

Monetary Times

Trade Review and Insurance Chronicle
of Canada

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CANADIAN TRADE WITH RUSSIA

Canadian manufacturers look upon the Russian market as one of great value. Comparatively few of our exports have gone to Russia in past years. The filling of war orders for that country by several important Canadian firms has awakened a remarkable interest in the Russian market. The directors of many of these firms have visited Russia and are of the opinion, with others, that after the war, Russia will probably undergo an active development such as has been the case in Canada during the past ten years. This development will call for considerable railroad construction, with the consequent demand for steel, locomotives, cars and general equipment. And that is only a typical example of general construction work.

The Canadian government recently appointed Mr. C. F. Just as a special trade commissioner, with headquarters at Petrograd. Mr. Just has commenced to send home some instructive reports for the benefit of Canadian trade. These reports are being published by the department of trade and commerce, Ottawa, in their weekly bulletins. In his latest report, Mr. Just discusses German influence in Moscow. "Broadly," he says, "Petrograd disposes of a higher class of article at corresponding prices. Moscow's clients belong to the peasant class, to the inhabitants of the rural towns, whose wants are restricted, if not primitive, and who are in the stage when new wants and habits are forming. This does not necessarily lessen the range and variety of the articles desired, but rather the contrary. The attractiveness of the articles, however, rather than the quality appeals, and cheapness is an all-determining factor. This attitude has been cleverly grasped and exploited by the German trader, and in this connection, nowhere as in Moscow is the evidence of the German adaptability, and of their German trade penetration of Russia, more apparent. Moscow's stores were, and are still, full of German goods. Large numbers of these stores are obviously German, while the representatives of German houses in the district must be numbered by thousands. Many of the more important of

them are, for the moment, eager to take up British and other agencies, but probably only to sidetrack them at the first opportunity, when the war is over, and the return of the German becomes possible. In Moscow's best departmental store, the largest in Russia, which was founded by Scotchmen in the forties of last century, and is still conducted under British management, probably 60 per cent. of the foreign goods on sale have been of German manufacture."

The manager of one of the oldest trade houses in Russia told Mr. Just that Russian trade might be summed up in a word, "giving facilities." It was not necessarily a cut trade. The Russian had his peculiarities and these had to be met. He was too indolent mentally to work out things himself and would rather say, "I will pay you so much for an article if you will deliver it to my door." The question of finance was difficult, but what was being stated as to the length of credits necessary was much exaggerated, or at all events, exceptional, unless perhaps for certain classes of agricultural machinery. As long as the right agent was provided he would select the right customer for business on satisfactory terms—allowing, however, always for the market.

A Canadian, who for many years has been in charge of important machinery interests in Russia, says that the principle of firms combining in groups or syndicates in order to work the Russian market is a good one, but those who want to make a success, must go over and investigate for themselves. Doing business direct from Canada is of little avail. In any case catalogues in Russian, and in the weights and measures and currency of the country are indispensable.

It is the opinion of this gentleman as well as the opinion of many others, that the Russian will resume business with German firms, if the same conditions are offered as previous to the war. The mass of the people do not seem to appreciate the difference between a German and other foreigners. The Russian country merchant is influenced by price and buys from the man who, on the whole, is cheaper. The tariff is not likely to be modified, but the reduction of duty is not of so much consequence to Canada as an advantage over German competition. The purchasing power of the nation may be reduced after the war. Trade credits have, he thinks, been exaggerated. With the best and most reliable people, who must be sought, a reasonable length of credit can generally be arranged. At present, cash payments are general, and this will not be without its effect when general business is resumed.

BRITAIN PROVIDES

War makes a billion the common denominator. British equanimity, therefore, is undisturbed at Chancellor of the Exchequer McKenna's skilful play with billions of revenue and expenditure in the world's greatest war budget which has swept precedent and party aside. "It is estimated," said the Chancellor, "that at the end of this year the dead weight of debt will be \$11,000,000,000. This will not cripple our resources. We have to contemplate a navy costing \$950,000,000, an army costing \$3,575,000,000 and external advances of \$2,150,000,000." This in brief, with the suggestion of a coming war loan, shows Britain's provision for the financing of the British Empire and its allies. It is a courageous programme and typical of the empire of which Canadians are citizens.