

EXTENSION OF EXPORT TRADE NECESSARY.

The extension of Canada's export trade is vital to her commercial self-preservation and future economic welfare. Only by creating a large favorable balance of trade can we hope to meet the interest of our foreign debt. A great opportunity lies in the speedy development of all the possibilities of our live stock industry, which during the past five years has experienced a phenomenal growth. It is capable of far greater expansion, and as the world's production of animal food stuffs will not be equal to the demand for many years to come, high prices and good markets are assured. A special trade and commerce committee has been sent to London with a view to securing special business from the Allies during the period of reconstruction, which would mean genuine prosperity for several years, but beyond this we need to promote permanent trade relations with South America, the Orient and other portions of the Empire. Other countries are making great preparations to exploit these fields, and there is no reason why Canada should not play an important part in the competition. Our manufacturers demonstrated their technical skill and efficiency in producing munitions and other commodities during the war at a lower cost than the United States. We possess an important advantage in our cheap lumber and paper. The vigorous ship-building policy of the Government will provide in the course of the next eighteen months forty-five vessels of a total dead weight tonnage of 246,000, and thus afford direct communication with foreign countries. Of our large imports of tropical products from the West Indies and South America, only about one-fifth reaches us directly. Four-fifths are discharged at United States ports for trans-shipment to Canada, and the steamers which bring them are laden on the return voyage with American goods.

CANADIAN BANKS CAN HELP.

The Canadian banks can effectively aid our export trade by establishing branches in foreign countries and supplying information to the Canadian exporter to enable him to judge of trading possibilities, such information to include statistics relative to the demand for our manufactured and raw products, methods of transacting business, rules and regu-

lations to which business interests must conform, and the standing and credit of business houses. British banks exist in almost every foreign country, and have proved a powerful factor in the development of Great Britain's world wide trade. Lloyd's Bank recently purchased the assets of the London and River Plate Bank, the largest bank in South America. Germany's trade was promoted by her banks, and American banks are rapidly establishing foreign branches.

Are we going to accept the crumbs of foreign trade without serious competition on our part? It does not follow that Canadian deposits would be diverted to foreign fields—the experience of this Bank has proved the contrary. Our foreign deposits have always exceeded our foreign commercial loans, as the Government returns show. The present excess is over \$15,000,000. We have now had twenty years' experience of banking in Cuba, the West Indies and Central America. During this period our losses have been infinitesimal—much under the percentage incurred in Canada, because the business represents chiefly the movement of staples, accommodation paper being inconsiderable. That Canada's trade is benefited by these branches is shown by the numerous business enquiries received. At the same time it cannot be said that we have neglected home interests. The number of our branches in Canada exceeds that of any other bank. With a view to the extension of Canada's foreign trade and encouraged by our past success in this field of banking, for which we are well equipped, we have decided after long consideration and carefully studying the situation, to open three branches in South America, at Rio de Janeiro, Brazil; Montevideo, Uruguay; and Buenos Aires, Argentine. Members of the staff for these branches have already been selected, and are about to leave for South America.

I cannot close without some reference to the achievements of the men who have so splendidly represented our country abroad. They have made the name of Canada great in war—it is for us to keep it great in peace. With thrift, co-operation, organization and wise leadership, we may hope to build up a nation strong in its own strength and a worthy partner in the Empire.

MERCHANTS FIRE HAD SUCCESSFUL YEAR

The figures to be presented at the annual meeting of the Merchants Fire Insurance Company next month, illustrate a healthy and conservative growth. The amount at risk now stands at \$56,701,263, as compared with \$49,670,297 last year. The following comparative figures illustrate its position at the end of 1918, as compared with the previous year:—

	1917.	1918.
Number of policies in force	44,186	49,647
Average risk per policy	\$ 1,124	\$ 1,162
Expense ratio (including government tax)	33.93%	33.94%
Fire loss ratio	39.01%	39.29%
Profit	27.04%	26.77%
Fund deposited with Ontario government	\$106,500	\$111,500
Cash premiums	281,989	335,338
Interest on investments	14,409	18,353
Agency commissions	64,116	75,551
Salaries, directors' and auditor's fees	16,171	20,435
Total management expenses	103,258	124,672
Fire claims	129,605	146,650

Seventy-three per cent. of the company's business is on residential property and it has, therefore, to some extent,

avoided the heavy losses which have been incurred on industrial properties during the past year. Its agency organization touches 700 different points in Ontario, at some of which it has several agencies. It has frequently cancelled all its policies at certain points where fire losses were unusually severe.

The company's investments are shown in detail elsewhere in this issue. Government and municipal bonds constitute the largest single item and the list is carefully selected.

RIGHT TO ISSUE BONDS AND STOCKS

The order-in-council prohibiting the issue in Canada of bonds, debentures and other securities and shares of stock, without the consent of the Minister of Finance, has been wholly repealed and issues may now be made without wartime restriction.

The composite plot reproduced in *The Monetary Times Annual*, page 44, was prepared by Babson's Statistical Organization, Wellesley Hills, Mass.