.85	4.70	5.65
Other.....	3.81	4.88	4.76	4.69
	100.00	100.00	100.00	100.00

It was remarked last year that our trade

with countries other than Great Britain and the United States was for several years up to that date, growing, the proportion being, 10.09 per cent. in 1881; 10.48 per cent. in 1882; and 10.89 per cent. in 1883. It appears to have fallen to 8.84 per cent. last year. Adding imports and exports together we find that 43.66 per cent. of our total trade was done with the mother country, 44.76 per cent. with the United States, 4.75 per cent. with the West Indies and South America, leaving 6.83 per cent. done with other countries, the principal of which were Newfoundland, Germany, France, China and Japan, Belgium and Spain.

THE FEDERAL FINANCES.

A turn in the tide has come. From 1877-8 to 1882-3 there was a rapid rise in the revenue receipts, increasing from \$22,517,382.14 to \$35,794,649.80. With this latter figure the high water mark of the financial cycle was reached. And then commenced the decline which in one year reached over four millions of dollars:—

	Receipts.	Expenditure.
1877-8.....	\$22,375,011 88	\$23,503,158 25
1878-9.....	22,517,382 14	24,555,381 50
1879-80 ...	23,307,406 68	24,850,364 45
1880-1.....	29,735,297 54	25,503,554 42
1881-2.....	33,383,455 52	27,067,013 58
1882-3.....	35,794,649 80	28,730,157 45
1883-4.....	31,861,961 73	31,017,706 25

The chief increase was in the Customs' revenue, which rose from \$12,782,824.35 in 1877-8 to over twenty-three millions (\$23,009,582.48) in 1882-3. The principal decline was also in the customs, the receipts from which last year fell to \$20,023,890.14. In seven years the customs duties went very near to double.

If the object of a tariff be to produce as nearly as possible the amount of revenue required to meet current expenditure, that of Sir Leonard Tilley sinned on the side of excess. The surpluses which have been repeated several times, are not justified by the public requirements. It is a poor excuse to say of them that they are less objectionable than the deficits by which they were preceded, for though this is true it is not the less true that neither the deficits nor the surpluses ought to have been allowed to go on without correction. The tariff when proposed was an experiment; it was impossible to say what it would produce, but when it was found to produce far too much, the corrective ought to have been applied and the financial equilibrium restored. This is even more true of the previous deficits; their repetition ought to have been timely checked by an increase of revenue. It is mere child's play to pretend that the increase of taxes has not added in an equal degree to the public burdens; that domestic competition has so cheapened the protected articles as to compensate for the duties. Cottons have been abnormally cheap, for more than a year; but this cheapness is not a compensation for the general increase in the taxes. An increase in the Customs duties is seldom the full measure of the increase of ultimate cost; for by raising the tariff the pressure of foreign competition is reduced; domestic competition being within a narrower circle can never equal [that which the high duties