

CREDIT

The national council of the Canadian Credit Men's Association, in annual convention passed a resolution urging that the different branches of trade should seriously consider a general shortening of credit terms. It is desirable and in the interests of the trade and commerce of the country, especially from the standpoint of the manufacturer, the wholesaler and the retailer, that such a reform should be extended. The tendency has been in this direction for some time past. Absurdly long credit terms are unwise and create unhealthy business conditions. A certain amount of credit is necessary to carry on business but excessive credit terms are an obstacle to business. It is no secret that among the reasons preventing British and other traders from accepting certain business in this country, are the credit terms they have been asked to endorse. Those who got much of this business with a cupful of cash and a jugful of credit, have since wished they had let the trade pass.

How would a Canadian war loan go in Canada?

Peace only with wrong righted, militarism crushed and the German navy scrapped.

TRADE OPPORTUNITIES

The American business man has acquired a habit of criticizing the British manufacturer regarding his alleged lack of initiative and adaptability in respect to the trade of this continent. One of the Canadian trade commissioners says that the subject has been aired so much as to "become almost wearisome." Even now, criticism is heard because Great Britain is not supplying certain needs of the Canadian market, it being overlooked that on account of war's demands, Great Britain is not in an export position in particular lines. Some, but not all, of the criticisms levelled at British manufacturers have been deserved. Mr. C. Hamilton Wickes, the British trade commissioner in Canada, a few weeks ago in London, said that as a manufacturer, the Britisher is without a peer, but as a salesman, that is to say, in knowledge of markets and marketing and the science of selling, he is, in comparison with his foreign competitors, unskilled and apparently indifferent.

Mr. Claude Dyer, Canadian trade commissioner at Leeds, England, gives a new touch to the subject by reversing the position. The purport of a communication of his to the department of trade and commerce, Ottawa, is that Canadian manufacturers have been apathetic in taking advantage of the trade opportunities created by the war. He points out that with the beginning of hostilities the supply of various products and manufactured goods sent in normal times to the United Kingdom from European sources was immediately curtailed and in some cases entirely stopped. It was thought, therefore, that Canadian manufacturers would make an ambitious effort to secure some of this lost trade. The trade and commerce department presented particulars of opportunities to Canadian business men, but after taking all the circumstances into consideration and making due allowance for the high shipping and insurance rates, and the fact that so many Canadian factories are busily engaged in the

making of munitions and army supplies, "the response from Canadian firms," says our trade commissioner at Leeds, "has nevertheless not been in that ratio which might have been looked for."

The future prosperity of Canada depends largely on greater production and the growth of our export trade. The time has arrived for energetic and intelligent work in developing that trade.

Not one of the hundred terrible things we anticipated a year ago has yet happened. Faith in the British strain brings its own reward.

REGULATING CAPITAL

Dr. E. E. Pratt, chief of the bureau of foreign and domestic commerce of United States, in a speech before the West Virginia bankers' convention at White Sulphur Springs, declared that the bankers of the United States must prepare to handle the financial end of a wide United States foreign trade. The development of a large export business is now under way and manufacturers and merchants will call upon the banks for extensive services in handling the cash and export transactions.

Dr. Pratt added: "In lending money to European nations we are enabling them merely to keep up their wasteful warfare, and if we continue to lend money to Europe for reconstruction purposes after the war is over, we will simply be building up our most active competitors. If, however, this money is loaned to other countries of the world, countries which are not competitors, but which are customers, and also the customers of European nations, we will be building up our customers, we will be strengthening them, and we will be strengthening the ties between them and ourselves."

The flow of capital cannot be regulated in this way. Shortly after the beginning of the war, President Wilson made public his disapproval of loans to belligerent governments by bankers in the United States. This reflected a laudable desire to hasten the end of war by curtailing the supply of capital to the belligerents. But this plan had to be greatly modified and the United States has already made loans of more than \$250,000,000 to belligerent countries. The financial theories of economists formed during a lengthy period of peace, are likely to be proved entirely wrong during the course of this great war. Indeed, many such theories have already proved incorrect. Dr. Pratt's proposal to lend money only to countries which are not competitors will not work out in practice. Carried to its logical conclusion, the United States would block natural business ties with practically the whole of Europe and with the British empire.

The natural trend of events, in the case of Canada and the United States, for example, is working in a direction opposite to that indicated by Dr. Pratt. The United States, since the outbreak of war has loaned Canada, a belligerent country, \$87,000,000. The trade ties of the two countries are being strengthened, although in many lines they are competitors. The republic has furnished sinews of war to the Dominion in the shape of capital. It lent us the money to pay for our provincial government gifts to the Imperial forces. Indeed, the United States has become second banker and general supplies merchant to the British empire and the allies—an ironical touch to the neutrality attitude.