

THE GENERAL FINANCIAL SITUATION

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tion Association, in reference to the observations made in this column three weeks ago, regarding the re-development of German export trade, and the effect of the depreciation of the work in regard thereto. Sir John argues that The Chronicle under-estimates the effect of the depreciation of the work. "Before the war," he says, "German exports represented labour to a greater extent probably than the exports of any other first-rate nations. Moreover, while Germany is by no means a self-contained country, German exports still must represent in considerable measure native raw materials and products manufactured therefrom. Of course wages and commodity prices in Germany are higher than before the war. German currency is inflated. The exact extent of currency depreciation is not easily ascertained, but it is extremely doubtful whether German wages and the prices of native raw materials have advanced to more than five times what they would be if exchange were at par."

Sir John goes on to quote various instances of German exporters cutting into neutral markets at prices, which as a result of the low rate of exchange, are much below the level at which other manufacturers can compete. This fact is surely scarcely surprising. Nobody expected that the Germans would not set to work in order to try to build up afresh their trade. They have to do so, in order to find means of subsistence for themselves, meet their heavy taxation and pay the war indemnity to the Allies. Those surely are self-evident facts. Sir John adds: "That German industrial activity is being resumed, with labour conditions far less favourable to the workers than in Canadian plants, is indicated by the announcement that the Boehler Steel Syndicate plants at Kappenburg, Worttenburg, have been bought by United States interests, and that the employees have been notified that a 10-hour day and piece-work schedule will be put into force."

If German labour is willing to work a 10-hour day at piece-work rates, we should say that it was a sign of returning sanity—the sort of sanity that would be welcome at this time on this side of the Atlantic. We fail to see that there is anything particularly degrading about anyone working ten hours a day, and receiving wages for the work he actually does, or that it is particularly a hall-mark of virtue to be paid for working so much time—a very fair proportion of which is wasted in half-hearted effort. Sir John himself, we are willing to wager, in the course of his busy life, has put in a good many 10-hour days without feeling deeply degraded thereby. But if the test of what constitutes "a menace to Canadian industry" is to be

the industrial conditions under which various Canadian imports are produced, do Sir John and the Reconstruction Association propose to forbid the Canadian public, the use of Japanese novelties and toys, Belgian glass, Italian hats and French textiles? All of these are being produced under conditions which, from the point of view of the worker, do not compare favourably with conditions as they are in Canada. Are these to be banned, in favour of "made-in-Canada" products? Sir John and the Reconstruction Association would have some difficulty in persuading the general public along that line.

Sir John's explanations do not, in fact, convince us that we were wrong in saying that the Association is "viewing with alarm" when such alarm is not justified. There are as yet, so far as we are aware, no signs of a big invasion of trans-Atlantic markets by German goods—do the Germans possess, in fact, the necessary facilities of the sea; transport of goods on a very large scale? We willingly concede that there is a case for the supervision of German imports in order to prevent "dumping" which would be disastrous to any Canadian industry. But the Association can hardly expect the general public to be enthusiastic, in these days of high prices and scarcity of commodities, about proposals which would deny to 99 per cent. of Canadians the benefit of competitive prices and an increased supply in order that the remaining one per cent. may benefit from high prices and the shortage of supply.

TRAFFIC RETURNS.

Canadian Pacific Railway

	1917	1918	1919	Increase
Year to date	\$106,475,000	\$108,138,000	\$121,176,000	\$13,038,000
Sept. 30.....	1917	1918	1919	Increase
Week ending	2,666,000	3,053,000	3,599,000	546,000
Sept. 7.....	2,691,000	2,915,000	3,763,000	848,000
" 14.....	2,964,000	3,114,000	3,893,000	779,000
" 21.....	3,631,000	4,210,000	5,963,000	1,753,000
" 30.....	3,631,000	4,210,000	3,965,000	507,000
Oct. 7.....	2,842,000	3,458,000	4,029,000	505,000
" 14.....	3,385,000	3,534,000	4,241,000	732,000
" 21.....	3,429,000	3,509,000		

Grand Trunk Railway.

	1917	1918	1919	Increase
Year to date	\$45,544,759	\$40,754,680	\$48,317,156	\$7,562,566
Sept. 30.....	1917	1918	1919	Increase
Week ending	922,615	1,346,536	1,422,955	76,419
Sept. 7.....	977,154	1,415,000	1,647,304	232,304
" 14.....	1,336,312	1,456,812	1,619,342	160,530
" 21.....	1,455,133	2,126,177	2,304,676	178,499
" 30.....	1,014,812	1,460,738	1,611,553	150,815
Oct. 7.....	989,667	1,433,788	1,619,110	185,322
" 14.....	916,866	1,296,165	1,486,851	190,686
" 21.....				

Canadian National Railways.

	1917	1918	1919	Increase
Year to date	\$56,492,853	\$64,569,137	\$8,076,284	
Sept. 30.....	1917	1918	1919	Increase
Week ending	1,504,832	1,737,454	2,033,374	232,622
Sept. 7.....	1,593,343	2,017,960	2,424,617	426,355
" 14.....	1,607,019	2,033,374	2,424,617	426,355
" 21.....	2,353,187	2,838,480	3,131,310	485,293
" 30.....	1,789,180	2,102,281	2,424,617	313,310
Oct. 7.....	1,745,665	1,974,750	2,229,085	229,085
" 14.....	1,915,656	2,129,180	2,424,617	213,574
" 21.....				