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R. WILSON-SMITH, *Proprietor.*

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TRADE QUICKENING AT THE TURN OF THE YEAR—AT HOME AND ABROAD.

The aggregate value of Canada's exports and imports of merchandise during June was about \$10,750,000 greater than for the corresponding month of 1908, and was more than \$500,000 greater than the June, 1907, total. Imports entered for consumption totalled about \$31,250,000, a gain of nearly \$7,150,000 over June, 1908, and within \$2,700,000 of the 1907 high-mark. Exports reached over \$24,100,000, or \$3,600,000 more than in June, 1908, and \$3,200,000 above the June, 1907, showing—though it should be noted that June, 1907, was somewhat of an "off" month as regards exports. Not only is the betterment noteworthy as reflecting steadily increasing trade activity, but it has a direct bearing upon Government finances. The June revenue of the Dominion was \$7,978,898, an increase of \$1,039,441 as compared with June of last year. For the first quarter of the current fiscal year the revenue was \$21,592,872, an increase of \$2,754,033 as compared with the first three months of last year. The customs revenue alone for three months was \$13,021,407, an increase of \$3,133,109.

Canada is not exceptional in showing a June trade increase. Trade in Great Britain has been slower than that of the New World in showing recovery from low levels—just as it was slower to show its first decline. But, as elsewhere detailed in the London correspondence of THE CHRONICLE, June apparently brought a distinct turning of the tide in the Old Land. Board of Trade returns show increases of about \$27,500,000 in imports and \$3,800,000 in exports over the corresponding values of a year ago.

With the mid-year increase in British trade activity there has gone a continuance of the recovery in average commodity prices from the 1908 low-mark of 2,168 at the end of October (using the index number of The Economist). During the past half-year, the index number rose from 2,197 to 2,240—an advance of something under 2 per

cent. for the six months. Under most circumstances this advance would in itself be regarded as a sign of trade recovery; but as increased prices of wheat and cotton account for it entirely, another instance is afforded that proves the danger of relying too implicitly on price movements as an indication of prosperity. The purchasing power of the community along other lines will be severely affected unless some relief comes in the price of breadstuffs. And continued high prices for cotton and other raw materials is keeping narrow the margin of which the working expenses and profits of the English manufacturers have to be met.

Gauged by net profits, the first half-year of 1909 has not been an encouraging one for British manufacturers any more than for British banks. According to The Economist the following are comparative figures for 1908 and 1909 published by a number of representative industrial companies.

NET PROFITS.					
	No. of Co.'s	1908	1909	Decrease.	
1st quarter	254	£16,471,692	£14,480,523	£1,991,169	12.1%
2nd quarter	238	13,958,679	13,042,912	915,767	6.5%
Half-year	492	£30,430,371	£27,523,435	£2,906,836	9.5%

However, the improvement of the second quarter over the first quarter of 1909 is expected to continue throughout the year—though, as already pointed out, a country so dependent upon the rest of the world for food stuffs and raw material cannot look for a return to flood-tide prosperity so long as present high prices have to be paid for such imports.

For the first occasion since 1897 United States imports exceeded exports during last month. The June imports show an increase of \$32,585,000 over June of last year, and exports an increase of only \$2,165,000. Exports totalled \$117,500,000 and imports about \$124,500,000, or \$7,000,000 more. For the entire fiscal year ending June 30, 1909, imports were \$1,312,000,000 and exports \$1,663,000,000; so that excess of exports over imports was about \$350,000,000 as against an export balance of over \$665,000,000 during the preceding fiscal year. From such decline there have come about foreign exchange conditions resulting in the outgo of about \$75,000,000 gold since January 1. The decrease in exports during the year just closed was almost entirely in the staple products of the country, more particularly breadstuffs and cotton.

In the United States, too, there is continuance of high prices for the necessities of life required by the "ultimate consumer." As compared with 7.82 a year ago, Bradstreet's average commodity index number is 8.45—an advance of no less than 8 per cent. As an exporter rather than an importer of breadstuffs, the United States may profit in some respects from high prices which to Great Britain