

WHAT WE MUST PAY THE UNITED STATES

SOME food for serious Canadian thought is found in a statement of foreign loans in the United States, compiled by the Guaranty Trust Company and published in the Federal Reserve Bulletin of July. This country is conspicuous in the list of foreign borrowers. This is, of course, to be expected, considering the geographical, industrial and financial relations between the two countries. But while it is a fine thing to enjoy good credit, there is such a thing as making too free a use of such credit. One country may obtain a strangle-hold upon another by finance alone, and, though it is not suggested that any political difficulties might arise by the predominance of United States capital in Canadian enterprise, yet the financial relations set up in this way must constitute one of the main factors in the development of this country.

The statement shows the amount of foreign loans in the United States outstanding as of July 1st, 1920, by classes of securities and by countries. Those made by Canada and Newfoundland compare with the totals as follows:—

	Total.	Can. and Newf.
Government	\$ 1,555,744,000	\$152,500,000
State and municipal	264,606,313	130,425,313
Railroad	264,416,265	121,328,500
Public utility	81,345,000	80,095,000
Industrial	55,899,500	39,899,500
Total	\$ 2,222,011,078	\$524,248,313
Cash advances and other charges against credits established by U.S. up to May 11th, 1920	9,598,855,000
Grand total	\$11,820,866,078	\$524,248,313

The immense total of cash advances are mostly to Great Britain, France, Italy, Belgium and Russia for purchases in the United States. Confining our attention to the bond issues, however, we find that Canadian loans comprise nearly one-fourth of the total. Again, leaving aside the government loans, which include the Anglo-French loan and the issues of United Kingdom notes, etc., we find that Canadian issues loom still larger in the total. They are one-half the state and municipals, nearly half the railroads, nearly all the public utilities and about three-fourths of the industrials.

The Canadian government loans were the issue of \$75,000,000, made in March, 1916, and due 1921, 1926 and 1931, and another issue of \$75,000,000, made in August, 1919. The states and municipals are made up chiefly of issues of the provinces and of such large municipal corporations as Greater Winnipeg Water District, Toronto Harbor Commission, Hamilton, London, Calgary, etc.

This total of \$524,248,313, which does not include American subscriptions to Canadian domestic loans, holdings of stocks and other securities or direct investments in industry or property, means an annual interest charge of around \$30,000,000. This is a considerable item in striking our annual balance with the United States, an item which must be offset by an excess of exports to that country. Our present imports are greatly in excess of our exports, indicating that the borrowing process is still under way.

UNIFORMITY IN INSURANCE LAW

UNIFORMITY in provincial insurance, in so far as such is possible, is desirable. Such uniformity can be obtained best through joint consideration on the part of the provincial superintendents and close co-operation between the superintendents and the companies. The third annual conference of provincial superintendents is to be held in Winnipeg, October 4th to 7th, and it is expected that subjects of the foremost importance will be discussed. The provinces will all be represented, and it is the desire that insurance

companies be also represented. Particular importance is attached to this conference because of the recent reorganization of the Ontario department, which is now engaged in a comprehensive consolidation and revision of the Ontario Insurance Act, to be presented to a special committee of the legislature for consideration at its next session. This revision was recommended by the Hon. Justice Masten in his report on insurance in Ontario, and must deal with subjects which will be discussed at the conference.

The sessions will be open to the public, but only invited delegates are expected to take part in the discussions. A. E. Fisher, superintendent of insurance in Saskatchewan, Regina, is secretary of the conference. The range of subjects to be discussed included the following: Uniform forms of departmental return from insurance companies; insurance transacted in Canada by unlicensed foreign companies; taxation of insurance companies; a discussion of the model fire policy act, drafted by the commissioners on the uniformity of legislation, and consideration of draft forms of statutory conditions for automobile insurance and for accident and sickness insurance; the administration of the licensing system for insurance agents, brokers and adjusters; the forecasting of legislation governing solvency of fraternal societies; and a discussion of the subject of reciprocal fire insurance exchanges.

JUST EVERY-DAY EFFICIENCY

A WORD may lose its value by over-use. One which has been over-cultivated, to the loss of its real meaning, is "efficiency." Efficiency means the shortest and quickest way of doing a thing. It has a double value, a quadruple value, an unlimited value. It is not something to be reserved for comprehension of the elect. It is not a thing to be called scientific management and used as a bugaboo. It is, on the contrary, nothing but common-sense applied to every-day affairs. The doing of a thing in a better, quicker, and more economical way than at present, the doing of a thing in the right way, the easy, the adept, the direct and natural way, rather than in the careless, slovenly, wrong, or round-about way. Efficiency is the duty not alone of every man to himself, but every man to his neighbor. It is a slogan that means prosperity, and a watchword of honest effort and well-directed energy.

The one comprehensive word covering efficiency in its fullest and broadest sense is "results," not the initial result but the final result. The unit measure is but the starting point, but the combination of units brings about a complete and finished article of efficiency. Figures having but a relative value should always be measured by results. The unit having but an initial value should be combined with other units, and compressed into a complete and finished whole.

This is expressed in the necessity for each unit of efficiency standing elbow to elbow, and shoulder to shoulder, to the next unit of efficiency, thereby making a compact and invincible whole proof against the onslaught of competitors, with whatever organization they must have at variance with our own.

The recent drop in the price of Victory bonds has increased the determination of owners to hold rather than sell at a loss. At the same time buyers are not encouraged, feeling that the bottom may not yet be reached.

* * * * *

Farmers and manufacturers are objecting to the rate decision of the Board of Railway Commissioners. This award, coupled with previous increases, will mean an increase of about 75 per cent. since 1914. Will the farmers and manufacturers maintain that this is out of proportion to the increases in labor costs, averaging 100 per cent., and in the cost of materials, ranging from 50 per cent. to 300 per cent.?