

The Chronicle

Banking, Insurance and Finance

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F. WILSON-SMITH, *Proprietor and Managing Editor.*

Office:

406-408 LAKE OF THE WOODS BUILDING,
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WALL STREET'S CONFIDENCE.

Very slight difference of opinion appears in the Wall Street district as to the objects of the submarine raid. At the close of the week the incident is accorded no greater importance than that of an enemy demonstration intending primarily to produce fear and the possible withdrawal of American destroyers from positions wherein they are proving so completely efficient in convoying and protecting American troopships. If the menace had been intended as a serious movement it is not at all likely that it would have disclosed itself by attacking a few schooners and small craft generally. The element of surprise has been lost and no big game has been bagged nor, so far as has been reported, has there been any attempt to bag it. Our troopships will be guarded all the more completely and the lookouts in the zones of commerce will be all the more alert. The demonstration appears to have been somewhat belated, like the shelling of Paris from the long-range guns, timed with the expectation of producing a world-wide scare. A peculiar feature which is attracting critical attention is the efficiency shown in circulating advance reports of huge cruising submarines which Germany was reported to have added to its underwater fleet.

As an offset to the submarine incident there has been a week of much more satisfactory news from the battlefield in France and Flanders. If, as now seems so probable, the enemy offensive again has been definitely checked, the prospects, quoting the view which seems most widely current in the Wall Street district, is that the breach caused by the collapse of Russia in large measure has been spanned. Time is working effectively on the side of the Allies and will continue to work with increasing effectiveness. American troops already are beginning to show in the battlefield something of what may be expected of them later and there can be slight question that in number they already have passed the million point and that every day is increasing the arrivals. It is true that a considerable proportion of the arrivals may be classified properly as "raw." But some of the earlier arrivals already are in the seasoned class and the latter will continue expanding in the same general proportion as the new recruits are arriving.

Considering the potential possibilities of this week's submarine demonstration and its incentive

for nervousness until the real facts became reasonably well known, Wall Street certainly must be credited with having given a good account of itself. The closing of New York as well as other ports on the Atlantic by the Navy Department and the order of the New York Police Commissioner dimming the lights in the theatre districts and the seaside resorts hardly could fail to have produced psychological feeling of nervousness. But the volume of selling pressure on the Stock Exchange presented no corresponding activity. It is not improbable that some degree of banking support may have been responsible for the composure with which the first sensational reports were received. After the first shock the market was fully equal to the task of caring for itself.—Boston Transcript.

THE MERCHANTS BANK OF CANADA.

Continued from front page

130,559 a year ago, and \$96,361,363 two years ago.

The growth in loan accounts during the year is reflected in the Bank's profits, which are now reported as \$1,236,681, compared with \$1,120,309 in the year preceding, and equivalent to 8.8 per cent. upon the paid-up capital and rest combined, compared with 8.00 per cent. in 1917. A balance of \$421,293 brought forward makes the total available on this account, \$1,657,974. Of this amount, the 10 per cent. dividend absorbs \$700,000; \$400,000 has been transferred to contingent account; the war tax on note circulation taxes \$70,000, and \$50,000 is contributed to the Officers' Pension Fund, a slightly enlarged balance of \$437,974 being carried forward. The whole showing made by the Bank is one upon which those concerned may be heartily congratulated.

RECENT ISSUES OF MONTREAL BONDS.

In connection with the recent issues of Montreal bonds, and the price obtained, attention is drawn to the fact that the last issue was purchased by French-Canadian bond houses, notwithstanding the numerous tenders received by the city from other sources. The last issue of \$6,100,000 5-year 6 per cent. bonds were sold last week at 97 and interest. While the price obtained cannot be considered by any means a high one for six per cent. bonds of the Metropolitan City of Canada, it must be considered in the interests of Montreal, that French-Canadian bond houses have very clearly demonstrated on this occasion, a more correct view, of the value of the City of Montreal Securities, than that held by their English-speaking competitors. We understand that the issue in question is being very successfully marketed at a fair margin of profit.

The continued growth of Montreal is assured, as is its position of being the most important commercial centre in the Dominion, and it may therefore be assumed that the bonds of any city such as Montreal should command keen competition for the purchase of its securities.