

DECLINE IN MARKS DURING PAST WEEKS

This Feature has Been One of the Interesting Developments in Foreign Exchange

VIEWED WITH MISGIVING

German Bankers Would Appear Not to be Sure of the Ultimate Success of German Arms—Country Flooded With Paper Money.

New York, October 30.—In its weekly statement, Imperial Bank of Germany reported a further gain of \$3,500,000 in its gold reserve, making remains an economic curiosity. The conjecture is that the Spandau war treasure, amounting to \$51,000,000, has been turned over to the Imperial Bank. The rest of the gain was made from return of gold from the general circulation; this notwithstanding that the Bank is expressly exempted now from redeeming its notes in gold. The gain of nearly \$70,000,000 gold, under such circumstances, is not in line with precedent.

The lowest point so far reached on the decline of mark exchange is 85, when 200,000 cable marks were sold recently to a large bank in this city. When it is recalled that the parity for mark exchange is 92 1/2, the incident is considered by bankers highly significant.

The decline in marks during the past several weeks has been one of the interesting developments in foreign exchange. It proceeded in the face of conditions which have predicted the advance in the rest of the market to abnormal levels. The course of German exchange has been attributed to the inability of German debtors to meet their obligations any other way except through this market, and they have consequently converted their funds into dollars.

New York Pivotal Point.

This operation has made New York a pivotal point in international exchange, a novel situation, since London has always been the pivotal point, and occasionally Paris, when the latter centre has favored a gold movement. The world has been paying its debts with exchange bought in this market, which is one of the reasons why sterling has been so high.

But there is more than this at the bottom of the weakness in German exchange. The question is asked why bankers are not inclined to invest in marks at the present low level, and especially German bankers. If the latter are so confident of the ultimate success of the German arms, why are they not attracted by the investment?

The truth is, the state of German finances is viewed with misgivings. Not much is known regarding monetary affairs in the Fatherland, although official statements issued from Berlin paint a very rosy picture. However, what is known here is that Germany to-day is flooded with a lot of paper money, which under the best of circumstances must prove an embarrassment to the nation. The over 2,000,000,000 marks of new paper money issued by the Reichsbank since the war broke out does not even bear a promise to pay, and in the event of defeat this paper may turn out to be the same as the French assignats issued during the revolution.

They Have No Funds.

As regards German bankers, however confident they may be of their country's future, they are not able to support their own exchange market here, for the reason that they have no funds to do so. Their foreign trade is practically cut off, so that they have no means of creating fresh balances here. They have drawn on their balances during the past three months and their home funds are tied up. If Germany's ports were open, there might be some hope of restoration of banking facilities with this country. But practically nothing is coming in or out of Germany, and the fact that bankers do not believe that conditions in this respect will be changed until the end of the war leads to the expectation that exchange will go to a still heavier discount. It may be lost to sight in the New York Exchange market, before long, or until Germany's commercial relations with the rest of the world are restored.

WAR AND NEWSPRINT COMPANIES

Demand on U. S. Concerns Followed by Greater Output of Sulphite, Resulting in Considerable Profit.

Not only has the European war proved a direct assistance to the leading newspaper companies of the United States in quickening the demand for newspaper but it has had certain collateral benefits, says the Bureau News Bureau. "And these collateral benefits are likely to become more important as time advances. Up to July the United States was importing from Germany nearly 75 per cent. of the bleached sulphite which it used. Much of this bleached sulphite goes into book papers and other classes of paper selling for more than four cents per pound.

These importations have been cut off. The price quickly jumped \$7 to \$8 per ton. Then the American manufacturers got busy and many of the newsprint mills have been increasing their sulphite output and selling the surplus in the general market at advances of \$3 to \$3.50 per ton.

A number of newsprint mills have been doing this very thing and are building up a considerable and profitable business. We hear of one newsprint company which is building a \$250,000 addition to its sulphite equipment with this object in view.

The Burgess Sulphite Co. of Maine, has enjoyed a very sharp revival in earnings due to this unexpected demand for sulphite to take the place of the shut off German importations. This company will in the 12 months to December 31 make as large net earnings as in 1913, or say about \$1,400,000, although for the first half year it looked as if net profits would not go much above \$1,000,000. The company has already looked orders for 70 per cent. of its 1915 possible production and at prices which show a minimum advance of \$2 per ton.

