

Trade Figures Explain Exchange Rates

DURING the year ended March 31st, 1919, Canada exported \$531,920,977 of goods to the United Kingdom and received in exchange goods to a value of \$73,024,016. Even after allowance is made for annual interest payments due to Great Britain and for shipping revenue most of which accrues to British vessels, there is still a very large balance in favor of Canada and this is the principal reason why sterling exchange continues to be quoted at a substantial discount in Canada.

An examination of similar figures for the United States and Canada shows a reverse situation. Our exports to the United States for the year totalled \$454,923,170, and our imports were, \$746,937,509. There is also to be considered the fact that we owe a substantial sum annually on account of United States investments in Canada, which would make

the adverse balance still greater. Canadian exchange continues, therefore, at a discount in New York, and Canadians who want to make payments in New York, just at present, have to pay a premium of almost three per cent.

The connection of trade with foreign exchange is pretty well understood. If commodities of exactly the same aggregate are exchanged between two countries during any one year there is obviously no adjustment required. Where one country owes another certain amounts annually as interest on capital its exports must exceed its imports by that amount. There are other adjustments to be considered such as, who pays the transportation charges, the course of tourist traffic, etc., and after all these entries are made the balance must be adjusted by gold shipments or by borrowings. The shipment of gold entails a considerable expense and it is

TRADE OF CANADA WITH UNITED KINGDOM BY MONTHS.

IMPORTS FOR CONSUMPTION OF MERCHANDISE FROM UNITED KINGDOM.

Months	1915-16	1916-17	1917-18	1918-19
	\$	\$	\$	\$
April.....	4,829,105	6,953,307	6,754,791	5,351,736
May.....	5,297,150	10,015,047	8,028,763	4,148,969
June.....	5,693,544	9,170,364	8,486,607	4,697,220
July.....	6,307,797	9,463,316	6,901,711	7,012,066
August.....	6,315,225	9,699,705	8,008,713	6,576,426
September.....	5,902,915	8,818,520	6,368,729	6,059,350
October.....	5,688,293	8,506,096	7,120,227	6,178,292
November.....	7,338,718	8,462,892	6,528,930	7,878,788
December.....	6,243,327	8,112,981	5,069,304	6,941,634
January.....	7,327,255	9,455,133	5,704,626	6,709,200
February.....	6,978,123	8,139,966	4,655,584	5,578,674
March.....	9,449,230	10,273,854	7,674,418	5,891,661
Totals, Fiscal Years..	77,370,682	107,071,181	81,302,403	73,024,016

TRADE OF CANADA WITH UNITED STATES BY MONTHS.

IMPORTS FOR CONSUMPTION OF MERCHANDISE FROM UNITED STATES.

Months	1915-16	1916-17	1917-18	1918-19
	\$	\$	\$	\$
April.....	20,059,097	38,283,790	74,611,244	66,876,922
May.....	24,683,167	52,543,423	91,332,166	78,196,780
June.....	25,412,590	50,754,009	82,035,868	70,428,026
July.....	25,989,742	48,370,692	76,164,433	68,492,152
August.....	28,255,575	56,433,525	75,034,983	64,353,711
September.....	26,986,214	53,345,945	61,040,349	58,005,852
October.....	28,381,750	56,081,018	62,556,763	59,081,635
November.....	32,419,421	58,496,757	59,372,483	56,683,539
December.....	34,449,039	53,917,608	50,745,419	57,011,028
January.....	37,337,914	57,847,927	47,460,270	59,379,127
February.....	38,945,968	53,517,508	41,137,623	51,972,972
March.....	47,577,390	84,627,451	70,414,526	56,455,765
Totals, Fiscal Years..	370,497,867	664,219,653	791,906,127	746,937,509

