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CHEAP ! STYLISH ! GOODS.

Wyld & Darling Bros.,
TORONTO.

THE MONETARY TIMES,
AND TRADE REVIEW.

TORONTO, CAN., FRIDAY MAR. 16, 1877

THE SHIFTING CURRENTS OF COMMERCE.

The fact that our import trade with the United States has become more extensive than with any other country naturally gives rise to reflections upon the causes which control the currents of commerce, and suggests the enquiry whether those causes are exceptional and likely to pass away, or normal, and likely to continue in operation. The figures present great fluctuations and leave room for a wide margin of speculation. The imports into Canada from these two countries for the last four years show a relatively steady gain in the importation of American products of all kinds:

From Great Britain.	From the United States.
1873.....\$68,522,776	\$47,735,678
1874..... 63,076,437	54,283,437
1875..... 60,347,067	50,805,820
1876..... 40,734,260	46,070,033

The value of the imports from England fell, in these four years, from \$68,522,776, the highest point, which was reached in 1873, to \$40,734,260, in 1876. The imports from the States have been much steadier; the difference between the highest and the lowest point reached in those four years having been only that between \$54,283,437 and \$46,070,033. The highest figure was reached a year after the maximum importation of English goods; and the two succeeding years have, as in the case of English goods, shown a progressive decline; but the decline in the English is so much greater than in the American that the ag-

gregate amount of the imports from the latter country, in the single year of 1876, was greater by \$5,335,773 than the total imports from Great Britain. The decline in imports from Great Britain is over forty per cent.; in those from the United States a little over eight per cent. The smaller decline is, comparatively, a gain, and a gain so great that the total imports from the States, in the fourth year, exceed those from Great Britain.

Is this change in the currents of trade due to causes which are likely to continue? May we expect that henceforth the imports from the States will exceed those from England? We think some of the causes are permanent, and that, in the long run, our trade will be permanently greater with our nearest neighbour than with the mother country, though occasional exceptions to this rule may occur in the near future. Along a frontier so extended as that between Canada and the United States—3,333 miles—the law of convenience must often control the local trade at various points. The points of production and of consumption, on the two sides of the line, are often brought near together; and the result is that each country is importing at one point the same products which it is exporting at another. The increase of settlements on the extended frontier is likely to increase this species of trade.

The accident of proximity tells in favour of an extension of trade with the States, especially the import trade. A telegram conveys an order for American manufactures, and in a few days the goods are delivered. This facility of obtaining goods prevents the necessity of keeping large stocks on hand; and it bears a very close analogy to the facilities afforded to country merchants living within easy reach of a great distributing point in the same country. Much less quantities can be ordered from the States than it would be worth while to send to England for. American manufacturers are more elastic in adapting themselves to local wants than the English. Year by year they are perfecting their productions and becoming better able to compete with rivals from other countries; and in some cases an indisputable superiority leaves them practically without competition. In some goods the English are still so far their superiors that it is difficult to say what time may elapse before the Americans will be their equals. But the general law of American manufactures is, with some exceptions, improvement, and adaptation to local wants. These improvements make their products more and more worth buying, and form one of the explanations of the increase of our trade with the States.

It may sound very well in theory to say that Americans will not sell goods cheaper in Canada than in their own country, but the fact is otherwise, and the reason is well understood. The manufacturers of particular classes of goods agree upon certain prices at which they will all sell; but this agreement is confined to their own country, and any one of them who finds a surplus stock on his hands is at liberty to sell them in the Canadian market for whatever he can get. It is no uncommon thing for American manufactured goods to be sold cheaper in Canada than in the country of production; and the low price is an important element in securing the Canadian trade against all competition. The Americans take much more trouble to obtain this trade than the English do. Their travellers are to be found everywhere, whereas an English commercial traveller is rarely seen; and the former bring with them samples of the goods they have to sell, instead of pattern books. Men prefer to see the samples rather than pictures of them, and many goods are purchased on solicitation which would not be purchased, at the time, without it. The Americans can afford to sell some classes of goods comparatively cheap because they are sold only at what is considered equivalent to cash, thirty days credit; and they lose very little by the insolvency of Canadian traders.

Though too much stress need not be laid upon an unfavourable balance of trade with a single country, it can hardly be deemed a satisfactory condition of things that the Americans are now taking from us only about half as much as we take from them. In neither of the last two years did our exports to the States equal \$30,000,000. The one-sided character of this trade is partly due to the fact that both countries are, to a great extent, producers of the same descriptions of raw produce, and that of many of the products we have to sell the Americans grow enough for their own needs. But this is only a part of the explanation. The high American tariff restricts the importation of Canadian products. Legislation, on one side and the other, may effect the course of trade between the two countries in the future, to an extent that may greatly alter the results of any estimate which it is now possible to form.

The large proportionate augmentation in our trade with the States makes American commercial legislation a matter of increasing interest to us. Whether the policy of that legislation agrees with our ideas or not we cannot ignore it, and in some conceivable circumstances it may become sound policy to respond to it in the way of self-protection. There is such a thing as