BRITISH AND GERMAN FINANCE

The total number of subscribers, from 25 cents upwards, to the last German war loan was 3,810,000. The total number of subscribers, from 25 cents upwards, to the new British war loan was over 8,000,000. That is typical of almost any comparison of British and German war loans and finance. The total raised by the five German war loans, allowing for the respective values of the sovereign and the mark, is approximately $8,390,000,000. The total raised in Great Britain by means of war loans since the war began, exclusive of all short-term borrowings, is $10,010,000,000. If Exchequer bonds, of which the average currency is about 3½ years, should be included, this total becomes $11,730,000,000. The population of Germany is 65,000,000; the population of the United Kingdom is 45,000,000.

While Great Britain may have delayed unduly the resumption of its issue of funded loans, British credit and the temperament of British investors have not been adversely affected by the delay. Germany, on the other hand, has seriously harmed its credit and its future position by failing to provide through new taxation for the service of the war debt. The annual charges have not been met by increased public revenue and the amounts raised by successive war loans have not been large enough to offset that omission. Great Britain has considerably increased taxation, and the new taxes have been paid during the height of patriotic endeavor. The German people will be confronted with war taxation when the war is over and when patriotism in Germany will have a gloomy outlook. Acute problems are being created for future times. Then, too, the fact will be realized that the payment of war indemnities to Germany was a poor basis for the financial measures of the past two and a half years.

LABOR PROBLEMS

In many quarters are the signs of labor problems which will have to be solved after the war and for which we are doing little to prepare. Under arms are 400,000 men. In 600 munition factories 600,000 men and women are employed. Wage earners who have not entered the army at $1.10 per day are obtaining employment at from $2 to $5 a day. With a little overtime, not a few are earning $6 or $7 a day. The work of the international union in the present situation and in the future problems, is not clearly outlined. The mines of Northern Ontario, for example, have been affected by factors other than recruiting. The western copper mines are paying very high wages, and so have drawn on Ontario's supply. Harvesting and lumbering similarly took away many men temporarily it seemed, but many of them did not return. There has been a reactionary influence from all this on the labor that remained.

Mr. Robbins, general manager of the Hollinger mines, which employed last year an average of 1,000 men daily, with an annual wage bill of $1,223,432 in addition to $36,793 distributed as loyal service bonus, states in his annual report that the knowledge there has been a shortage of labor has resulted in diminishing efforts upon the part of many workers. While various expedients have been tried in an effort to overcome this tendency, the results have not been a marked success. Labor agitators and organizers have succeeded in spreading considerable unrest among the men, but it is hoped their efforts to precipitate a strike will be unsuccessful. Under present conditions the company would in that event have to curtail operations. A general convention of miners in Northern Ontario will be held this month, and the unions will draw up a wage scale covering all the mining camps of the North. The vice-president of the Western Federation of Miners is expected to be present.

The problems of employment after the war will be many. More than 600,000 workers now engaged in munition making and thousands of returned soldiers must be found other employment. Thirty thousand women and children, relatives of Canadian soldiers overseas, may return to this country, under more or less compulsion, in the near future. We will have enough labor problems for some time after the war without considering the problems of new immigration. Many thoughtful men predict a bitter struggle between capital and labor when the prosperity of war is passing away, profits are smaller and wages are reduced. We are drifting along to those critical times.

GREAT WEST PERMANENT LOAN AFFAIRS

The disturbing features of the affairs of the Great West Permanent Loan group of companies were not removed by events at the annual meetings last week. An endeavor was made there to secure the passing of a resolution for a complete and simultaneous audit of the companies' affairs and finances. The management strongly opposed this course, suggesting instead an audit of the three companies by a reputable firm of chartered accountants, this audit, however, to be restricted to a certification of the securities and cash. That is a most unsatisfactory reply to the criticisms which have been offered and to the lack of confidence in many quarters in this group of companies.

The public interest is not concerned with personal controversies, with the personal phases of the fight for control of the companies, or with the ambitions of any particular group of shareholders. The public interest is concerned in knowing whether the affairs and finances of these companies are in such a position that, with safety to the public, fire insurance may be written, estates may be handled, debentures sold as trustee investments, loans made on property and public deposits received by these companies. This group of companies is sufficiently enveloped with an atmosphere of doubt to justify a thorough and independent inquiry into their affairs, finances and relations. The public mind will be satisfied only after such an investigation. The companies cannot meet with any marked degree of success until they have the confidence of the public. The suggested objection to such a course, namely, that auditors would have to be in the companies' offices for a long period, at considerable expense, does not hold good. The cost of such an investigation would not, we think, be much greater than the amount which must have been expended in the recent proxy campaign.

The Bank of Nova Scotia has opened a branch at Woodbridge, Ont., under the management of Mr. E. G. Farr.

Canadian bankers state that holders of interim certificates of the second war loan are slow in exchanging them for definitive bonds.