

# The Chronicle

## Banking, Insurance and Finance

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### THE GENERAL FINANCIAL SITUATION.

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that the witnesses were reluctant to disclose this fact. It should not be overlooked that unusually large turnovers in abnormal times reflected largely on the good results.

The employees of the Toronto Railway Company went out on strike on the 22nd instant, because their demands for higher wages were not complied with. That the men are deserving of a wage increase is admitted. The Company are unable to comply with their demands, unless permitted to increase the fares, and this they cannot do under their contract with the city. An anomalous feature of the situation is presented in the fact that although the proprietors of the Railway are receiving no return upon their investment, on the other hand, the City, which has not a dollar in the undertaking, is deriving sums reaching as high as a million dollars a year as its "share," not of the net but of the gross earnings of the Company. Yet the City refuses to permit any increase in fares, which nearly all traction companies on the Continent have found to be necessary. It appears to be poor civic policy to starve the system now in the hope of making a better bargain two years hence, when the City propose to take over the railway.

Money continues high, and the stock market will probably seek a lower level in the next month or two.

#### TRAFFIC RETURNS

Canadian Pacific Railway				
Year to date	1917	1918	1919	Increase
May 31.....	56,569,000	\$58,185,000	\$61,827,000	\$3,642,000
Week ending	1917	1918	1919	Increase
June 7.....	2,927,000	2,845,000	2,957,000	111,000
" 14.....	3,165,000	2,914,000	3,062,000	148,000
" 21.....	2,939,000	2,849,000	3,024,000	175,000
Grand Trunk Railway				
Year to date	1917	1918	1919	Increase
May 31.....	24,274,445	\$ 17,909,748	\$23,633,447	\$5,723,699
Week ending	1917	1918	1919	Increase
June 7.....	1,333,194	1,012,481	1,119,297	106,816
" 14.....	1,348,185	1,113,729	1,169,373	55,644
Canadian National Railways				
Year to date	1917	1918	1919	Increase
May 31.....	.....	\$28,596,366	\$33,999,727	\$5,403,361
Week ending	1917	1918	1919	Increase
" 14.....	1,562,519	1,595,470	32,951	.....

### BRITISH LOAN ISSUE.

The new loan terms are now officially announced of the British Loan Issue. It takes two forms. The first, called 4 per cent Victory bonds, are issued at 85 and are redeemable at par by annual drawings commencing in September, 1920. The purchase price is payable optionally in instalments extending to January, 1920. Dividends will be paid half-yearly in March and September.

The other form is called the 4 per cent. Funding loan, 1960, 1990. Its price is 80 payable in instalments to January, 1920, and dividends are to be paid in May and November. For both loans the Government will set aside half-yearly 2 1-4 per cent of the nominal amount issued, whereof 2 per cent will be for interest and the balance for the sinking fund which will be applied to the drawings of Victory bonds by lot, and in the case of the Funding loan will be applied to purchase for cancellation if the price is under par. If the price is over par the money will be invested to redeem the loan at par in 1990 or any time after May, 1960, on three months' notice.

The amount of both loans is unlimited. The Victory bonds will undoubtedly be popular because of the possibility of a bonus of fifteen per cent in any year through drawings at par. Victory bonds will be accepted as cash at par value in payment of death duties if held for six months preceding death. The funding loan will be similarly accepted but at a value of eighty per cent. Bonds and stock held by non-residents in Great Britain will be exempt from British income tax. The existing loans convertible into the new loans are Treasury bills, 4 1/2 per cent war loan, five and six per cent. Exchequer bonds, and national war bonds, first three series.

## CANADIAN

# BANKING PRACTICE

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