

The Chronicle

Banking, Insurance and Finance

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(Continued from front Page)

in Trades Union offices had to threaten a strike in order to secure an increase in their wages commensurate with the increase in the cost of living. If the attitude adopted by the local Trades and Labour Council in regard to these Tramway fares were even a belated recognition of the fact that higher wages merely mean higher prices to the consumer, it could be welcomed, but it is doubtful if the protest has any such logical basis as that. There is no doubt that as a result of the war the Labour movement has degenerated in the matter of wages into a game of grab-get as much as you can for as little work as possible.

While the premium in New York Funds in Canada continues to be firmly maintained at around 12 to 14 per cent., where it has now been established so long as almost to have become a fixture, some authorities are inclined to look for a rapid decline in the premium. With grain moving out rapidly, some authorities even express the belief that the premium on New York Funds will fall as low as 5 per cent. this fall. While the arguments mentioned undoubtedly carry weight, it may be pointed out that a continuance of our buying abroad on the extravagant scale which the trade figures show for the early months of the fiscal year would have a tendency to keep up exchange, and there are as yet no signs that this buying is decreasing.

On the local Stock Exchanges, business has dwindled considerably in volume, but the tone has been good, and the pulp and paper stocks particularly have recovered much of the ground which they lost in the slump of some few weeks back. To some extent, no doubt, the market has been helped by the better news from Poland, while holders of securities with good prospects and well fortified by substantial margins, are not anxious to let go of them. Thus, while buying power in the market is limited, there is no pressing liquidation, and confidence in the stability of the local situation, has been pretty well restored. With regard to the future, there is a general expectation that the early fall will see another forward movement in the

market, to some extent depending upon the supplies of money which are then available for purposes of speculation. In regard to bank money, it is possible when the pressure of crop-moving is over, some calls for temporary accommodation may be made by the Dominion Government the extent of these being dependent upon the freedom with which tax collections come in. The Stock Exchange, however, is much less dependent than formerly upon bank money for purposes of financing, owing to the growing importance of supplies of private funds, and there is an expectation that in the later months of the year, available funds will be less restricted than at present.

In regard to the outlook for the pulp and paper industry it is noted by trade authorities that while Canadian mil's are now selling newsprint on long term contracts at \$100 a ton and making good profits, the export price of Scandinavian newsprint, partly as a result of the great shortage of supplies in Europe, but largely as a result of higher costs, has risen to over \$340 a ton. This disposes of the possibility of Scandinavian competition for some time to come, a factor, which not so long ago, was considered to have serious possibilities for the Canadian industry.

CANADIAN SHIPBUILDING INDUSTRY

The Canadian shipbuilding industry is to be assisted in taking foreign orders by an arrangement under which the Government guarantees the notes of purchasers up to 50 per cent. of the value of vessels of 3,700 tons and over, the Government to be secured by a first mortgage on the boat. When vessels now under construction are completed the Canadian Government Merchant Marine will have a fleet of 63 vessels of 380,000 tons to operate in conjunction with the National Railway system.

TRAFFIC RETURNS

Canadian Pacific Railway				
Year to date	1918	1919	1920	Increase
July 31	\$82,133,000	\$89,095,000	\$103,925,000	\$17,830,000
Week ending	1918	1919	1920	Increase
August 7	\$2,882,000	\$1,442,000	\$3,956,000	\$514,000
August 14	2,759,000	3,298,000	4,043,000	745.0 0
August 21	2,942,000	3,374,000	3,895,000	521,000
Grand Trunk Railway				
July 31	\$28,336,317	\$41,479,339	\$47,423,281	\$5,943,882
Week ending	1918	1919	1920	Increase
August 7	\$1,236,343
August 14	1,285,464	1,906,718	2,443,144	476,423
Canadian National Railways				
Year to date	1918	1919	1920	Increase
July 31	\$42,178,530	\$49,392,635	\$54,678,488	\$5,285,863
Week ending	1918	1919	1920	Increase
August 7	\$1,546,387	\$1,846,593	\$2,235,110	\$388,602
August 14	1,783,071	1,926,349	2,235,179	327,379
August 21	1,832,914	2,150,250	317,456