

# The Chronicle

## Banking, Insurance and Finance

Established 1881. Published Every Friday  
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OFFICE:  
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 10 St. John Street, Montreal.

Annual Subscription \$3.00 Single Copy, 20 cents.

MONTREAL, FRIDAY, OCTOBER 1st, 1920

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wages. If the fight comes off, obviously the result for the time being will be great losses to British industry and trade, and possibly privation to a great number of people. In Montreal itself, in some lines in which public demand has fallen off to such an extent that factories have had to be closed, or only run on part time, factory operatives are beginning to realize that 40 cents an hour steadily is better than 60 or 75 cents an hour temporarily. Possibly there will be a wider realization of this fact in a year or two.

With regard to the immediate future in Canada, while the turning into cash of this year's bountiful crops should stimulate trade throughout the Dominion, there are two factors on the reverse side of the ledger, which are not too frequently borne in mind. One is that the distribution of war gratuities has now ceased and that the "blowing in" process is probably about completed, the other is the fact that Income Taxes for 1919 the collection of which will only be begun next month, are at a very much higher rate than the taxes for 1918. Moreover owing to the change in the methods of collection authorized at the last session of Parliament, the income taxes for 1920 have to be paid in whole or in part, by the 30th April, 1921 on the same scale as for 1919. So that taxpayers will be into the position to pay two year's taxes within a few months, a factor which will certainly lend to restrict their expenditures in other directions. This state of affairs, will, of course, not occur again; it is merely incident to the process of moving forward in date for the collection of the Income Tax by six months.

The proposal put forward by Mr. John F. Darling, the former joint manager of the London Joint Stock Bank, in an address at Toronto the other day, for the stabilisation of inter-Empire exchanges is interesting and sentimentally attractive. But like most other schemes which mix patriotic sentiment with business, it is impracticable. Mr. Darling has apparently overlooked Canada's present position in regard to the United States, where a

heavy adverse trade balance is supplemented by interest payments of perhaps \$200,000,000 yearly. While in this position, Canada simply could not afford to accept at par a pound sterling which is worth something under \$4.00 in New York. If the pound sterling were at par, it would be another matter, but as we understand, part of the purpose of the scheme is to be help to get the pound sterling back to par on exchanges, where it is at present at a discount. It is to be remembered that the heavy discount on the pound sterling at New York is partly a result of the fact that while British exports have been vastly increased since the armistice, that increase is largely a consequence of exports to countries unable to pay cash for their purchases, and as many influential observers in England have pointed out, a considerable step in the rectification of exchange could be made by the diversion of exports to countries able to pay cash for them. Stimulation of trade between Canada and Great Britain would eventually have the result of bringing the currency of both countries nearer to the standard of parity on the international exchanges, and stimulation of that kind is under present conditions practicable within limits. But geographical and other circumstances make it extremely unlikely that Canada will not obtain the bulk of her imports for many years to come from the United States. If, however, British trade is stimulated, and the proportion of imports from the United States, correspondingly reduced so much the better. That is possible within limits, but Mr. Darling's scheme, with all respect, is impossible.

### TRAFFIC RETURNS

#### Canadian Pacific Railway

Year to date	1918	1919	1920	Increase
August 31 ..	\$94,846,000	\$103,968,000	\$124,500,000	\$20,532,000
Week ending	1918	1919	1920	Increase
Sept. 7 ..	\$3,053,000	\$3,509,000	\$3,931,000	\$392,000
Sept. 14 ..	2,915,000	3,763,000	4,258,000	495,000
Sept. 21 ..	3,114,000	3,993,000	4,605,000	712,000

#### 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 ..	\$1,346,536	\$1,949,914	\$2,473,270	\$523,356
Sept. 14 ..	1,415,000	2,178,855	2,680,729	501,865
Sept. 21 ..	1,456,812	2,163,619	2,483,460	320,841

#### Canadian National Railways

Year to date	1918	1919	1920	Increase
August 31 ..	\$49,434,472	\$57,808,499	\$94,251,487	\$36,452,988
Week ending	1918	1919	1920	Increase
Sept. 7 ..	\$1,564,892	\$1,789,169	\$1,998,011	\$208,842
Sept. 14 ..	1,593,343	2,009,675	2,372,906	303,231
Sept. 21 ..	1,607,019	2,085,089	2,293,007	377,918