EXPORTS OF CANADIAN MERCHANDISE TO UNITED KINGDOM

Months	1915-16	1916-17	1917-18	1918-19
	\$	\$	\$	\$
April.....	18,192,655	35,847,117	35,322,810	34,880,337
May.....	24,643,519	62,310,274	67,122,849	24,289,746
June.....	21,783,968	61,850,279	50,778,218	54,578,968
July.....	22,739,381	71,317,030	108,669,391	47,044,198
August.....	17,925,332	59,153,587	88,831,407	32,238,081
September.....	22,189,301	55,804,371	46,404,616	71,287,876
October.....	45,765,452	47,171,629	78,148,129	59,373,357
November.....	59,584,272	70,141,525	116,888,719	52,029,287
December.....	66,405,670	93,348,306	96,837,834	36,122,427
January.....	59,236,993	65,987,895	57,765,519	55,985,436
February.....	34,445,583	42,590,593	51,263,269	31,012,620
March.....	58,940,273	76,624,981	47,947,808	33,078,644
Totals, Fiscal Years..	451,852,399	742,147,537	845,480,069	531,920,977

EXPORTS OF CANADIAN MERCHANDISE TO UNITED STATES

Months.	1915-16	1916-17	1917-18	1918-19
	\$	\$	\$	\$
April.....	7,951,610	12,791,903	17,860,126	26,459,118
May.....	12,256,886	22,871,262	50,805,672	36,784,057
June.....	13,914,300	21,729,722	48,536,527	39,834,229
July.....	16,589,893	23,458,183	34,539,868	42,711,990
August.....	16,290,685	23,987,082	34,278,837	41,832,636
September.....	18,410,017	22,814,216	36,718,471	38,170,502
October.....	24,140,559	26,336,639	38,398,107	41,762,241
November.....	22,540,375	29,008,668	36,457,580	44,520,058
December.....	18,448,862	27,363,888	33,629,332	34,569,031
January.....	15,200,296	22,026,268	26,681,092	38,836,250
February.....	15,315,328	16,826,311	22,795,703	32,357,038
March.....	20,047,677	31,402,188	37,111,492	37,086,020
Totals, Fiscal Years..	201,106,488	280,616,330	417,812,807	454,923,170

EXPORTS OF FOREIGN MERCHANDISE TO UNITED KINGDOM.

Months	1915-16	1916-17	1917-18	1918-19
	\$	\$	\$	\$
April.....	42,153	280,260	1,017,694	5,548
May.....	186,497	313,643	773,540	536,012
June.....	2,060,035	1,135,051	1,304,400	514,149
July.....	1,121,625	611,253	552,648	585,769
August.....	2,125,681	1,425,947	3,470,196	2,835,851
September.....	3,908,253	810,545	77,536	2,260,143
October.....	592,942	961,527	1,241,873	5,160,522
November.....	145,768	1,330,290	3,879,006	2,586,792
December.....	353,252	1,595,448	575,457	551,676
January.....	416,103	1,498,945	1,264,140	3,889,135
February.....	69,803	2,005,942	417,885	420,808
March.....	206,730	1,954,671	1,018,955	741,734
Totals, Fiscal Years..	11,228,842	13,923,522	15,593,330	20,088,139

EXPORTS OF FOREIGN MERCHANDISE TO UNITED STATES.

Months	1915-16	1916-17	1917-18	1918-19
	\$	\$	\$	\$
April.....	2,523,936	498,847	692,672	852,686
May.....	804,121	694,465	1,698,249	1,596,763
June.....	565,292	685,806	1,642,247	1,535,504
July.....	1,388,725	706,075	1,779,090	1,134,503
August.....	4,562,614	739,633	2,235,705	1,215,444
September.....	1,118,379	1,181,862	2,252,042	1,168,267
October.....	1,022,692	977,307	2,196,161	1,398,148
November.....	723,051	848,179	2,764,908	1,476,746
December.....	842,645	848,628	1,290,956	2,391,339
January.....	510,587	895,969	2,712,528	2,654,879
February.....	702,873	1,123,182	2,792,886	5,861,320
March.....	734,376			
Totals, Fiscal Years..	15,562,774	9,962,443	23,578,113	22,822,489