

# The Chronicle

## Banking Insurance and Finance

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F. WILSON-SMITH,  
Proprietor.ARTHUR H. ROWLAND,  
Editor.

Office:

406-408 LAKE OF THE WOODS BUILDING,  
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### FINANCE OF THE WEEK.

The resumption of open market trading on the Montreal Stock Exchange on Tuesday, after a lapse of eight months, makes a significant indication of a steady, if still very slow, improvement in financial conditions. Under the conditions laid down by the committee, the stocks eligible for floor trading are something over fifty in number and include those quoted at under \$15 per share, those which stand at above the official minimum, and mining stocks. Stocks reverting to the minimum will automatically retire to the seclusion of the list of stocks, dealings in which are arranged by the Stock Exchange committee. Short selling is prohibited.

The market got away to a good start, 2,526 shares exclusive of mining shares, being traded in on the opening day, compared with 5,104 shares on the corresponding day a year ago. There have apparently been fears in some quarters that the opening of the Montreal Exchange might be utilised as a means of liquidation by London interests. However, thus far there has been no sign of liquidation from this quarter, and it is probable that the fears were groundless. There seems no good reason why London holders of standard Canadian stocks should be particularly anxious at the moment to liquidate at a sacrifice. That London liquidation played a considerable part in the slump at the close of July is no reason for anticipating that the re-opening of the Exchange would be followed by similar selling, since conditions in London are now essentially different from what they were at the end of July. Then, there was panic. Now the position is well in hand, and liquidation, where necessary, can probably be undertaken under relatively easy conditions.

#### NEW YORK WIDE-OPEN.

American sentiment has been favorably impressed by the throwing open of the New York Stock Exchange to unconditional trading in securities. Recently, it has been obvious that business in that Exchange has reached a level of normal activity. It is noted also that while foreign liquidation of American

stocks and bonds has not ceased, right from the outset of the war, it has been conducted in a scientific manner. On few occasions has the liquidation been greater in volume than the market could comfortably bear and apparently no important change in this policy is expected.

#### THE WEST STILL OPTIMISTIC.

Western advices show that business men beyond the Great Lakes are still full of their famous brand of optimism. A Saskatchewan observer writes that "Hopes are as high as grain prices." It is well to remember in connection with the expectations of a bumper harvest that in the matter of crops man proposes while nature disposes. Given the essential of reasonable weather, however, there is sound reason for hopeful anticipation, through the activities towards greater production which have been undertaken. The West is nearer a basis of cash transactions at the present time than probably it has ever been before in its history, and the killing of the long-term credit system with its multitude of evils is worth a good deal in the way of sharp experience. No longer is ready cash being sunk in more acreage or marvellous sub-divisions; debts are being paid instead. With a good crop, this process will be continued, and the foundations begun for a structure of sound and prosperous business.

Whether or not the Dardanelles are freed at an early date, the Western grain grower is probably assured of good prices for his crops this year. In comparison with recent years, prices will certainly be relatively high. Probably as a result of this, a decided stimulus will be given to business throughout the country, when the harvest money becomes available.

#### THE LONDON POSITION.

The cables state that the impression prevails in Lombard Street that the Government for some time will issue \$75,000,000 of treasury bills weekly, with perhaps an occasional interval. The Government is in no immediate need of money, because cash balances total about \$500,000,000; but there is now practical unanimity between the Government, the Bank of England, and other banks and discount houses in efforts to create higher money and discount rates, so as to eventually strengthen the American exchange rate.

Money rates have now been peremptorily and permanently stiffened. Some discounting houses have even decided to raise their customers' deposit rates, while probably unanimous agreement on that point will shortly be made at a meeting of discount house representatives.

Insurance Superintendent Potts, of Illinois, has developed a mania for attacking the fire insurance companies. A specimen of his methods is the insinuation, spread broadcast, that the companies are having fires started in order to offset his campaign for lower rates. Is Mr. Potts a Prussian?