

COMMERCE.

1 The exchange of goods depends on the fact that natural products, as
 2 well as such sources of mechanical power as wind, falling water, and fuel,
 3 vary in different localities, and that different groups of men have various
 degrees of inclination or ability for developing and modifying these pro-
 4 ducts, and for converting them into manufactured articles. The natural
 climatic advantages that Europe possesses have had much to do in render-
 ing the area a great producing region, and one mainly inhabited by
 energetic races, who acquired industrial and commercial importance at
 an earlier date than many other races of the world, and are still in advance
 in these respects. The continent, moreover, though the smallest of all
 the continents save Australia, is yet large enough to yield a great variety
 of products, the most important of which can be gathered from a
 study of the tables of exports (see pp. 119-127).

The magnitude of the trade of an area will not, however, depend
 solely on the number and character of the inhabitants and on the extent
 and nature of their wealth and requirements, but also on the facilities
 that exist for exchanging goods, both within the area and with countries
 1 outside. In these last respects Europe is favoured in its position between
 the highly productive regions of South-Eastern Asia and the recently
 2 developed resources of North America, in its large areas of fairly level
 land over which it is easy to construct roads and railways, its many
 3 navigable waterways, long coastline, and good harbours. With an area
 4 about equal to one-thirteenth of the land world, not reckoning Polar
 5 regions, Europe possesses a population equal to nearly a quarter of the
 6 world's total, and has an external trade equal to about three-quarters
 of that of all the continents put together. Besides possessing these vast
 commercial relations with the rest of the world, some European nations
 7 have acquired great political power in other continents by means of
 colonization and conquest; thus Africa is controlled mainly by Britain,
 France, Germany, Portugal, and Belgium, and Asia largely by Russia,
 Britain, Turkey, and France, while Australia and Canada are British
 possessions.

The countries in Europe which have the greatest external trade,
 in order of the value of this trade, were, in 1902, the United Kingdom,
 Germany, France, Holland, Russia, Belgium, Austria-Hungary, and
 Italy. To some extent the amount of trade between these countries