

Comments on Current Commerce

By E. S. BATES

TRADE WITH SIBERIA.—After reading the reports from Canadian Trade Commissioner Wilgress from Omsk, Siberia, on the opportunities for Canadian producers in the Siberian market, one cannot refrain from thinking that the development of that vast market requires too close attention for the Canadian exporter. These reports have been appearing in the Weekly Bulletin, published by the Department of Trade and Commerce. Throughout them all Mr. Wilgress emphasizes the wonderful potentialities of Siberia, the trend toward development of these resources, and the opportunity open to Canadian manufacturers in assisting that development. But the great difficulty of transportation is the item of paramount importance. The country is but poorly served with railroads, and although the rivers are generally navigable they all flow toward the Arctic and therefore are ice-locked for the greater part of each year. Mr. Wilgress has pointed out the agricultural possibilities of Siberia in the production of dairy products and small meats; the great forest resources awaiting development, and the wonderful mineral wealth of the country. And in the development of all these he sees an opportunity for Canadians. But surely that opportunity will rest with the country which is in a position to provide the vast sums of money that will be needed in the development. Siberia today is sparsely settled. It has no banking facilities to speak of, nor has Canada that great army of tramp traders available to ferret out the profitable part of the trade. No there are a few lines in which Canadian manufacturers may hope for some trade with Siberia, but the field is too difficult for a country that is only beginning to acquire foreign markets. Canada herself still imports too much of the goods that Siberia will require to expect to be able to compete in the Siberian markets. One cannot help thinking that the undisputed ability of our Siberian Trade Commissioner is being wasted. Much better it would be to use his talent in some more promising field.

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THE STEAM LAUNDRY BUSINESS.—The high cost of living has touched most commodities, but our Chinamen continue to do up our laundry at pre-war prices. This feat is of greater moment than at first appears. In common with the Chinamen, the steam laundries, of which dozens have sprung up throughout the country during the last few years, are paying greatly advanced prices for their soap, soda, machinery and other materials, but in competition with the Chinamen who have not advanced their prices the steam laundries are finding it increasingly difficult to make their businesses pay. They have waged relentless warfare on the Chinamen during recent years, but the Chinks are now having their innings. Their overhead is small; it simply means a slight reduction in their profits, but the situation has forced a number of our largest steam laundries to the wall. Where it will end depends upon the length of time prices remain at their present high level. The agitation against Chinese hand-laundries is more bitter than ever, but it is a question whether public opinion will ever demand the abolition of the genial Chink from the business. The charge of unsanitary conditions in the hand laundries made a few years ago by the combined steam laundries was disproved, and really, it will be hard to beat the honest and efficient service rendered by the Chinamen.

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ANOTHER FOREIGN UNDERWEAR ORDER.—The Italian government has again placed an order with Canadian knitting mills for underwear. The order is for 100,000 dozen heavy wool ribbed undershirts, and will be distributed among a number of the mills. When it is remembered that this business is secured in competition with British and Italian mills, the efficiency of the Canadian knitting industry is realized fully. This garment is strictly Canadian and therefore the mills of this country are well-equipped for its manufacture. The order will serve to fill up the loose corners of the trade, and further, will serve to influence the British authorities to allow wool supplies through to Canada more freely. The British authorities now control the Australasian clips and wool can only be shipped to this country under license and assurance that it will be used in Canada. No doubt, there is considerable red-tape connected with the granting of the licenses, and something

specific like the Italian order will have a sentimental effect in hurrying wool shipments. On the other hand, it is good business and the knitting mills are to be congratulated on their enterprise.

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RAILWAY CONTROL.—Judging by the nature of the many resolutions being passed by associations of one kind and another all over the country, it seems as though the Government would sooner or later be called upon to run the private business of the country as well as that of the government. Latterly, the idea of a National Government has caught the public fancy, and we hear of dozens of resolutions being passed by responsible business men endorsing it. Now the coal shortage has brought demands "that the Dominion Government take over the railways or portions of them in these times of war, . . . so as to secure the greatest efficiency in service that such consolidations and subsequent co-operations and co-ordination would bring about." A resolution embodying this idea was adopted by representatives of strong commercial organizations of the city of Toronto. Whether it means the complete endorsement of the nationalization of Canadian railroad scheme, or is merely an effort to relieve the present freight congestion, is a moot question. At any rate these business-men are advocating that the Dominion Government be saddled with a very great responsibility, and they pass such resolutions without batting an eyelash. The present situation apparently has been brought about through failure on the part of the Railway Commission to see that the railroads maintained adequate service. No doubt, this failure was due in great measure to the failure of business concerns to bring earlier difficulties to the notice of the Commission, thereby allowing conditions to become acute before action was taken. The extremely cold weather has placed additional burden on the railroads, and the combination has produced a serious congestion. But the Government can do nothing, other than what is being done by the Railway Commission, and much more would be accomplished if the Commission had the earnest co-operation of the business concerns of the country. The Government already has more than it can handle.

