the trade balance which is still further assisted by an increase in exports. The policy of more production which is being vigorously prosecuted in Canada, is having some effect, even although a large part of our exports are war materials. At the same time, these exports are opening the way for future trade. Our steel companies, for instance, are at present shipping to Great Britain, France, South Africa and Australia. There are also, for example, the shipments to Russia by two car companies and a locomotive company. A valuable Russian-Canadian trade is likely to develop after the war. Japan is trying to sell toys here in place of those which formerly came from Germany. Canadian flour mills are shipping their products to Europe and to the Far East and elsewhere. The new export trade association, backed by the Canadian Manufacturers' Association, will endeavor to market Canadian goods first in the New Zealand, Australian and Argentina markets, and later in other countries. These are merely a few of many instances of how new trade channels are being cut.

With the immigration to come, placed where it may produce wealth from natural resources, exports should greatly increase. There is ample scope for improvement in practically all branches of the exports of Canadian produce.

The latest monthly trade figures, which are for April, record a gain in total trade of $10,000,000, all in exports. The total trade was $65,000,000 for the month. Exports of manufactured articles totalled $13,000,000 as against $4,000,000 for April of 1914. Exports of merchandise totalled $28,691,000, as against $17,751,000 for April, 1914.

Imports declined, the total being $28,391,000, as against $36,937,000 last year. Duty collected for the month was $5,986,000, as against $6,458,000 for April of 1914, a decrease of nearly a million. Exports of animals and their produce was a feature of the April report. The total exports amounted to $3,312,000, as against $1,860,000 for April, 1914.

Industrial Conditions.

Much is heard here of war orders. They have proved of valuable assistance to the industrial situation. In a recent interview, the chairman of the committee at Montreal which has in hand the supervision of shell and explosive orders for the British government, stated that orders for these had been placed to date in Canada with a value of $154,000,000. *The Monetary Times* has kept as close track of Canadian war orders as the lack of official information and the activities of the press censor at Ottawa have permitted. There seems to be little doubt that the purchases of the British, Russian, French and Canadian governments of war material in this country mean approximately $400,000,000 to Canadian industries. These war orders have covered a large number of industries, including the leather, automobile, iron and steel, lumber, milling and others. Canada has been manufacturing for war purposes everything from buttons to submarines.

Canadian manufacturers, however, know that they cannot depend upon war orders for general prosperity. The value of goods made in Canadian factories in one year should be about $1,400,000,000. That amount would represent Canada's annual output at full speed, or the normal capacity of all our factories. That means an output on the average of $116,000,000 monthly. Assuming that Canada's war orders, including the heavy orders for shrapnel, have totalled $400,000,000—and we think that is approximately the figure—such orders would keep our entire industrial plant busy for about three and a half months. At the same time, these orders are very acceptable, especially as they represent cash payment. They stimulate general business activity.

Canadian manufacturers are cultivating the domestic market and planning a greater export trade. Everything should be done to encourage Canadian purchasing power and that is accomplished chiefly by following the policy of more production. Home demand can always be stimulated to a certain extent, by good quality and proper prices. There is more foreign business offering than Canadian steel companies can take care of, although at present prices are not consistent with the excessive transportation charges. The exports of manufactures during the past fiscal year have shown increases only in animal produce, manufactures, and miscellaneous. The current fiscal year, which will end on March 31st, 1916, should show increases not only in those three divisions but also in the exports from mine, fisheries, forest and agricultural produce.

The slackened domestic demand is a natural result of recent events. Certain factories not employed on war orders are working at only part capacity. These will benefit in due course by economy in operation, the obtention of new markets, and from a policy of well selected immigration which will place men on the land, creating a greater demand for factory goods.

The new tariff, which is naturally a subject for divided opinion, will at least bring into Canada, further branch industries from the United States. A maker of cereal foods in the Southern States, for instance, is finding it difficult to compete in Canada under the new tariff. He is now considering the building of a branch plant in Canada which means the employment of additional capital and labor here. This view is taken by the American consul in Toronto, who states in a recent report that the war tariff "will give a stimulus" to the movement of United States branch factories in Canada.

Agriculture

Good crops this year will put a finishing touch to a lengthy period of economic readjustment. A moderately large harvest, with the present or even higher prices, will strengthen the situation to a wonderful degree. Such conditions will probably put Western Canada in the best shape of its history, especially in regard to the liquidation of debts. Last year was a comparatively poor year for crop yields, although the prices helped to counteract that factor. Despite all, however, Canada grew field crops on 35,102,175 acres, valued by the census and statistics office at $638,580,300, as compared with $552,771,500 in the previous year. Allowing for some of the adverse crop factors, that amount should be considerably increased this year, firstly because of an increased acreage of from 15 to 20 per cent. and exceptionally good crop conditions to date. The first government report tells us that about double the amount of seeding was accomplished this year on April 30 than was completed on May 6 in 1914. Of spring wheat, 55 per cent. of the total was finished in Quebec as against 5 per cent. last year; in Ontario, 73 per cent. against 24 per cent.; in the three western provinces, 93 per cent. was completed in Manitoba, 94 per cent. in Saskatchewan and 91 per cent. in Alberta, these proportions being higher than in any year since 1910. In British Columbia the percentage is 89. For all six pro-