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ECONOMICS AND THE NATIONAL SPIRIT. OF late, "poor old Consols have been down again to 83," as the London Correspondent of THE CHRONICLE remarks. Disraeli once said that a drop in Consols from 100 to 80 had done more for the restoration of the old English feeling than all the exertions of Church and State united. To which he added: "If Consols were at 60 we should again be singing 'God Save the King,' eating plain roast beef and damning the French." Happily, the French are now so much the very good friends of the English that expletives in their direction are out of the question—nor are Consols likely to take any "23 drop" to 60. But there was a good deal in what "Dizzy" said regarding national prejudices reviving as national prosperity decreases; and there is no doubt that the trade depression of 1908 augmented the wave of Germanophobia that swept over reputedly stolid England.

There is good reason for Britain's present alertness. Still, discussion of Germany's competition with Britain in the markets of the world has too frequently been used by "ignorant writers to inflame the animosities of ignorant readers." So, at any rate, thinks The Economist, of London. Whereupon it undertakes, in a dispassionate way, to show just how the relative trade position of Britain and Germany has changed during the past twelve years. It is necessary to confine enquiry to the dozen years ending with 1906, since some of the necessary figures for later years are not yet given in the various statistical abstracts published by the Board of Trade.

OVERSEAS WORLD-MARKETS to be considered in comparing German COMMERCE OF and British trade may be divided BRITAIN AND into three great groups—the British GERMAN. ish Empire, extra-European foreign countries, and European countries. Taking an annual average for the first four years and the last four years of the twelve years 1895-1906, the exports of the United Kingdom to nineteen British possessions increased from £96,953,000 to £142,259,000, or by £45,306,000. Exports from Germany to the same quarters increased from £6,153,000 to £10,577,000, or by £4,424,000. From which it will be seen that the increase in British

trade within the Empire was more than ten times larger than the increase in German trade.

British exports to seven leading extra-European countries averaged £55,781,000 a year during 1895-8, and £75,279,000 for 1903-6—an increase of £19,498,000. Germany's exports during the same period increased from £26,750,000 to £40,411,000—or by £13,661,000.

In the countries thus far dealt with, neither Britain nor Germany has any advantage by way of geographical position. The former, however, enjoys tariff preference from Canada, South Africa and Australasia—though the slight Australian concession scarcely affected the foregoing showing, not having been granted until within the last few months of the period under consideration.

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INTRA-EUROPEAN TRADE CURRENTS IN the case of trade with European countries, England by no means enjoys equal terms with Germany. The most important of the continental markets, as The Economist points out, are clustered around the very borders of the German Empire, so that goods can be poured into them by Germany with the minimum of expense for handling and transport. That this advantage weighs heavily in the scales of international trade is evident. British exports into eighteen European countries averaged £136,227,000 annually during 1895-8, and £163,205,000 during 1903-6—an increase of £26,978,000. German exports, however, increased from £159,112,000 to £245,348,000, or by £86,236,000.

The Economist shows, however, that—owing to Holland entering as imports a large quantity of free goods in transit to other countries—Germany's increase in trade with European countries is overvalued by £10,000,000 a year. Even so, of course, her trade expansion in these markets has been £76,236,000 a year, against Britain's £26,978,000. But this is to be noted, that Germany's greater progress in Europe is almost entirely accounted for by trade with Russia, Sweden, Denmark, Holland, France, Switzerland and Austria-Hungary, all of them countries where Germany's geographical advantage is most marked.

Expansion of trade within the Empire may take a new importance in the eyes of some who can carefully the foregoing figures.

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