

# The Chronicle

## Banking, Insurance and Finance

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### THE GENERAL FINANCIAL SITUATION.

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dollars, as a result largely of the putting into force of the McAdoo schedule, which, as remarked before in this column, has done more than any other single act to disturb the whole labor situation on this continent. It seems clear that an agreement has been reached as to the need in the coming legislation of eliminating wasteful competition in rates and services; of government regulation of issues of new securities; of probing of equipment and terminals; and of maintaining freight and passenger rates at a level that will bring about desired results to shippers and travellers on the one hand, and to owners of railway securities on the other. Moreover, there appears to be an agreement of sentiment that the railroads should be permitted to consolidate and thus do away with the weak lines—action which is now prohibited by the Thomas Act. Thus, in the United States, there appears to be very fair prospects of the railroads going back to their owners under improved conditions.

In Great Britain, a heavy loss as a result of the Government operation of the railways, which were taken over at the beginning of the war, is also announced. It is stated to be no less than a hundred millions sterling. As previously to the war the railways were worked at a profit, which yielded to their stockholders on the average from four to five per cent. per annum, such a showing is scarcely encouraging to the British advocates of railway nationalisation. There appears, however, to be a suspicion that this loss is being exaggerated in order to further a deal for the acquiring of the railways on as favourable terms as possible to the State. Under new legislation, the Government has secured for itself the right to control the roads for a period of two years, and the right to purchase, the latter being subject to Parliamentary sanction. Railway shareholders, with the possibility of purchase in mind, are now asking for information as to how it comes about that their property, which was operated at a profit before the war, should now be run at a

heavy loss. Canadians, with their experience of the Government ownership and operation of railroads on this continent, will be more ready to believe than the Britishers apparently are, that this loss is a reality.

### NEED FOR ECONOMY.

The need for personal and community thrift is as great now as in the black days of 1918 when it was realized that the most stringent self-denial was requisite to enable us to meet the demands of the Government for more and yet more money with which to carry on the war. The great dread which hung over all a year ago has happily been removed, but we still have a duty to perform, and it is essential that it should be faced. It is necessary to carry on public works that will aid production, such as roads and railways, on a considerable scale, in order to provide employment for the workers. We have also a heavy burden of interest imposed on us by the war, and we have great obligations to those who were maimed as well as to the dependents of those who laid down their lives for our security. These obligations can be met only by a continuance of self-denial on the part of every one in the Dominion.

It is unfortunate that the troubles incidental to re-establishing the industry of the country on a peace basis should be accentuated by the prevailing unrest and the attitude of labour organizations all over the country. Strikes are of almost daily occurrence and are causing serious delay in the readjustment of industry. The Government has appointed a commission, composed of seven men representing both labour and capital, which is now taking evidence in all parts of the country and will report to the Government upon the possibility of the joint control and operation of certain industries by capital and labour. It would be reasonable for both classes to await their findings before causing further disruption.

During the month of March 3,209 persons, with \$1,074,146 in cash and effects to the value of \$573,326, entered Western Canada. Of these 1,541 were farmers or farm labourers and 1,318 were women and children, most of whom would probably be the dependents of farmers.

Of the returned soldiers who have applied for the benefits of the Soldier Settlement Act in the four western provinces, 4,225 have been approved as qualified to engage in farming at once. A large number of applicants were found to have had insufficient agricultural experience to warrant their being placed on the land immediately, and these will spend one year at work under successful farmers.

A number of municipalities are taking advantage of the Government's assistance in carrying out housing schemes, the need being pressing.—Canadian Bank of Commerce Commercial letter.