

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXIX. No. 15.

MONTREAL, APRIL 11, 1919

Single Copy 1⁰
Annual Subscription \$3.00

THE GENERAL FINANCIAL SITUATION.

Considerable interest has been excited by the announcement, made in the Senate by the Minister of Labour towards the close of last week, that the Government is appointing a new Labour Commission, whose duties will be, besides the study of means of averting strikes, what are the possibilities of joint control and operation of certain industries by labour and capital. The action has evidently been suggested by the course of recent events in Great Britain, and particularly by what is known as the Whitley report, the findings of a Royal Commission, which, first published about a year ago, have resulted in a substantial amount of far-reaching action along certain lines. These have included the establishment of joint industrial councils, joint district councils and works committees, representative in each case of both employers and employed, each of the three forms of council being so linked up with the others as to cover the whole of a particular trade or industry, and being capable of considering and advising upon matters affecting the welfare of the industry, labour being thus given a definite and enlarged share in the discussion and settlement of matters with which employers and employed are jointly concerned. Certain British industries have taken action on the lines suggested, but as yet insufficient time has elapsed to show how these proposals will work out in practice.

It is too much to expect that Canada will escape altogether its share of the industrial unrest, which has been so prominent a world-phenomenon since the cessation of hostilities, and the business community as a whole will welcome any well-considered proposals looking towards an amelioration of the friction that can only result in inconvenience and loss to the whole community. At the same time it needs to be said, and said quite plainly, that improvement in present-day shortcomings is not being facilitated by the arrogant tone adopted by certain sections of labour. Canadian soldiers have not been fighting a tyranny in Europe for four years in order that another tyranny, whether of labour or anything else, may be set up at home. When we hear, as Montrealers have been hearing this week, threats to tie up essential community services if demands are not granted immediately, it is pretty plainly evident that class selfishness and greed are not confined to one particular section of the community.

Dr. Adam Shortt, a Canadian economist, from whom we hear too little, had some useful things to say in the address which he delivered at the recent annual convention of the Dominion Mortgage and Investment Association. In the present circumstances when wild new theories are put forward every hour, and any financial crank can get a following, provided that he shouts loudly enough, it is refreshing to have real facts presented in a plain and incisive way. As regards the demand for more income on the part of certain sections of the community, Dr. Shortt very aptly points out that so far as income means money, there is no insuperable difficulty. So long as the suspension on specie payments continues (and although most of us forget the fact, that suspension continues in Canada), all that is necessary is to still further increase the inflation of credit and the necessary money may be forthcoming. What is, however, wanted, in reality, is not more money, but more of the things which money can buy. The real questions therefore which have to be faced and dealt with at the present day are, what is necessary to increase the quantity of goods in proportion to income, and where is the capital and labour to come from to furnish the machinery, materials and skill necessary for the increased production. Capital can only come through saving or deferred consumption; labour must be directed by intelligence. To the financial student, these facts are elementary enough. But when we have at an apparently serious gathering, arguments put forth in support of "the right to be lazy," it is surely apparent that the most crying need of the day is the propagation of the A B C of economic common-sense.

Attempts to make short cuts to "reconstruction" seem to be having a bad time of it. In the United States, the Department of Commerce, in a well-intentioned effort to break the deadlock which has been in force in the steel market for some time, got together representatives of the industry, and after consultation decided to make a new price-fixing arrangement, involving various reductions, in the case of steel rails, amounting to ten dollars a ton. Whereupon the Railroad Administration, and the Government Department, has refused to recognise the arrangement, on the ground that purchases will be possible at lower rates. The Railroad Administration is a customer

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