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THE GENERAL FINANCIAL SITUATION.

Canadian exports in May totalled \$92,258,687, a growth of \$22,256,548 as compared with May, 1918, while imports for May amounting to \$71,344,816, show a decrease for the month of \$18,454,167 as compared with May, 1918. The substantial increase in exports is probably accounted for in the fact that in May, 1918, exports of grain and flour were at a low level owing to the fact that foodstuffs falling in this category had been sent overseas in the autumn and early winter on account of Europe's urgent need of food, while flour shipments in May this year were unusually heavy. Despite the declining tendency noted in exports earlier in the year, the figures for the five months of 1919 compare well with those for corresponding period in recent years, the 1919 exports of upwards of \$447,000,000 being approximately \$14,500,000 over those of 1918, and but some \$57,000,000 under the record total of 1917.

The rapidly growing habit among the people of Canada of investing in government securities and the activity of the Government in supplying bonds in denominations as low as \$5, the face value of a War Savings Stamp bond, is establishing a financial morale among the people which in time of stress will stabilize the nation and protect the banks. It will also tend to eliminate from society both the gambler and the profiteer, because the subjects which are largely played upon by these two undesirable types of people, are included in the patriotic group now holding government securities.

Wages are extremely high in the country, and many farmers and their families are compelled to do all their own work. It is practically impossible to procure domestic help in the cities. Many people who have never done their own housework or cooked for themselves, are now absolutely without house servants. The wages of those who do work in the homes ranges from twenty to fifty dollars a month, prices which salaried folk are absolutely unable to meet—a group of people who find themselves almost helpless in the new order of things. The war made labour doubly self-conscious. It warned capital that the old days of its complete control were gone. But the profits of industry during the war were increasing so rapidly that higgling about wages and hours proved risky, and industries which had never before yielded to organized labour surrendered. There was nothing

else to do, and wages rose as they had never risen before.

The new budget brought down by Sir Thomas White provides for the wiping out of the 7½ per cent. war tax on all food commodities. This tax has been a factor in increasing costs ever since its inception, and added to an already high tariff brought about in some instances, almost prohibitive conditions. While this is the case, conditions at the present are such that its withdrawal will in all probability not be felt for some little time to come. Present stocks were purchased while the old tariff was in force, and there is, of course, no decline to be expected at present.

With the signing of the peace treaty the market for foreign exchange will naturally take on a decidedly broader aspect and it would not be surprising if the dealings exceeded those witnessed in a number of years. Under the circumstances, prospective movements will be watched with greater interest than ever before by bankers, speculators and brokers. Just what the probable course of rates is likely to be, however, is uncertain. Close observers of the situation believe that the signing of the peace treaty is likely to cause a sharp advance in Exchange, although they point out that the upward movement will only be temporary, as it will take some time before plans are worked out and put in operation for financing our exports through dollar credits.

It would appear that the stock market is now more directly influenced by domestic business conditions and particularly by the situation as to money, than by large questions of European politics. Complete acceptance of the Treaty of Peace by the Germans without further haggling, has been apparent for a good while. Nevertheless, all the symptoms tend to show that the market had already discounted this fact.

The committee appointed to enquire into the high cost of living reported this week, appear to have lost considerable time in the bully-ragging of witnesses, which is neither fair or decorous. Take as an illustration the flour mills, whose profits are variable but large, depending, it is true, largely on the buying astuteness and economy of management, etc. The statements published in the public press by these institutions during the past three or four years, quite openly indicated large profits; and there should be no necessity to make it appear

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