

BANK OF ENGLAND RATE PROHIBITIVE

Only Once in Forty-Eight Years has
It Been Advanced to Ten Per Cent.

THEN BANK FAILURE CAUSE

Rate Does Not Mean Bank Is Prepared to Discount
Paper at That Minimum, But That It Reserves
Right to Refuse Discount Absolutely.

London, August 1.—Only once has the Bank of England established a minimum discount rate of 10 per cent. since it took its modern form under the Bank Act of 1844. That occasion was 48 years ago, when the great private banking firm of Overland, Gurney and Company failed in 1866.

The effect of a 10 per cent. bank rate is simply prohibitive. It does not mean that the bank is prepared to discount some paper at that minimum, but that it reserves the right to refuse the discount for anybody at any figure.

The highest minimum rate in recent years was 7 per cent. in 1907 and the bank rate advanced to 10 per cent. during our gold crisis of 1873.

RECORD FOR BANK OF ENGLAND RATE.

London, Aug. 1.—Bank of England minimum discount rate has been advanced from 8 per cent. to 10 per cent.

The advance in the Bank of England rate from 8 to 10 per cent. followed speedily on yesterday's advance from 4 to 8 per cent.

A 3 per cent. rate, prior to yesterday, had been maintained only for a period of six months to which date, during last January, the rate had been three times lowered from 5 per cent.

Changes in Bank of England rate since Jan. 1, 1907.

January 17, 1907	6 to 6 1/2
April 11, 1907	5 to 4 1/2
April 25, 1907	4 1/2 to 4
August 14, 1907	4 to 4 1/2
October 31, 1907	4 1/2 to 5 1/2
November 4, 1907	5 1/2 to 6
November 7, 1907	6 to 7
January 2, 1908	7 to 6
January 16, 1908	6 to 5
January 23, 1908	5 to 4
March 5, 1908	4 to 3 1/2
March 19, 1908	3 1/2 to 3
May 28, 1908	3 to 2 1/2
January 14, 1909	2 1/2 to 3
April 11, 1909	3 to 2 1/2
October 7, 1909	2 1/2 to 3
October 14, 1909	3 to 4
October 21, 1909	4 to 5
December 9, 1909	5 to 4 1/2
January 6, 1910	4 1/2 to 4
January 20, 1910	4 to 3 1/2
February 10, 1910	3 1/2 to 3
March 17, 1910	3 to 4
June 2, 1910	3 1/2 to 4
September 29, 1910	4 to 5
October 21, 1910	5 to 4 1/2
December 1, 1910	4 1/2 to 4
January 26, 1911	4 to 3 1/2
February 16, 1911	3 1/2 to 3
March 9, 1911	3 1/2 to 3
September 27, 1911	3 to 4
February 8, 1912	4 to 3 1/2
May 9, 1912	3 1/2 to 3
August 29, 1912	3 to 4
October 17, 1912	4 to 5
April 17, 1913	5 to 4 1/2
October 2, 1913	4 1/2 to 5
January 8, 1914	5 to 4 1/2
January 22, 1914	4 1/2 to 4
January 29, 1914	4 to 4 1/2
July 30, 1914	3 to 4
July 31, 1914	4 to 5

FUTURE OF BRAZILIAN TRACTION COMPANY

Fortunes are Bound Up to no Small
Extent With Prospects for
Brazil Loan

EARNINGS WERE SUSTAINED

These For Week Ending July 25th Only Slightly Below
the High Record For the Year Made in the
Week Ending July 11th.

The war in Europe will have a very direct bearing on the fortunes of the Brazilian Traction Company, whose securities are so largely held by Canadian investors.

For some time now the financial situation in Brazil has been precarious and the position of affairs in this regard will be greatly aggravated now that it will be increasingly difficult for the Government of that republic to secure necessary funds.

It is even said that the Brazilian loan, which was being negotiated for a sum of \$100,000,000, has now become impossible, and that the Government intends to issue treasury bills to the amount of \$50,000 maximum in order to meet urgent requirements.

