

BANK OF MONTREAL

Established 1817

INCORPORATED BY ACT OF PARLIAMENT

Paid Up.....\$16,000,000.00
Surplus.....\$16,000,000.00
Total Assets.....\$32,000,000.00

Office - MONTREAL

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ORDERS ARE PILING UP IN WALL STREET

Will Serve to Sustain the Market When Business is Resumed

ENQUIRERS WANT THE STOCK

Systematic Way in Which Support is Being Handled Will Ensure Efficiency of Plan Even in Event of Heavy Foreign Liquidation.

New York, October 2.—Preparations for the resumption of activity on the Stock Exchange are far advanced. Many brokerage houses have seen the signs but have not appreciated their significance. Brokers talk of possible consequences of a flood of liquidation without opening their eyes to the fact that steps have already been taken to overcome it. Evidence of that is already on their own order books.

In present instance there is plenty of time for preparation. An appeal can be made to capitalists from whom it would be impossible to reach if the action had to be taken in limited period of time. There are thousands of people of comparatively large means who can be induced to buy a few thousand shares and they are being encouraged to put in buying orders.

Orders are piling up and will act as a back log to sustain the market when business is resumed. Those who are giving big orders want the stocks and what they will not come upon the market again for a considerable time.

The street is being made accustomed to lower level of prices than that which prevailed at the end of July by declines occurring on New Street. Curb and which are producing beneficial effect of shaking out few weak holdings or compelling increased margins for speculative accounts.

Too much significance should not be attached to declines in New Street, where the market is made of those obliged to sell and where only small amount of stock could be bought.

The systematic way in which the matter of rendering support is being handled will ensure efficiency of the plan even in event of heavy foreign liquidation, a contingency in regard to which there is room for doubt.

PENNA. WATER AND POWER MAKE ISSUE.

New York, October 2.—Pennsylvania Water and Power Company is offering stockholders \$500,000 first mortgage 5 per cent. bonds, due January 1st, 1940, at 88 and accrued interest. Subscriptions will be received up to October 30th. Bonds are payable 50 per cent. October 30, and 50 per cent. December 29.

WILL NOT TAX CAPITAL AND SURPLUS.

Washington, October 2.—The Sub-Committee of Senate Finance Committee recommended striking out the proposed tax on capital and surplus of banks and substitution of a 2 cent stamp tax on checks and drafts.

DOWNWARD MOVEMENT IN GRAIN CONTINUED THROUGHOUT DAY

Weakness in Winnipeg and Bearishness of Cables Helped the Movement—Some New Export Business Was Reported—Market Recovered Later.

(Exclusive Leased Wire to Journal of Commerce.)

Chicago, October 2.—Wheat values resumed their downward movement at the opening, declining 1 to 2 cents under liberal selling by commission houses and elevator interests. The weakness of the Winnipeg market was a depressing factor as well as the rather bearish tenor of Liverpool news. Prices there were lower, and it was said that in both France and England there were heavy supplies of wheat. New export business was reported, but it was not of large proportions. The decline was checked by a better demand which followed claims that farmers were showing a disposition to hold their wheat. Towards the close most of the early loss was recovered.

The corn market rallied after early heaviness. Considerable selling was prompted by free reports of a very light cash demand and by the favorable reports as to the progress of cutting. Sentiment is somewhat bearish on the expectation of a favorable government report next week.

The oats market was firm with trade light. Realizing sales of the longs were readily absorbed. There was talk of further liberal buying for export.

Wheat		Yestdy	
Dec.	Open.	High.	Low.
Dec.	106 1/2	106 3/4	106 1/4
May	112 1/2	113 1/4	112 1/2
Corn			
Dec.	66 1/2	66 3/4	66 1/4
May	69 1/2	69 3/4	69 1/4
Oats			
Dec.	46 1/2	47 1/4	46 1/4
May	49 1/2	50 1/4	49 1/4

MERCHANTS' BANK DIVIDEND

The Merchants Bank of Canada has declared its regular dividend of 2 1/2 per cent. for the current quarter, being at the rate of TEN per cent. per annum, upon the paid-up Capital Stock of this institution, which will be payable at its Banking House in this city and at its Branches, on and after the 2nd day of November next, to shareholders of record at the close of business on the 15th day of October.

AUTHORIZES NEW ISSUES.

Albany, October 2.—Up-State Public Service Corporation authorized the new issue of Erie 4 1/2 per cent. equipment trust certificates, series "B", for \$500,000, which attorneys for the road declared to be the most favorable in terms that the road had been able to negotiate. Drexel and Company, of Philadelphia, have offered to take issue at 97 and commission, authorizing their sale at not less than that price. They are to be met in twenty semi-annual installments.