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A TIME FOR CAREFUL BUYING.—There is a tendency prevalent among commission and jobbing houses at the present time to encourage retailers in all lines to lay in large stocks of goods. The reason given for this is, of course, the abnormal strength of raw material markets and the difficulty in procuring shipments from abroad. But we are credibly informed that the pressure being brought to bear by these houses is unfounded in many cases. The unsettled trade conditions have played into the hands of these factors. The scarcity of goods on the one hand, and the prosperity of the country on the other, have been strong talking points in selling to the retailers, and a danger has arisen that retailers may be overstocking at prices that will not allow for a profit as commodity prices recede, which will inevitably follow the cessation of hostilities. The present is a time for very careful buying by the retail trade, and stocks should be turned over as rapidly as possible, even if it is necessary to resort to discount sales. The retailer who is caught when peace is declared with large stocks of goods on his hands will be apt to come out at the wrong end. If we are to maintain our productive activity at a satisfactory level, commodity prices must recede. Peace will bring about normal shipping conditions, war orders will cease, and there must be an interval of adjustment before peace demands will absorb the production of the world's quickened productive force. However short this period may be, the recession in commodity prices must take place in that time. Care must be exercised in buying in order to prevent this recession of prices from proving disastrous.

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THE BUSINESS TAX.—The officials of the Dominion Government appear surprised at the patriotic spirit in which Canadian business firms have responded to the Business Profits Tax. It is reported from Ottawa that so far not a single appeal from the tax has been received. But appeals were unnecessary. The tax was collected in such a manner that business concerns merely paid what they thought they were duty bound to pay, and such a system of col-

lection is hardly likely to produce friction. No doubt if the tax had been collected to the last farthing, as provided under the Order-in-Council, a greater amount would have been forthcoming, but as it was, upward of ten million dollars has been received and everybody is satisfied. Business concerns are giving in a hundred different ways to patriotic and other war-relief funds. In addition the majority of them are using their profits in expansion and consolidation of their efforts, all of which is more useful to Canada than the proceeds of a tax. The Business Profits Tax, as administered, is alright as a war measure, but the Government should not "kill the goose that lays the golden egg" by maintaining the tax any longer than is absolutely necessary. Some other revenue producer will now have to be found as profits this year and after will scarcely allow for extra burden.

MERCHANTS' ASSOCIATION MEETS AT FREDERICTON, N. B.

A meeting of the Fredericton, N. B., branch of the Merchants' Association was held at Fredericton, on Tuesday, February 6th for the election of officers for the ensuing year and among those attending were: A. Murray, president of N. B. Board of Trade and Robert Reid of St. John, N. B. Appreciation of the Association was expressed by many of the merchants who since its formation realise that "unity is strength."

The officers elected were: Charles H. Edgecombe, president; Howard Rogers, 1st vice-president; R. G. Lee, 2nd vice-president; Wm. R. Fraser, treasurer and Charles W. Hall, secretary. Elected to the executive committee: Joseph Cain, D. Crowe, C. R. Burt Alex. Murray and J. Walter McKay.

LONDON AND CANADIAN LOAN AND AGENCY COMPANY.

The London and Canadian Loan and Agency Company, Ltd., held their forty-third annual meeting on Wednesday, February 14th, at the head offices, Yonge street, Toronto. In the absence of the President, Mr. Thomas Long, the Vice-President, Mr. Casimir S. Gzowski occupied the chair. The bank has had a very successful year having made a net profit of \$183,018.13 out of which four quarterly dividends have been paid at the rate of 8 per cent per annum, amounting \$100,000.00. A change in the directorate of the company occurred during the year through the retirement from the Board of Mr. D. B. Hanna. Mr. W. C. Noxon, of Toronto, was elected to fill the vacant place. The shareholders adopted a resolution confirming the patriotic and benevolent grants for 1916, and approving of a grant of \$2,000 to the Patriotic Fund for 1917. The following gentlemen were elected Directors for the ensuing year: Thomas Long, C. S. Gzowski, A. H. Campbell, C. C. Dalton, Goldwin Larratt Smith, Colin M. Black, W.S., and W. C. Noxon.

HAS THE WORLD ENOUGH TO LIVE ON TILL HARVEST?

A despatch from Rome says:—The International Institute of Agriculture has published a report under the title: "Has the World Enough to Live Upon Until the Next Harvest?"

The report took into consideration five unfavorable factors, the failure of the northern hemisphere, harvests of the year ending July 31, and particularly those of Canada and the United States; the unreleased crops of Russia, owing to the continued closing of the Dardanelles; the extra and unusual consumption of food by the armies; the increased difficulty of transporting crops; and the fact that normally the world's consumption of food increases year by year, partly due to population increases, and whereby a crop which does no more than attain to an antecedent is actually an insufficient one.

The general conclusion of the report, while not favorable, indicates that if every nation, irrespective of those at war, exercises close economy there may be a narrow margin of surplus food left at the beginning of the next harvest year. It is also made clear that should the next harvest be no better than the present the situation will be serious.