

WEATHER: FAIR

# The Journal of Commerce

THE BUSINESS MAN'S DAILY

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MONTREAL, TUESDAY, AUGUST 4, 1914

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**PROGRESS IN GERMANY**  
**IN PAST TWENTY-FIVE YEARS**  
 Empire Has Made Enormous Strides in Industrial Production—Steel Production Has Increased 1370 Per Cent.

With the eyes of the entire world focussed on Germany, where it is possible that the big land battles would be staged, should a general European war develop, it is inevitable that industrial Germany will suffer tremendous losses. A comparison of the development of German industries in the past few years offers a study of Germany, following the Franco-Prussian war and present condition of the country.

The following table appears in "Trend of the Times," A. B. Leach & Co.'s weekly market digest, and is reprinted in the Boston "News Bureau":

Year	Quantity		Inc.
	1913	1912	
Pig iron production (tons)	1,887	4,024	1912 17
Steel prod. (tons)	1,886	954	1912 15,019
Length of railways (kilometers)	1,885	37	1911 59 61
Imports (marks)	1,887	3,109,000	1912 10,951,400
Exports (marks)	1,887	3,136,900	1912 8,596,800
Commercial marine (tons)	1,888	1,240	1913 3,153 154
Annual personal income (marks)	1,896	12,855,261	1912 22,311,749 74
Tax prop. (marks)	1,896	63,578,000	1911 104,057,900 64
Wage earn. no.	1,882	7,340	1907 14,848 100
Harvesting machinery (no.)	1,882	438	1907 2,030 360
Cereal crops area planted (hect.)	1,885	22,988	1911 23,266 5
Area planted yield (tons)	1,885	57,310	1911 95,268 67
Sugar beets harvested (tons)	1,889	7,896	1911 15,749 100

\*Last three figures omitted.

**INVADERS ANNIHILATED.**  
 Paris, August 4.—A squad of German cavalry that invaded France to destroy telegraphic lines early today north of Nancy, was completely annihilated. 50 killed and 75 taken prisoners.

## STRONG POSITION OF CANADIAN BANKS

Government's Action in Coming to Assistance in Time of Crisis Meets With Approval

### HELP ALL INDUSTRIES

All Activities Will be Benefitted by Issuing of Government Certificates—This Medium a usual one For Canadians—Situation is Altogether Bright.

(By Professor W. W. Swanson.)  
 The action of the Canadian Government in coming out strongly and emphatically in favor of a bold financial policy has met with the instant approval of the people. The significance of the steps taken may not as yet be fully appreciated, but undoubtedly the position of our banks has been enormously strengthened. In a word, the Canadian chartered banks are now able to face any emergency that may arise with perfect calmness and confidence.

**Banks in Strong Position.**  
 The banks have been preparing against the possibility of a financial crisis in Canada for the past eighteen months. They have, fortunately, not had to meet any exceptional demand upon their resources. Indeed the bankers of no other country in the world have handled the financial situation of the last twelve months with greater skill or ability than have Canadian financiers.

The net result of this policy is that the banks find themselves in an exceptionally strong position to-day. They have weeded out any questionable accounts. Their securities are gilt-edged and their commercial paper sound and dependable. They are, therefore, ready to meet any emergency that may arise out of present wars and rumors of war.

**Suspension of Legal Payments.**  
 The Minister of Finance has shown not only ability but courage in facing the present situation. He has come to the aid of the banks in three ways. He proposes to issue to the banks any amount of Dominion legal tender notes in exchange for approved securities. Second, he virtually empowers the banks to suspend legal tender payments; and third, he sanctions the issue of an emergency currency to the extent of fifteen per cent. of the combined paid-up capital and rest funds of the banks.

**Canadians Accustomed to Paper Currency.**  
 Fortunately, Canadians are accustomed to a paper currency. Practically no gold circulates within the confines of the Dominion. That has been done by Mr. White, therefore, will not disturb in any way the confidence of the people in the banks, while at the same time it will permit our financial institutions to deal promptly with any emergency that may arise.

