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A PROFITABLE BUSINESS

The proverb about the ill-wind will find many siness conditions. Many cases will occur in which and continues till the end of September. little but harm can be hoped for from this dread- tion from those to which we are accustomed. One interest which for the moment stands to be the gainer is that of the manufacture of beet sugar in the United States. The industry as grown to very large proportions, and under the high tariff which prevailed for many years large high tariff which prevailed for many years large Mexico would command world-wide interest.

GERMANY'S FOREIGN TRADE

which can be recognized by the civilized nations great bulk of this trade was transacted with the countries with which Germany is now at war. Eighteen per cent of her foreign trade was with Great Britain, which with the business she transacted Great Britain, which with the business she transacted of the richest countries in the of course, so far as occasi transportation to course so far as occasi transpor Great Britain, which with the business she transacted with France, Russia and Belgium and Servia, constituted the major portion of her foreign trade. The business transacted by Germany with overseas countries such as the United States and South America will be lost owing to the fact that she

Russia, \$312,000,000 with France and \$210,000,000 with Belgium. Her trade with the Balkans was also considerable, so that out of Germany's total trade easily one half was carried on with the four remaining trade, the bulk is carried on with the there is doubt where the loan is to be United States and South America, the major portion of which she will lose through the destruction of her merchant marine. The loss of her colonies and the injury to her prestige in the Far East

worth of trade in South America, but already aggressive campaigns are being started in the United States to capture this business from the German. Altogether, Germany stands to lose vastly more by this war than she has gained in the forty-four years From every standpoint. of peaceful developr economic, industrial, financial and humane, the in England. war was unjustifiable.

THE CENSORSHIP

There are evidences that the strict censorship which was put in force by the British Government is being relaxed, although they refuse to allow war correspondents to accompany the army to Belgium. Up to the present time, there has been an almost absolute silence maintained by the British Governfiltered through from time to time conveyed little or no information to a waiting public. A number of the British newspapers, such as the "London ne it is not as rigid as that enforced in Great war is a profession.

While we all admit the necessity of refraining from publishing news calculated to aid the enemy, there is a great deal of information, such as that which in face of danger ten times greater than that from publishing news calculated to aid the enemy, should load the characteristic there is a great deal of information, such as that relating to casualties, that should not be withheld, which confronts our banks has reduced the rate from ten to five per cent. The wholesale calling front are anxious for news and the Government should of loans by our banks would bring about the be as prompt in furnishing that news as is con-thing they hope to avoid. sistent with good war tactics.

sly affect the world's greatest fair which is more. held each summer at Nijni Novgorod in Southern Russia. This great fair has been held yearly since the fourteenth century and has become the world's best known and greatest annual exhibition.

In many respects the fair held at Nijni Nougorod differs very widely from the fairs and exhibitions theld on this continent. The Russian fair is held 4,000 more affected certain fectures without being securities.

products for the more finished articles of European

'ndustry.

The principal trading is in furs, Practically estimates that the present war we every fur known to mankind is bought and sold there. It does not matter whether it is Russian sable, Bengal tiger or Canadian mink, it finds a tures of the nations engaged:

Next to the trade in furs comes the ready market. Next to the trade in furs comes the business transacted in ikons, followed by that carri-stitutes a never ending source of barter and ex- Russia . . change.

hot cinders in an inner tube instead of underneath in a brazier. As the Russians are the greatest tea drinkers in the world the trade in Samouars

is unusually large.

While these three commodities constitute the greatest portion of the trading at Nijni Novgovod it is possible to buy anything from a fountain pen an alarm clock to a locomotive.

The grounds where the fair is held are far from \$16,880,321,240. being sanitary, but the exhibition goes on year after year with an increased attendance.