The Bourse at Rio de Janeiro has been paralyzed and the price of provisions is rising.

In these days of stress, however, the Brazilian Traction Company is doing a little better than keep up to its record of last year.

The earnings for the week ending July 25 were \$12,714 or a little below the high record for the year, which was made in the week ending July 11.

The increase over the same week last year was \$6,377, which compares with \$12,400 for the week of July 11, \$12,395 increase for the week of July 11, and \$8,387 for the week ended July 4.

ITALY TO REMAIN NEUTRAL.

Rome, Aug. 1.—Italy will remain neutral. It was authoritatively announced to-day. This will leave only Germany and Austria of the triple alliance to fight the rest of Europe.

APPLICATION FOR POWER TO ISSUE \$5,000,000 STOCK

Prior Appraisal of Detroit United Railway Lines Will
Take Many Months—Necessary to Know
Exact Value of Company's Many
Properties.

Detroit, Mich., August 1.—In regard to the application by Detroit United Railway Co. to the Michigan Railroad Commission for authority to issue \$5,000,000 in securities and also for an appraisal of the properties of Detroit United an officer of the company says: "The Michigan Railroad Commission will begin shortly the work of appraising the properties of the Detroit United Railway, the Detroit, Jackson & Chicago Railway, the Detroit, Monroe & Toledo Short Line, and the Detroit & Port Huron Line, all of these properties being in the State of Michigan and known as the Detroit United Railway Lines. The appraisal will cover not only Detroit and the other cities served by the interurban lines as well. It is thought that the work will take many months and it will be done at the expense of the properties, in the manner provided by the laws of Michigan.

"This appraisal will have nothing to do with that now under way by the city of Detroit. It will be distinct and for a different purpose. As stated in the request to the commission, the Detroit United Railway Lines are committed to the building and equipping of some 20 miles of new railway in Detroit, some 14 miles outside that city and now has under way plans for the double tracking of 40 miles of interurban lines. This interurban work includes double track curves, block signal systems, etc. Of course power equipment and car equipment are included in the work planned.

"The securities heretofore authorized have been issued and under the Michigan law further securities may be issued only on the authority of the commission. Before the commission will make such additional authorization of securities as may be needed it is necessary for it to know the values of the properties and hence the appraisal which will soon begin."

New moon—Aug. 21.



Mr. Perry was recently appointed General Manager of the National Iron Works in Toronto.

WEEK'S MINING SALES

Heron and Co., Members Toronto Stock Exchange
14 King St. West, Toronto, report the following
price range and sales of Porcupine and Cobalt stocks
on the Toronto market for the week ending July 31st,
1914 (three days only.)

Stocks:	Sales.	High.	Low.	Close.	Last week.
Cobalts:					
Bailey	10,500	.00%	.00%	.00%	.00%
Beaver	6,400	.24%	.23	.23	.22
Coniagas	120	7.50	7.50	7.50	7.50
Crown Reserve	5,685	1.19	1.10	1.10	1.19
Great Nor.	3,500	.07%	.07	.07%	.07
Kerr Lake	545	5.75	5.58	5.58	5.75
La Rose	950	.85	.81	.83	.87
McKinley-Dar.	5,350	.50%	.48	.50%	.53
Nipissing	1,160	5.68	5.50	5.50	5.70
Peterborough Lake	25,100	.33	.31%	.31%	.33%
Right of Way	200	.02%	.02%	.02%	.02%
Temiskaming	3,500	.12%	.10	.10	.10%
Trochey	200	.15	.15	.15	.15
Wetlaufer	2,100	.06	.06	.06	.06
Total	65,310				

Porcupines:	Sales.	High.	Low.	Close.	Last week.
Dome Extension	12,800	.10	.08%	.08%	.10
Dome Lake	2,000	.38	.38	.38	.38
Dome Mines	540	9.20	8.00	8.25	9.10
Hollinger	1,215	18.20	17.00	17.00	18.25
Homestake	800	.22	.20	.20	.20
Jupiter	1,100	.06%	.06%	.06%	.06%
McIntyre	3,350	.34	.33	.33%	.33%
Pearl Lake	3,500	.03	.02%	.02%	.02%
Forc. Crown	400	.87	.85	.87	.87
Preston E. Dome	1,000	.01%	.01%	.01%	.01%
Rea	1,000	.18	.15	.18	.18
Teck-Hughes	11,700	.11	.10%	.11	.11
Tisdale	500	.02%	.02%	.02%	.02%
York Ontario	1,500	.12	.09%	.09%	.12
Total	44,005				

x—Buyers, 60 days.
c—Cash.

