

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY



Vol. XXXIX. No. 24.

MONTREAL, JUNE 20, 1919

Single Copy 10c
Annual Subscription \$3.00

THE GENERAL FINANCIAL SITUATION.

That the labour difficulties which developed in an acute form in the West several weeks ago, were likely to spread to the East was foreseen by the business community, which is consequently not surprised at the turn events have taken in Montreal and some of the other industrial centres this week. A close-range view of these troubles is not particularly conducive to sympathy with the strikers. In one case in Montreal, a strike has followed within a week of the employer granting without being asked for it, a 10 per cent. increase in wages and a pension fund. In another, a plant which developed a branch of the steel industry not previously operated in Canada, the workmen had to be taught everything they now know, were paid the usual wages while learning, and are now receiving a scale of wages that on the face of it is not merely sufficient but generous. Unreasonableness of this sort deserves no encouragement, and the sooner the strikers are brought to their senses through a policy of firmness, the better. In this connection, satisfaction is expressed with the decisive action taken by the Dominion Government at Winnipeg, in arresting noisy leaders who were discouraging strikers only too willing to go back to work, from doing so. It is to be hoped that the ample powers taken in Parliament a few days ago to deal with individuals of this type will be vigorously applied.

Those who allow themselves to be bamboozled by noisy agitators into foolish strikes at the present time are doing their best, though they are probably unaware of it, to assure for themselves unemployment in the not very far distant future. For the last five years, Canadian industry, manufacturers and workmen alike, have been spoon-fed. During the war-period, not merely had they orders thrust upon them at, in many cases, almost any price they liked to name, but in some cases it is a literal fact that they were implored to take up new work. Hence, the extravagant wages which munition workers and others received during the war-period. The spoon-feeding process is still going on to some extent, though the granting of Dominion Government credit for purchases by foreign countries of Canadian products, but it is not likely to last long. Only a week or two ago, Sir Thomas White instructed that when the present credits are exhausted, Canadian industry will have to fend for itself. That is to say, business

will have to be gone after instead of being watched for, and it will have to be secured in the face of severe competition. If Canadian products cannot succeed in that competition, owing to their high cost as a result of the unreasonable demands of labour engaged in their production, the labour which makes those unreasonable demands will speedily find the weekly pay envelope missing.

The fact is that the halcyon days of profiteering by the blood and misery of millions—profiteering in which the overpaid workman as well as the "bloated capitalist" stand, are over, and Canadian industry has got to get down to brass tacks. Mr. Lloyd Harris, the chairman of the Canadian Trade Commission, has lately been telling the assembled manufacturers at Toronto some home thrusts about the new necessity of going out and getting business instead of waiting for it to be left on the doorstep, and the workman in his turn will soon find that there is no further place for those who half-work at 80 cents or a dollar an hour. To those who have got used to being spoon-fed, the process of transition to the new order is not going to be a pleasant one, and it is to be expected that there will be considerable trouble, particularly with labour, in this process. But the change is as inevitable as fate, as those who are unwilling to face realities will find before long to their cost.

That the leading financiers of the United States are awake to the fact that the maintenance of present productive capacity and earnings calls for extraordinary methods is shown in the tentative proposals for the necessary machinery outlined a few days ago by Mr. Henry P. Davison, a partner in the firm of J. P. Morgan & Company. Mr. Davison suggests as a means of accomplishing the reconstruction of European industries so that the countries of Europe may be enabled to meet their financial indebtedness to America, that a central committee in Europe be formed to determine the needs in raw materials and manufactured products of the several centres concerned, and that the industrial and financial resources of the United States be co-ordinated by the formation of a central body to pass on European requirements and to decide on distribution. Financing of these requirements would be achieved through what Mr. Davison calls debentures, based on the commercial operation but guaranteed by the importing European country. It is significant that in

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