

part, or perhaps altogether, an addition to the bank's reserves.

Of course, it is to be remembered that the comparisons made on p. 335 do not show, altogether, the differences in actual earning power. Many things, not known to the public, would have to be taken into account before that can be arrived at. Such things as the character of the management, its ability and honesty, its temperament (whether optimistic or pessimistic in providing for doubtful debts, etc.), have a large effect in determining what results shall be shown each year.



WORLD TRADE OF CANADA: I. WITHIN THE EMPIRE

A table was published and commented upon in THE CHRONICLE of last week showing the development of Canada's trade with Great Britain and the United States during the past generation or so. It was shown that the total imports from Great Britain during the years 1873 to 1906 were \$1,534,054,000 and exports \$2,249,320,000; that imports from the United States were \$2,384,322,000 and exports \$1,573,331,000. So that during about one generation of the Dominion's progress the excess of the country's exports to Great Britain over imports has been more than \$700,000,000, while on the other hand this country's excess of imports from the States over exports has been over \$800,000,000. As a customer Great Britain has, therefore, been becoming more and more important to Canada as compared with the United States—the extreme protective tariff of the latter country restricting to a large degree its natural demand for the products of the Dominion.

Without subscribing to the so-called "mercantile" economics, and making a constant bugaboo of a trade balance that shows any excess of imports over exports, it is nevertheless natural that those concerned in Canada's progress should look less to its foreign purveyors than to its customers whether active, incipient or as yet but potential. There is, after all, some degree of truth in the general feeling that imports look pretty much after themselves, if suitable markets for exports are sought with energy and alertness. Profitable return cargoes are generally found somehow, from the country that evinces an active demand for products sent it. Canada's foreign trade for some years to come must in all probability continue to be transacted chiefly with Great Britain and the United States. But, as remarked in our last issue, the time seems not far distant for a notable increase in the proportion of trade with other countries, especially with the Greater Britain of the "Seven Seas," and with the already aroused Orient.

In 1873 Canada sent 46.77 p.c. of its exports to

Great Britain and 42.27 p.c. to the United States—leaving but 10.96 p.c. for all other countries. In 1900 the proportion to all other countries than these two was only 8.74 p.c. During the present century the percentages have been slightly greater, that for 1906 being 10.36 p.c.—practically the same proportion, however, as a third of a century ago. But percentages from the massed figures of former years cannot predict specific trends of trade with countries destined to become most important customers of Canada. That special interest is being aroused regarding sister members of the Empire is evidenced in many ways and the deliberations of the forthcoming Colonial Conference are awaited with more than ordinary expectation. Conditions and prospects of trade with Australia and New Zealand were discussed in the House at Ottawa last week and the Minister of Customs referred to the fact that the exports to these countries during the past fiscal year amounted to \$2,082,219 and \$734,054 respectively. From the table on the opposite page—compiled from returns to the Department of Trade and Commerce—it will be seen that though our exports to New Zealand have been increasing steadily, if not rapidly, there has been no advance in the past five years as regards Australia. Of some interest in this connection was the reference made by the Minister of Customs to the fact that application had been made to the Department of Trade and Commerce, by the Imperial Export Co., Limited, proposing to operate a direct line of steamers between ports in Eastern Canada and Australia and New Zealand, though no action had been taken. Strong practical testimony to the greatly improved Canadian-Australian service recently put into effect by the C.P.R., is found in the action of the Oceanic Line of San Francisco. So strongly felt has been the competition of the Canadian line that one of the best of the Oceanic's boats has been withdrawn from the route during the past fortnight.

Coming to the British West Indies—including Bermuda—we find they received \$1,074,379 of our exports in 1902, and during 1906 this trade increased to \$2,758,416. Exports to other British colonies do not show very marked changes during the five years, except in the case of British Africa; to which part of the Empire special conditions resulted in exports of \$3,842,070 in 1902. During the four succeeding years, the exports are seen to have been in the vicinity of two million dollars, the amount for 1906 being but \$1,759,719. Reference to the accompanying table shows that Canada's exports to the British Empire apart from Great Britain itself, were approximately: \$11,750,000 in 1902; \$10,774,000 in 1903; \$11,300,000 in 1904; \$11,918,000 in 1905; \$11,307,000 in 1906.