

BANK OF MONTREAL

Established 1817
INCORPORATED BY ACT OF PARLIAMENT
Paid Up.....\$16,000,000.00
Reserve Fund.....\$16,000,000.00
D PROFITS.....\$ 1,098,968.40

Office - MONTREAL

BOARD OF DIRECTORS:

MR. MEREDITH, Pres. President.
MR. MACKAY, Vice-President.
MR. D. FORBES, Cashier.
MR. W. A. BROWN, Secy.
MR. J. H. BROWN, Secy.
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PAPER MILLS BUYING
GROUNDWOOD SUPPLIES

Low Water the Cause—Export Ground-
wood Business Better Than
Last Year

PRICES ADVANCED

Newsprint, Kraft and Wrappings in Good Demand
at Advanced Prices, Other Lines Slow, Owing
to Slackness of Printing Trade.

Business in the paper trade generally shows little change from last week. Newspaper, kraft and wrapping continue in good demand, with prices very firm. But on most other lines business is of the hand to mouth variety. The demand for newspaper is about normal, the increase in circulation of newspapers making up for the curtailment in the size of editions that has taken place. Newspaper is quoted at 210 f.o.b. Montreal, and at 2 cents at the mills, but Toronto reports state that new contracts for 1915 have been made there during the week at 2.03 1/2 cents at the mill. Between now and December most of the 1915 contracts will be placed and the trade holds that prices must necessarily rise to the advance in sulphite, groundwood and other raw materials. The demand for foreign export has been better this past week and some good business has been worked for that account at satisfactory prices, but there is not as large a volume of business being done for foreign account as was the case a month ago. There is some inquiry from British houses but little new business is being done in that direction as yet.

Kraft and wrappings are in good demand and a good export business is reported. Prices are easily 10 per cent. over old quotations and are very stiff. Stocks of these grades that had accumulated early in the year are now exhausted, and as soon as this takes place a further advance is anticipated. Bank and coated papers are in poor demand owing to the general slackness of the printing trade and the curtailment by trade papers, so that the mills on these grades are far from working to capacity. No advance has taken place in prices but old quotations are off the market and the trade states that with a better demand advanced prices would surely be quoted, owing to the higher cost of supplies. Catalogue business from the larger houses is about normal but there has been a general withdrawal of this business by the smaller commercial houses, and it is estimated that this trade has fallen off some 30 or 40 per cent. this fall. Colored papers are steady at a 10 per cent. advance over old prices but business is poor. Many grades will have to be withdrawn from the market, owing to the shortage of dyes, but as soon as present stocks are exhausted, tissues are in normal demand with prices steady at the recent advance of 5 per cent. Import houses state that they are having little difficulty in securing all necessary supplies and that prices are steady at old levels, although the local market has to pay the extra cost of insurance and freight rates. The jobbing trade is marking time and showing no disposition to lay in stocks. They say that the market does not warrant such action, customers only buying to fill actual wants apparently willing to pay higher prices for the smaller orders. Discounts have been reduced and selling terms are stiffer, but as yet they have advanced few lines in price.

With some mills water conditions are very bad, and several large paper mills are reported to be buying groundwood on that account. At Ottawa the mills have been compelled to run short time owing to the low water and no relief is in prospect. Various members of the trade hold that water conditions this winter will be the worst in years and they look for a sharp advance in groundwood prices. Export business to the United States in groundwood is now very heavy and although no reliable statistics are at hand, it is held to be considerably in excess of last year at this time, when record shipments of groundwood to the United States were made. Prices are very firm at around \$15 to \$17 at the mill and \$23 to \$25 delivered on the other side. The sulphite situation shows no change, although there is not the same frenzied demand for the product there was a month ago. Domestic sulphite manufacturers are working their plants to capacity and have no difficulty in disposing of the output at the high prices now prevailing. It is held that the situation will become very acute during the winter when it becomes more difficult to secure Swedish sulphite owing to winter conditions in that country.

INSTITUTES SUIT.

New York, October 7.—The New Haven Railroad and New England Navigation Company brought suit Tuesday in the New Haven County Superior Court against John L. Billard and six other officials of the Billard Company for recovery of \$3,825,147, charging fraudulent action in connection with transactions connected with the sale of 109,948 shares of Boston and Maine stock.

