

The Chronicle

Banking, Insurance and Finance

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688 to \$114,669,611. These call loans include a considerable volume of loans on commodities as well as on stocks and bonds and it may be presumed that the former showed a considerable increase during the month, the inference being that this demand was in part met by withdrawals of funds loaned on stock exchange collateral. Call loans abroad were reduced during the month by \$6,925,285 to \$186,962,960, but still remain higher than a year ago by \$17,430,471. Circulation increased during September by \$3,721,021 to \$231,094,885 but in spite of higher prices is only \$5,186,888 higher than at the end of September, 1919, a fact which is in itself pretty good evidence of the decline in domestic industrial activity.

One swallow does not make a summer. But the several announcements of wage decreases in the shoe trade which have been made in the last few days are an interesting indication of a beginning of a new stage in the process of deflation. In one local case the operatives have accepted a 5 per cent. cut with a 30 hour week, in preference to a 15 per cent. cut and a full week. The operatives may be presumed to know their own business best, but in the present case they appear to have displayed poor judgment. From now on announcements of this kind may be expected in increasing volume as a result of the pressure of circumstances. But the unions will undoubtedly hold out for existing wage scales as long as possible, and extensive reductions in wages may only come about after considerable trouble.

One eventual result of the Presidential elections in the United States that has some interest for Canada is the question of taxation policy. With in recent months a considerable agitation has sprung up in the states for the removal of taxes on business, and the substitution of a system of sales taxes. Whether any notable changes in this respect will eventually materialise remains to be seen, but should they do so, the probabilities are that eventually such changes would have an effect upon taxation policies in Canada. There is in

business circles some expectation that this will be the last year of the Business Profits' War Tax, and that the tax on sales which is apparently proving itself to be a very effective revenue producer, will produce sufficient to enable the former tax to be dispensed with in the next Budget. In any case it is to be anticipated that the revenue to be obtained from the Business Profits' Tax for 1920 will be considerably smaller than has been obtained in years immediately preceding, owing to the falling off of general business and the large inventory losses which necessarily have to be taken in many directions.

September earnings of the Canadian Pacific Railway make a somewhat better showing than those for the preceding month, but the effect of high operating expenses is still to be seen. Gross earnings for the month totalled \$20,009,287 and expenses \$16,100,632, net earnings thus reaching \$3,908,654 a decrease of \$183,264 in comparison with net a year ago, when gross was \$2,500,000 less than in the present September. It may be noted that net earnings in September were no more than they were in September 1910, when the company's gross earnings were less than half what they are at present. The difference has simply gone in increased expenses.

TRAFFIC RETURNS

Canadian Pacific Railway

Year to date	1918	1919	1920	Increase
Sept. 30 ..	\$108,138,000	\$121,186,000	\$114,203,000	\$23,017,000
Week ending	1918	1919	1920	Increase
Oct. 7 ..	\$3,458,000	\$3,965,000	\$5,356,000	\$1,391,000
Oct. 14 ..	3,594,000	4,029,000	5,689,000	1,660,000
Oct. 21 ..	3,509,000	4,241,000	5,983,000	1,742,000
Oct. 31 ..	5,023,000	5,878,000	7,579,000	1,701,000

Grand Trunk Railway

Year to date	1918	1919	1920	Increase
August 31 ..	\$34,408,555	\$50,384,474	\$58,814,039	\$8,429,565
Week ending	1918	1919	1920	Increase
Sept. 7 ..	\$1,346,506	\$1,949,914	\$2,473,270	\$523,356
Sept. 14 ..	1,415,000	2,178,855	2,680,720	501,865
Sept. 21 ..	1,436,812	2,163,619	2,483,460	320,841
Sept. 30 ..	2,126,177
Oct. 7 ..	1,460,738
Oct. 14 ..	1,433,788	2,148,124	2,557,273	409,149
Oct. 21 ..	1,296,165	2,101,885	2,666,086	561,201

Canadian National Railways

Year to date	1918	1919	1920	Increase
Sept. 30 ..	\$56,492,823	\$66,642,628	\$71,207,168	\$75,646,540
Week ending	1918	1919	1920	Increase
Oct. 7 ..	\$1,789,180	\$2,140,414	\$2,657,913	\$517,499
Oct. 14 ..	1,745,665	2,012,883	2,901,802	888,019
Oct. 21 ..	1,915,656	2,167,313	2,917,348	760,035
Oct. 31 ..	3,060,917	3,221,718	3,674,104	652,386