The fair is in reality a separate institution from now at war. the city, with its own hotels, churches, streets, applications in these days of rapid changes of shops and places of amusement. It opens in July the advance in prices will make for large profits this time buying and selling continues without a

MEXICO

high tariff which prevailed for many years large profits were made. The new tariff law lately adopted corrected the utmost alarm among the manufacturers of this staple article. Probably much of the alarm was uncalled for. However the manufacturer has no time now to argue about the effect.

Mexico would command world-wide interest. It is too soon to assume that a restoration of order mission.

Mexico would command world-wide interest. It is too soon to assume that a restoration of order mission.

The Blue Ensign has no cross, and is worn by vession to a resource. But we must here distinguish because of several years past. At almost the very moment under the king's complication in terms that the capital should be regarded as a liability, and not a resource. But we must here distinguish because of the command of officers who hold the King's complete the command of officers who hold the King's complete the command of officers who hold the King's complete the command of officers who hold the King's complete the command of officers who hold the King's complete the command of officers who hold the King's complete the command of officers who hold the King's complete the command of officers who hold the King's complete the command of officers who had the capital should be regarded as a liability, and not a resource. But we must here distinguish because the command of officers who hold the King's complete the kin facturer has no time now to argue about the effect of the tariff. The recent advance in prices places sugar at figures which promise large profits to the Europe, his successful rival, Carranza, enters the producers. The cost of production—based we preproducers. The cost of production—based we presume on the prices hitherto paid for the raw beets—

Villa the Mexican capital in triumph. If there is no further friction between Carrana and his lieutenant villa the Mexicans capital in triumph. sume on the prices hitherto paid for the raw beets—
is stated to be about 3.3 cents per pound and the
American selling prices for beet sugar is now 7½
cents per pound. These figures, of course, mean
to that as is possible with such a population.
Elections in Mexico have been largely a farce
Porfirio Diaz, whose administration gave Mexico a
times of trouble—the bargain hunter. Quite a considerable amount of buying of first-class securities

Willa, the Mexicans should soon find themselves
and a constitutional government, or a system as
the been regiment. The bank requires to rent offices and secure furinture to carry on its business. Let us assume that
times of trouble—the bargain hunter. Quite a considerable amount of buying of first-class securities

Resources.

Resources. raise the beets will take note of the new conditions But he usually found it necessary to place his than one direction was found to be scarce." Two soldiers in charge of the election booths, with days instructions to see that the people voted for Diaz. doors. A really free election, in which the Mexican people would make an intelligent choice of those who are Whatever may be the final outcome of the war, it is safe to say, there will be a lack of the safeguards which democratic countries lack of the saf govern them, is perhaps too much to expect. lack of the safeguards which democratic countries and—there is no foreign traffic. Could anything be more sardonic? Just when the most notable peace ness of the bank to promote the commerce of the more sardonic? ed and that she will be forced to commence all provide to secure complete political freedom. But more sardonic? Just when the most notable peace over again to build up her foreign commerce. It is probable that, as far as the circumstances of the commence trade of \$5,200,000,000 of which imports amounted to \$2,675,000,000 and exports \$2,500,000,000. The which can be recognized by the civilized nations be the greatest destructive action of humanity of the trade was transacted with the

NEUTRAL MONEY LOANS

It would be a violation of neutrality for a neutral or five countries with which she is at war. Of her state to make a money loan to a belligerent, but Money is considered an neutral individuals.

The generally accepted view is that if the transmeans that still further inroads will be made upon her commerce.

action is merely a commercial one, providing for the bona-fide payment of reasonable interest, there Germany does an annual trade of \$570,000,000 is no violation of neutrality. It has been decided with the United States, but as she cannot both in America and England that it is illegal for individuals to raise money to assist subjects of Philadelphia Record. of this business. Germany also does \$450,000,000 a foreign state so as to enable them to prosecute a war against their own government. right of neutral individuals to make bona-fide loans Evening Standard. is well recognised in practice. During the Franco-German war both the French loan and part of

Is the second Emperor now meeting his Waterloo?

ast year Canada imported \$14,586,000 worth worth to that country. Next year will see an Denis. unbroken series of naughts.

