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THE GENERAL FINANCIAL SITUATION.

The developments of the week in the labor situation up to the time of writing are the reverse of re-assuring. The maintenance of the Winnipeg strike, the spread of the strike movement to various other Western centres and the threat of serious developments in the East make a chapter of events which naturally cause the business community to regard the outlook for the immediate future with a certain amount of anxiety. One of the phases of the present movement which makes it considerably more serious than preceding labor troubles is the fact that the existing strikes are being joined in by those who are responsible for absolutely essential public services. In Winnipeg, for instance, since the very start of the strike, the water pressure has been below normal, and any outbreak of fire has had to be dealt with as best as could be by amateurs. What this means in the way of possible loss when there are in question congested districts comprising property of enormous values, only the fire insurance companies can properly appreciate. The business community has had at least one source of encouragement this week in the apparently increased willingness of the authorities to stiffen their backbones, and show the striking employees that if the latter have their rights, they also have their obligations. If a little more of this quality of firmness had been displayed at the outset of the trouble, it would probably not have attained such large proportions. There seems little doubt that in Winnipeg at all events, the present movement, whatever the occasion for its development, is something more than a mere stand for better conditions on the part of wage-earners, and that back of it, there have been some shrewd minds trying to develop an open defiance of constituted authority. So far as this aspect of the matter is concerned, it may be said that while there is a willingness on the part of every reasonable man to improve the conditions of labor, there is a very firm idea that a so-called labor tyranny is as bad as any other kind of tyranny, and those who are rash enough to endeavour to develop any movement which, like the Winnipeg movement, looks like becoming a tyranny pure and simple, will find cause, sooner or later to rue it.

The address delivered by Sir Charles Gordon before the Montreal Board of Trade the other day, focussed a thought which has naturally been much

in the minds of economic students during recent months, that of the reciprocal trade between Canada and the Mother Country. Everyone is aware that since the armistice, in in fact for several months before it, there has been an eager movement on the part of British manufacturers to build up a fresh and extend their overseas trade. At present, through various causes, shortage of raw materials, labour and shipping, military requirements and the like, that trade is seriously handicapped, and it seems by all accounts that hardly before 1920 will the British manufacturers be in a position to care for overseas trade on a really large scale. However, the producing and financial plans necessary for its development are going ahead.

In Canada there is the same desire and willingness to build up an export trade, which will not, perhaps (at least for some years), attaining the enormous dimensions of our purely war-time exports, will have the desirable element of permanency that was impossible in the latter. In both countries also there is the sentiment and desire for "Imperial preference"—more accurately, the furtherance of trade between the various constituent parts of the widely-scattered British Commonwealth. The point which Sir Charles Gordon made is that this "Imperial preference" cannot be one-sided, that if there is to be in the British market a definite preference of practical value, from Canadian products of various kinds, there must be similarly a development of the market for British-made goods in Canada.

It is scarcely unfair to suggest that in the minds of most Canadians, who think at all about "Imperial preference," this aspect of the matter is apt to be overlooked. What happened in the period of Canada's development prior to the war is well-known. We borrowed hundreds of millions of dollars in the London market and used those borrowed funds for the purchase of commodities in the United States, these funds being in turn utilized by the United States to discharge its obligations to Great Britain for shipping and insurance services, tourists' expenditures and the like. At that time there was very little co-operation between British finance and British industry; the latter had all the markets it cared to have and the occasional voices

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