

THE EXPORTER'S FIELD

SENATE NOTIONS ON TRADE EXTENSION.

Committee Recommend the Formation of a Trade Bank.

THE SENATE OF CANADA. Special Committee on Conservation of Canadian Trade.

The Honourable Messieurs: Nicholls (chairman), Beaubien, Dandurand, Edwards, Gillmor, McLennan, Richardson, and Watson.

SECOND REPORT.

Committee Room No. 63,
Thursday, July 19, 1917.

The Special Committee appointed to inquire into and report upon the best method or methods of conserving and increasing our domestic and overseas trade to the end that our present prosperity may not unduly suffer when the stimulus resulting from orders for munitions and other war supplies is removed, beg leave to make their Second Report, as follows:—

Your Committee has had under consideration for its first objective the best means of meeting the needs of Canadian trade after the war, with particular reference to

1. Securing orders for overseas trade to replace in part the great volume of orders that during the war have been received for war munitions and supplies.

2. The financing of large overseas contracts.

After due inquiry your Committee are of the opinion that the organization of a trade bank to be known as The Canadian Trade Corporation would best meet the object. In arriving at this conclusion due regard has been paid to the evidence submitted before a Committee appointed by The British Board of Trade "to consider the best means of meeting the needs of British firms after the war." As a result of the report of the British Committee the Government of Great Britain has granted a Royal Charter to a trade bank known as The British Trade Corporation, having for its object amongst others the following:

(a) To afford advice and financial assistance to British commercial and industrial undertakings and generally to further the development of British trade, industry and commerce.

(b) To assist in obtaining orders from abroad for British manufacturers and traders and to grant financial facilities for the execution of such orders.

(c) To acquaint themselves with the conditions of trade and with the business requirements of all countries of the world and to enter into banking arrangements with such countries with colonial and British foreign banks, or where necessary to open up branches in such countries.

(d) To establish, equip and maintain information bureaux in close touch with the Department of Commercial Intelligence of the Board of Trade for furnishing British merchants or manufacturers and the business community generally with reliable data and information upon openings for trade, new contracts, state and other loan and issue proposals, and generally upon all matters relating to foreign trade and business, and to undertake the examination of industrial projects.

(e) To act as an agent for carrying through overseas commercial and financial transactions in which His Majesty's Government may be interested and to receive official recognition and assistance.

Your Committee have after inquiry ascertained that the chartered banks, or some of them, and leading industrial and commercial companies and individuals are willing to favourably consider undertaking the organization and operation of a Canadian corporation somewhat similar to the British organization, and having for its object the conservation and extension of Canadian trade after the war. Your Committee have taken into consideration that the British Trade Corporation, although not directly operated under the control of the British Government, was nevertheless organized directly at the instigation of that Government, which has accorded them certain privileges and extended to them a certain measure of assistance and official recognition.

Your Committee therefore recommend:—

1. That the Senate of Canada forward to The Right Honourable the Prime Minister, Sir Robert Borden, G.C.M.G., a copy of this Second Report of the Special Committee on the Conservation of Canadian Trade, with the request that due regard and consideration be given to the importance and advisability of aiding in such manner as may be deemed prudent

CANADA'S IMPORTS FROM U. S.

Exports to Europe from the United States during May reached a value of \$364,041,800, compared with \$330,487,348 in May, 1916, and during the eleven months ended May amounted to \$3,961,877,316, against only \$2,686,078,458 for the corresponding period of the last fiscal year. With the exception of Asia and Oceania, shipments of merchandise from the United States to all territorial divisions, as determined by the Department of Commerce at Washington in preparing the official trade statistics, recorded gains during the month, and for the longer period the expansion applied to all divisions. The growth of the export trade to Europe was proportionately greater than to any other division except North America, where the increase for the eleven months was almost 75 per cent.

Shipments to Europe during May represented more than 65 per cent. of the total export trade of the United States, which was valued at \$552,795,022. In May, 1916, the proportion of the exports going to Europe was slightly greater, standing at close to 70 per cent. of the trade, valued at \$474,803,637. Since then, however, there has been enormous expansion of the exports from the United States to Canada, part of which is sent to Great Britain and other of her Allies after receipt there, and part of which makes possible the release of Canadian supplies for European use.

EXPORTS TO CANADA INCREASE.

The value of exports to Canada in May last was \$90,985,092, an increase from \$49,535,572 in the preceding year. Exports to North America outside of Canada were valued at only \$38,248,829 in May of this year, and at \$26,059,407 in May, 1916.

It may be pointed out that shipments of merchandise to South America, Asia, Oceania, Africa and North America outside of Canada showed a slight actual increase in May, from \$94,780,717 in 1916 to \$97,668,130. They represented less than 18 per cent. of American exports in May last, as against approximately 20 per cent. a year ago. This indicates that the direction of American exports is more steadily toward the Allies of the United States, which took all but a relatively small amount of the merchandise shipped to Europe.

