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## THE DIRECTION OF CANADIAN TRADE.

Great Britain still continues to be the country with which we have a larger volume of trade than with any other. Our transactions with her, in exports and imports, amounted to \$81,139,708, in 1877. But this trade with the mother country is declining both relatively and absolutely, as the following figures show:—

Year.	Amount.
1873 .....	\$107,266,624
1874 .....	108,083,642
1875 .....	100,379,969
1876 .....	83,474,320
1877 .....	81,139,708

During the same period, the fluctuations of our trade with the United States ran in similar groove:—

Year.	Amount.
1873 .....	\$89,808,204
1874 .....	90,524,060
1875 .....	80,717,803
1876 .....	75,986,909
1877 .....	77,087,914

The great bulk of our trade is with those two countries. The aggregate amount with all countries, in 1877, was \$172,175,876, of which, over \$158,000,000 was with Great Britain and the United States.

When we come to the exports and imports, we see with great distinctness the course which our trade with these two countries is taking. Our exports to Great Britain continue to increase, while our imports thence are declining. Precisely the reverse of this is true of our trade with the States. During the last five years, our exports to Great Britain were:—

Year.	Amount.
1873 .....	\$38,743,848
1874 .....	45,003,882
1875 .....	40,032,902
1876 .....	40,723,477
1877 .....	41,567,469

This must, on the whole, be considered a satisfactory state of trade. Our imports from Great Britain have in the same period, declined from \$68,522,776 to \$39,572,239, and were, in the intermediate years, 1874, 1875, and 1876, respectively, \$63,076,437, \$60,347,067, \$40,734,260. While our exports to Great Britain have rather a tendency to increase, our imports thence are

undergoing a progressive decline of very great amount.

The course of our trade with the United States is exactly the reverse of this. Our exports thither, which amounted to \$42,072,526 in 1873, had sunk to \$25,775,246, in 1877. In the intermediate years the amounts were, in 1874, \$36,244,311. 1875, \$29,911,938, and in 1876, \$31,933,459. This decline is sufficiently systematic and regular to make it referable to a condition of things which must be accepted as settled and likely to continue. But while the States are becoming worse customers to us, we are as regularly become better customers to them. In 1873, we bought from them to the amount of \$47,735,678, and in 1877, the figure had risen to \$51,312,669, the intermediate years showing respectively, 1874, \$54,283,072; 1875, \$50,805,820; 1876, \$46,070,033. This is a well maintained trade; and one which the United States cannot but consider satisfactory. It is impossible to escape the conclusion that while their products are increasingly adapted to our wants, ours are in decreasing demand among them. The currents of our import trade are changing to the detriment of Great Britain and the advantage of the States. The latter are our nearest neighbours, and the faces of their travellers are often seen here. English commercial travellers are much less frequent in their visits. This may have something to do with the change. But the true explanation is that the Americans are, year by year, showing themselves better able to compete with England in foreign markets. Canada may be, and no doubt is, what is called a sacrifice market for the Americans, to some extent; but it is contrary to reason and what we know of human nature to believe that the bulk of the American export trade to Canada for any long period of successive years, represents a loss to the exporters. There must be in this trade, a certain average of profit. Surplus stocks may sometimes have to be sold at a sacrifice somewhere; if they are sold at a reduction at home, the principal market on which the manufacturer depends is injured, and it is difficult to escape a general decline of prices in the line on which the reduction took place. But if they are sold abroad, at less than cost, no injurious effect is produced on the home, which in this case is the principal market.

Occasionally goods are sent from one country to another and sold at low rates, with the view of keeping down rival manufactures; an operation which may be called industrial war, and to which the ordinary rules of trade can never be made to apply. It has been too much the custom of one country to try to cripple the rival manu-

factures of another. When the manufacturers of Holland were to some extent dependent on England for a supply of wool, the crooked wisdom of English legislation resolved to cut off or limit the supply by means of export duties. In the infancy of American manufactures, no complaint was so common as that the States were being made a sacrifice market for English goods. Now we hear in Canada the same complaint made against the States. The American manufacturers used to add an argument which cannot be used here. Their independence, it was pretended, was, in this way, threatened by the nation from which they had won it in the field; and whatever truth there might be in the allegation, it told with wonderful effect. In all such cases, there is a mixture of truth and exaggeration. It is the fate of all young manufactures to have to struggle for existence, and their permanent growth is sometimes due to a little timely and judicious encouragement by the State.

The comparatively limited distribution of our export trade—so large a proportion of it being confined to two countries—suggests possibilities of expansion in other directions. It will be seen by the following table of the value of our exports to different countries that, besides Great Britain and the United States, there are only two countries to which we sent respectively two million dollars worth of goods, in 1877:—

Great Britain .....	\$41,527,290
United States .....	22,919,179
Newfoundland .....	2,112,106
British West Indies .....	2,194,649
Spanish West Indies .....	1,284,375
French West Indies .....	160,212
Danish West Indies .....	69,633
Dutch West Indies .....	2,723
Hayti .....	77,266
British Guiana .....	199,258
Mexico .....	11,809
South America .....	639,816
St. Pierre et Miquelon .....	160,875
France .....	319,330
Germany .....	34,324
Spain .....	62,659
Portugal .....	129,960
Italy .....	213,692
Belgium .....	66,912
Holland .....	94,303
Denmark .....	14,760
Norway .....	308,792
Sweden .....	34,907
China .....	37,149
Madeira .....	25,047
Gibraltar .....	4,943
Canary Islands .....	8,043
Azores .....	2,793
Africa .....	23,170
British East Indies .....	9,049
Australia .....	185,610
New Zealand .....	3,164
Sandwich Islands .....	11,232
Labrador .....	26,958
Coin and Bullion to Great Britain..	40,179
" " " United States..	690,400
" " " St. Pierre et Miquelon .....	3,160
Estimated amount short returned at Inland Ports .....	2,165,666
Total .....	\$75,875,393