Commission also authorized issue of \$500,000 two-year secured 6 per cent. gold notes of Niagara, Lockport and Ontario Power Company to be sold not less than 95.

SHRINKAGE IN UNFILLED ORDERS.

New York, October 2.—In the steel trade it is an estimated shrinkage in unfilled tonnage of United States Steel Corporation in September exceeded 250,000 tons. Orders were lighter than reported in any month this year. Steel corporations September statement is due on October 10th.

EXTENSION OF BONDS FOR A PERIOD NOT EXCEEDING YEAR FROM OCT. 1

Protective Committee Now Represents Over Ninety-three Per Cent. of the Outstanding Bonds.

New York, October 2.—The Protective Committee, representing the Ozark and Cherokee Central Railroad First Mortgage 5 per cent. bonds announces an agreement has been made with the receivers of St. Louis and San Francisco Railroad for an extension of the bonds represented for a period not exceeding one year from October 1st. The arrangement provides that the interest at the rate of 5 per cent. will be paid for six months ending October 1st, 1914, or within a few days thereafter, and that interest at the rate of 6 per cent. will be paid for six months ending April 1st, 1915, or a few days thereafter.

The committee expects to receive funds to pay interest within a few days when an announcement will be made.

The committee now represents over 93 per cent. of outstanding bonds.

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THE MONEY MARKET.

New York, October 2.—There is no sign of any broadening tendency in money market. Time loans are being doled out in a few insignificant amounts at 7 to 8 per cent., while in call money there is practically a complete cessation of fresh business. Renewal rates are 6 and 8 per cent.

NEW YORK SECURITIES.

New York, October 2.—New York City new 6's are quoted as follows:—

Maturity	Bid.	Asked.	Last Sale
1917	102 1/2	102 3/4	102 1/2
1918	100	101 1/4	101
1919	100 1/4	100 3/4	100 1/2

WAR BRINGS RAILROADS FACE TO FACE WITH A CRISIS

United States Need Not Expect Capital From Europe For Years and Must Depend on Itself—Bonds and Notes Due Next Year \$520,000,000—Smaller Revenues and Higher Expenses.

Speaking last night on "The Effects of the European War on the Railroad Business," at a mass meeting of employees of the Pennsylvania Railroad held under the auspices of the Altoona Railroad Club, Ivy L. Lee, executive assistant of the Pennsylvania Railroad, said, in part:

The war has brought us face to face with a crisis in the railroad business. It is true that other lines of business are also faced with a critical situation, but the railroad should receive sympathetic attention for two reasons: (1) That its function is one of the necessities of civilization, and (2) that its property although privately owned, is devoted to the public service.

At the close of the war or even during the war, if shipping and exchange facilities can be re-established, there is likely to be a spurt in business in the United States to supply the needs of the world. But the disarrangement in the machinery of trade is vital and may have results of far-reaching magnitude.

We cannot possibly look to Europe for new capital for several years to come and we shall be obliged to finance our own past enterprise. If we are to enjoy an era of expansion, we shall have to finance that, too.

It thus becomes incumbent upon us to make our securities so attractive that Europe will be disposed to withhold them for sale as long as possible. As our railroads are, as President Wilson says, "at the very heart of most investments," we must see to it that our railroad securities are made sound.

Bond and obligations of American railroads maturing before the end of next year aggregate over \$520,000,000. The Pennsylvania Railroad must next year refund some \$96,000,000 of capital liabilities. In addition the amount of new capital required for the normal development of the American railroad system amounts to upwards of \$400,000,000 per annum.

And yet what is the railroad situation? In general, it is one of reduced revenues and of inability to reduce expenses to correspond. Anybody will concede that it has not watered its stock; that its accounts have been accurately kept; and its money carefully spent. The evils in American railroads that are sometimes complained of are not laid at the door of the Pennsylvania. But what is the Pennsylvania situation?

During the four years ended June 30, 1914, the Pennsylvania system increased its investment in railroad property by over \$272,000,000. During that time its gross earnings derived from an increased service to the public increased over \$34,000,000, while its expenses increased nearly \$55,000,000.

Thus at the end of four years, after having dedicated \$272,000,000 irrevocably to the public service the system's net revenues were worse off by \$21,000,000 than they were before the \$272,000,000 had been spent.

