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THE GENERAL FINANCIAL SITUATION

(Continued from Front Page).

of the various goods needed for this purpose will in the course of the next twelve months constitute an important source of activity for Canadian industry and commerce. While there will necessarily be a certain amount of confusion as munition workers are paid-off and have to seek new occupations, and as the armies are disbanded, the vigorous Government action which has been already taken in the giving out of various orders for necessities, orders which have been postponed during the war period, and the preliminary steps which have been taken for further measures looking to the establishment of machinery for the placing of labour where it is required and can be most accepted, are decidedly re-assuring.

While we are able to congratulate ourselves upon the sound position of the national finances at the end of the four years' struggle—a position which is shared by all the principal Allied countries—it is of interest to note the exactly contrary position of Germany. Lately there has been panicky hoarding of currency in that country on a huge scale, and it is estimated that, even apart from indemnities and pension charges, the state debt is likely to total 45 billions of dollars at the conclusion of peace. The chief embarrassment lies in the neglect of the German Government to impose taxation to provide payment of even the annual interest charge, while the situation is also aggravated by the great expansion of currency. It is believed that even if German exchange temporarily rallies when peace is established, an ultimate relapse is inevitable, because of the probability of first recourse to the printing press for currency issues.

BALANCE OF TRADE NOW \$242,333,749.

The net balance of trade in favour of Canada for the ten months ended October 31st was \$242,333,749, a decrease of about 98 millions as compared with the same period in 1917, but an increase of about 16 millions as compared with the same period in 1916.

Despite recent contraction in exports and the favourable balance, it is worth noting that exports are more than three times the total of 1913, the last year before the war, while the favourable balance is of almost exactly the same proportions as the adverse balance at that time.

The detailed statement of October trade, now available, shows the following results for the first ten months of the current year as compared with results for the same period in the six preceding years:

Ten months	Exports \$	Imports \$	Balance \$
1918...	1,002,572,840	760,239,091	+242,333,749
1917...	1,211,703,000	870,791,000	+340,912,000
1916...	852,108,000	626,019,000	+226,089,000
1915...	429,022,000	360,756,000	+68,266,000
1914...	299,226,000	419,370,000	-120,144,000
1913...	322,648,000	563,855,000	-241,207,000
1912...	259,539,000	525,125,000	-265,586,000

Second Best October.

The October statement, although revealing decreases from both September this year and October last year, could be described as satisfactory. The balance of more than 54 millions in favour of this country is the second best showing this year, the recovery shown in September being fairly well maintained. In all respects it is the best showing for any October in the country's history with the exception of October of last year.

Comparisons of October exports and imports for seven years follow:—

Oct.	Exports	Imports	Balance
1918.....	\$129,554,438	\$75,541,815	+\$54,012,623
1917.....	155,093,000	78,176,000	+ 76,917,000
1916.....	85,312,000	71,196,000	+ 14,116,000
1915.....	80,038,000	39,515,000	+ 40,523,000
1914.....	45,883,000	35,113,000	+ 10,770,000
1913.....	57,144,000	52,381,000	+ 4,763,000
1912.....	33,785,000	61,045,000	- 27,260,000

A classified list of the exports shows one striking gain, exports of "animals and their produce" standing about 12 millions higher than in October a year ago and about 4 millions higher than in September this year. The increase reflects a heavy outward movement of dairy products in response to the shortage in Great Britain. Grain exports, while showing a seasonal advance from the level of September, were less than in October a year ago, and exports of manufactures, although bulking large at 64 millions, also show declines. Comparisons follow:

	Oct. 1918	Oct. 1917	Sept. 1918
Mine.....	\$5,484,573	\$7,668,525	\$5,936,411
Fisher.....	3,363,647	3,744,367	2,478,003
Forest.....	4,505,162	4,900,739	5,953,568
Animals.....	20,529,772	8,679,265	16,488,176
Agricul.....	31,315,614	45,504,815	16,165,760
Manufact....	64,134,325	74,419,973	91,530,916
Miscell.....	221,345	176,060	185,866

Total..... 129,554,438 155,093,744 138,738,700

Record by Months.

The record of exports and imports by months this year follows:—

	Exports	Imports	Balance
January...	\$96,216,284	\$60,677,414	+\$35,538,870
February..	86,361,617	52,206,448	+ 34,155,169
March....	99,854,987	87,255,698	+ 12,599,289
April.....	71,161,652	78,623,941	- 7,462,289
May.....	79,002,039	89,809,083	- 10,897,044
June.....	108,509,788	82,094,786	+ 26,415,002
July.....	103,019,447	82,907,900	+ 20,111,547
August....	90,153,888	79,652,526	+ 10,501,362
September.	138,738,700	71,469,480	+ 67,269,220
October...	129,554,438	75,541,815	+ 54,012,623

Total..... 1,002,572,840 760,239,091 +242,333,749