

# CHAPTER XVI.—EXTERNAL TRADE.

## CONSPECTUS.

SECTION 1. THE DEVELOPMENT OF TARIFFS.....	480	Subsection 5. Trade with the United States and Other Foreign Countries..	514
Subsection 1. Historical Sketch of External Trade and Tariffs.....	480	Subsection 6. Geographical Distribution of Canadian Trade by Continents and Countries.....	516
Subsection 2. Tariff Relationships with Other Countries.....	483	Subsection 7. Principal Commodities Imported and Exported.....	518
SECTION 2. THE COMMERCIAL INTELLIGENCE SERVICE.....	494	Subsection 8. Proportions of Trade in Raw and Manufactured Products...	522
Canadian Government Trade Commissioners.....	495	Subsection 9. Main Historical Tables and Tables showing Current Trends in External Trade.....	524
SECTION 3. STATISTICS OF EXTERNAL TRADE.....	497	Subsection 10. Comparison of the Volume of Imports and Exports.....	577
Subsection 1. Value and Quantum of World Trade.....	501	SECTION 4. THE TOURIST TRADE OF CANADA.....	582
Subsection 2. Historical Statistics of Canadian Trade.....	508	SECTION 5. BALANCE OF INTERNATIONAL PAYMENTS.....	584
Subsection 3. General Analysis of Current Import and Export Trade.....	509		
Subsection 4. Trade with the United Kingdom and the British Empire....	511		

### Section 1.—The Development of Tariffs.

The development of tariffs as affecting Canada is here outlined under two divisions: first, a historical sketch showing phases in the growth of Canadian trade that have influenced tariff development; and second, the present tariff relationships with other countries. Owing to the limitations of space in the Year Book, it is impossible to go into detail with such an intricate matter as tariffs. It has therefore been necessary to adopt the policy of confining any detail regarding commodities and countries to tariff relationships at present in force, and to summarize as much as possible historical data and details of preceding tariffs, giving references where possible to those editions of the Year Book where extended treatments can be found.

#### Subsection 1.—Historical Sketch of External Trade and Tariffs.

In the early history of the American Continent each of the European nations establishing settlements in the New World endeavoured to monopolize the commerce of its colonies, prohibited the ships of other nations from resorting to them, and prohibited its colonials from importing European goods from other countries, generally granting them, however, preferential treatment in its own market. In these circumstances the colonial wars in America were carried on, by Governments permeated by the mercantile spirit, for "ships, colonies, and commerce". Owing to this fact, wars resulting in the transfer of colonies from one European power to another involved great economic as well as political changes in the community so transferred. The traders who had previously controlled the trade between the Mother Country and its colony found their occupations gone, while new traders from the conquering State arrived to take over the import and export trade, which thereafter flowed in new channels, perhaps no more artificial than those that had previously existed.

Throughout the earlier part of the French *régime* in Canada, the foreign trade of the colony was in the hands of the monopolistic chartered companies, of which the Company of One Hundred Associates was the most notable. When its monopoly