to compete for business in the importing countries of the world.

In the first place the experience of the past three years has enabled them to acquire a much wider knowledge regarding both the requirements of the foreign market and of the ways and means best calculated to supply them. In the second place they have from their experience acquired much greater efficiency in methods of production and in the science of business management generally. In the third place, manufacturers and producers generally are in a much stronger position financially. Not only is this self-evident, but even better proof than this is furnished by the bankers of the country, who tell us that during the period of prosperity, through which we have been passing, the manufacturers of the country have not only been able to liquidate their liabilities, but that they have been able to create substantial rest accounts to an extent unparalleled in the history of the Dominion.

But while these conditions provide a favorable foundation upon which to build an export trade of a character more permanent than that which has been stimulated by the war they will not in themselves carry us very far. If we would go farther, and for reasons already pointed out we should go farther, greater effort, both individual and co-operative, must be put forth.

**Work for Individual Manufacturer.**

The individual manufacturer must make an effort to acquire all possible information regarding the foreign market in which he desires to sell his goods. He must not only ascertain the kind of goods they want, but the peculiar way in which they want them made, how they want them packed, and the terms of payment in vogue. Then there are certain well established facts that he must recognize. In the first place he must recognize that when he sells goods his invoices should be made out in the currency of the country in which his customers reside. In the second place when he receives an inquiry from a country in which a language other than English is spoken, his reply should be written in that language, whether it be Russian, French, Spanish, Italian or otherwise. If, in addition, he sends a catalogue, he should furnish a translation of that part of it which deals with the particular article or articles regarding which information is desired.

When a representative is sent to solicit business in a foreign country, he should be one who is able to converse in the language of that country. Otherwise he will be of very little use no matter how proficient he may be, generally speaking, as a salesman.

**Co-operation is Necessary.**

While none of us can agree with the "peaceful penetration" object of Germany, yet we must recognize the fact that in the carrying of it out she reduced her methods to a science. Her exporters acquired complete knowledge regarding the requirements of every country whose market she desired to penetrate, while the representatives she sent were proficient as linguists as well as salesmen. They knew their business from A to Z.

While individual effort is, as a rule, the best when possible, in order to build up a satisfactory export trade, yet individual effort is not possible in all cases. As a rule, it is only the larger firms that can undertake it. But no manufacturer need be precluded from participating in the export trade because of his size. Two avenues are open to him. He can either co-operate with one or more manufacturers, or he can employ the services of a concern whose special business is to develop the export trade for manufacturers generally and are equipped with branch offices at important trade centres throughout the world.

There is still another method of co-operation which Canada should develop, and that is one which embraces the department of trade and commerce, the transportation companies, and the banks as well as exporters themselves. It was largely due to co-operation of this kind that Germany was enabled in a comparatively few years to build up the enormous export trade that she did prior to the outbreak of the war. And that which co-operation of this kind did for Germany can, to some extent at least, be done for Canada.

The export trade may be complex and in the cultivation of it Canada's position may be less favorable than that of certain older countries, but the experience of the past three years afford much encouragement for the undertaking of that which the general welfare of the country demands should be undertaken—namely, a more intensive and wider spread development of its export trade.

## FINANCING BY THE UNITED STATES

### Nation Will Spend $16,000,000,000 During Current Fiscal Year—Must Finance Allies' Purchases

The war finance arrangements of the United States last year assumed very large proportions. In July, secretary of the treasury McAdoo stated that expenditures for the current fiscal year for purposes of that country would amount to about $11,000,000,000. That sum omitted prospective advances to the allies which, at the rate of such loans in 1917, would bring expenditures for the fiscal year up to $16,000,000,000 or more. This total eclipses the annual expenditures of Great Britain, where, up to the present, the cost of the war has fallen heaviest. In the eight months from the outbreak of the war to the end of the British fiscal year, the outgo through the Exchequer, including ordinary governmental expenses, was $2,485,000,000; in the next twelvemonth, it was $7,800,000,000; while in the year ended March 31st last, it was approximately $11,000,000,000.

At about the time Mr. McAdoo was submitting his estimates in July, chancellor of the exchequer Bonar Law, of the United Kingdom, was saying in the House of Commons that: "We can rely on receiving in the United States resources which are necessary to pay for supplies of all kinds required by the allies in America," much of that expense having previously been borne by England. Further, it was an open secret, he added, "that we had spent so freely of our resources that those available in America had become nearly exhausted."

The first loan of the United States to the allies since its entrance into the war was made to Great Britain. The amount, $200,000,000, was made available out of the proceeds of the $5,000,000,000 Liberty Loan bond issue, of which $3,000,000,000 it was proposed should be loaned to the allies. The first block of $2,000,000,000 of Liberty Loan bonds was offered in June. In reaching the decision to make the first loan to Great Britain, the United States was influenced by the knowledge that Great Britain, as banker for the allies prior to the United States' entrance into the war, had met the heaviest financial strain imposed upon any of the entente governments.

In making the loan the United States accepted British bonds bearing three and a half per cent. interest as security. These bonds were deposited in the United States treasury, and the interest payments made upon them—at a rate considerably lower than that which Great Britain had had to pay for previous borrowings—will balance the payments made by the United States to holders of the American bonds. A similar course was proposed in making loans to other allied nations.

## NEW BANK NOTE DESIGNS

The Canadian Bank of Commerce have in course of preparation a new series of bank-notes, which are in originality and beauty of design, a marked advance over those at present in circulation. The designs are copyrighted in Canada, the United Kingdom and the United States, and they will be the bank's exclusive property. The work of engraving the plates is a slow and tedious process and some of the notes will not be completed for several years, but the smaller denominations will be put into circulation during the current year.

## WIDER INVESTIGATION OF PAPER SITUATION

The investigation by Royal Commissioner R. A. Pringle, K.C., into the paper situation, in so far as it relates to the requirements of book or magazine publishers, was adjourned on Wednesday to be resumed later after an expert accountant had visited the various mills and reported to the commissioner facts and figures in regard to production costs.

An inquiry into the newsprint situation was again resumed when the commission met yesterday. The paper manufacturers claimed that there should be corresponding inquiry and publicity in regard to the publishing business if their cost of production and profits was made public.

It was then that Commissioner Pringle referred to the necessity of widening the enquiry so as to trace up the profits and costs of the publishers as well as the manufacturers.