

The Chronicle

Banking, Insurance and Finance

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THE GENERAL FINANCIAL SITUATION

(Continued from front Page)

ultimately, that freight rates are raised at the end of the year. The second of the alternatives is obviously the healthier one, but whether it will be adopted, depends upon the action of Congress.

The same problem in a slightly different form will have to be faced in Canada sooner or later in connection with the National roads. When there are deficits on these roads, the normal and healthy way of remedying these deficits is to cut expenses and raise rates.

The alternative of Government subsidiaries is not a satisfactory one, and it is to be hoped that when the time comes for the adoption of a definite policy in this matter, that the policy of subsidising will not be followed.

Cheap transportation is certainly desirable, but there is no real cheapness, about transportation which has to be paid for by the community as a whole through taxation, in order that some particular sections of the community may benefit by a service under cost.

In regard to the demand for silver, it may be noted that in 1918, India, which has always been a sink-hole for this metal, absorbed 182,000,000 ounces, practically the world's entire output, that year. Very little precious metal that enters India ever emerges again, and it appears that China, which has also always been an important factor in the silver market, is adopting to an increasing extent, the habit of hoarding.

Another reason for the great demand for this metal, in addition to the coinage requirements of the western countries, is the wide adoption of silver as a circulating medium in the new Eastern Asiatic countries, and in East and West Africa. While with its rise in value the use of silver in the industrial arts has tended to decline, there is every indication that the demands for coinage and the insatiable appetite of India and China, will assure to the silver providing countries, in which Canada takes a very fair rank, a great demand for the metal at high prices for a long time to come.

Mr. E. W. KNEELIND, WINNIPEG, BECOMES A DIRECTOR OF THE MERCHANTS BANKS

At the Merchants Bank Directors' Meeting held on the 28th November, Mr. E. W. Kneeland, of Winnipeg, was elected to a place upon the Board.

The appointment of a Western man whose interests

are entirely centered in the wheat business is an indication of the growing importance of our western country in the minds of the powers that be in our Eastern banks.

Mr. Kneeland, who is a naturalized Canadian subject, having been born in the United States, of Canadian parentage, some 50 years ago, has devoted his whole life to the development of the grain business in the United States and Canada. He is now general manager of the British American Elevator Company, vice-president, Port Arthur Elevator Company, vice-president, Saskatchewan Elevator Company and Liberty Grain Company. He is a Director of the National Elevator Company Home Grain Company, Grain and Produce Exchange, Traders Building Association, Canadian Bond & Mortgage Company, all of Winnipeg, and he is, of course, a member of the Winnipeg Grain Exchange.

The Merchants Bank, which has always done its utmost to further the interests of the agriculturists throughout Canada is to be congratulated upon securing the counsels of a man of Mr. Kneeland's standing and experience along the lines mentioned.

HIGH PRICES FOR SILVER.

For the first time in nearly 50 years silver went under the 16 to 1 ratio to gold on November 10, when bullion sold in the New-York market at \$1.305 an ounce. This was the highest price since 1872, when silver brought \$1.325 an ounce. While this price for bullion would yield a profit to those melting down silver dollars, the silver in which is worth \$1 when the price of bullion silver is at \$1.2929, it is doubtful whether such melting will take place to any great extent unless the present high prices for bullion are maintained for a considerable period. The rise in the price of silver is attributed to the heavy demand for the metal by England, Canada, India, Hongkong, and China. Stocks, in China especially, were reduced by the embargo on exports which was maintained from the summer of 1918 until last May. Since the lifting of this embargo China has been taking more silver than all other countries combined. In August, China took \$10,911,987 in silver and since then her agents have been in the market for even larger quantities.

TRAFFIC RETURNS.

Canadian Pacific Railway

Year to date	1917	1918	1919	Increase
Oct. 31.....	\$121,068,000	\$123,652,000	\$139,289,000	\$15,637,000
Week ending	1917	1918	1919	Increase
Nov. 7.....	3,437,000	3,437,000	3,821,000	384,000
" 14.....	3,575,000	3,247,000	4,083,000	836,000
" 21.....	3,582,000	3,582,000	4,111,000	529,000

Grand Trunk Railway.

Year to date	1917	1918	1919	Increase
Oct. 31.....	\$49,929,034	\$47,102,767	\$55,453,532	\$8,350,765
Week ending	1917	1918	1919	Increase
Nov. 7.....	1,342,941	1,421,706	1,421,706	78,765
" 14.....	1,471,654	1,488,716	1,488,716	17,062

Canadian National Railways.

Year to date	1917	1918	1919	Increase
Oct. 31.....	\$63,973,321	\$73,958,932	\$83,985,611	\$20,027,289
Nov. 7.....	1,717,270	1,948,591	2,313,318	596,048
" 14.....	1,719,036	1,961,003	2,417,993	496,967
" 21.....	1,884,198	2,108,164	2,233,056	124,888