So far as International Paper Co. is concerned it will also benefit in another direction. Because of the war and the improved management which the Union Bag and Paper Co. is receiving, the Continental Bag Co. which the International Co. owns, is making a very handsome showing of profits. We hear that net earnings of this subsidiary for 1914 will be 100 per cent. greater than last year and that the outlook favors a continuance of these profits during 1915.

The Continental Co. is the second or third largest paper bag producer in the country but has not been especially profitable for the last year or two.

Abraham Langvins, of Winnipeg, who has been indisposed for some time, will visit Montreal and then proceed to Texas to undergo a cure.

HISTORY AND GROWTH OF CANADIAN FINANCIAL AND INDUSTRIAL INSTITUTIONS

No. 2—THE CANADIAN BANK OF COMMERCE

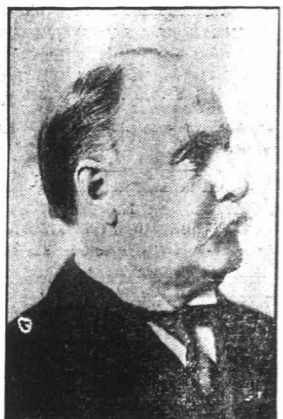
The year 1867 saw the birth of Confederation in Canada and also the organization of the Canadian Bank of Commerce, a virile institution which has grown up with the Dominion and which to-day occupies such a prominent place in the financial and industrial history of the country. It must be ad-

mitted that the time was not a propitious one for the establishment of a bank, the years immediately preceding that being characterized by bad harvests and unusually severe depressions. In addition, the political turmoil and confusion which preceded the Confederation of the Provinces was sufficient in itself to deter men from engaging in such a venture as the establishment of a new bank. However, the men back of the new enterprise had faith in them-



HEAD OFFICE, TORONTO.

A considerable proportion of the progress made by the Bank of Commerce must be attributed to the amalgamations and absorptions which took place between it and rival banks. The first of these took place in 1870 when the Canadian Bank of Commerce amalgamated with the Gore Bank of Hamilton. In 1901, the Bank of British Columbia was absorbed. In 1903 the Halifax Banking Company was acquired and in 1906 the Merchants Bank of Prince Edward



JOHN AIRD, Asst. Gen. Manager, Canadian Bank of Commerce.



SIR EDMUND WALKER, President, Canadian Bank of Commerce.

PULLMAN'S WAR TAX

Company Sold 26,466,733 Tickets Last Year—Must Now Pay One Cent on Every Berth and Seat.

Boston, October 30.—One short sentence in the war tax bill will cost the Pullman Co. about \$260,000. In the list of stamp taxes there is one to the effect that "Every seat sold in a palace or parlor car and every berth sold in a sleeping car, one cent to be paid by the company selling the same."

In its last fiscal year the Pullman Co. sold 14,491,276 berths and 11,697,477 seats, or a total of 26,188,753 tickets subject to the one-cent tax. It is to be noted that the tax must be paid by the company selling the accommodations.

Of course, it is next to impossible for the Pullman Co. to pass the tax along to the traveller. Not that it matters greatly, however, for the total tax represents less than 3-8 of 1 p.c. on the gross earnings. Moreover, the duration of the war tax is but a year, and even if re-enacted it will be some time before Pullman's payments will run up even to 1 p.c. on the \$120,000,000 stock.

C. D. Roblin, a son of the Premier of Manitoba, will go to the front with the second contingent.

while to-day 378 branches constitute the ramifications of this bank.

The men who directed the affairs of the bank and who were associated with its management constitute some of the most prominent men in the financial and industrial history of the country.

Following the retirement of Mr. Strathy in 1872, Mr. W. N. Anderson was appointed cashier, and two years later the title was changed to General Manager. He in turn was succeeded in 1888 by Mr. B. E. Walker, who for a number of years had been the bank's agent in New York. Mr. Walker, now Sir Edmund, immediately adopted a vigorous policy and under his management the bank made rapid strides and soon took its place in the very forefront of our banking institutions. Sir Edmund Walker was succeeded as General Manager by Mr. Alexander Laird, who was formerly the bank's agent in New York, and, under his management, the same progressive policy holds good.

Mr. William McMaster, the first president of the bank, remained for twenty years in that office. He was succeeded in 1886 by Mr. Henry W. Darling, at that time president of the Toronto Board of Trade. Mr. Darling in turn was succeeded by the late Hon. George W. Cox, who in turn was succeeded by Sir Edmund Walker, who holds the position at the present time. During a considerable portion of Sir Edmund Walker's regime as General Manager, his assistant was Mr. J. H. Plummer, now president of the Dominion Steel Corporation, and one of the big men in Canada's industrial affairs. At the present time, Mr. Laird's assistant is Mr. John Aird, formerly manager of the bank at Winnipeg.

