

OF MONTREAL

[Established 1817]

ORATED BY ACT OF PARLIAMENT

Up.....\$16,000,000.00
Profits.....\$16,000,000.00
.....\$1,098,968.40

Office - MONTREAL

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All important Cities and Towns

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THE

Bank of Canada

Incorporated 1869

Authorized - - - \$25,000,000

Paid up - - - \$11,560,000

Reserve - - - \$13,500,000

Surplus - - - \$180,000,000

OFFICE: MONTREAL

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President and General Manager

CANADA AND NEWFOUNDLAND, 35

RICO, DOMINICAN REPUBLIC

BRITISH WEST INDIES

NEW YORK

Cor. William and Cedar Streets

PARTMENTS at all Branches

OF THE FUTURE?

g things about wars old and new

work out in accordance with com-

mon sense was thought to be invinc-

ible, and to atoms, and by barbarians

At one time it appeared as if the

cen would spread over Western

no force that could stay it

ions and conflicts of a fierce as-

And in relatively recent times

to overwhelm Russia, but in a

apparently stronger. By un-

derance was bound to overwhelm

at she marched only to defeat.

a non-combatant North to go

at South in the war between the

But the event turned the other

of the map. But Japan carried

as they were, of that little war,

wise enough to guess how a war

and spirited peoples will turn

mediate case it is the part of wis-

dom to prophecy and leave the

Apparently Germany is face to

ing conditions. But the end is

has the power to know what it

PPER DEVELOPMENT.

coppered in Russia has in the

d a level averaging nearly 20

(pounds). Until a few years

al output was less than 10,000

So rapid a growth of the

the metal in Russia and

rich deposits of ore in the

on to these fundamental fac-

of the Russian copper in-

stimulus was provided by

of the "Met." (Copper) Sym-

firms and companies engaged

regulating the distribution of

ing to respective quantities am-

onies of consumers, and strong-

tion of electrolytic copper.

industry is protected by very

uties, amounting to Rs. 5 per

One of the consequences of

that the level of the market

is very much higher than

being almost as great as the

e economy duty. The centers

ining industry (Siberia, Ural

very remote from the centers

rsburg and Moscow), and had

duction of the protective duty

er have been able to develop

it been obliged to compete

copper imported through the

NOT IN SEA FIGHT.

the calibre of the gun: the

he projectile in pounds: the

der, and the fourth, the total

270 877

250 540

200 325

103 180

60 109

39 69

23 37

10 11

4 11

—Washington Star.

VESSELS NOW PLY
IN PANAMA CANALGreat Waterway, After 10 Years'
Task, Thrown Open to Inter-
national Commerce

COL. GOETHALS MADE TRIP

Colon of Tolls Have Already Begun—Acts of
Warfare Cannot be Committed Within Canal—
Strong Fortifications to Preserve Neutrality.Panama, August 17.—The Panama Canal was
opened to traffic on Saturday, when the Panama
Steamer Ancon, with Col. Goethals aboard,
went successfully through from the Atlantic to the
Pacific.The journey, made in less than eleven hours,
without the presence of the canal, have taken
only days.The new era of Pan-American commercial and
development has been thus inaugurated.
The formal and official opening will take place
in March, when there is to be an international
celebration at which President Wilson and members
of his Cabinet are to be present.It is understood there are a number of steamship
lines ready to send their vessels through the canal
this week. One steamer, it is known to have left San
Francisco and another New York to pass through the
canal this week.The canal is now open to vessels of war of every
nation, including those of the European belligerents.
It is desired to send them through.
Collection of tolls has been begun. The rates are
per registered net ton. Passengers and crews
are not to be charged for passage through the canal.

The International Status.

The international status of the canal is provided
in the rules set forth in the Hay-Pauncefote
treaty of 1901 between the United States and Great
Britain. By the terms of this treaty the canal is
to be kept neutralized and free to vessels of all na-tions equally, though the right and responsibility of
the defense remains with the United States.
It is provided that the canal never shall
be blocked nor shall any act of war
be committed within it. War vessels of a
belligerent may not revictual nor take any stores
from the canal except as may be strictly necessary
for the transmission of such vessels through the
canal shall be effected with the least possible delay.Belligerents are also prohibited from disembark-
ing or embarking any troops, munitions of war, or
other materials in the canal. Other rules in the
treaty regarding the vessels of war of a belligerent
are practically identical with those of the Hague
conventions and the United States neutrality pro-visions.
Great Britain though successfully opposing the claim
of the United States to a right to exempt American
ships from paying tolls, has conceded the American
right to fortify the canal, and accordingly great de-fenses have been erected there.
The Atlantic and Pacific terminals of the canal will
be guarded by batteries of 16 inch guns, some of which
are already on the Canal Zone.\$12,000,000 Defense Plan.
The ultimate scheme of the War Department at
Washington for the defense of the canal is a \$12-
million project, but the United States Congress has
authorized only about one-third of this sum thus far.In addition to the big defense guns and eighteen
companies of Coast Artillery to man them American
War Department plans to have as a permanent mini-mum peace garrison on the Canal Zone three regi-
ments of infantry, three batteries of field artillery,
one squadron of cavalry, one signal company, one
ambulance company and one field hospital. Alreadya segment of infantry and a detachment of Coast
Artillery are at their stations on the Canal Zone.
The United States navy is expected also to have an
ultimate association with the canal, now that it is in
operation. Other things being equal, Secretary Danielsto send the larger part, if not all, of the Atlantic
fleet through the canal next spring, and a
number of the ships will probably spend much time
at the Atlantic Coast near Panama.The navy is already operating a giant wireless
station at Panama, and Col. Goethals has under con-sideration great derricks, which will be available for
the use of American naval vessels. It is also believed
that Panama may be made an advanced
base in connection with the frequent operations of
United States cruisers and marines in Central Amer-

ican countries.