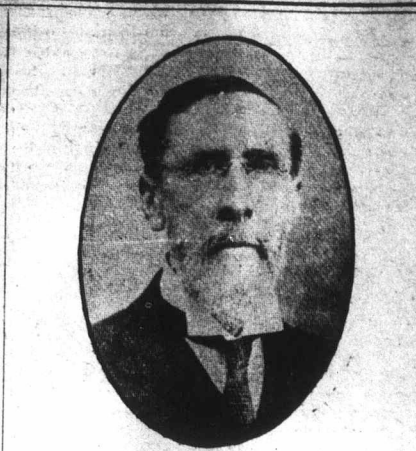
Obviously, that is a situation which must be met. It is a situation which has been intensified by the war, for now obviously a higher rate of return upon all investments must be earned else new capital cannot be obtained and the price of existing securities will inevitably fall.

There are many impediments in the way of reducing expenses. For example, there are arbitrary laws compelling the employment of unnecessary men. An examination of our accounts shows that the lines of the Pennsylvania system spent last year upwards of \$1,100,000 on account of the extra crew alone.

The management of the Pennsylvania Railroad would shrink from reducing wages. The system paid in wages last year about \$130,000,000. This was at a rate of wages nearly 35 per cent higher than that which prevailed in 1909, and over 10 per cent higher than those in 1907.

The Pennsylvania has always paid a dividend on its stock. Its policy has been to pay moderate dividends, and make those dividends regular and reliable. No corporation in the world as a consequence enjoys a greater confidence on the part of the investing public. Over 90,000 persons are investors in Pennsylvania stock, nearly half of them women. The Pennsylvania dividend, conservative as it is, should continue to be a bulwark of American railroad finance. Its permanence and safety constitute an assurance to the public that the public service of the greatest railroad in the world will be maintained at a high standard.

The public must have the very best service which it is possible to give with the money that is available. And economy must be the watchword. The awful waste and destruction of war can only be replaced and its effects minimized by the most rigid economy on the part of governments, corporations and individuals everywhere.



SIR GEORGE E. FOSTER, Minister of Trade and Commerce. Disregarding conditions generally, Sir George has launched an advertising campaign to further the use and help the sale of Canadian apples.

MONEY WILL FLOW INTO PORCUPINE

Mining Man Predicts Great Influx of Funds When General Conditions Improve

GREAT ORE BODIES

Many Veins in the Hollinger Are Increasing in Value and by End of Year it is Expected that it Will be Developed to Depth of 600 Feet.

A mining man returning from Porcupine predicts a great influx of English and American money into the camp as soon as the general conditions, caused by the war, improve.

In discussing the prospects of the camp this man says the camp is only in its infancy and that low level values are proving highly satisfactory.

In the Pearl Lake section of the camp there is no doubt that very large tonnages of excellent ore is now available, several ore shoots ranging from 60 to 80 feet in width have been reported.

The exceptionally large bodies of ore at the Dome on the east have been duplicated in the west with ore of much higher grade.

The option on the Jupiter has been extended for three months on the condition that the shaft be continued to a depth of 600 feet.

The many veins on the Hollinger are increasing in value and in volume as depth is made and by the end of the year the mine will be developed to a depth of 800 feet.

In view of these very favorable developments it is plain that the facilities for reducing the ore will soon be very largely increased. Many more stamps will be added in order to handle the great ore bodies. The Canadian Mining and Finance Company, who control the Hollinger and own the Millerton, Acme, and 180 acres further east, will no doubt be the first to respond to this demand. It is very probable that in a few years they will have 1,000 stamps in commission on their various properties, and this will be an inspiring example to other capitalists.

Porcupine wants more capital, more development, more producing mines, and vastly more crushing capacity on those already producing. Ten thousand stamps are dropping on the ores of the Rand, but the maximum production per stamp is only \$17,000 per year, as against \$61,000 by the Hollinger. With largely increased tonnages mined, the output per stamp at Porcupine will necessarily be somewhat lower, but it should be possible to make 5,000 stamps turn out \$150,000,000 per year.

"The outlook for the north country is indeed very bright, more particularly as most of the older gold regions of the world have seen their best days."

DEFAULTED BOND INTEREST.

San Francisco, October 2.—The General Railway Signal Company petitioned for appointment of three receivers for the Northern Electric Railway Company in Judge Dooling's Court on Thursday.

It was also announced that the company defaulted the interest on \$3,750,000 first mortgage sinking fund 5's due October 1st.

WINNIPEG'S GRAIN MARKET WAS WEAK AND LIFELESS

Heavy Liquidation Continued After Yesterday's Unloading Movement—Expected Bullish Report on Exports.

Winnipeg, Man., October 2.—The Winnipeg market opened weak in sympathy with Liverpool's sharp decline, while cables dropped 1 1/2 pence, ruling low till 130, local sympathy pulled the market down 1/4 to 1 cent. Oats opened 1/4 to 1/2 cent off, and flax slumped 1 1/2 to 2 1/2 cents at opening.