ACQUIRE GRAVEL PIT FOR \$100,000.

Halifax, N.S., Aug. 1.—W. D. Platt sold a 30-acre gravel pit on Burlington Heights to the Hamilton Sand & Gravel Company this week for \$100,000.

G. T. RAILWAY APPOINTMENTS.

Mr. E. J. Chamberlin, President of the Grand Trunk and Grand Trunk Pacific Railways, announces the following important changes, effective to-day.

Owing to the death of Mr. M. M. Reynolds, Vice-President, in charge of Finance and Accounting, that position is abolished.

Mr. Frank Scott is appointed Vice-President and Treasurer in charge of all finance of the company, reporting direct to the President.

Mr. W. H. Ardley is appointed Comptroller in charge of all accounting of the company, reporting direct to the President.

WILL NOT SUSPEND BANK ACT OF 1844

Subject Has Been Under Discussion
at a Meeting of Bankers
in London

EFFECT OF SUCH ACTION

British Cabinet Has Power to Suspend the Act Temporarily Pending Action by Parliament—Feeling Opposes Unsecured Paper Currency.

London, August 1.—The treasury officials announce that the situation at present does not justify any emergency action looking to the suspension of the Bank Act of 1844. The treasury is prepared to take such action if further developments seem to make it necessary but there is a strong feeling among unsecured paper currency and everything will be done to avoid it.

Reports in America that the British Bank Act had been suspended were untrue. The subject has been under discussion at a meeting of the bankers and it is not unlikely that the Bank of England will apply to the Cabinet for a suspension of the Act, but no action has as yet been taken.

The Cabinet has power to suspend the act temporarily, pending action by Parliament. The effect of such action would be practical by the suspension of specie payments and would leave the Bank of England free to issue notes without the gold backing required by the Peel law of 1844.

GRANTS GREATER FACILITIES

London, Aug. 1.—At a meeting between the joint stock banks and the Bank of England governors, it was decided to grant facilities to enable discount firms to meet their engagements. The money situation is greatly relieved, although the suspension of the bank Act is expected to be announced on Tuesday after the Government's sanction has been obtained.

Large business was done at Bank of England today in bills at 10 per cent. while call loans were arranged at 10 1/2 per cent. There is some talk of a possible moratorium or governmental decree extending payment of obligations.

Telephone communication with France has been interrupted because telephones have been taken over by the Government and cables have been delayed. Bank of England continued to change notes for gold after the usual banking hours.

ACTION OF BRITISH CONSOLS

British consols, long regarded as the premier security of the world, smashed to a new low record level by selling at 69 1/2. While literally correct, however, the statement must be made subject to the added fact that the interest return of consols has been cut in recent years to 2 1/2 per cent. on par. Hence comparison with past performances must be based on return on the market price.

At 69 1/2 the return is about 3 1/2 per cent. The low 68 1/2 price ever paid for consols when they paid 3 per cent. on par was 72 in 1823, a price at which the returned 4 1/2 per cent. to the investor. Consols have sold as high as 114, in the year 1896, but they then carried an interest rate of 2 1/2 per cent. The highest price at which 2 1/2 per cent. consols were sold was 92 1/2 in 1902.

The world regards the movements of British consols as the barometer of the world's financial markets.