These men and others associated with the Bank of Commerce played a big part in the making of the Dominion. The Bank of Commerce was in many

BUYS UNITED STATES HOSPITAL SUPPLIES

One Firm Now at Work For Britain on a Million First-Aid Packages

WAR HELPING GLASS TRADE

National Feeling Ignores Cost in Some Lines—Difficulties in Way of Pre-empting Trade Formerly in the Hands of the German.

New York, October 30.—The fact became known yesterday that an order calling for 500,000 yards of muslin and other materials entering into the composition of one million first aid bandage tubes, for distribution and use among the English army forces now operating in Europe, is now being filled by Seabury & Johnson, the well-known manufacturers of surgical supplies, and many other items in the list of hospital supplies, with main offices on Maiden Lane in this city.

It is also understood that a considerable volume of business has been placed by agents for the English, French and Russian governments for a long list of miscellaneous hospital supplies, including stretchers, complete first-aid-to-the-injured outfits, disinfectants and some surgical instruments.

George N. Luken, manager of the foreign sales department of the Macbeth-Evans Glass Company, who recently returned from a business trip to England, said yesterday that an immediate advantage, which possibly may be retained permanently, has been gained by the American glass industry by the cutting off of the low-priced competition of Germany and Austria.

"I am looking forward to a very material increase in the export trade of the high grades of glassware necessary for miners' lamps, signal lights, automobile reflectors, and glass which must stand great heat, steam, and so forth," said Mr. Luken, "but I don't yet know whether we American manufacturers can hold it after the end of the war. In the first place, we cannot compete with the German and Austrian producers in many kinds of glassware, because of their extremely low cost of production. Their men, in entering markets which were previously supplied by the Continental firms, we must make entirely new moulds to fit the German and Austrian patterns of lamps.

Foreign Orders Require New Moulds.

"For instance, I returned from England with orders which will require the use of about 5000 different moulds. With possibly one or two exceptions, these moulds cannot be matched by our large stock, and will, therefore, have to be made especially for filling the English orders.

"As for the cost of production, an Austrian glass worker who is earning \$11.5 a day is getting exceedingly high pay, whereas we have to pay our men \$7 to \$9 a day for doing the same kind of work. In spite of a tariff of 45 per cent. foreign firms can send over certain articles of glass and sell them for a price which is even below our cost of production on the same articles. Their prices run about one-third of ours on many things.

"Of course the export trade in glassware, as is the case with the other exports from Germany and Austria, has fallen off in those countries to practically nothing at all. As it is impossible to run mines without miners' lamps, and as high-grade glass is essential in other things, too, the English firms immediately wrote over to our manufacturers to see if we could supply their needs.

Cement Trade Relations.

"I went right over and gave them the best price we could offer to cement trade relations with them. I received many promises that they would continue to place business with my firm after the end of the war, but price is a potent factor, and if their competitors are able to buy glass from Continental firms as cheaply at the close of the war as they were able to before it started, the question is, can the Germans and Austrians make things as cheaply after the war as they can now? If they can, we cannot hope to compete with them.

"At the present time the intense wave of patriotism and anti-German feeling which has swept over England entirely ignores the question of price. In one case I signed a contract with a large firm to deliver a big order. After the contract had been signed, a member of the firm showed me a letter from a Hamburg jobber in glassware. He said that he could deliver to England a limited amount of glass at the old price plus a 10 per cent. increase to cover the higher freight rates and insurance. In spite of the addition the cost of the glass from Hamburg would have been considerably lower than the figures quoted in my contract."

Big Order for Rifles.

Advices received yesterday from Wilmington, Delaware, that the Standard Arms Manufacturing Company has received an order for 500,000 rifles from a New York export house, the contract to be filled in two years and, according to Frederick C. Field, president of the concern, the plant would be enlarged as a result of the order and between 800 and 1,000 workmen employed after all the details had been arranged.

Mr. Field is quoted as saying that should negotiations, which have been carried on for some time between representatives of a European power and himself for the manufacture of military rifles and machine guns in large quantities, be successful, the company's plant would undoubtedly have to be greatly enlarged. It is believed that the arms ordered are for a nation that has not yet entered into the European conflict, and at the plant there is a belief that the arms are for China.

