

# The Chronicle

## Banking, Insurance and Finance

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no means of estimating what their product in revenue would be. The way in which the revenue is now expanding, suggests that their proceeds will be indeed very considerable, and that they will become really important factor in the year's finances. It is also to be borne in mind that the income tax this year is likely to produce more than formerly, owing to the collection of this tax at higher rates than in previous years. While it is still too early in the Government's fiscal year to draw any definite conclusions, it may be said that a very fair start has evidently been made in the Government's announced policy of making ends meet and reducing debt, whenever possible.

Towards the middle of last week, the local Stock Exchanges, as was to be expected, made a sharp recovery from the low levels reached in the market slump of a fortnight ago. Many stocks got down to levels which looked exceedingly attractive to the far-seeing investor, and apparently a very fair amount investment buying served to stabilize the market at its low levels. While a resumption of the big bull movement of the early summer is not to be expected immediately, there is a general tendency to believe that the worst is now over in the local market, the slump in which, as was pointed out in this column last week, was due probably more to local circumstances than to the European situation and other general conditions. It is to be anticipated, however, that while the European situation remains unsettled, some caution will be necessary in making commitments.

Regarding conditions in Great Britain at the present time, it is noted that the controversy regarding deflation still continues. The Government's policy is apparently to impose higher money rates, and to attempt, both by taxation and semi-funding operations, to reduce the great volume of floating debt. Those who oppose this policy argue that cheap money, with its favorable influences upon securities, is desirable until the English banks have been able to get rid of, at least, a portion of about 300 millions sterling of Government loans which were thrust upon them during the war and could now only be realized at a gigantic loss, in order

that the funds thus tied up may be utilized in meeting the demands, now being made, upon the banks, by the trading community for accommodation. Expert committees which considered this subject a year or two ago, recommended a policy of gradual deflation, but apparently the medicine of deflation has an exceedingly disagreeable taste. There is no question of rapid deflation. It is generally agreed that after the abnormal developments of the past five years, and the large expansion in credits, it would be folly to deflate rapidly. But most of the influences operating in Great Britain, at the present time, it is stated, so far from tending towards deflation, are in the direction of further inflation. In regard to this matter, it may be said that conditions in Canada are considerably better than in Great Britain. Inflation pure and simple is not greatly in evidence here, while the policy of the Government and of the banks has been definitely in the direction of deflation for some time past, by making ends meet in the matter of national expenditures, and by the restriction of credits not to be used for really productive purposes.

### Railway Act vs Workman's Compensation

The case of McColl vs. C. P. R. decided by Judge Galt of the Manitoba Supreme Court is an instance of a conflict between the Provincial and Dominion jurisdictions.

In this case it appeared that McColl was killed while in the employ of the railway company apparently through failure of the company to comply with a general order of the Board of Railway Commissioners for Canada, and the widow sued the Company under the provisions of section 385 of the Railway Act of Canada which provides that any Company which does any act contrary to the orders of the Board shall be liable for the full amount of damages sustained thereby.

On the other hand, the Workman's Compensation Act of Manitoba, provides that "the right to compensation shall be in lieu of all rights and rights of action, statutory or otherwise, to which a workman or his dependants may be entitled," and the railway company contended that the action must be brought under the Workman's Compensation Act of Manitoba and not under the Railway Act.

The judge held, however, that the Dominion Railway Act must prevail, and that the Railway company would be prevented by injunction from applying to the Workmen's Compensation Board for a determination of the question.

"This provision of the Dominion Railway Act cannot in my opinion, be overruled by any Act of the Local Legislature, and the widow is therefore entitled to assert her rights by action," said the Judge.