

value in plants where (1) individual efficiency cannot yet be exactly measured, or where (2) much work is done far away from supervision, or where (3) longevity of service is necessary to preserve the quality of the product or to guard trade secrets, or where (4) a supplement to the wage system promoting individual efficiency is needed to minimize plant waste. In other cases, where the motives are merely practical, better results are obtained by improvements in working conditions, by increases in wages, and by the payment of these increases upon the basis of individual efficiency."

### TRADE AND LOANS

At least a large part of the money from the United Kingdom which has been invested in Canada actually reached the Dominion itself in the shape of foreign goods. The figures of trade between Canada and the United States show, too, that the excess of imports from the latter has been far greater than the estimated investments of American capital in the Dominion. This position was given considerable attention by the Dominions Royal Commission during their recent tour in Canada. They report that they cannot regard it with complacency and urge the Imperial government, the Dominion government and the local authorities concerned, that in the case of all public loans raised in the Mother Country for public works in Canada, measures should be taken to encourage, as far as possible, the expenditure of such capital in the purchase of British goods.

Public authorities, however, are not alone to blame in this matter. British financial houses have made little or no effort to ensure that sums lent to the Dominion should benefit the British manufacturer. On the other hand, the bankers and manufacturers of the United States have in many instances combined efforts so that when the banker has arranged a loan to a Canadian borrower, there is an excellent prospect, or even a definite arrangement, that United States manufacturers shall benefit from purchases made later with the funds raised.

The Dominions Royal Commission regard as urgent that this condition of affairs should be altered. "We think," say the commissioners in their fifth interim report, "that the British trade bank which, we understand, is now about to be established in accordance with the recommendations of the committee in the United Kingdom on financial facilities for trade, should make the promotion of a new policy in this respect one of its first and most serious duties. Not only should this bank stipulate that orders in connection with any new undertakings which it may finance in Canada and other dominions should be placed as far as possible with British manufacturers, but it should exert its influence to induce other financial establishments in the United Kingdom to follow its own example."

German trade has been encouraged by notable co-operation between bankers and manufacturers. Certain dangers might arise were the machinery of British banking used to encourage trade to any great extent, following the example of Germany. The proposed British trade bank, however, should overcome any such difficulties. Steps have already been taken to establish an organization, to be called the British Trade Corporation, which will be given a charter, and whose principal object will be to facilitate and establish a trade and credit bank, to be connected with existing banks, for the purpose of developing British trade abroad.

### GUARANTEE INSURANCE AND A PRINCIPLE

To protect the Canadian government from loss on a contract, a \$500,000 bond has been signed, guaranteeing completion of the work by the contractors. The bond has been executed by a United States guarantee company. There are two features in this transaction which appear to be unfair to Canadian guarantee companies: First, the treasury department of the United States government will not accept the bond of Canadian guarantee companies, or of any foreign company. It will accept only three such companies on reinsurance, and restricted to a limitation of \$50,000. Canadian or foreign companies are required to file quarterly with the treasury department an affidavit that they are not carrying any risks in the United States in excess of \$50,000 without reinsurance.

Second, while the Canadian government favor Canadian companies with the fidelity bonds on government employees, yet there are certain departments that accept the bonds of United States companies. The Canadian companies have never been able to get the Dominion government to accept their bonds in lieu of certified cheques required to be deposited by contractors for government work. The practice of accepting marked cheques in this way is not a good one. It hampers the contractor in his financing and may even induce the very condition which it is desired to prevent.

Here is the government accepting the bond of a foreign company (whose deposit with the department at Ottawa is many times less than the assets of several Canadian companies) for a \$500,000 bond in a Department that will not accept the bond of a Canadian company. If the Canadian government had stipulated that the bond must be that of a Canadian or British guarantee company, it could have been readily obtained by any responsible contractors. However, the guarantee companies here are not so much interested in this feature as the government's apparent disposition to make an exception in this case and possibly establish a precedent for the competition of United States companies with Canadian companies for government business.

In this instance, the United States company had at least some qualification to do the business. In another case, the government has accepted in connection with a contract, the bond of a United States company which is not licensed to do business in Canada nor has it any assets here. This is obviously unfair to Canadian companies.

### ENEMY PROPERTY IN CANADA

Sir Thomas White, minister of finance, has been appointed public custodian of enemy property in Canada. To obtain full information with regard to this, returns are required from all British subjects, firms or corporations resident or carrying on business in Canada who are, directly or indirectly, interested in any matters coming within the classes of subjects following:—

1. Enemy property, real or personal, in Canadian territory.
2. Debts, including bank deposits and bank balances.
3. Property, real or personal, in enemy territory.
4. Claims against enemy governments.

The Labor Stores, Limited, with Alberta charter, has changed its name to Bellevue Mercantile Company, Limited; Van Allen and Company, with Alberta charter, to A. M. Anderson, Limited; M. and H., Limited, with Dominion charter, to Torcan Fancy Goods, Limited; Webb-Klar Display Limited, with Manitoba charter, to Hartley Outdoor Advertising Company, Limited.