The Canadian bank note is as good as gold. It is fully protected. There is no sounder currency in the world, and it can be confidently predicted that Canadians will continue to place absolute trust in the banks, and their note issues.

**Will Help the Factory and the Farm.**  
 What these measures mean cannot be properly appreciated until we recall the close relationship of the banks with the ordinary life of the people. The wages of workmen are paid in notes, and retail trade everywhere is carried on by their use. Moreover, notes are particularly in demand at a time of moving the crops; and when our harvests are being garnered in the near future, the wise policy of the Minister of Finance will be appreciated more than ever.

**Precautions Necessary.**  
 The simple truth is that if Canadians foolishly permitted themselves to be stampeded no banks in the country could stand the resulting shock. The Bank of Montreal—one of the world's most powerful institutions—has deposits of almost \$200,000,000. The total amount of gold in Canada is less than \$125,000,000—not enough to meet the obligations of one bank. Mr. White was perfectly justified in the step he has taken. It is now the part of the public to face with coolness and confidence the situation that has arisen; and to do their part in maintaining Canada's credit and the nation's prosperity.

**LORD MORLEY RESIGNED.**  
 London, Aug. 4.—Lord Morley, President of the Council, resigned to-day from the Cabinet. This action was a protest against his colleagues' war policy.

**SAYS GERMANS HAVE INVADEN BELGIUM.**  
 London, Aug. 4.—Despatch received at the French Embassy states Germany has invaded Belgium at Verviers. While the Cabinet was discussing the crisis, the order providing for mobilization of the army was being read in the streets of London, and other cities of the country. It was announced that the mobilization of the naval reserves had also been ordered.

**GERMANY'S APPEAL TO ITALY UNSUCCESSFUL.**  
 Rome, Aug. 4.—Germany has appeal to Italy to alter its decision to remain neutral. Foreign Minister San Giuliano, informed the Kaiser's envoy, Ambassador Von Plowitz, that Italy would not change its position.

**TELEGRAM FROM GERMANY.**  
 London, Aug. 4.—Premier Asquith read a telegram sent to Sir Edward Grey, from the German Foreign Secretary, through the German Ambassador. It read: "Please dispel any distrust that may exist on the part of the British Government regarding our intentions, by repeating most positively the formal assurance that even in case of an armed conflict with Belgium, Germany will under no pretense whatever, annex Belgian territory." The reading of this telegram brought shouts of derision from the whole house.

**RUSSIAN TOWNS CAPTURED.**  
 Berlin, August 4.—Three more towns in Russian Poland were captured by German troops. They have advanced to vicinity of Lublinitz, only 95 miles from Warsaw.

## GERMANY MUST ACCEDE TO BRITAIN'S DEMANDS BY MIDNIGHT OR FIGHT

Premier Asquith Announces to House That Ultimatum Had Been Despatched Demanding That Belgium's Neutrality be Respected Should Reply be Unsatisfactory British Fleet May be in Action by Daybreak.

(Special to The Journal of Commerce.)

London, August 4.—By midnight to-night it will be decided whether or not Great Britain is to be involved in the war which is rapidly assuming a pan-European aspect. Premier Asquith announced in the House to-day that an ultimatum had been despatched to Germany in which Great Britain demanded an assurance of the maintenance of Belgium's neutrality, adding that an answer must be forthcoming by midnight to-night.

This announcement was greeted with a tense and dramatic silence which but emphasized the grim determination of the House.  
 There is now no doubt but that in the event of an unsatisfactory reply, the fleet will be slipped and Callaghan's "bulldozers" will be at the throats of Britain's enemies by daybreak.

Despite the resignation of Viscount Morely and John Burns, the formation of a coalition cabinet to carry England through the present crisis will be undertaken within a few days.  
 Sir Edward Grey's speech yesterday left little doubt in the minds of the people that England is on the very brink of war with Germany. The war party in the cabinet is growing strong and it is strongly supported by Parliament.