Other defendants are Charles S. Mellen, Sam. Hemmingsway, Ed. D. Robbins, Sam. C. Morehouse, Harry V. Whipple and C. F. Linsley.

The complaint states that Mr. Billard, as holder of Boston and Maine stock owned by New Haven previous to 1908 had never paid or accounted for the sum of \$3,825,147 held by him in secret trust for the New Haven road for the purpose of hiding the actual ownership and "falsely and fraudulently claims such sums as his own property."

COMMERCIAL BAR SILVER.

London bar silver 24d. New York silver 52 1/2 cents.



COL. FRANK MEIGHEN,

President of the Lake of the Woods Milling Company, whose annual meeting was held in Montreal this afternoon.

NO IMPROVEMENT FELT
IN DYESTUFF SITUATION

Germany Has Placed Embargo in Their Exportation
to United States and Supplies Are Scarce
For Manufacturing.

New York, October 7.—The improvement which became apparent in the dyestuff situation a month ago did not last, as Germany placed a second embargo on the exportation of these goods to the United States. The basis for this was the claim of re-shipments from this country to Canada and England. American vessels may receive German shipments of dyestuffs for the United States and with this in view a chartered boat leaves this week for Europe to bring back a cargo from which importers may replenish their stores of dyestuffs and chemicals.

"Whatever cargoes of chemicals and dyestuffs may now be brought in from Germany will probably command a higher price than heretofore, owing to the greater cost of manufacture and extraordinary charges incidental to getting the material here under the existing war conditions." This prediction was made to the Barron Financial News Service by Herman A. Metz, President of Farbwerk-Hoechst Company, one of the leading dye importers in the United States.

"A month ago it looked as though continued shipments of dyes would come to this country from Germany," said Mr. Metz, "but re-shipment to both Canada and England from supplies received in this country put a stop to further exports from German factories. It has since been arranged for further negotiations to increase the shipments to New York."

"There have been several cargoes of dyestuffs received here from Germany during the past month and the arrivals in conjunction with what was on hand at mill yards and in importers' stores, have been sufficient to keep consumers in operation."

"Our own prices were raised 10 per cent. on October 1st, but this was merely to offset the increased war risk, higher freight rate and exchange. There have been instances where prices have been raised even more. Under the new conditions everybody will have to pay more for goods and this means that prices to American manufacturers must advance."

"Our own dye plant in Germany is running at about 50 per cent. and this same percentage probably applies to others as well."

"The cost of manufacturing dyes has increased, for aside from running at part capacity the companies are doubtless keeping those employees who entered the army on the payroll at half time. This, of course, must be added to the cost of the manufacturer."

AMERICAN LOCOMOTIVE CO.

New York, October 6.—The meeting of American Locomotive Company directors, Andrew Fletcher was elected a director, succeeding Chas. M. Schwab. Mr. Fletcher is a manufacturer of long experience. He is head of W. A. Fletcher Company, for many years manufacturers of large marine engine boilers, etc. The resignation of Chas. M. Schwab is due to his desire to devote all of his time to the Bethlehem Steel Corporation and his other large interests.

The American Locomotive Company recently added three new members to its board: S. L. Shookman, who was made chairman; A. W. Mellon and Andrew Fletcher.

BUYS 42,000 POUNDS GOLD.

London, October 7.—The Bank of England has bought £42,000 in United States gold coin and £86,000 in gold bars, while £500,000 has been earmarked for the note redemption fund.

STEEL PRICES NOMINAL.

New York, October 7.—Steel prices are nominal. There is not enough business going to enable manufacturers to make substantial quotations for large tonnages. The fact that consumers are cancelling orders placed at lower prices than now prevail is sufficient evidence of the depression under way.

There has been some scattered rail buying, and demand for wire and some other lines for export is fairly good. However, the volume of new business is the lowest in years.

COPPER PRODUCERS DIFFIDENT.

New York, October 7.—The Copper Producers' Association will issue no statement to-morrow, and the date of resumption of publishing of monthly statistics is indefinite. The last monthly report issued by the association was for June.

AMERICAN ROLLING MILL CO.

