

going. But there have been ups and downs in this line of exports also and the net profits, taking one year with another, have probably not been more than 5 per cent. Other articles I do not know so much about, but their profit cannot have amounted to much. Hay has been a losing business. So has fruit at times. With respect to fish and minerals I do not know. My general conclusion is that it is an error to state that profits on exports have been large."

This authority is not inclined to give an average profit of more than 5 or 6 per cent, with strong inclination to 5 per cent as the maximum figure.

This would leave \$195,795,000 to be accounted for. It may be said that our borrowings within twelve years have equalled that sum, and that these borrowings have been drawn against in payment of the difference between the value of the imports and of the exports sent to pay for them. But we have seen that, without taking into consideration the last loan effected by the Federal Government, it having been made subsequent to June 30th, 1894, the general government has paid in interest during the twelve years nine million dollars more than it borrowed as principal. It may be assumed that for all borrowings previous to 1883, made by provincial, municipal, railway and loan companies, from persons and institutions outside of Canada, the yearly interest paid equals the principal borrowed just as in the case of the federal borrowings. The total of the borrowings within the past twelve years would not equal the amount of the balance under consideration. There have been small borrowings during 1890-94 part of the twelve years so that the interest paid in the period 1890-94 would largely counterbalance the importance of the borrowings of the 1883-89 period as something to draw against in payment of the more recently made trade obligations.

In addition to our exports the value of which (including the profits) is in outside banks for our banks to draw against in payment of our imports there is, 1st. The net profit which results from the earnings of Canadian ships trading as freight carriers between countries outside of Canada; 2nd. The net profit resulting from the excess of expenditure by travellers coming into Canada over the expenditure of Canadians travelling in countries other than their own; 3rd. The large sums of money transmitted to Canada by Canadians earning money in outside countries. The French Canadians in the United States may be cited as an example. These are earning wages in Massachusetts and other parts and are continually sending money to the "old folks at home" or returning to their homes after making their "pile." The same condition is observable in the Maritime Provinces. 4th. Possibly the largest part of the hiatus is filled up by the fact that our exports are very much larger than are credited in the returns of the Customs Department. The authority already quoted states that he is inclined to think that the great discrepancy is accounted for by, 1st, omission to mention in the returns large quantities of goods that have left the country; and, 2nd, very wide variations in statements of value both of imports and exports.

At any rate, whatever the cause or combination of causes, it is clear that Canada does not have any adverse balances against her in the sum total of her foreign or outside international exchange, which require the transmission of gold to square her accounts.

956. The following table gives the value of trade and the duties collected, with the proportion per head:—