

"During the past year a national labor conference was held in the city of Ottawa, and also an international conference at Washington, in accordance with the terms of the peace treaty, at both of which gatherings this province was officially represented. As an outcome of the national conference the federal government has arranged for a meeting of representatives of the Dominion and the various provinces to consider the unification of the labor laws of Canada. My ministers realize the importance of this work, both from the standpoint of the workers and the employers. Various measures affecting labor and improving existing laws will be submitted to you, and also a bill providing for the payment of allowances in certain cases to the mothers of dependent children.

"Among other measures which will be brought to your attention will be bills to provide for the preparation of voters' lists, and to amend the election laws, to amend the Succession Duty Act, to amend the Corporations Tax Act, respecting the law of partnership and the sale of goods.

"Reports will be submitted to you as early as practicable regarding the work of the Hydro-Electric Power Commission, the Timiskaming and Northern Ontario Railway Commission, the Workmen's Compensation Commission, and other public undertakings carried on under the authority of this legislature. The public accounts will be laid before you at the earliest possible time, and also supplementary estimates for the current fiscal year, and estimates for the ensuing year."

SOME EFFECTS OF THE EXCHANGE RATES

IN describing the exchange situation with the United States before the Kiwanis Club of Winnipeg on March 1, V. C. Brown, western superintendent of the Canadian Bank of Commerce, analyzed its effects as follows: First, a discouragement of imports from that country and an encouragement of exports. Second, the building of United States manufacturing plants in Canada had been encouraged, and the amount expended as a result was very large. Third, Canadian bonds could be sold very advantageously in the United States, and the export of United States funds from Canada was discouraged. United States companies which had balances in this country when the exchange rate was at one per cent. premium left them here, hoping that exchange would become normal. When exchange rose to three per cent. they hoped that it might fall to one per cent. and when it rose to five per cent. they hoped it might fall to three. It had now risen so high that the funds could not be taken out of the country. One of the United States companies had been caught with an enormous amount in Canada, which had been trapped here. Another result of the high premium on New York funds was that pleasure-seeking people from Canada would not go to Florida or California.

Mr. Brown said that much attention had been paid to the premium on New York funds, but the discount on sterling was a much more serious matter. The British buyer was compelled to pay a very high premium to secure funds in Canada to pay for Canadian products. The result had been to check at once the shipment of Canadian meat to Europe. There had also occurred as a result of the discount on sterling the shipment to Canada of millions of dollars' worth of Canadian securities, held in Britain, for which there was a market in Canada, and there had been a liquidation of investments in Canada by European people.

Mr. Brown then dealt with the question, how long the present exchange conditions would continue? and indicated that they would probably continue for some time. Factors which would hasten a return to normal would be a recovery in Great Britain, the increase of production from this country and shipment of large quantities of lumber, pulp and other commodities to the United States, a good crop in 1920, and the general practice of thrift by the Canadian people. Mr. Brown said that he mentioned thrift last, since it was quite impossible to induce thrift by precept. The speaker

also raised the question of the price which Europe could afford to pay for the Canadian crop of 1920, and referred to the difficulty which might arise in this connection. He said that United States did not want to lend money to Europe, but if it did not do so, Europe could not buy United States goods. The United States could not hope to ship goods freely to Europe under the present circumstances, and the premium on New York funds was a much more serious matter for the people of the United States than it was for the people of Britain. Similarly, the premium on New York funds might be a benefit to Canada, rather than the reverse. It hurt us when we bought, but benefited us when we sold.

Referring to agriculture, Mr. Brown said that nine-tenths of his time was taken up with arranging credits for farmers. The question had been raised whether the banks could lend one thousand dollars to each of a hundred farmers at the same rate at which \$100,000 was loaned to a commercial institution. He stated that a commercial institution brought to the bank a perfectly prepared statement, while a farmer borrower as a rule had not a clear idea either of what he owed or what he owned. The banker had to become an accountant for the average farmer borrower.

THE NATIONAL RAILWAY PLANS

PRIVATE ownership of railways is on its last trial in the United States, according to an official who was prominent in the government administration of the roads there. His statement was somewhat unwarranted, considering the fact that the one experiment in public operation in that country was a distinct failure, from the financial point of view. In any case, the railroads were handed back to their owners on March 1st.

In Canada the situation is different. If private operation is on last trial across the border, it could be still more truly said that government ownership is being put to a final test in Canada, and the methods of private ownership are being pursued in the hope of making it a success. If this is carried out there will be no difference, to the owners, the employees, or the shippers, between a public and a private road. D. B. Hanna, president of the Canadian National Railways, has promised that his system will soon be on a paying basis; wage schedules are fixed through the Canadian Railway Association; and the national system, like the other railways, is subject to the jurisdiction of the Board of Railway Commissioners for Canada, as regards rates, extensions, etc. What more could E. W. Beatty, president of the Canadian Pacific Railway, promise his shareholders, or what more liberty could he have in administration?

Speaking before the Canadian Club in Ottawa on March 6, Mr. Hanna pointed out that the United States took possession of the lines there as a war measure, whereas in Canada they were taken over for economic reasons. The measure was temporary in the United States; in Canada it was permanent, and competition has been maintained. The administration there was political, while here it is modelled after private administration. In fact, no fair comparison can be made, and no doubt Mr. Hanna is endeavoring, and has thus far succeeded, in keeping control in the management. "While so far there has been freedom from political interference," he said, "and it is understood we must from time to time lay our plans before the members, action must rest with the directors and managers to carry out the work, without either members of parliament or cabinet ministers attempting to participate in a managerial capacity."

Mr. Hanna also outlined their plans for an ocean service. At the present time they have 24 vessels, and with the opening of navigation this spring there is to be a regular service from Montreal to St. Johns, Nfld. On the Pacific coast a service is to be started to South Africa, returning by Singapore and Hong Kong, another to Manchester, and a third to the west coast of South America. The whole program provides for 65 ships, with a gross tonnage of 385,000. Agencies are being established to promote trade, and attention may later be given to a passenger service.