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## THE BUSINESS SITUATION AS VIEWED BY LEADING BANKERS IN THE UNITED KINGDOM

Addresses at the Annual Meetings of the leading banks in the United Kingdom during the past few weeks have provided informative comments on subjects of particular interest to Canadian business men, notably as to the nature and extent of the business revival in the British Isles, the outlook for international business and the questions of credit and cheap money. Below are quotations from the addresses of The Rt. Hon. Lord Wardington, Chairman of the Board of Directors of Lloyds Bank Limited; The Hon. Rupert E. Beckett, Chairman of the Westminster Bank Limited; The Rt. Hon. R. McKenna, Chairman of the Midland Bank Limited; Edwin Fisher, Esq., Chairman of Barclays Bank Limited; Colin F. Campbell, Esq., Chairman of the National Provincial Bank Limited; and Edward B. Orme, Esq., Chairman of Martins Bank Limited.

### BUSINESS IN GREAT BRITAIN

#### The Rt. Hon. Lord Wardington—

"It is not necessary for me to particularize the signs of our increased prosperity. Wherever you look, even in the depressed areas, they are visible, and all the signs, such as the figures of employment, the reduced amount of unemployment, the increased values of commodities, of industrial shares, full order books, Clearing House, Railway and retail sales returns, and the reduced figures of bankruptcy and bad debts, all point in the same direction. There is this satisfactory feature, too, that the fundamental basis of good international trade is present. The higher prices of primary commodities are fulfilling their function of restoring prosperity to the countries of primary production, and are putting them once more into the position of being able to place orders in industrial countries for the secondary products which they need. Thus we see the impulse of those movements which should result in the general interchange of goods between the nations of the world for the advantage and profit of all."

"... There are many features of the present time, which on paper at any rate, may be said to be approaching boom conditions; a shortage of labour, especially skilled labour, a continued rise in the price of commodities and of wages, with consequent increased cost of production, an extension of productive capacity, based in some instances on expectations rather than actual orders, and fresh capital issued to the public on the same slender foundations. In Stock Exchange quotations also we see prices rising to figures which render the yield to the purchaser insignificant, although, as I have already pointed out, the percentage of our loans to the Stock Exchange is still of moderate dimension."

#### Edwin Fisher, Esq.—

"... Further, the revival of industry, which has been largely due to the expansion in internal, as opposed to external, activity, owes much to

the change in our tariff policy. At the time when the step was taken, the United Kingdom was in danger of becoming the 'dumping ground' for the surplus products of other countries, which were denied a market elsewhere owing to the spread of the doctrine of national self-sufficiency. Moreover, the growth of this doctrine was itself preventing the export of an adequate volume of British products to pay for the arrivals from abroad.

"Other factors which have contributed to the recovery in this country, during the past few years, are the improvement in our competitive power abroad following the depreciation of sterling, the conclusion of the Ottawa Agreements with Empire countries, the Trading Agreements entered into with foreign countries, the encouragement of agricultural production, and the relative stability of exchange rates between the countries of the sterling area."

#### Edward B. Orme, Esq.—

"We may gather from the account I have given of the course our advances are taking that the recovery in the country's trade, foreshadowed in my remarks last year, has made further and definite headway. We have ample evidence of this in whichever direction we look. The figures with regard to diminishing unemployment are most encouraging, rail traffic returns are better, the retail trade, a sure index of the spending power of the people, whether on necessities or luxuries, month by month has shown increasing expansion; while the annual reports of industrial and other concerns, with their welcome announcements of dividends, have been read by shareholders with an interest they had almost lost owing to the monotonous regularity with which their capital had gone unrequited during the last few years.

"Shipbuilding throughout the country has recently received a much needed impetus, and this not only by reason of the Government's rearmament programme. As a result, on Merseyside, for instance, we are looking forward to a year of great activity in our shipbuilding yards, entailing a largely increased pay roll, the effects of

which, we hope, will be felt by all classes throughout the area."

"... it is not unlikely that general trade recovery throughout this country and abroad will supply a natural demand for the output of Lancashire's main industry and render artificial measures unnecessary. Facts may be left to speak for themselves, and the increasing number of (cotton) mill companies now making profits or cancelling out losses is eloquent. The recovery may be slow, but it is gathering strength. I hope I may not be regarded as unduly optimistic in this respect, for I know too well the views held in some quarters that certain of Lancashire's foreign markets are permanently lost, some of our former customers having become not only self-providing but actually competitive with us. It is probable, however, that this particular competition is reaching its limit and that, with expanding home trade and extension to our Dominions, Crown Colonies and more favourable foreign markets, the reputation of Manchester goods will once more assert itself, bringing a full measure of prosperity to the county, where in many areas it is still sorely needed."

#### Colin F. Campbell, Esq.—

"Looking at the record of our country as a whole, we have every reason to be satisfied with its work and spirit during the past year. In spite of being subjected to severe shocks and many uncertainties, it has maintained its business progress with a calmness that has won the admiration of the world, and has belied the forecasts of those who have been telling us that the present activity is too feverish and artificial to last and must be succeeded by early reaction. On the contrary, many indications show that the rate of progress in some departments of business has been accelerated during the year, and that we can look forward with confidence to a continuance of this activity.

"... It is enough to say that the movement and expansion of currency, the bank clearings, railway traffic returns, employment figures, increases in wages, retail trade returns and the volume of our imports, all point to a steady