

# THE COMMERCIAL

The recognized authority on all matters pertaining to trade and progress in West-Canada, including that part of Ontario west of Lake Superior, the Province of Manitoba, and British Columbia and the Territories.

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## LABOR DISTURBANCES.

There seems to be a general feeling of unrest in labor circles throughout Canada and the air is full of rumors of strikes. The labor unions are being blamed by a good many people for this and it is probable quite true that in some cases irresponsible agitators have had much to do with the trouble, but a final analysis of the matter reveals something more. The workman finds with the continuance of the general prosperity and inflation which has characterized the past two or three years that he is really worse off in good times than in bad, saying for the fact that he does not lose so much time. It is quite within the mark to say that because of enhanced values the man who lives on the fixed rate of wages is fully 25 per cent worse off to-day than he was three or four years ago. In other words his money will only purchase him 75 per cent as much goods as it would that many years ago. This makes it clear that unless wages advance to correspond with the increase in other prices the wage-earner has ground for dissatisfaction. No one will argue that there has as yet been that much of a general advance in wages in Canada. As a matter of fact in many lines they have not advanced at all and the only improvement in the condition of those who work at these occupations is that they are able to secure steadier work. The present hesitating attitude is, therefore, only what we have expected and we will not be satisfied with anything less than a restoration of the balance between wages and cost of living.

Some of the labor disputes now pending are complicated with questions of union recognition, length of hours, etc. These are important in their way and are always ready to trip up every time there is friction between employer and employed. Some representatives of capital have been unfortunate enough in their judgment to take a position against union recognition. It is around this point that the greatest fight is being waged. With all due respect to the ability of the employers to decide as to their own interests in that particular case, we feel like saying that it is quite late in the day for any body to attempt to undertake to deny recognition to a movement which has already been accepted by every civilized employer of labor. It is

quite in order that the right to deal with individuals who for their own reasons prefer to remain outside of the union should be reserved, but there is no reasonable excuse for a refusal of union recognition where it is asked for.

The labor leaders have a splendid opportunity in the present crisis in Canada to dignify their cause and win over public opinion in favor of union principles. Rioting and bloodshed should be as abhorrent to the labor unionist as it is to any other citizen and we believe it is so. Unfortunately for the cause, however, there is an element in every union which is willing to use force to prevent work going on without them in case of a strike. This is indefensible and only postpones the day when prompt and perfect settlements will be made of every labor dispute. The interests of capital and labor are mutual and the day cannot be far off when they will be wise enough to see this and to settle their differences by the sensible method of arbitration. This end will come the sooner if labor drops its utterly indefensible expedient of using force to gain an end. Men should be chosen to lead in labor

and most enterprising statesmanship. Nothing can be done, however, in the line of substantial advancement until the people shall be willing to construct these roads at their own expense. The present defective and almost impassable highways at certain seasons of the year will not give place to better roads until the people are willing to be taxed to promote the cause of better roads. Money is essential to accomplish the proposed reform. \* \* \* An improved system of country roads will spur the energies of commerce, increase the value of lands and enlarge the scope of every business enterprise."

Throughout the whole convention the addresses were of this high order, and their moral influence will no doubt be very great. The case for good roads was made out in the most convincing manner. The resolutions with which the convention wound up are not available for reference at this writing but they are understood to have declared for the principle of national, state and municipal co-operation in this reform. That for Canada would mean the Dominion, provincial and municipal governments, the latter

000. The final distribution now announced consists of 3 per cent, or \$6,000,000 in cash, and approximately 2 per cent, or \$4,000,000, in the new 5 per cent bonds of the corporation. This final distribution makes a total of approximately \$10,000,000, or 200 per cent, on the amount paid in. A curious feature of the matter, and one which has provoked some criticism, is that under the wide powers given to the managers of the syndicate, J. P. Morgan & Co., of New York, an amount of preferred stock which remained in the hands of the syndicate is utilized in connection with the plan for the conversion of 40 per cent of the preferred shares into the new 5 per cent bonds. The members of the syndicate therefore received the new bonds to the amount above mentioned in the form of participation certificates in the pending operation, on which there is a contingent liability of about 20 per cent, or \$1,000,000.

The dissolution of this, the original syndicate in connection with the United States Steel Corporation, draws attention to the fact that it was one of the most successful operations of the kind ever carried out in the stock market. As will be seen above, the subscribers realized a profit of 100 per cent, on the amount of money they actually furnished. In many quarters this is regarded as a record, and it is also to be considered that the members of the syndicate obligated themselves to furnish \$200,000,000, or six-



WESTERN FARM HOMES—J. Y. YOUNG, ALAMEDA, ASSA.

matters who will not always be looking for trouble and who by conservative action will dignify the cause they represent. If the public is once convinced that there is just as much intelligence and integrity behind labor as there is behind capital a tremendous advantage will have been gained.

## GOOD ROADS.

A notable event in connection with the movement for good roads was the convention held last week in Odean, Missouri. This convention was made up of delegates from all parts of the United States and Canada and represented the first definite and concerted step on behalf of good public highways. The delegates were in nearly every case, the most notable men in the districts from which they came, and the proceedings were characterized throughout by a high order of debate and reasoning power. One of the speakers, a state governor, said in the course of an admirable address on the subject "The State's Duty," that the time has fully come when our great railway systems should be fully supplemented by an improved system of public roads. \* \* \* This reform is imperative and calls for the widest

body imposing a direct tax upon the people for its share of the expense.

It might reasonably be said that in a sparsely settled country like Manitoba there is not, as yet, much hope of making effective reform in this matter, but the case for good roads remains, and if a beginning were made now and the subject dealt with in an intelligent manner it would result in the gradual upbuilding of a system of country roads which would be a valuable asset to the country in years to come.

## STEEL SYNDICATE DISSOLVED.

Formal announcement was made this week, says Bradstreet, that the original syndicate which was organized when the United States Steel Corporation was formed, to underwrite the plans for the creation of that company, and the exchange of the stocks of the constituent companies for the new shares, had been dissolved. The members of the underwriting syndicate, it will be remembered, agreed in February, 1901, to furnish, if necessary, \$200,000,000, but of this amount only 12 1/2 per cent, or \$25,000,000 of cash, was actually called for. This \$25,000,000 was returned to the subscribers, and there were subsequently four distributions of profits of 5 per cent each, aggregating \$10,000,000.

teen times as much money as they were actually supposed to pay out to the managers of the syndicate in the light of this fact the return does not seem to be disproportionately to the risk assumed, and it is difficult to see how a plan of such magnitude as that which was involved in the formation of the United States Steel Corporation, with its capital of \$1,400,000, could have been successfully instituted and carried to completion unless an underwriting syndicate of undoubted strength and, what was more important, of decided influence in the financial community, had been constituted. This was only rendered possible by an assurance of profits on a liberal scale, such as the syndicate has now been able to exhibit.

It must be admitted, however, that the success of the Steel Corporation syndicate is not at present likely to act as an inducement for other operations of a similar character. In fact, it is pretty certain that if such a transaction were attempted at present it would be a failure. The time when the project was launched was opportune, the public was eager to participate, and the so-called plethora of new securities had not reached such a stage that, as at present, new bond and stock issues were virtually drugs on the market. There is, therefore, no danger that for some time at least the leaders of the financial world will undertake any operations of this kind on such a grandiose scale.