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THE GENERAL FINANCIAL SITUATION

The New York *Journal of Commerce*, the distinction of whose editorial columns is well known and appreciated in Canada, published an editorial the other day under the heading "British Imperial Disintegration," which may be fittingly discussed in this column on account of its economic and financial suggestions. The theme of this editorial is the disposition that has arisen, as a result of the war, in each of the self governing Dominions, and is now well known to claim for each Dominion an increasing measure of freedom in the guidance of its destiny, particularly in regard to international affairs. Hitherto, says the American writer, the development of the British Empire has been kept back by a small-minded parochial policy of the component parts, by lack of imperial organization and co-operation. When the six nations of a great British Commonwealth assume equal responsibilities for the welfare of the whole, immigration and emigration, transportation by land and water, the opening and settlement of the vast empty spaces of the Empire, and the question of inter-imperial trade must be settled imperially not parochially. The British Dominions have developed slowly because money has been too cheap, taxes too low and life too easy. Their assumption of a proportionate share of the British war debt would probably act as a stimulus to exertion, and would certainly reveal the necessity of a more diligent use of their opportunities for the creation of wealth. These are probably eventualities not contemplated by the sticklers for equality of national status within the Empire, but they are quite inseparable from any such consummation.

The trouble with this kind of pretty argument is that it ignores the simple fact that the development of the British Empire does not follow logical lines, a fact which constantly leads outside observers to wrong conclusions. The development of the British Empire never has been logical and, we suppose, never will be developed logically except occasionally, simply because in times of crisis men and nations act on other motives than those which are merely logical. Moreover, there is a considerable doubt whether the New York Journal has got

its premises correct in the present case. It is decidedly not true in the case of Canada that development has been slow because money has been too cheap, taxes too low and life too easy. Taxes here were low up to the time of the war, but money was not cheap nor life easy to the great majority of Canadians. It would be nearer the mark to say, that the relatively slow development of Canada in comparison with our neighbors to the south, is partly due to geographical and climatic conditions, and partly to fidelity, to the British idea. If at the time of Confederation, Canada had thrown in its lot with the States, or as most Canadians would put it, sold its soul for a mess of pottage, it is a practical certainty that its economic development at the present time would be considerably further advanced than it is. Again, had Canada, if such a thing were conceivable, seen fit to secede from the British Empire in 1914 and seek the shelter of the States, our war burdens in both men and money would have been considerably lightened. In neither case was a small-minded parochial policy followed.

With the premises thus far wrong, it is not surprising to find a somewhat far fetched conclusion arrived at. So far as Canada is concerned, assumption of any part of the war debt of Great Britain is out of the question, for the reason that Canada, in carrying her war debt of two thousand millions, is carrying her share of the war debt of the British Commonwealth. Is the New York writer unaware of this fact? Canadians may be excused for exhibiting a certain amount of impatience with lectures from the United States in "parochial policies," in view of the wretched exhibition of ultra-parochial selfishness which our neighbors to the south have been displaying to the world at intervals during recent years. We can assure them that the vast majority of Canadians are not afraid of any new responsibilities, financial or otherwise, which any change in status as a result of the war, may have given Canada. With the argument for necessity of co-operative action regarding transportation, etc., there may be agreement, but in fact, whether the future development of the Empire is on logical lines in these matters