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THE GENERAL FINANCIAL SITUATION.

(Continued from Front Page)

happen there is every confidence that the Allied high command would take full advantage of the opportunity.

The inspiring war news has benefitted Wall Street also—the railway stocks showing considerable activity with tendency to rise. A statement by Secretary McAdoo averring his confidence that long-pending contract differences between the United States Government and the railway corporations, had something to do in diverting speculative interest to railway securities. This question of the railway contracts has been dragging along for eight months, and if it is settled in a manner satisfactory to the holders of the railway securities, the market should be helped materially.

Money rates in New York are practically unchanged. Call loans on mixed collateral keeping pretty steadily around the 6 p.c. level while loans with industrial collateral are $6\frac{1}{2}$. Time money continues very scarce, rates being firmly held at 6 p.c. for all maturities. Clearing house banks in New York in their Saturday statement reported an increase of \$29,000,000 in excess reserves, bringing the total excess up to \$59,000,000. Important changes were: decrease of loans, \$55,000,000; increase of reserve in Federal Reserve Bank, \$21,000,000; increase of net demand deposits, \$25,000,000; decrease of Government deposits \$139,000,000.

EARNINGS OF CANADIAN RAILWAYS.

The Canadian Bank of Commerce in its monthly Commercial Letter says:—

Owing to rate advances the aggregate railway earnings of the three chief systems for the first half of the current year exceed those of any previous corresponding period. The tonnage carried has been practically the same as last year. At present the amount of freight offering is equal to the capacity of the existing facilities. While the additional advance of 20 per cent. which comes into effect on August 12th will for the next half-year ensure earnings sufficient to cover the advanced costs of operation, the volume of tonnage may be less as a result of the decreased cereal production in the West. To some extent this decline in tonnage may be offset by the

increased business to be obtained from busy industrial centres where complaints as to lack of facilities are still made, attributable in part to the subjection of ordinary to war requirements.

Since the beginning of 1915, the cost of operating the railroads has steadily advanced and has absorbed a correspondingly larger proportion of the earnings. Not until the winter of last year was an appreciable advance in rates put into effect, and since that time extraordinary advances in wages have been granted, necessitating a further increase in rates. In the record of monthly gross earnings given in the chart enclosed, it is to be remembered that the rates are the same as those prevailing before the war with the exception of those for the closing month of 1917 and for the first half of the current year. It is quite evident that serious as were the difficulties caused by the high price and scarcity of labour, materials and rolling stock, transportation companies have been able to increase the transportation service they give to the country, although they were not permitted until quite recently to increase their charges at all in proportion to the increased cost of operation.

SHIPPING AND SHIPBUILDING.

Shipbuilding is being delayed by the scarcity of labour and by disputes in some districts, although in others very satisfactory progress is being made. Plans for permanent shipyards in Canada are being matured under official auspices. The Harbour Commissioners of Montreal in their report to the Minister of Finance show that a larger number of ocean-going vessels called at that port during 1917 than in any previous year. The tonnage was the highest since 1914 for ocean-going vessels, but considerably less for other vessels. The total trade of the port of Montreal in 1917 as compared with that of the four largest Atlantic ports in 1916 is as follows:—

Atlantic ports in 1916 is as follows.—			
	Montreal	New York	
Imports	\$194,924,348	\$1,191,865,982	
Exports	382,741,463	2,332,286,213	
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Total	\$577,665,811	\$3,524,152,195	
	Boston.	Philadelphia.	Baltimore.
Imports	\$210,900,243	\$ 95,801,175	\$ 27,808,916
Exports	131,229,946	193,495,296	180,703,374
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Total	\$342,130,189	\$289,296,471	\$208,512,290

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CANADIAN MUNICIPAL ISSUES.

	1918	1917	1916	1915
January ..	\$1,750,000	\$3,915,000	\$5,069,997	\$2,324,667
February .	3,600,000	1,185,824	3,111,140	10,451,029
March	3,350,000	2,315,000	2,766,442	9,916,151
April . . .	3,968,995	750,000	2,704,592	14,769,292
May	5,527,596	1,500,000	11,948,554	4,281,740
June	5,383,429	1,750,000	5,913,177	2,889,328
July	1,475,357	4,800,000	5,266,358	1,850,443
	\$25,055,377	\$16,215,824	\$36,780,260	\$46,482,650

Note—Bond Issues of \$100,000 and over during July:—

Montreal, Que.—Protestant Schools, \$900,000; Township of York, \$200,000.