Cincinnati, October 7.—American Rolling Mill Co. declared regular quarterly 1 1/2 dividend on preferred stock and a dividend of 2 per cent. on common stock, compared with 3 per cent. at last declaration.

CAPITAL INCREASE
VOTED FOR C. P. R.

(Continued from page 1.)

"On the morning of May 29th, the company's Atlantic Steamship 'Empress of Ireland' was rammed by a collier, and sunk in the St. Lawrence River, near Father Point. The injury to the steamship was of such a character and so serious, that there was little opportunity for rescue before the vessel foundered, with a lamentable loss of life. A Royal Commission, appointed for the purpose of investigating the circumstances, made a report acquitting the company and its officers of all blame, and held the collier accountable for the disaster. Nevertheless, I am sure that all the shareholders join with the directors and officers in a feeling of profound sorrow for those who lost their lives while travelling under the auspices of the company, and of deep sympathy for their relatives and friends. The monetary loss was not a material moment."

Succeds Lord Strathcona.

"Our directors have selected Mr. John K. L. Ross, of Montreal, to fill the vacancy in the Board resulting from the death of the late Lord Strathcona, and his name will be submitted for your ballot with the names of the other two directors whose term of office has expired."

"At a special general meeting to be held upon the adjournment of this meeting, there will be submitted for your consideration a proposal to increase the authorized ordinary capital stock of the company from \$200,000,000 to \$235,000,000. This is essentially a precautionary measure for the future, establishing your right to issue new capital when your traffic has reached such proportions as to compel further large additions to your property."

Two of the old directors were due to retire this year—Sir Thomas Shaughnessy and Sir Thomas Skinner, Bart.—and these were re-elected for a period of four years, together with Mr. J. K. L. Ross, who takes the place formerly occupied by the late Lord Strathcona.

SAGGING TENDENCY IN
CHICAGO WHEAT MARKET

(Exclusive Leased Wire to Journal of Commerce.)
Chicago, October 7.—The wheat sagged after registering initial gains of 1/4 to 1/2 cent. Speculative buying was light despite firmness at Liverpool, and bullish crop reports from Australia, France and Germany. What buying power there was, was filled by hedges. The bull in export buying has taken the edge off the bullish sentiment. To-day it was declared that most of the export business were out of line and consequently unworkable. The interior movement is gradually falling off, but to-day's receipts were about a million in excess of last year's.

The corn market showed moderate strength on unfavorable weather reports from Iowa and Missouri and claims of increased cash demand. There was a little selling on the expectation of a rather bearish government report to-day, but professional operators for the most part think that the government showing had been discounted.

There was a moderate amount of hedge selling. Oats, like wheat, failed to hold the early gains. There was further export business estimated at about 200,000 bushels, but pit buying was limited.

Chicago range follows:

| Wheat: | Open. | High. | Low. | 2 p.m. | Close. |
|--------|---------|---------|---------|---------|---------|
| Dec. | 108 1/2 | 108 3/4 | 107 3/4 | 107 3/4 | 107 3/4 |
| May | 114 1/2 | 114 3/4 | 113 3/4 | 113 3/4 | 114 1/4 |
| Corn: | | | | | |
| Dec. | 66 1/2 | 66 3/4 | 66 1/4 | 66 1/4 | 66 1/4 |
| May | 69 1/2 | 69 3/4 | 69 1/4 | 69 1/4 | 69 1/4 |
| Oats: | | | | | |
| Dec. | 48 1/2 | 48 3/4 | 47 3/4 | 47 3/4 | 47 3/4 |
| May | 51 1/2 | 51 3/4 | 50 3/4 | 50 3/4 | 50 3/4 |

FIRE LOSSES.

New York, October 7.—The Journal of Commerce estimates losses by fire in the United States and Canada during the month of September at \$14,383,050, as compared with \$17,919,200 for the same month last year, and \$13,779,300 for September, 1912.

The losses thus far this year have reached a total of \$176,705,750, as compared with \$178,456,550 for the first nine months of last year.

GOLD FOR CANADA.

New York, October 7.—There has been withdrawn from the Sub-Treasury for shipment to Canada \$350,000 in gold.

AMERICAN CIGAR DIVIDEND.

