The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY
F. WILSON-SMITH *Proprietor and Managing Editor.*
Office:
406-408 LAKE OF THE WOODS BUILDING,
10 ST. JOHN STREET, MONTREAL.
Annual Subscription, $3.00 Single Copy, 10 cents.

MONTREAL, FRIDAY, DECEMBER 19th, 1919

THE GENERAL FINANCIAL SITUATION

(Continued from front page)

serious development, that seems likely to attain some importance proportionately, is a falling off in holiday travel by Canadians southward. Under present circumstances, exchange would make no mean addition to holiday expenses.

It is said in New York that the extraordinary movements of exchange on Montreal at the end of last week, was assisted by speculators, who bought sterling bills in New York, and sent them here to be sold at the higher Montreal price for sterling. The same kind of speculation has been going on with the exchange on Stockholm. At a time when sterling was depreciated 23 per cent. in New York, its depreciation in Stockholm was less than one per cent. As a consequence, dealers in exchange bought drafts on London in the New York market, sold them in Sweden, paid for them in Swedish exchange on New York, and the sales of the bills on Sweden in New York to make the payments, were so large as to force down New York exchange on Stockholm 23 per cent under parity. In the case both of the dealings with Montreal and with Stockholm, the dealer was buying in the cheapest and selling in the dearest market.

While this journal generally has no concern with politics, the possibility of the retirement of Sir Robert Borden, which was announced this week, has some aspects which bring the event within the scope of this column. There is naturally a very great regret, although not surprise, that burdens of State have proved too great for one who during the last eight years, has been a great servant of the Dominion, and who when abroad (as the English newspapers have this week showed) won, to a remarkable extent, the respect and esteen of those from whom he differed widely on ordinary political questions. Current history, perhaps, fortunately, never has access to secret records, and it will not be well into the future, that Canadians will know in full the history of these recent years, and of the burdens and responsibilities of the political head of the Dominion. But we do know enough to salute in Sir Robert Borden, a great public servant who has served his country well.

There is another aspect of Sir Robert's retirement, with which this column is concerned. Notoriously, business and political uncertainty do not go well together, and there are some signs that a period of political uncertainty is approaching. The business community, at all events, the more conservative, and thoughtful elements of it, is not inclined to underrate the strength of various political radical movements which have lately raised their heads in the Dominion, and there is certainly a feeling that the time is coming when novel political measures may have to be taken into account. However, these things are at present in the hands of the gods.

The announcement by the Minister of Finance of changes in the character of the proposed enquiry into the tariff indicates that there will be an early opportunity for discussion of one, at least, of the questions which is likely to be a burning issue within the next few years. Sir Henry Drayton explains that the change in method has been decided upon, as a result of international economic conditions being in many respects worse than they were a year ago. What is now proposed is the submission by all interested parties of factums, which will be given consideration, and only after this consideration will public enquiries be held as was the first idea. Sir Henry adds, "The issue is really, of course, not merely a tariff issue from the standpoint of protection or otherwise, but is also a revenue issue, and in like manner the submissions of those desiring reductions in tariff, should at the same time show methods by which compensating revenues can be obtained from taxation or other sources." The proposals of the various interested parties for new taxation should make interesting reading, at all events.

TRAFFIC RETURNS.

Canadian Pacific Railway

Year to date	1917	1918	1919	Increase
Nov. 30.....	$136,010,000	$138,420,000	$156,390,000	$17,970,000
Week ending	1917	1918	1919	Increase
Dec. 7....	3,289,000	3,480,000	3,797,000	317,000

Grand Trunk Railway.

Year to date	1917	1918	1919	Increase
Nov. 30....	$53,960,414	$53,272,039	$61,546,135	$8,274,096
Week ending	1917	1918	1919	Increase
Dec. 7.....	831,442	....	....	....

Canadian National Railways.

Year to date	1917	1918	1919	Increase
Nov. 30....	....	$72,809,715	$82,698,389	9,888,674
week ending	1917	1918	1919	Increase
Dec. 7....	....	1,714,173	2,070,372	356,199

NOTICE.

Owing to Christmas Day falling on Thursday next week there will be no issue of The Chronicle on the 26th inst.