

BANK OF COMMERCE AND EXPORT TRADE

Well-known Canadian Institution Acquires Interest in British-Italian Corporation—Important Departure in Relations of British Trade and Finance

That the Canadian Bank of Commerce has acquired an interest in the British-Italian Corporation, is the statement made to *The Monetary Times* this week by Mr. John Aird, general manager of this enterprising bank.

An agreement was signed in London in March last between the London County and Westminster Bank, Limited, and Lloyds Bank, Limited, on one side, as representing a British financial group, and the Credito Italiano on the other side, as representing an Italian financial group, for the constitution of a British company, to be called the British Italian Corporation, with an authorized capital of £1,000,000, and the constitution also of an Italian company under the style of the Compagnia Italo-Britannica, with a capital of 10,000,000 lire. The object of the two companies is the development of the economic relations between Great Britain and Italy and the promotion of undertakings in the commercial and industrial field in Italy. The companies will work in close association. They will carry on the kind of financial business conducted by continental banks, and more especially by the banks of Germany, for the purpose of fostering trade and assisting manufacturers. The organization marks a new departure of great importance and the participation of the Canadian Bank of Commerce in the undertaking is the welding of a financial link which ultimately will be of considerable benefit to Canadian trade and commerce.

Funds Will Be Provided.

Through this Anglo-Italian bank, funds needed by British and Canadian manufacturers to develop their business with Italy will be provided. When a manufacturer, for example, obtains a contract for electrical or other works, the new companies will provide funds during development, and subsequently will obtain repayment for advances by placing issues of bonds or stocks with the British investing public, so that while the capital of the corporation is confined to £1,000,000, the funds that the corporation will probably be able to command will be practically unlimited. Not only will the capital be turned over continuously, but the Corporation will enjoy high credit, and therefore be able to secure substantial banking funds without risk to bankers, and, beyond this, it will enjoy the goodwill of the British investing public, which will gladly provide Italy with the capital she needs for her development upon good security and at reasonable rates of interest.

Governments are Interested.

Behind the two corporations stand the British and Italian governments. Exactly how far government credit will be at the service of the new institution has not been disclosed. The new corporations may need only the friendly offices of the governments, but if necessary the two governments will probably give more tangible assistance to the new corporations than merely co-operation. Whatever may be the attitude of the governments, however, the fact remains that these powerful British, Italian and Canadian banks are co-operating in order to assist British and Canadian traders to obtain and to carry out contracts in Italy, and to enable Italy to obtain capital.

Benefits to Canada.

Interviewed by *The Monetary Times*, Mr. John Aird, general manager of the Canadian Bank of Commerce, said:—

"The Canadian interests of this business will be entrusted for their development to our bank. This matter was fully investigated during my visit to England last summer and it was decided that we would take care of the business on this side. Canadian Italian trade has largely gone through foreign channels in the past, and its financing has been transacted through foreign banks. Canada has not received all the benefit it should have done and Canadian financial institutions have received none of the benefits. The new arrangement seeks to extend trade between the two countries through Canadian channels in every way, and its financing will be transacted through a Canadian bank."

"Is there a possibility of your bank becoming interested in the proposed British-Russian Corporation of a similar nature?" Mr. Aird was asked. "We thoroughly approve of

anything of that character," he replied, intimating also that the bank might become interested in other international financial corporations to encourage trade, as in the case of the Anglo-Italian enterprise. Mr. Aird also thought the British government were working along right lines in regard to the proposed establishment of a British trade bank as recommended by a special committee under the chairmanship of Lord Farrington. This bank will have for its object the development of British trade throughout the world and undoubtedly it will have Canadian connections.

ALLIES' TRADE AFTER WAR

Minister of Trade and Commerce Outlined Conclusions of Allied Economic Conference

The conclusions reached by the Allied Economic Conference at Paris were divided, said Sir George Foster addressing the Canada Club at Toronto, into three categories. The first related to the action of the allies during the war, in prohibiting all trade exchanges and business transactions between any of the allied nations and the enemy. The great problem that had to be faced here was determining how much trade should be enjoyed by neutral countries like Norway, Sweden, Denmark, Holland and Switzerland, which were like sponges surrounding the central powers of Europe. "The rights of neutrals have been studied in every possible way, and it is due to Great Britain's earnest attention and great fairness in dealing with this question that the rights of neutral countries have been so well preserved."

During Reconstruction.

The second set of conclusions referred to the course of action to be taken by the allied countries in the reconstruction period, following the war. "The war has broken into shreds the treaties and conventions containing arrangements with favored nations, by which Germany bound certain countries to her in such a way as to gain great advantages for herself. The allied delegates resolved that these should remain scraps of paper, and that they shall not be renewed. In short, this allows the allied countries to be free to make any arrangements they like without considering the central or enemy powers." The second category included provision against the dumping of products from enemy countries during the period of reconstruction. The first call for materials should be made by the allies upon the supplies of the allied nations themselves, and not upon the enemy or neutrals.

Matter of Permanent Policy.

The third conclusion to be reached concerned the matter of a permanent policy between the nations at present allied against Germany. What attitude should the allies assume towards the enemy following the period of reconstruction? It was agreed that all their natural resources and industries should be developed by co-operation and mutual good-will and self-help, so as to make the allied nations entirely independent of the central enemy powers. "Whether it shall be by government enterprise, or co-operative effort assisted by governments, or restrictive tariffs up to the point of efficiency, it was agreed that such a policy should be adopted. There shall be uniform, constant and honorable use of one, or all, or any of these different means, as may be best suited to the purpose."

BRITISH LOAN WAS GREAT SUCCESS

The new issue of \$300,000,000 United Kingdom of Great Britain and Ireland 5½ per cent. secured gold notes in the United States proved more popular with the public than any previous war issue. The books were closed on Friday afternoon last week. The books could have been closed on Wednesday last, but the bankers desired to extend the time for the benefit of western and southern subscribers.

Subscriptions were made in about even proportions for the three-year and five-year notes. Every section of the country sent in a large volume of inquiries. The number of responses surprised even the most optimistic of the underwriters.

Considerable Canadian interest was shown in this issue. Among the Montreal subscriptions were those of the Sun Life Assurance Company for \$1,500,000 and Mr. Mark Workman for \$200,000.