New York, October 7.—The American Cigar Company declared its regular quarterly dividend of 1 1/4 per cent. on common stock of record October 17th.

STIRLING EXCHANGE FIRMER

Boston, October 7.—The market for sterling exchange is firmer, but dull. Cables are 4 1/2, and demand 4 1/2 to 4 3/4.

National City Bank of New York is reported as selling at 4 1/2.

New York, October 7.—In spite of the dull trading sterling exchange continues to show a firm demand. Demand bills moved up to 4 1/2, and cable transfers to 4 1/2.

Francs were 5.07 and 5.06 for checks and cables respectively. Marks continued weak at 92 1/2.

LAKE OF THE WOODS MILLING
EARNINGS SLIGHTLY SMALLER

The earnings of the Lake of the Woods Milling Company were shown at the annual meeting this afternoon to have been slightly less than was the case in the preceding year.

The profits for the year ending August 31st, 1914, were \$507,939.30, as compared with \$549,677.25 in 1913, a decrease of \$41,737.95.

In addition to providing for interest on the bonds and for the usual dividend payments, however, the company wrote \$100,000 off the property and good will accounts.

BANK CLEARINGS.

Philadelphia clearings, \$24,286,581; decrease, \$6,075,304; Boston clearings, \$21,801,771; decrease, \$4,621,189; New York clearings, \$207,370,002; decrease, \$122,066,643.

INCREASE DENIED.

Washington, October 7.—Application of the New York Central and other railroads to charge passenger fare of \$9.75 on traffic between New York city and Buffalo in either direction was denied by the Interstate Commerce Commission. The Commission held that as a combination of fares between intermediate points totals only \$8.50, the \$9.75 rate is unreasonable.

TORONTO LIVE STOCK

(Special Staff Correspondent.)

Toronto, October 7.—Packers were better buyers of beef at the Union Yards this morning, several who have been holding aloof from the market for some days acting as if they required limited supplies. The result was seen in a more cheerful tone in market circle and a steadier tendency in prices. There were no real top cattle offered and the best sale of the day was around \$32.50 per cwt. With the bulk cashing below \$8 for useful handy weight steers, there has been quite an awakening in the feeder and stocker market and transactions here were on an extended scale with the best feeders bringing up to \$7.25 per cwt. and a nice class of light short keeps and strong weight stockers down to \$6.50. There were a large number of Eastern Ontario cattle on the market again and the best of these sold around \$5.50 per cwt. Hogs were unchanged at \$8.50, fed and watered. Lambs were 15 cents higher, the best selling at \$9.15; sheep were a trifle easier at \$6 for the pick of the crop. Calves were in better demand with sales of selected dealers up to \$10.75 per cwt. Generally, however, the quality was not of the best and for many eastern scrubs as low as \$5.50 was paid. Receipts were 110 cars; \$14 cattle, 143 calves, 1,233 hogs, 1,374 sheep and lambs.

"You see," Mr. Hetzler continued, "Europeans have done most of their business with South America, as well as most of that among themselves, through London and Berlin because of the free financial systems there, and because Englishmen and Germans have followed each other closely in South America looking for such things. That is one reason for the commercial bitterness between the nations. It is also the reason why so much of South America's trade has gone to Europe, and why so much of South America's business with the United States has been done through banks across the Atlantic. So the war embarrassed the business of the whole world, and its aftermath might do so but for the chance of relief here now."

"My idea is this, briefly: With a bank deposit in New York the European merchant would take his commercial paper to his own local bank and have it discounted. His local bank would notify his bank here that his account had been credited with such-and-such an amount. Then his bank here would take care of his acceptances for him and make whatever other payments he wanted made. It is perfectly feasible to make the transfer of credit from bank to bank by the use of the cable, so there would be no delay; funds would be available here practically the moment they were available there."

Have Money Available.

"The reverse of the arrangement is, of course, obvious. A man here would discount his paper in New York, and have his money available in London, Paris, Berlin, Buenos Ayres, or wherever he might want it. The reserve bank act makes this possible where it formerly was not. To illustrate one kind of difficulty which would be obviated by such an arrangement: An American concern I know of had \$25,000 in acceptances coming due in London the first of August. When the time to take care of them

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