Other News advices from Salt Lake City, Utah, Oklahoma City, Okla.; Fort Worth, Tex. and New Orleans, La., state that foreign purchasing agents have bought more than 5,000 American horses and mules for shipment to Europe. The shipments are going mainly via New Orleans and Galveston, and the destination of the animals is fixed variously as Greece, England and France.

IRON AND STEEL TRADE.

New York, October 30.—The steel and iron industries are about as depressed as they could be. Production and prices continue to decline. Operations are erratic. Some eastern mills are down to 25 per cent. of capacity, and mills in the middle west are not any better off. One steel manufacturer figured that the operations of steel plants of the country would average less than forty per cent. capacity.

Prices are down to low point for the year with no definite indications for a turn. Sales of plates have been made in Pittsburgh as low as \$1.05 per 100 pounds, although the current price is \$1.10. Concessions are being made all along the line, with sheets from 1 to 2 dollars a ton below current quotations.

MANY APPLES ARE BEING PUT IN COLD STORAGE

Well-known Authority Reluctant to See Apples Stored Away and Tells How Anyone Can Store Fruit Away in His Own Cellar.

Peter McArthur says—

"I am glad to learn that a great many apples are being put into cold storage this fall. This will save a great deal of valuable fruit but it will come to their senses. That's exactly what I want to see—come to their senses. When they hear that apples are cheap they want only No. 1's of the best varieties and they want them cheap—O, I even had offers of twenty-five cents a bushel. I even had offers of twenty-five cents a bushel for apples this fall—since they were going to waste. Some people who had ordered a few bushels of No. 1 Spys at \$2.50 a barrel, wrote to me that they heard that Spies of that kind could be bought delivered in the cities for \$2 a barrel. I gave much relief to cancel their orders for 100 bushels of No. 1 Spies at that price without a loss. I doubt very much if they got No. 1's at that price but if they did I congratulate them. Anyway, I am quite certain from the correspondence I have had that there were not enough Spies in the country to supply one-tenth of the demand. When the fruit was had are eaten apple-hungry people will want other kinds that are going into storage and they will pay more for them than they paid for the Spies because cold storage is rather costly and entails a lot of extra handling that runs up the expense."

"Cold storage, by the way, is just a high-tone way of getting apples. Do you remember how good apples used to taste when brought from the pit in mid-winter? Especially do I remember the "Yellow Belle" that used to come out in February as yellow as gold and to our children much more precious. I understand that they were the apples now known as the "Bellflower," but I am afraid to taste them for fear I may be disappointed. The fragrant many of those incomparable apples is worth preserving, even if I should never look upon their like again. As there is still time to put many sound apples in storage, where people cannot afford high-toned cold storage, I have hunted up the best recipe I could get for storing apples. It is given by John Burroughs, one of our most delightful poets, essayists and scientists. It is now a snowy-haired philosopher, as mellow as the choicest apple ever grown and you can make no mistake in following his instructions for he is always scientifically correct, as well as poetically fascinating in what he writes. Read what he has to say carefully and then act on his inspiration.

"In the fall, after the bins in the cellar had been well stacked, he excavated a circular pit in the warm mellow earth, and covering the bottom with clean straw, emptied in basketful after basketful of hardy choice varieties, till there was a ten shaped mound several feet high of shining variegated fruit. Then wrapping it about with a thick layer of long dry straw and tucking it up snug and warm, the mound was covered with a thin coating of earth, a flat stone on the top holding down the straw. As winter set in another coating of earth was put upon it with perhaps an overcoat of coarse dry stable manure, and the precious pile was left in silence and darkness till spring, no marmot hibernating under ground in his nest of leaves and dry grass, more cosy and warm. No frost, no wet, but fragrance, vivacity and quiet, then how the earth tempers and flavors the apples. It draws out all the acid unripe qualities, and infuses into them a subtle refreshing taste of the soil. Some varieties perish, but the ranker hardier kinds, like the Northern Spy, the Greening, or the Black Apple or the Russet, or the Pinhook, how they ripen and grow in grace, how the green becomes gold, and the dither becomes sweet."

Liverpool, October 30.—Wheat opened up 1d. from Thursday, Oct. 29. 1d. Dec. 2s. 3d. Corn up 1/2 d. to 1d. from Thursday, Oct. 29. 7 1/2 d. Nov. 6s. 4d.

selves and in the future of the Provinces whose union took place that year.

