

CANADIAN TRADE STORIES—(No. 2) GERMANY.

Unfriendly Interference Caused Canada to Levy Surtax on German Imports—Provisional Trade Agreement Consummated—Better Trade Relations Enjoyed.

By T. Clugston Harrison.

Canada's tariff differences with Germany started in 1898 and it was not until 1903 that the surtax of 33 1/3 per cent. on goods imported from Germany was applied. The beginning of the trade troubles which resulted in the withdrawal of the fleet of steamers plying between the two countries was the granting of a preference to Great Britain. Germany did not like this action and believing her trade would be injured, withdrew from Canada the advantages of what was known as the Conventional Tariff and imposed the maximum tariff on all Canadian imports. Meanwhile the Canadian Government had authorized a special surtax on goods from countries which did not give the Dominion reciprocal trade advantages and this was declared to be applicable to Germany.

The action of the Dominion of imposing the surtax was based upon resentment at Germany's interference with what Canada regarded as a family affair in the adjustment of mutual trade relations between the Mother Country and her colonies. Although Germany had a surtax provision in her tariff laws she refrained from using it towards Canada. For a long time the Dominion Government attempted to obtain a removal of this antagonistic tariff, but without success, and in April 1903, Canada retaliated by placing the surtax of 33 1/3 per cent. on all imported goods from Germany.

Germany Feels Effect of Surtax.

The effect of the surtax was at once noticeable, especially in our import trade with Germany. The following table shows the imports and exports for the past seven years:—

	Imports from Germany.	Exports to Germany.
1903	\$12,127,867	\$2,097,699
1904	8,028,544	1,819,223
1905	6,642,095	1,146,654
1906	7,040,091	1,872,557
*1907	5,483,207	1,066,605
1908	8,250,745	2,374,607
1909	6,001,406	1,476,552
1910	7,958,264	2,501,191

Our total imports from Germany for the fiscal year ending 31st March, 1910, was 2.11 per cent. and the imports and exports 1.54 per cent.

In 1909 two representatives of the German Economic Association of Berlin, an association formed for the strengthening of better trade relations between the two countries, came to Canada. They moved around quietly, interviewing business men, members of the various boards of trade and those interested in German trade. But their efforts met with little success. At that time relations between Germany and Great Britain were somewhat strained, owing to the naval scare, and it was thought that the Mother Country would not be strengthened if the important trade organizations in Canada made approaches to the Germans.

Provisional Trade Agreement Consummated.

In February of this year, a provisional trade agreement was reached between the two countries. Canada agreed to suspend the surtax of one-third on German products entering the Dominion, and in return Germany granted Canada her Conventional minimum tariff rate on twenty-five articles in the German tariff. The principal articles in the agreement included: Wheat, barley and oats; clover and grass seeds; certain fruits, fresh or dried; timber, sawn, and wood for casks; horses; horned cattle and sheep; meat, excluding bacon; lobsters and crayfish; flour of grain, excepting oats; lard, etc.; condensed milk; alimentary and consumable articles of all kinds (except beverages) in air-tight receptacles; certain carbides and wood spirits, crude or refined; leather, partially or entirely dressed; footwear of all kinds; semi-pulp of wood, straw, esparto, etc., for paper manufacture; mill-board (pasteboard); chemical or mechanical woodpulp cardboard.

The question of a general convention for the regulation of tariff was deferred for consideration at a future time, mutually convenient. By the provisional agreement Germany obtained our general tariff, the best terms enjoyed by any country except Great Britain and her colonies and France. In return Canada gets Germany's minimum tariff on twenty-five articles.

Cessation of Tariff War Increases Trade.

The cessation of tariff war and the conclusion of the provisional agreement shows a remarkable effect in the
*For nine months.

exports from Germany to Canada. In the six months from March 1st, they increased 48 per cent. and Canadian exports to Germany 45 per cent. Exports of some kinds of German hardware increased 400 per cent.

