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CHIEF NAZI WORRY IS FOREIGN TRADE

Sharp Reversal in Trend in 1938 Is Topic of Royal Bank's Letter

The sharp reversal in trend in the foreign trade of Germany and the unfavorable balance of import surplus which resulted in 1938 is an outstanding factor in the present international situation and a matter of grave concern to the Nazi authorities, comments the current Royal Bank letter, in which German foreign trade is discussed. Between 1934 and 1937 Germany succeeded in transforming an import surplus of 284 million Reichsmarks to an export surplus of 443 million. In 1938, the excess of imports over exports for Greater Germany was no less than 433 million Reichsmarks, a change of 876 million Reichsmarks from the results of the previous year. Such a development, in view of the needs of the country for raw materials for her industrial and armament programmes and for foodstuffs for her people, is a matter of prime importance.

"In his annual speech last January the president of The Royal Bank of Canada stated: 'Contrary to the impression current in many quarters, Germany has made very little progress in the rehabilitation of her foreign trade. Official figures indicate that in no year under the present regime have exports exceeded one-half of the values of the year 1930, and data available indicate that in 1938 total exports were actually less than in 1932 and 1933, the nadir of the world depression and the last two years prior to the Nazi regime. The decline in German exports has become acute since the September crisis and is, in part, attributable to the repugnance felt in many countries to more recent happenings. This decline has occurred notwithstanding the fact that production of goods for export has been given priority even over military needs, and subsidized at the expense of the internal economy and of foreign creditors through the liquidation at a very heavy discount of standstill obligations.

"From a peak of 13,483 million Reichsmarks achieved in 1929, exports of German products declined to 4,167 million in 1934. With the adoption of rigorous methods for the improvement of this situation, the conclusion of various bi-lateral agreements, the introduction of barter and the use of "aski" marks, some results were without doubt attained, but in 1937 the total value of German exports was still comparatively low at 5,911 million Reichsmarks. In 1938, this total declined to 5,257 million Reichsmarks.

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