

The Chronicle

Banking, Insurance and Finance

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THE GENERAL FINANCIAL SITUATION.

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year ago. Call loans abroad are also down for the month by \$9,428,666 to \$140,819,656.

The Labour unrest, which has developed in such widespread and intense form in Great Britain since the armistice, is being watched with a good deal of interest by business leaders on this side, and there is undoubtedly a widespread feeling that sooner or later, there will be trouble of the same kind here, in fact, there have been already sporadic indications of it. While at times like this, the rovers of the labour extremist on the one hand, and of the narrow, selfish employer on the other are heard somewhat loudly, there is, no doubt, that in the long run, British common sense will prevail, and a settlement be effected. It is of some interest to note the leading part which is being taken by British bankers and financial leaders in this connection, a part which they have not hitherto played, but which by their training and wide experience, they are naturally extremely well fitted for, and it may be perhaps hoped that in the event of similar troubles arising here, advantage will be taken of the judgment and experience of Canadian bankers. It may be interesting to record for the benefit of Canadian readers the illuminating summary recently made by a British banker of wide repute. Mr. J. W. Beaumont Pease, the vice-chairman of Lloyds Bank, of the causes of British labour unrest. In the view of Mr. Pease, these causes may be summarised as follows: (1) National reaction after four years of tension; (2) a legitimate desire for the remedy of real grievances; (3) a belief that men have only to ask with sufficient determination, to get whatever they demand—a belief largely justified by what has taken place in the past; (4) an ignorant belief that the resources of the State or of commerce are inexhaustible; (5) the operation of sinister influences.

That the influences thus admirably summarised by Mr. Pease as constituting the basis of the existing labour unrest in Great Britain are also at work in Canada, is evident, and attention may particularly be diverted to the tendency to believe that the resources of the State or of commerce are inexhaustible. This idea is undoubtedly very widely prevalent in Canada, and is to some extent fostered through the unexpected financial strength

shown by the Dominion during the years of war. As a consequence, there is a demand that the Government shall undertake all sorts of enormous schemes, quite irrespective whether they are economically sound or not. In Mr. Pease's view, "light and air" will go a long way to cure the present troubles as in the case of other diseases. The simple fact is that a fair reward—though a fully fair reward—is all that can be demanded by labour, and any attempt to bludgeon the general community into the acceptance of anything else will, in the long run, meet with the same fate as all other attempts to bestride the world in the interests of an individual or of a class.

Legislation of considerable interest to municipal bond-holders is under weigh in British Columbia, looking to the creation of a local government board, which will have a firm control over municipal doings. As regards finance, all proposed borrowings are to be subject to the approval of the Board, which will also act as custodian and trustees of municipal sinking funds and have the right to take action against any municipality to recover the amount due from the municipality in respect of such sinking funds. British Columbia municipalities have had something of a reputation in the past as extravagant borrowers and spenders, and the bringing of their activities under better control is undoubtedly a step in the right direction, which will be heartily welcomed in financial circles generally.

INTERNATIONAL COMMITTEE FOR MEXICO.

An International Committee of American, English and French bankers have been constituted for seeking to straighten out financial conditions in Mexico and protect the rights of holders of Mexican securities. It is composed of ten Americans representing as many banking institutions, and five representatives of England and five of French security holders.

The securities include not only those of the Government, but those of railroads and mining and other organizations with large interests at stake.

No programme of procedure has yet been adopted, though the matter has been under consideration for some time. First, there is to be a careful and thorough examination of the situation and the rights and interests involved. Figures are given out of the Government debt of Mexico and its present inadequate revenue, but the destruction of railroad and other corporate property and the cost of replacing it are yet to be determined. Mexico has natural resources and opportunity for development sufficient to insure success as a free nation, if it has the capacity for taking intelligent and honorable advantage of these for building itself up and gaining the confidence of others. It is to be hoped that it will display this.