The German and French Embassy to-day exchanged messages, stating that a state of war exists and all remaining pretences of diplomatic relations had ended. "These acts the world regarded as superfluous in view of the fact that the nations had been at war in the most sinister sense since Sunday.

The Belgian army is now on a war basis and ready to strike at Germany.  
 Fighting continued to-day on land, sea and in the air. One of the most decisive engagements reported occurred at Nancy, France, where a squad of the Kaiser's invading cavalry was completely annihilated. Berlin despatches say the German Government has taken the most drastic steps to prevent interference with military mobilization, even going so far as refusing to permit foreigners of any nation to leave the country.

**GERMANY MUST ANSWER.**  
 Tense silence reigned as Premier Asquith rose to inform the House of the ultimatum.

The Premier stated Sir Edward Grey, Foreign Secretary, had sent to the British Ambassador in Berlin a telegram informing him of the appeal from King Albert of Belgium, for diplomatic intervention. He proceeded to state Belgium had categorically refused to sanction a flagrant violation of the law of nations, and then announced that the German government had been asked to give a satisfactory reply by midnight on the question of Belgian neutrality.

"The British government," said Premier Asquith, "has requested assurance that the neutrality of Belgium be respected by Germany, and has asked an immediate reply. German Ministry notified Belgium that, as that country had declined the well intentioned offer of Germany, it is regretted it would have to be necessary to carry it out by force of arms."



Should Germany not return a favorable reply to Great Britain's ultimatum, the North Sea will in all likelihood be the scene of the most terrific naval engagement of history.

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## CANADIAN PULP MEN WILL PROFIT BY WAR

Shortage of Sulphite Pulp Owing to Germany's Entanglement Will Mean Heavier Demand on Canadian Mills.

Canadian pulp and paper men will profit largely by the outbreak of hostilities in Europe. At the present time, Canada produces 1,700 tons of newsprint per day and of this exports 1,050 tons to the United States. In an emergency, Canada could ship out from 50 to 100 tons per day more than she is doing at the present time, the rest being needed for home consumption. The news print mills are so situated that they cannot very well increase their capacity, but the manufacturers of wood pulp and sulphite pulp are in a much more favorable position. Germany has been a heavy exporter of sulphite pulp to the United States, but now that that supply is cut off, the United States will be forced to look to Canada for their pulp. As a matter of fact, there is a considerable shortage of wood pulp and sulphite pulp in the United States and in some cases mills are being forced to use old papers. Ground wood is in big demand in the neighboring Republic and is likely to advance in price.

Canadian sulphite and wood pulp manufacturers state that brisk orders are coming in from all parts of the United States for sulphite and wood pulp. One prominent manufacturer, speaking to a Journal of Commerce representative, said: "Our firm received a telegram from a paper manufacturer in the north-western States to-day accepting an order for several car loads of sulphite pulp which he refused to take some days ago because our price was too high. We expect thirty or more such telegrams to-morrow. Our firm can supply about 5,000 tons of sulphite inside the next three months, but this will not be sufficient to meet the requirements of the neighboring Republic. Canadian mills are pretty well sold out and stocks are low; the result will be an advance in price of pulp and news print." It is felt here that the United States will be able to do something to ward off increasing their own supply of news print, but despite their efforts there is likely to be a shortage of paper both in the United States and in Europe as a result of the outbreak of hostilities.

**WANT TO KNOW SWEDEN'S STAND.**  
 Stockholm, August 4.—Germany and Russia have both demanded to know whether Sweden will remain neutral in the present war crisis. The ministers to-day declined to say what reply was given, but they are preparing to defend the nation's neutrality. Sweden, it is believed, would follow the example of Belgium in refusing aid to Germany, if she received an ultimatum similar to that issued by Germany to Belgium.