Tolstoi, a short time before his death, predicted don Evening Standard. absolute silence maintained by the British Government. The few scraps of meagre information which

The mobilization of Canada's twenty five thous-Daily News," "T.P.'s Weekly" and others, severely and has taken longer than that of Europe's milcriticized the rigid censorship. Canada is also lions. It must be pointed out however that this establishing a censorship, but up to the present is a land of peace while to millions of Europeans

Why should our banks become panicky? They

THE WORLD'S GREATEST FAIR

The troubles of some people multiply. The war has cut off the supply of German beer. Now it is announced that the Kentucky distillers will reduce their output of whisky 50 per cent or And yet there are Americans who have fondly believed that the war could not reach them!

GERMAN UNIVERSITIES CROWDED.

for the primary purpose of buying and selling and not for the purpose of displaying goods and machinery. It is commercial rather than educative.

The statismin left the smallest university that of regularly inscribed. Rostock, has a trifle more than a thousand students, inery. It is commercial rather than educative. nery. It is commercial rather than educative.

The fair is held each summer and is attended by another thousands of buyers and sellers and a sew visitors. It is the great mart for the traders as the summer and is attended by a sew visitors. It is the great mart for the traders are wisitors. It is the great mart for the traders are wisitors. It is the great mart for the traders are wisitors. It is the great mart for the traders are wisitors. It is the great mart for the traders are wisitors. It is the great mart for the traders are wisitors. It is the great mart for the traders are wisitors. It is the great mart for the traders are wisitors. It is the great mart for the traders are wisitors. It is the great mart for the university of leads with 8,538. Only 5,000 of the 61,000 were women. Recalling the outcry of last year or two against foreign students, one is surprised to find that there were only 6,000 foreign students.

estimates that the present war will out worth of present war will be the control of the control of present war will be the control of the con BANKING OPERATIONS AND ACCOUNTS.

47 Expended Expended military

240.358,000 44,629,000 284,982,000 Naval expenditures of the past thirteen years by The third largest business is transacted in the five nations involved in the present European

Germany Austria 100,000,000 288,645,000

Total \$2,146,765,000 Mr. Babson gives the expense of wars from 1793 to 1860 as \$9,243,225,000, and from 1861 to date as Cost of maintaining peace he estimates at \$5,000,000,-000 a year for world and \$1,600,000,000 for the nations

FLAG LANGUAGE

Flags half - masted means death . A yellow flag the advance in prices will make for large profits to particular individuals or corporations, though let-up, the Oriental habit of barter and haggling with black quarters, plague; blue with a white centre means that the vessel is in quarantine; a yellow flag the long run, and to the community as a whole, over prices making it an entirely different institusquart is the "Blue Peter," and signifies that a vessel is about to sail.

A red burgee-a flag with the V. piece cut out, denotes danger from explosion above or below water. The Union Jack upside down indicates extreme dis-At another time the events of the moment in tress. The White Ensign denotes that the vessel

with days later, the London Stock Exchange closed its

NO BUSINESS FOR PANAMA CANAL.

n the restoration of order in Mexico.

Mexico is one of the richest countries in the Of course, so far as ocean transportation is concern-

America will be lost owing to the fact that she has now lost her merchant marine. This means that practically her entire foreign trade will be forced to start all over again.

Last year, Germany did a total business of East 200,000 with Great Britain 255,000,000 with Great Brita ting each other's throat.s - New York Evening Post,

"A LITTLE NONSENSE NOW AND THEN"

The Prodigal Son is about the only figure in his-

Hoax-"Whatever else I may be I am not proud." Joax-"Well, that's something to be proud of."- be found.

O'Flaherty to his friend.

"They are," replied Casey "Trouble?" sail Casey. "I never had to raise my

"Won't you sing for us, Mr. Bellows?" asked little

'Certainly, Willie. But why do you ask?" "Gertie and I are playing shipwreck, and we need | Capital \$500,000 a fog-horn." -Penny Magazine.