The charter which was secured by the bank in 1868 entitled it to be called the Bank of Canada. The authorized capital was \$3,000,000, of which not less than \$250,000 was to be paid up before commencing business. Later, the charter was amended by which the capital was reduced to \$1,000,000 and the minimum sum to be paid up before commencing business to

island was absorbed by the Canadian Bank of Commerce. The last bank to unite with the Canadian Bank of Commerce was the Eastern Townships Bank, which cast in its fortunes in 1912.

The growth of the Canadian Bank of Commerce has kept pace with the development of the Dominion. This does not by any means indicate that it has been an uninterrupted series of advances. Both the Dominion of Canada and the Banks which carried

respects the pioneer in opening up branches in the West. They went into the country when but few had faith in its future. As a matter of fact, throughout its entire career the Bank of Commerce has played an important part in financing new enterprises.

The men behind the bank kept in close touch with the country's progress and were always alive to its possibilities. At times this required an unusually large amount of faith and courage but that this was justified no one will gainsay who looks over what has been accomplished.

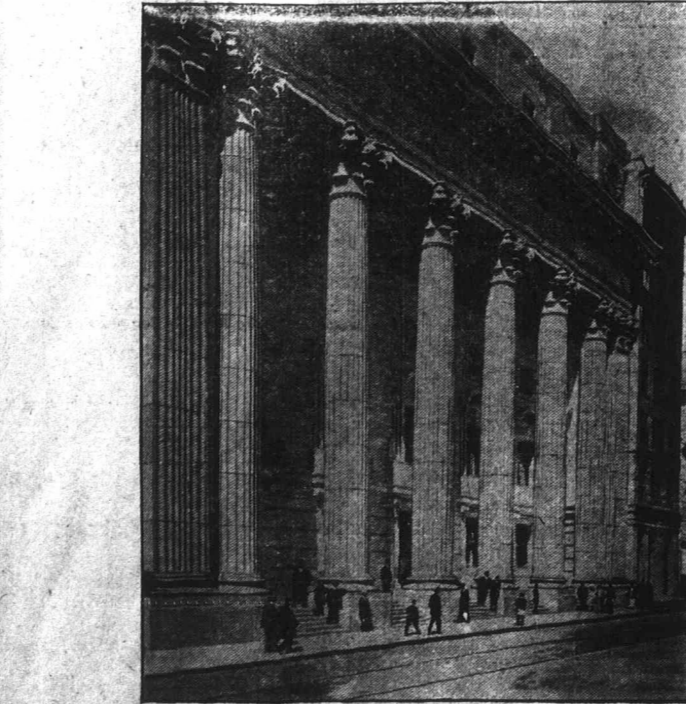
To-day, the Bank of Commerce with its paid-up capital of \$15,000,000, its reserve fund of \$13,500,000, and its total assets of over a quarter billion dollars, is one of the world's great banking institutions. It is officered by men who have seen it grow from a small affair to its present proud position, and they naturally point with some pride to the splendid monu-



Z. A. LASH, Vice-President, Canadian Bank of Commerce.

ment they have erected through careful banking practice and good management.

The following directors manage the affairs of the bank at the present time:—Sir Edmund Walker, President; Z. A. Lash, Vice-President; John Heekin, Sir Lyman M. Jones, Sir John M. Gibson, Frank P. Jones, William Farwell, Charles Colby, Ph.D., J. W. Flavelle, Hon. W. C. Edwards, G. F. Galt, Gardner Stevens, A. C. Flumerfelt, H. J. Fuller, A. Kingman, E. R. Wood, Robert Stuart, Alexander Laird, G. G. Foster, and George W. Allan. Mr. Alexander Laird is General Manager and Mr. John Aird Assistant General Manager.



MONTREAL OFFICES.

\$100,000. This amendment took place in 1866, at which time the name was changed to the Canadian Bank of Commerce. The first board of directors was composed of the Hon. William McMaster, M.L.C., President; H. B. Howland, Vice-President, and William Alexander, John McDonald, M.P., William Elliot, John Taylor, and Thomas Sutherland Stewart. Mr. Archibald Greer was appointed cashier, but resigned on business within her borders were subject to setbacks of which the Canadian Bank of Commerce had its full share. The bank commenced its career with a paid-up capital of \$250,000, while to-day, 45 years after it opened its doors, it has a paid-up capital of \$15,000,000. At the end of its first year, it had total assets of \$2,000,000; to-day, the total assets amount to \$20,000,000. Then it had but seven branches

\$1... T manu mon value the h being T empl dred whos \$288, These benefit by third the dian man EM EN