

# The Chronicle



## Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXIX. No. 7.

MONTREAL, FEBRUARY 14, 1919

Single Copy 10c  
Annual Subscription \$3.00

### THE GENERAL FINANCIAL SITUATION.

The general attitude of the Canadian business community in these days, regarded as a whole, can be summed up in a classic political phrase as one of "watchful waiting"—waiting for developments in the international situation, in the price tendencies of raw materials and staple commodities, in the various problems connected with labour. While there is no doubt that some manufacturers and traders, who for one reason and another, have got loaded up with raw materials and commodities at the maximum prices of 1918, are on tenter-hooks in regard to their disposal, there is on the other hand no reason to believe that this state of things is so widespread as to threaten grave injury to the commercial and industrial structure of Canada as a whole. While special war taxation has made substantial inroads upon war-time profits, these latter have been upon a sufficiently liberal scale to enable manufacturers and traders to weather an adverse period. It is evident, moreover, that while in certain special lines, there may be a rapid decrease in prices, in the case of the great majority of staple commodities, that decrease will be quite gradual, and it seems even possible that on any marked increase in enquiries from buyers, as a result of the re-opening of channels of trade which have been closed for four years, that there would be at least a stabilising of prices and perhaps even an upward re-action from the recessions which have been lately announced. Buying in all lines at present is undoubtedly of a hand-to-mouth character, and in this fact lies considerable assurance for the future. With the settlement of the international situation abroad, and that, in spite of all the alarms and exordiums of the special correspondents, is only a question of time, good sense and negotiation, there may easily develop a brisk demand for all lines of commodities based upon freedom again to pursue the normal ways of peace, and to repair the wastage which not only in belligerent countries, had necessarily to be left unrepaired during a period of four years.

Locally, the passing of the time for the settlement of the terms of annual leases has drawn again the pointed attention of the community to an economic problem, which while perhaps not

generally thought of as a major problem in connection with matters of re-settlement, is rapidly assuming throughout Canada a serious aspect—the problem of housing. In Montreal, and we believe, conditions in many other cities of the Dominion are not dissimilar, the housing question is rapidly becoming an extremely serious matter for perhaps the great majority of people—certainly for a very great number of folk. The circumstances which have developed into the present condition of affairs are easily understandable. There has been practically no new construction, in Montreal at all events, since 1914, and very little for a year before that. The population has considerably increased in many cities in the interim, and the existing high prices both of labour and of materials discourage the speculative builder. While construction has been thus at a standstill, local taxes have been largely increased, and the cost of repairs, doubled or tripled. So that the marked rise in rents, which has again been evident this February, is quite easily explained. The unsatisfactory feature of the present situation is that, speaking generally, no effective plans are yet in sight for any appreciable increase of housing facilities in the big centres of the Dominion. True the Dominion Government set aside some time ago an amount of \$25,000,000 to be devoted to grants to the provinces and through them to the municipalities for this purpose, but any action being taken by public authorities along these lines is quite isolated and painfully slow. There is, in any event, some very reasonable doubt whether public authorities as they are normally constituted in Canada, are the best of executives in a forward policy of this kind. The probabilities are that better results would be achieved through private enterprise on a large scale which would undertake the thorough and systematic development of the suburban portions of our Canadian cities, immediately economic conditions became sufficiently favourable to permit of such developments being undertaken with reasonable success. Such enterprise could do much to substitute well-built and convenient schools for the conglomeration of shacks which now disgrace the outskirts of every large Canadian centre between

(Continued on page 173)