"The past is dead," exclaimed the poet. "Not half so dead as some people would like it to be," said the philosopher.-"Philadelphia Record.

movement, we saw one Toledo man yesterday who Specie would have fallen on the sidewalk but for a fourstory wholesale grocery building which came to his

THE OTHER ALLIANCE

Germans and Austrians turn on the world, Sounding their battle alarm English, French, Russians and Serbs are all hurled Crushing the others in arms. Still is a greater alliance that sweeps Leading forever the van; One that includes every woman who weeps,

Soldiers shall rot in the land of the foe: Widows shall sorrow forlorn Babes shall come into a world full of woe Orphaned before they are born. This is the triple alliance that bears Brunt of the carnage so wild; Greatest, most ancient of all earth's affairs, Father and mother and child.

One that includes every man.

-McLandburgh Wilson, in New York Sun.

It goes without saying that a bank ought to have a requisite capital from the beginning of its operations There can, however, be no constant proportion be-tween the amount of this capital and the extent of the business which may be built up by its means.
larger the business that can be built up on a The capital, the larger, of course, will be the profits. The point at which the extension of the busin the line of safety must be determined by the kind of business carried on by it, and the conditions of the community in which it is established. At times the history of banking attempts have been made by law to adjust the proportion of capital to loans and discounts; but nothing more than a conjectural line can be drawn, too rough to be of any real service. Those who risk their capital, and the directors, are best fitted to judge the proper relation between capital and business done, as they will act according the law of self-preservation.

The capital of a chartered bank is, of course, divid ed into shares of \$100 each, par value. The powers, rights, and liabilities of each shareholder are determined by the amount of stock held by him, dou ble liability being enforced under the Canadian law. Each share carries with it one vote, and dividends ar allotted in proportion to the shares owned. Losses if any should occur, are divided among the sharehold ers in the same manner.

Assets and Liabilities

If, now, we set down the statement of account o bank with a capital of \$500,000, the first morning it opens its doors for business, we shall have the fol lowing:

in other words, the bank has assumed a liability of

Liabilities Capital,\$500,000 Real estate, furniture, etc. \$25,000

\$500 000 \$500,000 The bank, however, cannot answer the purposes of country by lending to business men on collateral-

gotiation with the bank is by preference usually made not to exceed four months. This provides for steady succession of payments to the bank, and thus facilitates the reduction of the business if necessary, or its direction into new channels. The certainty of prompt payment at maturity, needed for this end, is presented in a high degree by the paper created in the ordinary course of business. The written promise of a merchant or manufacturer to pay on a fixed day backed up by the deposit of securities, is an engagement which involves the credit of the promisor so far that failure is an act both of legal insolvency and of commercial dishonor. If proper selection is made, it is probably as safe an investment as can

Other investments are made, however, either as Betty—"What is the luckiest day to be born on?" be found. In this case it will purchase such securibeligerent persons are independent powers the Jack—"Can't say; I've only tried one." — London ties as combine safety with convertibility. Government, both provincial and federal, municipal and sary lunus. The programment of t A woman never realizes how disagreeable a malady not so desirable a form of investment, being more the North German Confederation loan were issued in England.

A woman never realizes not allowed—a disaster which would have ready been explained, are not admissible, except when held as a collateral security to some other that is more held as a collateral security to some other that is more worse in Germany, and by this means the dangers "They're six fine sons ye have, Casey," said Denis easily convertible; and even then mortgaes upon real which threatened the business community have been estate can be accepted as additional security only after the original debt has been contracted. The of goods from Germany and exported \$4,433,000 "Do ye have any trouble with them?" inquired reason is clear; real estate is not a liquid asset, and fluctuates violently at periods of depression or crisis

The results of the process of investment in comhand to one of them, except in self-defence."-Lon- mercial paper can be seen by the change in the bank statement. Loans on commercial paper give rise to (a) deposits and (b) profits on the transaction. Suppose the loans are \$475,000 for three months at per cent. The statement will then read: Liabilities.

