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CANADA'S MAIN STREAMS OF COMMERCE.

Out of every \$20 worth of merchandise bought or sold abroad by Canada last year, \$17 represented trade with either the United Kingdom or the United States. To be more specific, 83.7 per cent. of the merchandise imported for home consumption, and 87.3 per cent. of exported domestic products during the fiscal year 1909, are accounted for by interchanges with these two countries. It has already been noted in these columns how slightly, as yet, this joint proportion has varied from year to year. During the twenty years following Confederation, however, the relative proportions of British and United States trade varied considerably; since 1880, the Motherland has each year taken the larger share of exports, while the United States has led in the supplying of imports.

In 1868, as shown by a table elsewhere in this issue, 88½ p.c. of exports reached the two leading English speaking nations—leaving only 11½ p.c. for other customers. In 1900 the proportion of home produce sent by the Dominion to all other countries than its two chief customers was under 9 p.c. Trade expansion since the beginning of the 20th century has spread somewhat more widely afield, and about 12 p.c. of exports were sent to other than British and United States destinations during the fiscal year 1908, and about 12¾ p.c. in 1909.

In the matter of imports of merchandise for home consumption, 90 p.c. were from the United States and the United Kingdom in 1868; by 1900 purchases from other countries had increased from 10 to about 15 p.c. In 1908 the proportion was still about 15 p.c., the 1909 showing being slightly over 16 p.c. Increase in trade with other parts of the British Empire than the United Kingdom, and with such customers as France, Mexico and Japan, may be expected to bring further increases in these percentages. But the change is not likely to be other than gradual. There seems no reason to doubt that, for many decades at any rate, Canada's trade will be chiefly with Great Britain and the United States.

As to the relative growth of trade with Great Britain and the United States, past developments give no certain clue as to the future's trend. While geographic proximity must always favour commercial relations with the United States, tariff changes may in time come to offset this advantage considerably. Should the recently declared tariff policy of the United States be carried to its logical extreme, the effect might easily be, as the New York Journal of Commerce recently stated, "to set on foot a serious tariff war between the United States and Canada, applying to all commodities and impairing trade to a corresponding extent." But there are already signs that a less extreme stand is to be taken than was threatened. To begin a game of tariff reprisal with a country that buys two dollars' worth of goods from the United States for every dollar's worth it sells them would scarcely seem in keeping with common sense. Any such increase in tariff barriers could not but stimulate Canadian trade within the Empire and with the United Kingdom in particular.

As to tariff relations with Great Britain itself, he would be a bold prophet who ventured to say just what the future will bring about. This much is evident, that preferential trade within the Empire is seriously mooted to-day in quarters where it was not dreamed of a decade ago.



"PERSONALLY CONDUCTED" INVESTING.

It is in London undoubtedly that Canada will continue to float the bulk of the securities, public and corporate, that its development of resources involves. But while in this respect the British investor responds nobly to all legitimate demand for "more funds," Canada could wish that the Motherland's commercial and manufacturing interests were more actively entering the field.

While United States capitalists may not seem so interested in municipal and listed Canadian securities as are British investors (though such interest among our near neighbours is manifestly growing) they are very much alive to possibilities for profit in the Dominion. But their way of taking advantage of them is not so much through buying stocks and bonds, as by coming into the country themselves and either establishing a new manufacturing or trading concern, or taking over an old one "lock, stock, and barrel." Not that we see anything but benefit for Canada in the existence of the eighty or ninety American factories in Canada, with their estimated \$125,000,000 of invested capital—to say nothing of lumbering companies, land and mining syndicates, trading concerns and so forth. It is not that we would have them less—but that we should like to see