

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.
Telephone: Main 7404, Branch Exchange connecting all departments.
Cable Address: "Montimes, Toronto."
Winnipeg Office: 1208 McArthur Building. Telephone Main 4663.
G. W. Goodall, Western Manager.

SUBSCRIPTION RATES

One Year	Six Months	Three Months	Single Copy
\$3.00	\$1.75	\$1.00	10 Cents

ADVERTISING RATES UPON REQUEST.

The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and the Toronto Journal of Commerce.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents, nor does it hold itself responsible therefor.

The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

SUBSCRIBERS PLEASE NOTE:

When changing your mailing instructions, be sure to state fully both your old and your new address.

All mailed papers are sent direct to Friday evening trains. Any subscriber who receives his paper late will confer a favor by complaining to the circulation department.

CUSTOMS OFFICER AT NEW YORK.

For a long time now, the business interests of the Canadian Pacific coast have urged the appointment of a Canadian customs officer at New York. Eastern shippers cannot make use of the Panama Canal because they are not permitted to send their freight through New York in bond for water-carriage to Vancouver. This has had an unfavorable effect upon trade between Eastern and Western Canada. No good economic reason exists, so far as we can see, for a refusal of the Dominion government to make the suggested appointment.

BANKING AND TRADE

A committee, of which Baron Faringdon, chairman of the Great Central Railway, England, is the head, has recommended the formation of a British trade bank with a capital of £10,000,000. The committee was chosen to consider the most favorable method of meeting the requirements of British firms after the war, with particular reference to financing large overseas contracts. It suggests that the proposed institution could fill the gap between the home banks and the colonial and foreign British concerns, and develop facilities not provided by the present system.

If this recommendation is adopted by the British government it will be a notable departure from British traditions. Germany has for many years exercised considerable State influence in regard to banking, shipping, and industry to encourage business with other nations and to increase efficiency at home. Canadian bankers have recently discussed the desirability of extending their influence in order to encourage Canadian export trade. It is a move in the right direction. The war and the outlook for peace have shown the necessity.

CIVIC FINANCES

For the first time in the history of Toronto, its citizens understand the city's financial position. The report on the civic finances which finance commissioner Thomas Bradshaw presented to the board of control last week, was an admirable document. It put before the ratepayer in a way which he cannot fail to comprehend, the exact position of the city's treasury. His report, which was summarized in *The Monetary Times* last week, calls for a policy of strict economy and retrenchment, and recommends that no new works be undertaken, involving capital charges, during the continuance of the war unless the same is found absolutely necessary. The document contains a strong indictment of the unbusinesslike methods of administering civic finances which have been pursued by city councils for many years past.

Mr. Bradshaw is a counsellor whose advice in this matter cannot with safety be ignored. The citizens will expect their representatives on the board of control and in the city council, to act favorably on the report. Its publication, with the proper action to follow, will help, not hurt, the municipality's credit. Incidentally other cities may well consider the advisability of having made a thorough examination of their financial position.

EFFICIENCY AND COSTS

Efficiency has been talked and worked extensively on this continent. Where commonsense has remained with it, efficiency has saved money, but efficiency so-called has often proved an expensive fad. Real efficiency experts there are whose services are worth money. Others there are who, like the professional merger maker, are costly articles. Efficiency in business has been analyzed from index files upwards. The simple file of old has not lost all claim to efficiency in practice. The elaborate modern system seems to require an extensive staff to operate it and largely in theory. A Toronto firm once hired a corps of efficiency experts to tell them how to run the business. So efficient was one of the experts that a week later he had obtained a job behind a lunch counter.

The secret of efficiency, after all, is costs. A knowledge of what any item in a factory costs to make and to market, the knowledge of costs generally, is the cornerstone of a knowledge of business. Many concerns that report to the federal commission of the United States, manufacture four or five different articles. In these reports the commission ask them to give the sales of each product separately. Nine times out of ten they cannot do more than give the total for all their products together. "If," as Mr. H. M. Hurley, chairman of the commission, says, "they do not departmentalize their sales accounts they certainly do not departmentalize their costs; hence they make prices on particular articles without knowing what those articles cost. Since they cannot tell where they are making money and where they are losing it, they cannot tell where to introduce economies."

The question of costs is something about which Canadian institutions have much to learn. The waste and loss of money through the lack of such knowledge has been appalling. One moderately sized Canadian factory, for example, had until recently, only a vague idea of its costs. It possessed an office staff big enough to run the business of the United States Steel Corporation. Dividends do not grow on such practices.