The tendency will, it is expected, develop even more strongly when the effects of the embargoes on the exportation of the more important commodities shipped from the United States, already declared by the President, make themselves felt. The purpose of the embargoes is explained to be the conservation of supplies needed by the United States for domestic use and the prevention of any leakage of minerals to Germany. There is further in view a restriction of the movement of materials needed for the conduct of the war, so far as practicable, to allied nations. As many such materials form an important share of the shipments from this country to neutrals in all parts of the world, the result will be a redistribution of the trade.

Exports of the United States, distributed according to countries and territorial divisions, for May and the eleven months ended May, 1916 and 1917, are expressed in thousands of dollars in the following table:

AMERICAN EXPORTS.

| | Month of May. | |
|---------------------|--------------------|-------------|
| | 1917. | 1916. |
| Europe | \$364,041 | \$330,487 |
| North America | 129,333 | 75,594 |
| South America | 24,681 | 17,734 |
| Asia | 25,964 | 38,930 |
| Oceania | 6,094 | 9,635 |
| Africa | 2,679 | 2,421 |
| Total | \$552,795 | \$474,803 |
| | 11 mos. ended May. | 1916. |
| Europe | \$3,961,877 | \$2,686,078 |
| North America | 1,028,249 | 658,698 |
| South America | 231,865 | 159,334 |
| Asia | 350,194 | 236,410 |
| Oceania | 97,044 | 91,044 |

and advisable the formation of a Canadian Trade and Banking Corporation which will meet the requirements set forth.

All which is respectfully submitted.

FREDERIC NICHOLLS,
Chairman.

U. S. SHIPS AND EXPORT TRADE.

Of the ocean-borne exports of the United States, valued during May at \$462,674,000, \$81,779,000, or nearly 18 per cent, were carried in American ships. In April, ocean-borne exports were valued at \$457,087,000, American ships carrying slightly less than 15 per cent, while in May of last year exports in American vessels amounted to only \$49,874,000, or not quite 12 per cent of a total trade valued at \$417,448,000. The value of exports transported in foreign bottoms gained only \$13,321,000, or some 3½ per cent, as compared with May, 1916, while the corresponding gain by American vessels was almost 64 per cent.

Part of the increase in the value of exports is due to the rise in prices of materials, but this applies equally to the goods transported by American and foreign vessels. The figures represent a considerable actual gain for tonnage of American registry, and with the shipbuilding programme projected by the Government it is likely that the share of exports handled by American vessels is likely to increase. It may be pointed out that the May figures show an advance over April of close to 18 per cent.

The Government statistics show that during the first eleven months of the last fiscal year the value of exports carried in American ships was \$703,543,020, an increase from \$429,261,918 in the corresponding period of 1915-16, or a gain of 63 per cent, demonstrating that the May advance was not exceptional. On the other hand, exports carried by foreign ships increased 44 per cent in value over that period, rising from \$2,949,672,608 in 1915-16 to \$4,249,279,367 last year. This indicates that the rate of expansion is not being maintained in the case of vessels of foreign registry.

Exports of merchandise in foreign ships were of less value during May than in April in the case of vessels of Belgian, British, Danish, Italian and Spanish registries. Belgian, Dutch and Italian vessels carried merchandise of less value from American ports in May than in May of last year.

| | | |
|--------------|-------------|-------------|
| Africa | 50,794 | 37,229 |
| Total | \$5,720,026 | \$3,868,796 |

U. S. IMPORTS IN MAY.

American imports continued to gain during May, the values generally exceeding those for May, 1916, and for April of this year. An analysis of thirty-five of the principal items of import listed by the Department of Commerce shows that increases were recorded in twenty-two instances, and declines in thirteen, as compared with April, while twelve items showed losses, as compared with May, 1916. The figures for the eleven months ended May indicate that gains were registered by all except seven of these items over the values for the corresponding period of 1915-16.

The articles which showed an increase during May as compared with April were breadstuffs, cocoa, copper manufactures, dyewoods, fertilizers, manufactures of fibers, undressed furs, India rubber, ivory, leather and leather manufacture, meat and dairy products, nickel, oils, platinum, precious stones, seeds, raw silk, sugar, tin, toys, wood and wood manufactures and manufactures of wool. The items which registered declines were animals, art works, chemicals, drugs and dyes, coffee, raw cotton, cotton manufactures, raw fibers, hats, hides and skins, iron and steel manufactures, silk manufactures, spirits and liquors and raw wool.

Compared with May, 1916, imports of animals, coffee, hats, hides and skins, silk manufactures and raw wool were larger, while imports of dyewoods, manufactures of fibers, ivory, nickel and platinum fell off. The seven items which declined during the eleven months were animals, raw cotton, fertilizers, meat and dairy products, platinum, toys and raw wool.

Two features stand out very strongly on the record. Imports of breadstuffs increased from \$2,046,000 in May, 1916, to \$14,122,000 last May, the latter figure comparing with only \$6,037,000 in April. This has particular interest in view of the shortage of wheat and other breadstuffs, and indicates that the United States is buying heavily in foreign markets to make up the deficit in the domestic supply for home and export requirements. Raw silk imports were valued at \$12,786,000 in May of last year, at \$13,289,000 in April, 1917, and at \$20,416,000 in May, 1917, demonstrating the growing importance of this country as a silk manufacturing nation.