> Undivided profits Deposits 467,875

The bank has loans outstanding of \$475,000 which mature at a fixed date; \$25,000 in real estate, furni-ture, etc., as before; and \$475,000 in specie (or whatever form the original payments for capital stock have assumed—gold or Dominion notes; we may term then funds "specie" for the sake of convenience). As liabilities the bank has \$500,000 originally paid in by do so too? Now, how's her head?" the shareholders: \$7,125 in profits, which belong to the proprietors: and deposits of \$467,875, which beborrowers, and which we have assumed they have left on deposit with the bank, and against which they may draw cheques. It may now be considered at the wheel, and then do you take my place and ask that the bank has fairly started on its career. Further me the question. I will then show you how it should transactions will be described carefully in our next be answered.

CURRENCY EXPEDIENTS AT PARIS. "The Bank of France," reports the financial ex-ert of the London Sunday Times, "has started issuing notes for 20 francs, and even for 5 francs." All has a smoke," was the startling rejoinder from the contangoes" at the monthly Stock Exchange settlement were computative extended. ment were compursorily extended.

INCORPORATED BY ACT OF

PARLIAMENT CAPITAL Paid Up \$16,000,000.00 REST.....\$18,000,000.00 UNDIVIDED PROFITS.....\$1,098,968.40

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UNION BANK OF CANADA

Dividend 110

Notice is hereby given that a dividend at the rate of 8 per cent. per annum on the paid-up Capital Stock of this Institution has been declared for the current quarter, and that the same will be payable at its Banking House in this city, and also at its branches, on and after Tuesday, the first day of September next, to Shareholders of record of August 17th, 1914. By order of the Board.

G. H. BALFOUR General Manager.

Winnipeg, July 15th, 1914

ESTABLISHED 1864

MERCHANTS' BANK OF CANADA

THE MORATORIUM.

A GENERAL BANKING BUSINESS TRANSACTED.

A fortnight ago any English business man would have scoffed at the idea of a moratorium in England, such devices being regarded as the last resort of communities where ordinary commercial relations have been rendered impossible. But war has torn through the delicate fabric of credit out of which London has profited so long and so marvellously The difficulty confronting the banks, and more par icularly the discount houses, was the possession of bills of exchange which the accepting houses in London were not in a position to meet because the draw ers of the bills had not been able to remit the necessary funds. The prospect of the non-payment of

CROSSING THE BORDER.

Everyone who has ever been puzzled as to just what ne has to pay duty on when crossing between the United States and Canada will be interested in a neat leaflet just issued by the Lehigh Valley Railroad. "When Crossing the Border" is the title and it tells in simple language of both countries and what to show them.

A POLITE SKIPPER.

The captain of a certain large sailing vessel is probably the most polite officer in the whole mercantile service. He has, however, a great idea of his importance, and loses no opportunity of impress-\$475,000 ing it upon his crew. In particular, he insists upon 475,000 day a new hand joined the ship, and a short time after leaving harbor, being a seasoned old salt, he \$975,000 was entrusted with the wheel. The captain came up, and put the usual question-

"How's her head?" "Nor'-by-east," answered the old tar, very gruffly. "My man," suavely answered the captain, "on this craft, when one of the crew speaks to me, he gives me a title of respect. Don't you think you might

"Nor'-by-east, I tell eyr," shouted the tar, display-

"I'm afraid you don't understand me," responded the captain, good-humouredly. "Let me relieve you

They accordingly changed places "Ow's her 'ead?" roared the tar. "Nor'-by-east, sir, replied the captain, with zentle

emphasis on the "sir." "Then keep her so, my man, while I goes forrard and

ndon Times Says Every Proper mand in Proper Quarter Should Unhesitatingly Met

SHOULD MEET ALL DEBT:

Can Be Safely Done While Gold is Temp Replaced in Internal Circulation by Paper Which People Will Be Glad to Use.

w York, August 19.-In its edition of Au ndon Times editoriall ytakes the position resent is not the time for restricting the old, provided it goes to the right quarter views are almost identical with those es y some of our bankers to the effect tha make arrangements to pay our debts me when due, even though it created some

and drain upon our gold. "We may add," says the Times, "that the G t has done well to set its face at once a spension of specie payments on the p the Bank of England. Our immediace stock of ted to amount to at least £100,000,000, at the banks or in circulation.

