

per cent. This statement shows clearly that the trade of Canada with these countries, except Great Britain, left a heavy unfavorable balance against her.

Exports to Great Britain, the produce of Canada, \$109,347,000; imports from Great Britain for consumption, \$49,206,000; balance of trade in favor of Canada, \$60,141,000.

Imports from United States for consumption, \$120,814,000; exports to United States, Canadian produce, \$66,567,000, balance in favor of the United States, \$54,247,000; exports to the United States, not including precious metals, \$43,223,000; balance of trade against Canada, not including the export of precious metals, \$77,591,000.

The percentages of duties upon imports from the two countries are also worthy of consideration. The entries for 1902 for consumption were:

Great Britain—Dutiable goods entered for consumption, \$35,062,000; free goods, \$14,143,000; duty on total imports for consumption, 17.06; duty on total dutiable goods entered for consumption, 24.05.

United States—Dutiable goods entered for consumption, \$60,181,000, free goods, \$60,632,000; duty on total imports entered for consumption, 12.54; duty on dutiable goods entered for consumption, 25.18.

These details show that the proportion of free imports from the United States is much higher than from Great Britain, that the rate of duty upon total imports is nearly five per cent. less in the case of the United States than that of Great Britain, and that the rate of duty upon dutiable imports is but a fraction more than one per cent. higher in the case of the United States than in the case of Great Britain.

Exports of farm products, the produce of Canada, 1902—To Great Britain \$79,545,000; to the United States, \$7,027,000; to all other countries, \$8,028,000; total, \$94,601,000.

Imports of farm products for consumption, 1902—From the United States, not including raw cotton, \$15,487,000; from Great Britain, chiefly hemp, hides and wool, \$2,731,000; from all other countries, \$2,517,000.

Canada is the largest customer the United States possesses for manufactures, and purchases manufactured goods of that country largely in excess of its purchases from all the rest of the world. A comparison between transactions in this line between Canada and Great Britain and Canada and the United States will show at a glance the vast importance of the Canadian market to the American manufacturing interests.

Imports of manufactures for 1902—From the United States, free goods, \$21,195,000, dutiable goods, \$48,341,000; total \$69,536,000.

From Great Britain—Free goods, \$7,988,000, dutiable goods, \$33,687,000; total \$41,675,000.

Excess of purchases from the United States over Great Britain, \$27,861,000.

United States increase of export of manufactures to Canada in 1902 over 1901, \$6,893,000.

Great Britain's increase of export of manufactures to Canada in 1902 over 1901, \$5,206,000.

Comparison of Canadian trade with Latin American trade: The United States exported to Mexico and the Central American States in 1902, \$45,924,000; to South America, \$38,074,000; to the West Indies, except Cuba and Porto Rico, \$17,020,000; total \$101,018,000.

Excess of United States exports to Canada over exports to Mexico, Central America and South America, \$36,816,000; excess of exports of the United States to Canada over exports to Mexico, Central America and South America, and the West Indies, except Cuba and Porto Rico, \$19,796,000.

### THE BRITISH "CORN" TAX

A recent telegram from London states that the British revenue returns show that Sir Michael Hicks-Beach underestimated the receipts from the flour and grain registration duties, which are likely to exceed £3,000,000 sterling. This new source of revenue has been developed without increasing the cost of bread.

The Finance Act, 1902, levied an import duty on grain of 3d. per cwt., and on the milled products of grain of 5d. per cwt. The duty on maize was fixed at 1½d. per cwt., in order not to press too heavily on the poorer classes in Ireland who use it as food. Offals which are used as feeding stuffs for cattle pay a tax of 1½d. per cwt., and include the bran, pollards, germs, husks, culms, dust, or other similar by-products of grain. The articles classed as "grain" include wheat, barley, oats, rye, buckwheat, peas (not fresh), beans (not fresh), lentils, and rough rice. The milled products, which pay 5d. per cwt., include flour and meal containing over 50 per cent. of starch, of any of the dutiable grains. Arrowroot, starch, cassava powder, tapioca, potato flour, sago, malt, pearled barley, and whole and cleaned rice also pay a customs duty of 5d. Broken rice has a 4d. duty, and polished rice up to the present pays only 5d., which seems small when exporters are claiming 5½d. drawback. The clever smuggler under the present rules may import good polished rice with a sprinkling of husks at 3d., remove the latter and export the polished rice on drawback at 5½d.

In deference to that unpopular political cry of the "bread ax" one may search in vain in the Finance Act and Customs Regulations for the words "bread" or "biscuits." These articles are classed as "preparations of starch" at 5d. per cwt. At first it was proposed to tax various other grains, such as gram or chick pea, dholl or pigeon pea, dari or durra, millet, locust beans, linseed, cotton seed, tares, vetches, etc., but it is now settled that such imports are not dutiable.

Commercial Intelligence has been investigating the operation of the Corn Tax, and publishes some interesting facts regarding it. It gives a statement of facts connected with the administration of the customs of that part of the Finance Act of 1902 which levied an import duty on grain of 3d. per cwt., and on the milled products of grain at 5d. per cwt. Amongst the imports which, in some way or other, come within the wide scope of what is interpreted as "grain and the milled products of grain," are such articles as canned beans and pork, sweet-peas and other seeds of the gardener, fish food, fly paper, glazed writing paper, face powders, and even ship sweepings. On the other hand, it is curious to note that yeast, bottled peas, potatoes, millet seed, and many other cognate articles which contain starch or belong to the family of cereals, escape the customs net. Our contemporary gives details as to the operations of the tax in connection with over one hundred different articles. Naturally, the vexatious incidence of the tax leads to many attempts at evasion. Thus it is possible for the clever smuggler to import good polished rice (which should pay a customs duty of 5d.) mixed with a sprinkling of husks, which makes it only dutiable at 3d. It is easy, of course, after importation, to clean the rice and save two-fifths of the duty, or even re-export the cleaned rice on a drawback of 5½d.

Taken in detail, the far-reaching ramifications of the "corn duties" may be seen more clearly when dealing with actual importations:

Arrowroot pays duty at 5d. cwt.

Baby food is liable for flour, cocon, and sugar other than milk sugar.