VIRGINIA-CAROLINA CHEMICAL

New York, Aug. 1.—Virginia, Carolina, chemical year ended May 31, 1914 (including subsidiary companies)—Net earnings \$54,073,756, increase \$1,082,373; interest and discount \$1,523,379, increase \$279,373; surplus \$2,550,377, increase \$803,280; preferred dividends \$1,600,000, unchanged; balance xx\$950,377, increase \$803,280; common dividends blank, decrease \$829,532; surplus \$8,332,941, decrease \$1,117,974; profit and loss adjustments, \$234,183, increase \$234,183; disbursements and expenses blank, decrease \$425,538; P and L surplus \$9,050,135, increase \$716,194.

xAfter deducting \$1,194,281 for repairs and maintenance and setting aside \$767,139 to reserve for doubtful debts and cash discount on accounts not yet settled.

xxEqual to 3.4 per cent earned on common stock against 0.52 per cent earned last year.

REASSURING DEPOSITORS

London, Aug. 1.—In the hope of reassuring depositors, the Bank of England remained open today for a long time after its regular closing hour, making all payments that were demanded.

SITE FOR UNITED STATES WOOLLEN MILL.

Baltimore, Md., August 1.—The United States Woollen Mills Company has purchased a site for its factory. A seven-story building, 70 x 158 feet, containing a total floor space of 77,000 square feet, will be erected, to cost about \$200,000. Work is expected to be completed by January 1.



MR. FRANK SCOTT,

Recently appointed Vice-President of Grand Trunk.

CLEVELAND MAY INCREASE ITS STREET CAR RATES

Flat Rate of Three Cents Now Prevailing To Be
Advanced By Addition of One Cent For Every
Transfer, and With No Refund For
This Charge.

Cleveland, Ohio, August 1.—Men closely associated with the operation of the Cleveland Railway Co. assert that there is every indication that on September 1 the rate of fare on the lines will be increased from the flat three cent rate now prevailing to three cents with one cent for a transfer and no refund of the transfer charge.

They base this on the report just made of results of operation for June when an actual deficit of \$170,037 was shown. Two things operated to cause this large deficit. First was that June is the five months in which the company is allowed 6 cents a car mile for maintenance and renewals, an increase of 2 cents a car mile over the allowance for the other seven months of the year except in November when the allowance is 5 cents a car mile. In June also the car mileage was much larger than in May. The second cause was the drop in gross operating revenues to \$42,637 in June, from \$42,512 in May.

The rate of fare is regulated by the amount of money in the interest reserve fund, the fare being automatically increased when the interest fund falls below \$300,000. On June 30, 1914, this fund was but \$236,575, a drop of \$59,366 in the month. It will be seen that if the July deficit is anything like as large as that for June the interest reserve fund will be reduced well under \$300,000, which would put the increased fare in effect September 1.

How long the increased rate would remain in effect is problematical. If the interest fund is not built up above \$300,000 by the charge of one cent for a transfer then the next highest rate of fare, four cents cash fare, three tickets for 10 cents and one cent for a transfer with the one cent returned when the transfer is presented, would go into effect. Negotiations regarding labor troubles are still going on with the street railway officials but it is expected that some settlement will be made when the city council reassembles in August. While it is expected that the controversy will be adjusted, factors might arise which would lead to a strike.

EASTERN COUNTIES RAILWAY.

The Eastern Counties Railway line to Montreal should be ready by next October.

Workmen have finished the track-laying in Granby, and the company is said to have finished the bridge at St. Cesaire.

The roadbed is also completed and the ties distributed as far as Abbotford.

BANKERS INSTITUTE HEALTH COMMISSION

Definite Plans Made to Care for
Invalid Officers and Employees
Under Its Auspices

CIRCULAR OUTLINES PLAN

Original Idea of Buying a Ranch Has Been Abandoned for the Present, but This May Be Included at a Later Time

New York, Aug. 1.—The movement which started some months ago in the American Institute of Bankers to provide a health resort for invalid members of the association, and which subsequently broadened out so as to interest some of the most prominent bankers in the country, has finally crystallized in a definite plan of operation. This is outlined in a circular sent to banks throughout the country, and which appears below. It will be noted that the original scheme to buy a ranch has been abandoned for the present, as the method outlined is believed to be more practicable as a starter. Later there will probably be a return to the original idea. The circular follows:

The Bankers' Health Commission is organized and conducted for the purpose of promoting and providing (1) health resorts where invalid bankers may obtain suitable accommodations on favorable terms; (2) ways and means of improving sanitary conditions in banking institutions; (3) physical culture tending to secure healthfulness and increase efficiency among bank officers and employees. The commission conducts a Bureau of Information covering subjects pertaining to the province of its purposes.