The virtually important thing for the repu e City of London is that as far as possible, proper demand in the proper quarters for go abroad should be met without hestitation. can be safely done while gold is te affy replace din internal circulation by the ev which people will be glad to use. Ou mens must themselves co-operate to this eco le, and so promoting the flow of gold

C.P.A. FOREIGN CERTIFICATES SHOULD BE TRANSFER

As announced in our News Service of yest he dividends on C. P. R. to German and Au olders will be withheld until peace is declared. C. P. R.'s next dividend payable October 1st, shareholders of record at 3 p.m. on Friday o eek, hence the particular urgency of the anno ent from the British Board of Trade the othe that shareholders holding certificates in Germs Austrian names should see promptly to the tran ates that little or no stock coming under that he held here. In New York and London, under say sales for foreign account that had been t place for months, a very large number of certific as probably affected.

TIME MONEY 8 PER CENT, IN NEW YOR

New York, August 19.—There is little lending and 4 months' money at 8 per cent. Aside from re is practically nothing doing either in time call money market. Call money continues to r at 6 per cent as a rule. City banks are out of the market for comme per, country institutions are absorbing s

unts at rates approximating 7 per cent. EXTEND AMERICAN SHIPPING.

New York, August 19,-W. R. Grace and Comthat a number of their ships will be nder the American flag after the Emergency S ping Bill becomes law. Ten of the company's ver in the South American trade on the east co and two ply between San Francisco and the wes orts of South America. In addition to this f ich is all owned here, although the ships fly British flag, four more are building in American ards for the coasting trade between New York ific ports by way of the Panama canal.

UNITED STATES WORSTED

The United States Worsted company earned its of \$185,000 or 3.7 per cent. on its \$5,000 referred stock during the first half of 1914. Mance was arrived at after appropriating \$60 which was turned back into the property.

Some of the company's mills are working or The European war is expected to further st ulate business as many orders, previously pla throad, will have to be cancelled. The company ately contracted for its supply of dyestuffs fore the present war broke out.

GROCERY FIRM LIQUIDATES. Trenton, N.J., August 19.—Chancellor Walker ointed Reginald Branch, of Burlington, N.J. siver for the Cramer Rogers Grocery Company, ting extensively in South Jersey, Assets

en placed at \$45,000, and liabilities \$58,000. OF AN ENQUIRING MIND. August 19 .-- A Boston merchant says hat is the difference between loaning \$20,000, France and buying \$20,000,000 of German ships?

DENIES BRUSSELS HAS FALLEN.

don, August 19.—Belgian Legation denies rep fall of Brussels. Heavy battle going on j est of Belgian capital.

WILY GERMANY PROPOSES

TO CIRCUMVENT JAPA Pekin, August 19.—It is reported here that the G Minister has approached President Yan Shi I with a proposal to surrender Kiau Chau and Tsi the Chinese Government.

All information is refused at the German Legati confirmation of the report cannot be secur any official source.

If this report is true it will remove the basis in's demands on Germany.

SAY GERMANS IN BRUSSELS. New York, August 19.—Teh German Herald Bu eth's London despatch says the Belgian Chamb Deputies has permitted the Germans to occur

> 1,000 AMERICANS RETURN. York, August 19.-More than a thousand r

a from the European war zone, most of the edicans, arrived here to-day on the Red Star Lin Several times the liner was held up warships and some of the passengers wept for they saw the Statue of Liberty.