The market was weak and lifeless. Heavy liquidations continued after yesterday's unloading movement. After the selling pressure on the opening break, however, business was very limited. No demand to speak of, developed, and offering kept coming on the market. Some recovery came from an unexpected bullish report on Bradstreet on export, but this did not last, and fluctuations kept within a narrow range.

Cash business was dull. No. 1 Northern was in demand, but other grades found very restricted outlet. Oats and barley demand poor.

At noon October wheat stood 106 1/2, December 108, and May 114 1/4, a gain of 1/4 since opening on the cash month, but a decline of 1/4 on the other months.

Cars inspected October 1.

	1914.	1913.
Wheat	756	1142
Oats	367	189
Barley	29	119
Flax	28	29

Weather throughout the week keeps fine and warm, ideal for fall farm work. The forecast is continued good weather and cooler.

LIVERPOOL CLOSE.

Liverpool, October 2.—Wheat closed off 2 to 2 1/4, on Thursday, Oct. 28 1 3/4; Dec. 3 1/4; Corn closed off 1d from Thursday, Oct. 5 1/2.

SECOND AVENUE RAILROAD FAILED TO PAY PRINCIPAL

Conditions Incident to the War Caused the Failure to Refinance its Maturing Certificates at This Time.

New York, October 2.—The Second Avenue Railroad Company failed to pay the principal of its \$3,140,000 six per cent. receivers' certificates, due October 1st. Semi-annual interest due that date has been paid.

This in effect forced an extension of the issue. It is expected the company will continue to pay 6 per cent. interest on the principal, the legal rate in this State. Conditions incident to the war caused the failure to re-finance the maturing certificates at this time. They are secured by a first lien on all property of the company and all securities pledged under its first consolidated mortgage.

RESERVES RIGHT TO STOP TELEGRAMS.

New York, October 2.—Commercial Cable Company says the Italian administration referring to the article of the international convention which empowers a state under certain circumstances to stop the transmission of telegrams, gives notice that it reserves the right to stop any telegrams without notice, and that no claims on account of such stoppage will be considered.

CANADA RECEIVED OVER 10,000,000 IN GOLD.

New York, October 2.—Reported movements of currency this week indicate a gain in cash by banks of about \$15,700,000. Feature of the movement was the enormous inflow from the interior, largely in shape of National Bank notes.

Banks received from interior	\$32,182,000
Shipped to the interior	3,912,000
National Bank notes sent to Washington for redemption	1,254,000
Gain from interior	28,270,000
Gold exports to Canada	10,531,000
Gold exports to United States	10,531,000
Loss on Sub-Treasury operations proper	1,776,000
Net gain by banks	15,702,000

NOTICE OF NO SIGNIFICANCE

United States Steel Corporation Cancels Existing Wage Scale as Usual.

New York, October 2.—According to officials of the United States Steel Corporation there is no significance in the announcement that a notice has been posted in all mills of the Steel Corporation that existing wage scales will be cancelled at end of current year. The corporation on first of October has for number of years posted this notice so that it leaves both themselves and labor organizations at liberty to come to new agreements on first of each year if they wish.

U. S. SHOWED GAINS.

New York, October 2.—During the first three weeks in September, Union Pacific earnings showed gains. Crop movement was large enough to offset decrease in other lines. As to prospect for next three or four months, Judge Lovett, chairman of the Executive Committee, said recently, that for some time to come the railroads will enjoy increased crop tonnage, but that with slowing down in mercantile lines and falling off in passenger traffic, this gain will probably be offset in the long run, so that the Union Pacific will do well to hold its own with last year's record.

CARNEGIE STEEL CO.

Will Terminate Schedule Fixing Wages on December 31st, 1915.

Sharon, Penna., October 2.—Carnegie Steel Company posted the following notice in the mills in Youngstown, Sharon and New Castle:

"Relative to the agreement entered into January 1st, 1899, between the Carnegie Steel Company and the employees of the corporation's mills the party of the first part in accordance to provisions of such agreement gives notice that it desires to terminate such schedule fixing wages etc., on December 31st, 1915."

FOREIGN EXCHANGE.

New York, October 2.—Impending sale of exchange by Gold Fund Committee discouraged bidding, and the volume of trading showed considerable reduction but the paucity of the commercial bill prevented decline, the market being steady at 4 9/16 for demand sterling, and 4 7/8 for cable transfers. Franc checks were quoted 5.07 and cables at 5.08. Holders of balances in Germany evince strong desire to transfer them to this side. This is reflecting low rates