

# Recovery of Trade and Finance in Great Britain

**London Manager of Canadian Bank Shows the Economic and Financial Changes Since the Armistice Show Rapid Re-establishment of Banking and Industry.**

Mr. Charles Cambie, manager of the London, England, branch of the Canadian Bank of Commerce, returned last week to Eastern Canada on his way to London, after visiting his mother in Vancouver. Mr. Cambie, in addition to being one of the leading bankers among the younger group in Canada, has also wide capacities for observation and judgment on financial and economic affairs. While in Canada he submitted a statement of trade conditions and finance in Great Britain which is very illuminative of the progress which Great Britain has made toward re-establishment since the armistice. The article follows:

The problems confronting Great Britain during the two years since the signing of the armistice have been no less difficult to solve than those which confronted the country during the most sanguinary and anxious periods of the war. Unrest, labor problems, inflation, readjustment of economic conditions, extravagance in Government and private commitments, the absorption of savings by taxation and the disorganization of the monetary systems in most countries of the world have not tended to make easy the road to reconstruction and production, upon which depends so much the future prosperity and recovery of the United Kingdom.

Great as are the difficulties that Great Britain has to overcome, it is surprising to us, as well as to those in Continental countries which it has been the writer's privilege recently to visit, how these are being surmounted. The troubles which still exist here, of which labor uncertainties play so great a part, are in evidence in every country, but if all classes could realize that earnest and honest work on their part would bring about increased production to enable us to improve our exchanges and reduce costs of imported food stuffs and raw materials, then would this country, with its great underlying wealth, and its enviable record for the high grade of its production, prosper in a way that the most optimistic at present scarcely ventures to prophesy.

Notwithstanding disabilities, our trade is improving in a marked degree, and for the month of July, 1920, the imports of the United Kingdom were valued at £163,000,000 and exports, including re-exports, at £155,000,000. These figures, which are the best that have been published since the beginning of the war, show an adverse trade balance that month of £8,000,000. They are almost equal to pre-war figures, the adverse balance for the corresponding months of 1913 being £6,000,000. We append herewith a table showing the value of the overseas trade for the first seven months of 1913 and 1919, and for each month since the beginning of 1920:

TRADE OF THE UNITED KINGDOM.  
(000 Omitted)

	Merchandise				
	Imports	Exports			Excess of Imports over Exports
		British	Foreign and Colonial	Total	
	£	£	£	£	£
1913—7 Months .....	440,491	304,225	67,362	371,587	68,904
1919—7 Months .....	869,653	400,072	67,191	467,263	402,390
1920—January .....	183,498	105,880	25,464	131,344	52,154
February .....	170,514	85,964	22,604	108,568	61,946
March .....	176,648	103,699	27,031	130,730	45,917
April .....	167,154	106,252	20,407	126,659	40,495
May .....	166,334	119,319	20,260	139,579	26,754
June .....	170,491	116,352	20,124	136,476	34,015
July .....	163,342	137,452	17,848	155,300	8,042
7 Months .....	*1,196,329	774,918	153,738	928,656	267,671

\*The seven months totals are revised figures.

The increase in exports during July is accounted for to the extent of £69,000,000 by the value of articles wholly or mainly manufactured. The chief individual contributions to the increase being cotton yarns and manufactures thereof (£21,000,000), iron and steel and manufactures thereof (£9,000,000), vehicles (£6,000,000), woollens and worsted yarns and manufactures thereof (£6,000,000), machinery (£5,000,000), apparel (£3,000,000). Though in many classes, notably textiles, boots, paper and subdivisions of the iron and steel manufactures, the figures are still below pre-war value, in many cases large increases over the quantities exported in the corresponding period of 1913 are recorded.

For seven months of the calendar year 1920, the imports total £1,196,000,000, and the exports total £928,000,000, an excess of imports over the exports of £268,000,000, or £22,000,000 per month. Of the imports during the period referred to, £450,000,000 was represented by food, drink and tobacco, £476,000,000 by raw materials and articles mainly unmanufactured and £270,000,000 by articles wholly or mainly manufactured. Of the exports, excluding re-exports, during the same period, £30,000,000 was represented by food, drink and tobacco, £94,000,000 by raw materials (including coal, £64,000,000), and articles mainly unmanufactured, and £650,000,000 by articles wholly or mainly manufactured. In the latter class iron and steel manufactures account for £72,000,000, woollens £83,000,000, and cotton yarns and manufactures thereof the exceptionally satisfactory figures of £255,000,000, covering a period of seven months only of this calendar year.

The British Empire is not now dependent to the same extent as heretofore on cotton production in the United States, marked progress having been made in the growth and shipment of this raw material from India and Egypt and other portions of Africa.

The importance of this country as a manufacturing centre is clearly indicated by the figures which are published from month to month, and, although much is to be desired in the further growth, signs are most hopeful that, with a great degree of co-operation between labor and employers and with industrial peace and common sense, such results will be attained. It is well to remember, however, that the huge exports from the United States to this country are not being offset to any great extent by the United Kingdom exports to that country, but many of our exports are finding their way to countries that are already in our debt. Formerly coal was largely exported to countries to which we are now indebted and with which our exchanges are adverse. The export of coal, for instance, to Argentina has assumed but small proportions, as that country now obtains its main supply from the United States. Coal in earlier years paid for our imports of wheat from Argentina, while a situation has now arisen by which steamers usually earning on both voyages are proceeding one way in ballast, thus enhancing the freight rate on the return cargo and putting additional cost on the latter. The decreased production in coal has coincided with shorter hours and largely increased wages. The weekly output of coal for July, 1920, was 4,583,000 tons, as compared with a weekly average of 4,700,000 tons for the five years 1915-1919, and 5,200,000 for the five years 1910-1914. The cost of coal per ton raised in 1913 was 6s. 4d., compared with 22s. 8s. in May, 1920. Although the number of workers increased by 96,000 during the seven years, the output had decreased to the extent mentioned, the average annual earnings of all classes of mine workers being raised from £82 to £220.

The net earnings of our merchant shipping were recently estimated at £30,000,000 monthly, which in itself more than wiped out the adverse trade balance. The total invisible exports, including the net income from investments abroad, are estimated at £50,000,000 per month. These