

BRITAIN GAINING TRADE, GERMANY LOSING

United Kingdom is \$600,000,000 Ahead While Germany is \$5,000,000,000 Behind in Trade

During the two years of war, 1915 and 1916, the trade volume of the United Kingdom amounted to £2,883,824,000, or £131,667,000 in excess of that of the two last years of peace, 1912 and 1913. The statement made by the German imperial treasurer, Dr. Helfferich, in the course of the recent debate in the Reichstag, was to the effect that since the war began Germany had lost a foreign trade valued at £1,150,000,000. Dr. Helfferich's specific statement thus confirms in a manner its estimate that Germany's trade loss approximated £1,000,000,000, says the British Export Trade Gazette. The contrast between the British and German figures is striking and significant. On the one hand we are authoritatively told that Germany's commerce has suffered to the extent of £1,150,000,000; on the other hand, Great Britain's commerce has, in spite of the fact that so large a proportion of the manhood of the country are fighting in the cause of the world's freedom; in spite, too, of the ruthless efforts of Germany to destroy British shipping and cripple our trade; in spite of high freights and scarce tonnage, actually increased its trade total to the no mean extent of £131,667,000.

What has Been Accomplished.

Month by month, the British commercial position, judged by the official returns, steadily improves. It is true that, as the late president of the board of trade recently admitted, German submarines have sunk 2,250,000 tons of British shipping; it is true that the high prices of foodstuffs in the United Kingdom, and the orders for the regulation of food consumption suggest more trouble than is really the case; it is true, too, that a great deal of Great Britain's increasing trade is in respect of imports of war materials and raw products for their manufacture and of exports to our allies of similar merchandise; but none of these moderating influences really affect the main fact that whereas Germany has completely lost every fraction of her oversea trade except the small amount that is done by stealth through neutral countries, Great Britain is steadily increasing hers, and, judging by all the indications available, will continue to increase it.

British trade with practically every market in the world, except, of course, enemy countries, is, indeed, rapidly increasing. To allied countries in Europe our exports are more than double what they were two years ago; to neutral countries in Europe they have advanced during the same period by 45 per cent.; to India and other British Asia by 25 per cent. over the amount for 1915; to China and Japan by 44 per cent.; to British Africa by 26 per cent.; to Egypt by 43 per cent.; to foreign Africa by 40 per cent.; to British North America by 37 per cent.; to Argentina by 27 per cent.; to Brazil by 30 per cent.; to the United States by 32 per cent.; and to Australia and New Zealand by 28 per cent.

Triumph in Markets.

We have purposely gone so far into detail because these percentages of Great Britain's increasing trade, based upon the official returns, afford perhaps the most striking revelation of England's commercial supremacy, even in the midst of the greatest war of any time, that could be put forward. They are details, too, that cannot be questioned or controverted, and in so far as they concern Great Britain's shipments to such neutral countries as the Argentine, Brazil, China, and, above all, the United States, they cannot even be charged with being concerned with the transport of munitions of war or military materials of any description.

What is true of these particular markets is also, to a large extent, applicable to British trade with others also, both allied and neutral. The increase of nearly £20,000,000 in the exports of cotton piece-goods from the United Kingdom during the first ten months of last year, as compared with the volume of this trade in the corresponding period of 1915, cannot by any stretch of imagination be associated with the war, particularly as the bulk went to South America, China, India, the Dutch East Indies and the United States. The same applies to the £7,000,000 increase for the same period in woolen and worsted tissues, and to smaller increases in many other classes of manufactured goods.

It is a record of which England may well be proud.

What of the future—of the year upon which we have just entered? The months before us will doubtless be strenuous,

and in some quarters they may not be untinged with anxiety; but all indications clearly point to Great Britain's commercial progress in every market open to her enterprise; to the steady realization of closer inter-imperial trade relations; and, above all, to the quiet preparation through her vastly augmented industrial equipment for a full participation in that longed-for period, when the world, freed from the horrors of a war of which no market has not felt the depressing or disturbing effects, will give itself over to a commercial expansion such as has never before been realized. If the British nation can do so much during the war, of what is it not capable when the conflict is at an end? Competition there will be, keen and strenuous, but our manufacturers and merchants will be unfettered to deal with it, not, as now, handicapped in their one-handed contest with their great neutral competitors. The world wants British goods and British industry, enterprise, and perseverance will be fully equal to the task of supplying all that is required when the propitious moment arrives for the United Kingdom to prove how fully competent her resources are to cope with all the demands that will be made upon her industrialists.

PAPER PRICE AGREEMENT EXTENDED

The Dominion government will extend for two or three months the agreement made by order-in-council fixing the maximum price at which news print paper manufacturers can sell their product to the publishers at \$2.50 per hundred pounds, f.o.b. the mill. This was intimated on Monday by Mr. R. A. Pringle, K.C., the commissioner investigating the industry in Canada. He said all the mills will have to bear a share of supplying the Canadian publishers at a fixed price. The first agreement was made on March 1st and would have expired June 1st.

MERCHANTS BANK OF CANADA

At the end of its fiscal year on April 30th the assets of the Merchants Bank of Canada totalled \$121,130,558, compared with \$96,361,363 a year ago, an increase of \$24,769,195 during the year. Of these assets the liquid portion totals \$52,041,624, being 48.87 per cent. of the liabilities to the public. Cash holdings, including deposit in the Central Gold Reserve, amount to \$15,917,228, or 15 per cent. of liabilities to the public, a substantial position.

After making the usual provisions, the profits amounted to \$1,120,308, compared with \$950,713 a year ago. With the addition of \$250,984 carried forward from last year, dividend requirements at the rate of 10 per cent. were met, and after writing off of bank premises \$100,000, contributing \$50,000 to officers' pension fund, paying government war tax on note circulation of \$70,000, and donating to Canadian Patriotic and Red Cross funds \$30,000, \$421,292 was carried forward to the credit of profit and loss account.

The annual statement of the Merchants Bank of Canada shows a maintenance of its strong position and a continuance of its progress. The bank has a good reputation for aggressiveness combined with the proper degree of business caution. Its co-operation with the Alberta government in making loans for the encouragement of the livestock industry is a typical example of its interest in the development of the western provinces. Mr. D. C. Macarow is general manager of the bank, and under his management, with the assistance of Mr. E. F. Hebden, managing director, and a strong and active directorate, the Merchants Bank has made substantial progress.

The bank's deposits increased during the past year from \$72,177,029 to \$92,102,074, an increase of \$19,925,045. Current loans and discounts increased from \$48,835,565 to \$62,737,958. The bank has done its full share in assisting the country's commercial development and has taken excellent care of the business requirements of its clients. There is evidence also of the bank's assistance in war financing in an increase of \$7,400,000 in two groups of the bank's security holdings.

Among the bond offerings of Messrs. C. H. Burgess and Company, Toronto, are issues of the following Ontario municipalities: Kitchener, Leamington, New Toronto, Parry Sound and Niagara, yielding the investor returns of from 5½ per cent. to 5¾ per cent.