

# The Chronicle

## Banking, Insurance and Finance

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### THE GENERAL FINANCIAL SITUATION

(Continued from front Page)

twice as much capital or credit to conduct the same volume of business as before; and the world-wide use of credit in purely speculative operations, which presses heavily on the already much depleted bank resources. However desirable, on general principles, a great and immediate increase of trade and industry may be, it must accommodate itself to the actual facilities for capital and credit, or else take the very serious consequences. There is a Canadian significance in the last remark, in view of the tight rein which the banks have lately been keeping even upon commercial and industrial borrowers.

The "outlaw strike" in the United States seems to be petering out at the time of writing. It has succeeded in putting a certain amount of sand in the machinery of industry, and the tying up of freight and supplies has not improved the situation generally. This, however, although of some consequence, is not believed to constitute the most important aspect of the strike, the real significance of which apparently lies in its revelation of cleavage between the more law-abiding and conservative elements in the labor unions and the radicals, cleavage which may possibly eventually result in disruption. While the conservatives, on this occasion, have not been able to restrain the radicals from action, the fact that the latter stock is failing is an encouraging sign that sooner or later a beginning may be made with the breaking of the vicious circle of inflated wages, and correspondingly inflated prices a process which would be aided by the failure of supplies of capital and credit to keep pace with necessary demands, as described above.

In view of the wide distribution of the stock of the Consolidated Mining and Smelting Company, among small investors, to whom the high yield has been a great attraction, the statements made at the annual meeting regarding the future of the Company are of considerable interest. In the last year or two, the Company has admittedly had a very hard time of it, irreconcilable labour not being

the least of their trouble, and the 10 per cent. dividend has not been earned. For the fifteen months covered by the latest financial statement earnings fell short of dividend requirements by some \$490,000. However, the corner appears to have been turned, products of the company are in good demand at satisfactory prices, and in its newly developed property, the Sullivan Copper Mines, the company has an asset of apparently remarkable possibilities, ore lodes in sight being calculated to produce values of \$200,000,000 to \$250,000,000. "Smelters" as it is popularly known, has some exceedingly powerful connection, the C. P. R. being important shareholders, and it would seem that the general body of small shareholders, who purchased their stock around present prices have good reason to view the future with equanimity. "Smelters" has in fact now progressed to the stage of being an industrial as well as a mining enterprise, being equipped to take care of all operations from the mining of the ore to the finished product.

### Increasing Cost of Living

Selfishness is a familiar quality in human nature, and in communities of thousands, not to say millions, of people, it is not easy to get it suppressed or even limited in any perceptible degree.

Preaching or appealing may have more effect than compulsion by any public authority. The agencies for enforcing rules to keep prices down are apt to cost more than they save. While supply cannot be increased materially, demand cannot be so limited as to keep prices down, for those who have things to sell like to get as much as they can for them, and if they charge high prices to those ready to pay them it does not diminish the supply or increase the demand outside of the quantity so disposed of. What is really needed for relief is as rapid increase in producing supplies as possible for cutting down demands is no easy matter.

### TRAFFIC RETURNS

#### Canadian Pacific Railway

Year to date	1918	1919	1920	Increase
Mar. 31 .. ..	\$32,154,000	\$35,770,000	\$42,366,000	\$6,596,000
Week ending	1918	1919	1920	Increase
April 7 .. ..	2,984,000	2,921,000	3,617,000	696,000
April 14 .. ..	2,935,000	2,668,000	3,655,000	767,000

#### Grand Trunk Railway

Year to date	1918	1919	1920	Increase
Mar. 31 .. ..	\$12,884,022	\$14,003,850	\$15,471,237	\$1,467,387
Week ending	1918	1919	1920	Increase
April 7 .. ..	1,339,291	1,274,553	1,409,333	194,780

#### Canadian National Railways

Year to date	1918	1919	1920	Increase
Mar. 31 .. ..	\$20,213,115	\$21,554,947	\$1,331,832	\$1,331,832
Week ending	1918	1919	1920	Increase
April 7 .. ..	1,457,144	1,834,118	376,974	376,974
April 14 .. ..	1,590,159	1,818,934	228,775	228,775