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THE GENERAL FINANCIAL SITUATION.

A careful survey of existing economic possibilities suggests that a partial, and perhaps highly effective solution, of present-day economic difficulties, is to be found in a quarter from which very little noise is heard, but in which consequently, considerably more real and lasting work is being done than in quarters conspicuous for wordy demonstrativeness. It is, we believe, in the results of scientific research induced by the war that a large hope, possibly the best hope of the industrial future lies.

There is no question of the immense strides which were made scientifically during the actual period of war, and in furtherance of the objects of warfare. The probabilities are that in five years a greater development was made on the scientific side of the military art than would have been made within half a century had the terrible circumstances not necessitated such an advance. The results of much of this research are, of course, applicable to only military uses; on the other hand, a very fair proportion, as for instance, aviation research, is a permanent gain to the race. The military side of the stimulus given to individual research by the war is not, however, its most important aspect. Through a variety of circumstances, particularly the temporary individual downfall of Germany and the impossibility of getting goods of which formerly she held a practical monopoly, purely industrial progress has been stimulated to a considerable extent elsewhere, even during the actual years of war. It is, for instance, well known that in such industries as dyes and optical glass, industries in which Germany formerly had a leading role, immense progress has been made in manufacture, as the result of research on both sides of the Atlantic. There is also to be considered the improvements in industrial machinery and organization which have been brought about practically the world over, and certainly in all the belligerent countries, as a direct result of the war. Further, and of great importance, is the fact that the war has brought about a realization of the vital necessity of scientific research to progress in industry, in quarters where the necessity was formerly ignor-

ed. In Great Britain particularly, a country formerly not particularly noted for its support of scientific research for industrial progress, there has been a great awakening, and in a large number of industries, manufacturers are combining to found research associations. A recent manifesto of the American Federation of Labor also called for a broad programme of scientific research. These things are encouraging signs of a beginning of the real battle of industrial progress. That labor has reached a permanently higher standard of remuneration—however exaggerated in some respects its present claims may be—seems certain, and it will only be possible to give labor that permanently higher remuneration and at the same time, ensure a low cost of commodities to the country generally, through increased production as the result of better knowledge—more brains, in fact—and better organization, combined with a willingness on the part of labor to do something by hard work for its increased remuneration.

A good deal is being heard just now, in the newspapers mostly it is true about which is euphonicusly called "Parliamentary control over public expenditure." This is an excellent theory, going back, indeed, to the roots of our present system of parliamentary government, but the difficulty is to translate the theory into effective practice. The idea that a heterogenous collection of some hundreds of Members of Parliament, a very fair proportion of whom, at least, have no more than an elementary knowledge of finance, can effectively and wisely "control" enormous public finances is, of course, absurd on the face of it. There must be a delegation of authority to individuals (the Minister of Finance and his staff in this case), who really know and who in consequence can effectively "control." Of much greater practical importance to our mind than this question of "Parliamentary control over public expenditure" (though Members of Parliament by their actions and attitude can do much to keep public expenditures within reasonable bounds) is the question of the personnel, well-trained, and adequately rewarded, in whose hands lies the

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