

Great Britain, after defeating Germany in the field, may replace the German system by a British one.

In a report on "Great Britain's Plans to Extend Foreign Trade," P. Harvey Middleton, assistant manager of the Foreign Trade Bureau of the Guaranty Trust Co., describes the network of associations, combinations, monopolies, banks and governmental departments so ingeniously constructed for the capture of trade in every part of the world, civilized and savage. The British business man is to-day determined to recapture the trade won from him in pre-war days by the Germans. Great Britain to-day has enormous resources to draw upon. Mesopotamia is certain to become one of the great granaries of the world as a result of the irrigation system planned by British interests. The absorption of German East Africa will enable the British railroad builder to realize his dream of a line from the Cape to Cairo. German Southwest Africa and other German colonies will yield rich returns to the British miner and agriculturist. The new treaty with Persia—frequently described as the greatest diplomatic stroke since the acquisition of the Suez Canal shares by Disraeli—will give the British government a controlling interest in the Persian oilfields which may well be one of the big factors in paying off the British war debt.

A typical example of the method by which the British plan to recapture their overseas trade is the organization known as the British Trade Corporation, incorporated in 1917, with an authorized capital of £10,000,000, of which £2,000,000 is fully paid up. One of its subsidiaries is the Trade Indemnity Co., which insures foreign credits. Since its incorporation this company has facilitated the export of goods of many millions of pounds value. Although it was anticipated that it would be beneficial chiefly to the small merchant, its policies have been freely availed of by some of the largest British manufacturers. In conjunction with the London and Westminster, Lloyd's and the National Provincial Banks, the British Trade Corporation formed the South Russia Banking Agency. The British Trade Corporation also has an investment in the Portuguese Trade Corporation, which was specially started to compete with German interests. Another subsidiary is the Anglo-Brazilian Commercial and Agency Co., which has opened branch houses in Brazil, particularly at places where German influence in the past was strongest. Although they had experienced difficulty in getting delivery of goods ordered by manufacturers, satisfactory progress is now being made.

SELECTING A PAPER SECURITY

ORDERS for newsprint have been placed in Germany by United States paper men. While, as the *Wall Street Journal* points out, it is scarcely possible for Germany to become a large exporter of this product, yet it is well to remember that the immense exports of newsprint made by Canada to the United States have been built up under war conditions. Other countries, especially Norway, are in a position to export wood products, and, with ocean transport made safe and shipping rates coming down, these countries must again be met in competition on this continent. In the possession of unexcelled forest resources, and in proximity to the largest markets, Canada has an undoubted advantage, which will always give the securities of a company with ample resources, suitably placed, a high value. There is a danger, however, lest future earning power be measured by the exceptional conditions of the past few years. The brilliant records of earnings shown by many of the old-established and well-managed pulp and paper companies are, as might well have been expected, inducing an increasing number of new promotions. The promoters of some of these companies, lacking both a proper appreciation of the essential of a sound pulp and paper enterprise and a proper sense of their responsibility to investors, are offering for public participation the bonds and stocks of corporations possessing few, if any, of the elements requisite to sustained success. As an inducement to part with their money, investors are

reminded of the large profits realized by early buyers of the securities of some of the now highly successful Canadian pulp and paper companies; but little or nothing is said about the factors which were necessary to produce success, and which, in not a few cases, are conspicuously lacking.

In *Investment Items* for October the Royal Securities Corporation, which has financed several pulp and paper enterprises in Canada, specifies four main factors essential to success in this industry. The first is an adequate and accessible pulpwood supply. The second is the combination in close proximity with it of an easily developed water power of a sufficient capacity to operate the mill construction necessary for the conversion of the wood. It is well for the investor to remember that timber areas which are possessed of this combination, and which at the same time have easy access to the markets for their products, are becoming extremely scarce and of corresponding high value. In the third place, there must be constructed efficient mills with up-to-date equipment, involving in most cases the eventual investment of many millions of dollars. The fourth, and not the least, essential is the technical staff of experts necessary for the efficient prosecution of the numerous and high scientific processes involved in pulp and paper production. To be successful, the manufacturing organization in its entirety must be operated by a competent staff of experts, which can develop efficiency only through years of experience. The organization of such a staff for an entirely new company is about as difficult as the securing of a wood supply sufficient both in quality and quantity.

SOME SUGGESTIONS ON DEMURRAGE

OVER 71,000 days of demurrage were charged on freight cars in Canada during the month of June this year. This means 71,000 car-days wasted over and above the usual three days free time allowance for loading, unloading and clearing the customs. The sum paid by shippers for this demurrage was \$186,791—or say \$2,000,000 a year! There are in Canada about 200,000 freight cars available for 30 days per month, or, in railway parlance, 6,000,000 car-days. Approximately 71,000 of these are accounted for by the above-mentioned delays, or say 1.1% of the month's freight carrying capacity of the Canadian railways. While these delays do not occur simultaneously, the effect in the end is as expensive as would be the total cessation of freight loading in Canada for a period of, say, four days each year. Conversely, if such delays did not occur (and most of them need not occur), the railways would be in a position to move theoretically about 1,300,000 additional tons during the year.

In a bulletin issued a few days ago the Railway Association recommends shippers to watch their demurrage bills, see that they are trimmed to the lowest point, and, if possible, release cars even a whole day before the margin of free time has expired. It is suggested that the chief executive's shrewdest assistant, not the head shipper, should scrutinize the demurrage bills regularly.

Saskatchewan is to sell its farm loan debentures on the Victory loan plan. It might be just as well if the Victory loan parallel were not carried too far, however.

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The Universal Securities Corporation, Ltd., is a new company now doing business in Canada. No, this is not one of the American international corporations organized to promote foreign business; its head office is in Outlook, Sask., and it has a branch at Glenside in the same province.

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A conference of members of the Chamber of Commerce and of the Independent Labor party in Hamilton, Ont., urged that houses costing from \$2,500 to \$3,000 be erected. Neither of these bodies volunteered to undertake the work—that is left to the ingenuity of the city council.