

The Chronicle

Banking, Insurance & Finance.

ESTABLISHED JANUARY, 1881

R. WILSON-SMITH, Proprietor

PUBLISHED EVERY FRIDAY

Vol. XXX. No 7.

MONTREAL, FEBRUARY 18, 1910.

Single Copy - - - 10c.
Annual Subscription \$200

WALL STREET -AND HOME. **UNCERTAINTY** still characterizes the New York stock market. Varying views on trade outlook, corporate fear of Supreme Court rulings, with the possibility of anti-trust legislation at Washington, are among the excuses offered by those who had predicted a renewed advance. Meantime, while bulls and bears continue their professional play and counterplay, the foreign investor and the home buyer of small lots have been helping to steady the market by purchases on all pronounced dips.

The steadiness of the Canadian market during all New York's recent ups and downs has been noteworthy. Last year's high-point on the Montreal 'Change was reached in December, when the average quotation for ten leading stocks was 130. On the 8th inst.—the day on which Wall Street had its sharp slump—the average for the same ten Canadian stocks was 126. On no day since has it been lower than 125.

New York's high-mark for twenty-five representative stocks in 1909 was 113. From this there was a decline to a price-average of 99 during the present month, with a partial rally to about 104.

From which it is clear that any recent fall in the Canadian price-level was insignificant compared with New York's break. Purchases on London account, along with sustained local support, have been in evidence here.

STRENGTH OF CANADIAN LIST. **COMPARED** with the 1906 high-mark of 122 (for ten leading stocks) the present Canadian level still shows a distinct advance. The New York average, on the other hand, is now a good many points below the 1906 climax of 114 (for twenty-five representative stocks). An observer of New York's recent decline—one unacquainted with basic trade conditions in Canada as compared with those in the United States—might argue from this that a market decline was imminent here. But it is to be taken into account that Canada's immediate business expansion is bound to be relatively greater than that of the United States. In the one case monthly exports are showing marked increases; in the other decreases, from a year ago. Well-to-do immigrants from the Western States, continued influx of investment capital from abroad,

the building of railroads and the rapid development of natural resources—must all make for a season of industrial activity.

As to the longer outlook, it is pertinent to requote the words of a British banker that "it is to be hoped that where legitimate progress is so rapid, speculation will not intervene to force the pace."

Fortunately, over-elation at the local strength shown during New York's downward movement has not tended since to a runaway market. Nor, on the other hand, has there been any straining needed for the Canadian list to hold its own—such as there was on some previous occasions when the local market had held up bravely enough during a Wall Street decline. As to the Canadian banking position, it may be said to favour a steady middle course for the security markets. Increasing demands from industrial and commercial business preclude the likelihood of any "cheap money" stimulant.

TOWN AND COUNTRY. **IT IS** scarcely likely that enough people will eschew porterhouse and chew "beef shank" to put the price of the former back to where it was ten or twelve years ago. We have the authority of the Dominion Minister of Agriculture for the explanation that recent high prices of new laid eggs are caused by turning up our noses at the packed article which satisfied city-dwellers of a past generation during winter months. Like the curate's egg, the explanation is sound, in parts. But tastes develop, and it is doubtful whether the fairly-well-to-do will ever again be entirely satisfied with poaching pickled eggs—even though backed by the official sanction of the Department of Agriculture.

According to Ontario's Deputy Minister of Agriculture, it is more because we are wasteful than because we have grown "finiky," that food prices have soared. Speaking in Toronto, he said the other day:

"There is probably enough food wasted in this city to feed a good-sized city in many countries of Europe."

The curbing of urban extravagance, and the checking of the movement of population from country to city, are Mr. James' hope for Canada's economic weal. And, in the past year or two, there are signs that city-dwellers not a few are waking up to the fact that the farm offers healthful independence, and even the prospect of affluence to the willing worker.