

TRADE DEVELOPMENTS DURING 1908.

Foreign Commerce of Canada, the United States and the United Kingdom, during a Year of world-wide Commercial Recession.

Reference was made a week ago to the preliminary statement as to Canada's foreign trade for December. Now that these figures are to hand, it is possible to make some comparison with the year-end statistics—issued a full fortnight earlier—relating to the trade of the United States and Great Britain. Returns from most other leading commercial countries are not yet available for later than the first ten months of 1908. But a summary table, compiled by the British Board of Trade, has been published showing total imports and exports of merchandise for corresponding ten-month periods of 1906, 1907 and 1908. The compilation makes clear that a marked trade expansion was general in 1907, and that the reaction was no less widespread during the greater part of 1908.

Somewhat detailed attention may well be given to the past year's trade outcome in the cases of Canada, the United Kingdom and the United States. THE CHRONICLE's compilation of comparative ratios on the opposite page serves to give some indication of relative trends experienced by the Dominion, by its chief customer and by its leading purveyor respectively.

Canada's Decrease in Imports now Moderating.

Beginning at home, it will be noted that imports of merchandise for consumption in Canada amounted in value to about \$282,320,000—a decrease of practically 23 per cent. from the 1907 record, and of about 9 1-2 per cent. from the 1906 total. It is interesting to note that the falling off in 1908 was relatively about the same in the two classes of dutiable and non-dutiable goods. Their respective totals, for 1908, of about \$172,750,000 and \$109,500,000 were each some 23 per cent. less than the corresponding 1907 showings. Apparently, curtailment in importation of raw materials and of manufactures went *pari passu*. As to domestic exports, the total of \$247,630,000 showed an increase of 4 per cent. over the preceding year's total, and of 3.7 per cent. over the high-mark export record of 1906.

The Dominion's foreign trade development during the past year may be traced by comparing each month's figures with those corresponding in 1907. Imports, it will be noted from the accompanying table, fell off in accelerated manner for some months—there being little sign of moderating the curtailment until in September and October. These months' imports were evidently called for by a general restocking of merchants' depleted shelves—as a result of assured crop returns. This accomplished, buying fell off again in November. December, however, showed imports only 8 per cent. less than the final month of 1907, and 13 1-2 per cent. greater than December 1906. It is to be noted, however, as modifying this appearance of rather marked year-end recovery, that November imports in 1906 were remarkably large and those of December correspondingly smaller than usual. If November and December be taken together in each of the three years, the two-month showing in 1908 is about 17 3-4 per cent. less than that of

1907, and about 16 per cent. less than of 1906—indicating, however, a very material recovery from the mid-summer decline of more than 33 1-3 per cent. from the 1907 showing.

How the Dominion's Exports Increased during 1908.

The monthly ratios relating to the Dominion's domestic exports show a greatly increased output in the early months of the year, as compared with the corresponding period of 1907. This was due largely to the tendency—after any acute trade disturbance—towards realizing quickly upon goods in hand; the falling off in exports during the middle months of the year substantiates this view. But, beginning with October, a healthy increase began—caused in the nature of things by a good harvest at home and needy grain markets abroad. Supply and demand both favoured Canada as an agricultural country, during the closing months of 1908. So much so that the final quarter of the year showed increases of about 23 1-2 per cent. and 13 1-2 per cent. respectively over the corresponding periods of 1907 and 1906. As to classes of exports, agricultural products naturally showed the chief increase—the 1908 total being well on to \$76,000,000, as compared with something over \$57,000,000 in 1907. Manufactures, it may surprise many to learn, increased by over one million dollars to a total approaching \$29,000,000. Evidently Canadian manufacturers were not caught napping, having been able by special effort and inducements to increase their sales in foreign markets during months of slackened demand at home and abroad. Forest products showed the most notable falling off, the 1908 total of \$38,500,000 being more than \$6,750,000 less than that of the previous year.

United States Exports and Imports both Decreased.

Coming to the United States, it will be noted that the falling off in imports was more immediately violent than was the case with Canada. That United States ratios for the later months of the year at first glance seem to show more trade recovery than Canada's, is misleading. The circumstance is, of course, due partly to the autumn trade "spurt" attempted by methods more or less of the "whoop-whoop-hurrah" order. But the divergence between Canadian and United States ratios is due chiefly to this: that in November and December, 1907, our neighbour's import trade had fallen off most sharply, while Canada's import trade for those two months combined was greater than in 1906. So that, while December imports in the United States showed an increase of 21 1-2 per cent. over the month's showing in 1907, they were actually 16 3-4 per cent. less than the 1906 December total.

Exports from the United States were accelerated during January and February of last year, but gains changed to decreases in March. With the exception of September—when quickly shipped crops swelled the total—every succeeding month of 1908 showed a decrease from 1907. Cotton, and other raw products of the United States entering into the world's manufactures, did not find the demand which continued for the bulk of Canada's staple products. Food, rather than clothes or houses, is the world's first concern in times of general depression. Thus it was that Canada suffered considerably in the one line of forest products.