

Conditions and prospects of British trade in Canada.

In 1906 the advisory committee on commercial intelligence of the English Board of Trade instructed their special commissioner, Mr. Richard Grigg, to investigate and report upon the conditions and prospects of British trade in Canada. Mr. Grigg arrived in this country in September 1906 and completed his mission in May 1907. His report¹ is exhaustive in character and is worthy of study by all on both sides of the Atlantic who are interested in the trading and commercial relations between Canada and the Mother Country.

By the adoption of British preference and by the efforts made towards securing quicker means of communication, Canada has consistently sought the development and expansion of inter-Imperial trade. Independently of natural bonds of affinity, Great Britain constitutes the best market for the products of Canada, and it is of obvious economic advantage that the vessels carrying those products should not return empty.

Opportunities for British enterprise and capital in Canada.

Mr. Grigg's mission and report is a gratifying evidence that authorities in Great Britain are rising to a sense of the magnificent opportunities which exist in Canada for British capital and manufacturing enterprise. In his letter of transmission to the President of the Board of Trade, Mr. Grigg observes :

Desire in Canada to buy British goods.

Among all classes in Canada there undoubtedly exists a strong desire to buy goods from British sources whenever possible, and this desire is reflected in the tariff preference on British goods, amounting approximately to a reduction of 33½ per cent on the tariff enforced upon competing foreign goods. The fact that His Majesty's Board of Trade had instituted an inquiry, and had decided to appoint correspondents to furnish regular information to its Commercial Intelligence Branch, was received with marked approval, as indicating a desire on the part of the Home Government to promote closer commercial relations with Canada . . . The feeling in Canada may fairly be described as one of surprise, and even impatience, that, notwithstanding the advantage of preference in tariff and preference in goodwill, British goods are not sold in larger quantities to Canada than import figures show. The belief prevails that British manufacturers and merchants are what has over and over again been described to me in the words 'too conservative', a phrase which I fear was meant to convey reproach in words which should not seem discourteous to British ears.

Summary of Mr. Grigg's conclusions.

The following is a brief summary made by Mr. Grigg of the conclusions arrived at as the result of his investigation :

(1) The geographical position of Canada, and its contiguity to the United States, give American trade very great advantages, and impose correspondingly severe handicaps upon British trade.

(2) The preference enjoyed by the United Kingdom, both in goodwill and in tariff treatment, is helpful in neutralising to some extent the geographical advantages which the United States enjoy, but is insufficient by itself to do more than check the decline in the United Kingdom's share of Canadian trade. The preference gives substantial aid to the United Kingdom in competition with European countries, but may be diminished at any time through the adoption of the newly established Intermediate Tariff.

(3) Both British and American trade in Canada have to encounter the growing rivalry of Canadian industries, which however offer great opportunities (hitherto comparatively little used) for the investment of British capital.

¹ Report upon the Conditions and Prospects of British Trade in Canada. British Parliamentary Paper [Cd. 3,868].