The full effect of the abolition of the surtax has become apparent and has affected the volume of American imports especially in Western Canada. During the past few months, Germany has had commissioners active in all parts of the Dominion. The result is the placing of large orders for ornamental brass and copper ware, such as tea-pots, urns, hot water kettles, trays and vases of various designs, certain lines of mechanics' tools, alcohol stoves, and dress goods and velvet, with German manufacturers.

Germany and the United States.

At present negotiations are in progress in Berlin between the German foreign office and Dr. David J. Hill, American Ambassador to Germany and representatives of the American interests which may have an important bearing on the commercial future of trade between the United States and Germany. If an agreement cannot be reached the maximum tariff may be placed on German imports into the United States. This would cause a tariff war and probably be the means of diverting German trade from the United States to Canada.

As an industrial state Germany is making rapid progress. The recent income tax returns show that of Germany's leading millionaires eighteen control as large a proportion of the wealth of the country as did thirty in 1902. The average increase of wealth among 1,000 of the richest men in Prussia has been nearly 2,000,000 marks (\$500,000).

Export and Import Figures.

The following is a list of Canada's chief exports to Germany during 1909-10: Bran, \$499,514; wheat, \$382,438; Indian corn, \$114,567; fish and fish products, \$166,596; furs, \$196,793; agricultural implements, \$461,921; metals and minerals, \$65,829; seeds, \$123,384.

The principal item in the imports from Germany, on which duty was paid: Baskets, \$14,528; labels for fruit, etc., \$24,638; books, \$38,725; buttons, \$55,812; clocks, etc., \$69,817; combs, \$49,142; hosiery, \$354,101; drugs and dyes, \$96,602; earthenware, \$160,462; fancy goods, \$606,258; flour, \$23,659; furs, \$255,569; glass, etc., \$114,937; gloves and mitts, \$193,493; gutta percha, etc., \$40,693; jewellery, \$74,738; leather, etc., \$39,471; cutlery, all kinds, \$186,156; iron and steel, \$492,110; metals and minerals, \$799,389; paintings in oil and water colors, \$116,536; paints and colors, \$70,488; silks, etc., \$147,333; sugar, molasses, etc., \$636,327; wools, etc., \$556,950.

The following were admitted to Canada, duty free, last year: Books, \$14,828; drugs and dyes, \$246,819; furs, undressed, \$704,398; hides and skins, \$282,250; ivory piano keys \$68,423; metals and minerals, \$765,761; paints and colors, \$47,493.

MR. BARRY'S NEW POST.

It becomes increasingly difficult for governments to retain the services of their most competent servants. Real ability and worth are sure to be recognized, and individual merchants or corporate employers will, nowadays, pay, as a rule, more money to a conscientious official for his services than a government department will. This ought not to be. Indeed, the very reverse should prevail. But we chronicle things as we find them.

The announcement is made that Mr. J. V. Barry for ten years Commissioner of Insurance for Michigan, will, on November 15th, resign that post, having been appointed manager of the Bureau of Publicity, Legislation and Departmental Relations, just established by casualty underwriters. This bureau, it is explained, will pursue much the same work which the Association of Life Presidents has been doing, and Mr. Barry will work for and with the Detroit Conference and the two existing associations of accident and surety underwriters. His successor will be Mr. M. O. Rowland, his former deputy.

Mr. Barry has made a valued and valuable official. Possessing common sense and modern business habits, and knowing, from his previous experience, much that Solons behind State-house doors rarely acquire, he has been persona grata to the politician as well as to the underwriter. He has left a clean record, and will do good work in his new sphere.

A tooth insurance company has been organized at Evansville, Ind., by a doctor who proposes to insure teeth for \$1.50 per year, and if a policy-holder loses a tooth in any way Dr. Haas will replace it with a new one. He plans to operate in every state in the Union and possibly in Canada and Mexico.

The General Animals Insurance Company, of Canada, has been registered in Alberta. The capital of the company is \$500,000, and its head office is in Montreal.