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THE GENERAL FINANCIAL SITUATION.

(Continued from Page 437)

fitably employed means an increase in the material well-being of the community as a whole. While this suggestion may be considered as looking somewhat ahead, we believe that a development of this kind will in due course, be a logical and useful innovation in the Canadian financial machinery.

The local financial and business community has been interested in the announcement this week that the U. S. cable, telegraph and telphone systems are to be returned to their owners. The step is taken as an important indication that among our southern neighbors, government ownership, as operation of public utilities has not made a favorable impression; complaints as to the conduct of these particular services have, in fact, been particularly bitter. It remains to be seen what effect the present step will have on the agitation for the return of the railways to their owners, which step in any event is not due for settlement at present.

The effect both of current high prices and of the accumulation of stocks during the winter months, which had the war continued would probably have been shipped some time ago, is again seen in the March bank statement. Current loans increased over their end of February total by near $22,000,000, and at the close of the month, are reported as reaching an amount of $1,117,197,446, an increase of no less than $230,202,224 over their total a year ago. Formerly under normal circumstances, there was an accumulation of these loans which were liquidated subsequent to the opening of inland navigation, and it will be interesting to see whether the old rule is followed this year. These enlarged credits have, of course, resulted in a considerable increase in circulation, which is up by nearly $10,000,000 to $214,576,780, and by a further rise in notice deposits reported as reaching a total of $1,037,851,766, an increase of over $19,600,000 for the month. An increase of practically $8,500,000 in call loans is possibly accounted for by Government financing, it being reported that brokers are able to fill their requirements from private funds at rates lower than the banks are prepared to accept for this business.

WILL LABOR AND CAPITAL WORK TOGETHER.

Mr. Samuel Gompers, head of the American Federation of Labor, at a gathering the other night, in New York of the National Institute of Social Sciences said:

"The world now is in the re-making. We must deal fairly with each other." He referred to the large number now unemployed in this country and to the men coming back from France and said that if they find their employment gone and no means of self-support, to them "the triumph of a glorious victory will be nothing." Speaking of the organized labor movement, he said that if the employer was relentless he might possibly destroy it; of that he had "the gravest doubt," but if it was destroyed or weakened there would be "another element to deal with," which he did not define.

There hardly seemed to be occasion at such a gathering even to hint at such a menace. Mr. Schwab, who is the official head of an organization employing more workmen than any other in the country, spoke in a more liberal and hopeful tone. Referring to a recommendation of the Committee on Labor Legislation to the Peace Conference that employers and employees should have the right of association for all lawful purposes, he said that he considered this "more important than all the other recommendations." At Bethlehem they had adopted the plan of labor representatives sitting with the executives at all conferences on labor problems. He had opposed this at first but was now obliged to say publicly that "under no circumstances" would he "go back to the old system of labor employment." He was heartily in favor of the principle of collective bargaining. Former Attorney-General Wickersham, at the same gathering, spoke of his observation of the work of the Labor Commission abroad as likely to mark a "notable advance in the history of the world."

There is no doubt that the events of the war and its consequences will have a vital effect upon the relation of capital and labor and their working together in a common cause, especially in this country, where there is so much freedom of discussion and of action, provided it keeps within the limits of public right and safety. But the conditions in domestic production and trade and dealing in commerce with other countries have been so thrown out of joint, and the state of markets is so disturbed, that there can be no sudden reconstruction and readjustment, especially in connection with commerce with other nations, whose industries and trade cannot revive rapidly or become normal in any brief period. Every effort should be made for capital and labor to work in harmony for the restoration of prosperity, but there will have to be patience and every regard for fairness and justice on both sides, or it will not be successful. Sacrifices and self-denial in the early stages will be inevitable for a successful working together which must be striven for if the return of prosperity is to be hastened.