Published Every Friday
by
The Monetary Times
Printing Company
of Canada, Limited

Publishers also of
"The Canadian Engineer"

Monetary Times
Trade Review and Insurance Chronicle
of Canada

Established 1867 — Old as Confederation

JAS. J. SALMOND
President and General Manager

FRED. W. FIELD
Editor

A. E. JENNINGS
Assistant General Manager

How Can We Maintain Trade?

PROBLEMS *of Our Export Business—Work for Individual Manufacturers —United States Has 30 Per Cent. of the World's Import Trade and Canada 6 Per Cent.—Manufacturers May Find Assistance in Co-operation—We Shall Be Seeking Business After the War and Will Meet Strong Competition.*

By WILLIAM LEWIS EDMONDS

THAT the greatness of a nation industrially depends upon the development of its export as well as that of its home trade the facts of history amply prove.

First in importance as the home market undoubtedly is to manufacturers and producers generally, taking as it does in normal times approximately 80 per cent. of the merchandise the country produces, yet the industrial development of the Dominion would be seriously handicapped were it not for its export trade.

During the last three years, owing to the conditions created by the war, the export trade of the Dominion has assumed an importance immeasurably greater than at any time in the history of the country. The year the war broke out the value of the total exports was $478,997,928. During the last fiscal year it reached the enormous sum of $1,375,758,148, an increase of $896,760,220, or 187 per cent. But great and all as this increase was, its chief importance lies in the fact that it came at a time when it was urgently needed. Had it not come when it did the financial and commercial life of the country would to-day be in anything but the prosperous condition it is. It undoubtedly tided us over what threatened in the fall of 1914 to be a serious crisis in our history.

And now that the export trade has tided us over one crisis much thought is being given to its potency in the future development of the industrial life of the country, and particularly during the period of adjustment that must inevitably follow the close of hostilities.

That to a certain extent the development which has taken place in the export trade of the Dominion will be maintained, there can scarcely be any doubt. Where there is a doubt, it is in regard to the extent the development will be maintained. Had the expansion, enormous and all as it is, taken place under normal conditions, there would, in all probability, be less concern than there is at present concerning the future of the trade. But, unfortunately, the conditions were not normal. On the contrary, they were decidedly abnormal.

Notwithstanding, however, the fact that the expansion of the export trade during the last three years took place under abnormal conditions, it is imperatively necessary that when normal conditions again prevail, it should be maintained on a scale as closely approximating to that of to-day as is possible.

And that which makes it particularly necessary that it should be so maintained, is the fact that although our export trade since the outbreak of the war has increased to the extent of 187 per cent., the national debt of the country will, by the end of the present fiscal year, have increased by practically the same percentage, if the estimate of the minister of finance proves to be correct,

That in turn will mean an enormous increase in the interest charges which we shall be compelled to pay annually on our foreign indebtedness. Prior to the outbreak of the war our annual interest charges on public and private borrowings were estimated to be from $135,000,000 to $140,000,000. Some months ago, according to estimates made by both Sir Thomas White and Sir Frederick Williams-Taylor, it had reached $180,000,000.

Provided we can maintain our export trade at its present high standard, or at any rate maintain it at its present relative proportion to the import trade, thereby preserving the average favorable trade balance of the last two years, there will be no need for uneasiness, particularly in view of the fact that the annual combined productive value of the farms, factories, forests, fisheries and mines has reached a sum in excess of three billions of dollars.

That it will be no easy matter to maintain in the time of peace the increase which has been experienced in the export trade during the past three years of the war may be taken for granted, particularly when the fact is taken into account that of its total $284,474,137, or over 20 per cent. of the whole, consisted of munitions, arms and explosives. But while it may not be an easy matter to maintain the export trade at its present value, or even at its present proportion to the import trade, it is not an impossible task. At any rate it does not seem as impossible as three years ago it would have been deemed possible to increase it by 187 per cent. in that period. On the eve of the day that saw the outbreak of the war it was a decrease rather than an increase that most people anticipated.

One thing is certain: The market will be there. For of the aggregate approximate twenty billion dollar import trade of the countries of the world, only about 6 per cent. is supplied by the exporters of the Dominion compared with about 30 per cent. by the United States.

Of the total export trade of $1,375,758,148 during the last fiscal year $756,071,077 was with the United Kingdom, $486,870,690 with the United States, and $132,816,381 with all other countries.

It naturally follows that in order to maintain this trade when peace again obtains it will be necessary to increase it in ordinary commodities to an extent sufficient to cover the inevitable loss which will take place when the export demand for munitions and other war material ceases to exist. It is when that period arrives the real test will come.

Under the conditions obtaining during the last three years it has been a comparatively easy matter to carry on the export trade, owing to the fact that buyers abroad have sought our various products to an extent unparalleled in our experience. When peace, with its normal trade conditions again obtains the order will be reversed. We shall be seeking their business, and in the seeking of it will have to meet the competition of other exporting countries. When that time arrives the manufacturers and producers generally will be in a much better position than they were in ante-bellum days