Institutional Membership.—Any bank, trust company or savings institution may be an institutional member of the Commission upon election and payment of annual dues of one dollar—plus one cent for each officer and employee. Institutional members are entitled to maintain their invalid officers and employees at resorts identified with the Commission in accordance with such terms and conditions as the Commission may obtain or provide.

Individual Membership.—Any officer or employee of a bank, trust company or savings institution may be an individual member of the Commission upon election and payment of annual dues of fifty cents. Individual members are entitled to accommodations or themselves at resorts identified with the Commission on such terms and under such conditions as the Commission may obtain or provide.

Life Membership.—Any officer of a bank, trust company, savings institution or bankers association may be a life member of the Commission upon election and payment of life dues of \$100. Revenues from life membership dues constitute a reserve fund of which some designated trust company shall be trustee under provisions for (1) the investment of the principal thereof, and (2) the payment of interest thereon into the current account of the Commission. Upon the written consent of two-thirds of the life members any part of said reserve fund may be invested in property for health resort purposes.

To fulfill the purposes of the Commission in regard to health resorts, it is necessary to consider not only the infinite variety of invalidism among bankers, from tuberculosis to tiredness, but also the climatic characteristics of different regions and the cost of transportation between different localities. Conditions thus presented can only be met by an extensive system of regional resorts, and in judgment of the Commission it is expedient at the present time to make all-

THE HOME BANK OF CANADA

NOTICE OF QUARTERLY DIVIDEND.
NOTICE is hereby given that a Dividend at the rate of SEVEN PER CENT (7 per cent) PER ANNUM upon the paid-up Capital Stock of this Bank has been declared for the THREE MONTHS ending the 31st of August, 1914, and that the same will be payable at the Head Office and Branches on and after Tuesday the 1st of September, 1914. The Transfer Books will be closed from the 17th to the 31st of August, 1914, both days inclusive.

By Order of the Board,

JAMES NATION,

General Manager.

Toronto, July 22nd, 1914.

AUGUST LIST Municipal Debentures

AND
CORPORATION BONDS

Investors generally are seeking the more conservative types of investment, and those having funds at present are taking advantage of the relatively low prices at which such securities are now available.

SEND FOR AUGUST LIST

A. E. AMES & Co.

INVESTMENT BANKERS

UNION BANK BUILDING, TORONTO

Established 1889

THE MERCHANTS' BANK OF CANADA

Has Special Facilities for Making
COLLECTIONS
219 Branches in Canada

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

ances with existing sanitariums and ranches and camps rather than to attempt to own and operate such enterprises.

Investigations already made by the Commission warrant the conclusion that arrangements can be made with existing institutions for the satisfactory accommodation of invalid bankers on favorable terms. The Commission is in consultation with competent physicians and architects regarding systems of physical culture suitable for bank employees and methods of improving sanitary conditions in banking institutions, and the results of such consultations will be reported in due course.

The membership of your Institution would be appreciated. Kindly fill out the accompanying form and send check (New York or Chicago exchange) for institutional membership dues covering the fiscal year ending August 31, 1915, on the basis of \$1, plus 1 cent for each officer and clerk employed in your institution. Checks should be sent to the secretary of the Commission, George E. Allen, 5 Nassau street, New York City.

The circular is signed by E. D. Hulbert, vice-president Merchants Loan and Trust Company of Chicago, chairman; G. M. Reynolds, president Continental and Commercial National of Chicago; W. E. Frew, president Corn Exchange Bank of New York; J. H. Puelcher, vice-president Marshall and Bailey Bank of Milwaukee; D. C. Willis, cashier Diamond National of Pittsburgh.