HISTORY OF THE CANAL
Work for its Construction Began as Far Back
as 1876.Immediately after the completion of the Suez Canal
the attention of the world was directed to the
possibility of cutting through the American isthmus
by a group of Frenchmen, under the direction of
Colonel L. N. Wyse, got a concession from Colombiapermitting the construction of the canal. Three years
after an international congress met in Paris under the
auspices of the Frenchman de Lesseps, builder of the Suez
canal, to consider the best route for a canal from the
Atlantic to the Pacific. A company was formed as
the outcome of the deliberations of this congress to
construct the canal, the cost of which de Lesseps esti-mated at about \$130,000,000. But this company was
a victim of extravagance and became bankrupt in
1889 after about \$100,000,000 had been spent.
Five years later a new company was formed, and
within another five years, after it had expended about
\$100,000,000, the company got into financial difficulties
and was glad to sell out to the United States for \$40,-000,000.
The Colombia Senate refused to ratify a treaty per-
mitting the United States to buy the concession, but in
1903 Panama revolted from Colombia, and set up its
own government, at the same time giving the United
States a strip of land ten miles wide along the canalMethods Proved Unsatisfactory.
From after the ratification of this treaty with Pan-
ama in February, 1904, work was begun on the canal
by the United States. But the methods of adminis-
tration and control soon proved unsatisfactory and
President Roosevelt appointed Col. George W. Goethals
engineer-in-chief and chairman of the commis-sion. Col. Goethals has remained in charge ever
since.
The estimate of cost has been frequently raised. In
1904 the total cost to the United States has been about
\$100,000,000. The official report of the money spent
to the close of last year gave \$314,726,717. Money
provided by the sale of bonds. The original

SIR ADAM BECK.

Whose patriotism has found unique expression in a
presentation of valuable hunting horses to the War
Office.

COBALT OUTPUT FOR JULY

Up to End of Last Month Silver Was Going Forward
Freely but the War Has Now Had Its
Effect.Shipments of ore from the Cobalt camp up to the
end of July were well maintained.
Those for July were over three and a half million
pounds, mostly high grade.The total of 3,425,759 compares with 4,097,399 in
June, but June was one of the heaviest months in
point of ore shipments in the last two years.Quite the heaviest shipper for the month was the
Cobalt Townsite, and the recovery of its sister prop-
erty in the English combine, the city of Cobalt, is
emphatically in the fact that over 42 tons of high
grade lead mine during the month.Four mines formerly included in the shipping list
have closed down and the Buffalo is expected to fol-
low a similar course.
Indications now are that there will be little silver
shipped until the business situation improves.PROGRESS BEING MADE IN
CLAFLIN REORGANIZATIONProfitable Stores Will be Sold and Notes Issued
Against Them—New Company to be Formed
to Carry on Wholesale Business.New York, August 17.—One of the plans proposed
by the note holders' committee for the re-organiza-
tion of the H. B. Claflin Company and its retail
stores, limited to contain a provision that a hold-ing company be formed by note holders and that re-
tail stores be operated by them. They plan to accom-
plish this by purchasing the business and assets of
the H. B. Claflin Company at the receivers' sale and to
organize a new company to carry on the whole-sale business.
The holding company will issue notes in exchange
for the present outstanding notes, less a cash pay-
ment which it is hoped will be 15 per cent.The notes will run three years and will be issued
in 23 series corresponding with the number of stores
and bear interest not exceeding 5 per cent.Those stores that are profitable and can be sold
at a fair price will be disposed of and the notes is-
sued against them, retired, and the stock deposited
as collateral turned over to the new purchaser.Unprofitable stores will be liquidated and the pro-
ceeds applied to the payment or reduction of notes.
It is proposed to effect a re-organization by hav-ing the holding company issue common and second
preferred and perhaps third preferred stock. It is
also proposed to authorize \$20,000,000 of first pre-
ferred for future financing.No dividends will be paid on the common, second
or third preferred until all notes have been paid and
one-fourth of the first preferred stock retired.The adoption of the plan, of course, depends upon
approval of the general merchandise creditors' com-
mittee.It is expected something definite will be announced
by both committees by Thursday or Friday.MONTREAL CITY BONDS PLACED.
Messrs. St. Cyr, Gonthier and Frigon, the brokers,
offered to place in New York a loan for the City of
Montreal at 96 net, and as this figure, in view of the
admitted uselessness of approaching the London mar-ket at the present time, is considered most advantage-
ous, the proposition has been favourably entertained
by the Board of Control.The loan in question is the second half of the city's
borrowing power of about \$13,000,000 for the current
year. The rate is 4 1/2 per cent. for 40 years.LIQUIDATING OPEN CONTRACTS.
New York, August 17.—All bids and offers address-
ed to the Liquidating Committee of Coffee Exchange
must read "in liquidation of open contracts."BAR SILVER QUOTATION.
London, August 17.—Bar silver 27 1/2 d.estimates of the cost were around \$130,000,000; in 1908
they went up to \$250,000,000, and a year later Col.
Goethals gave as the limit of cost \$397,000,000. He
has kept the total cost under this figure. It is generally
believed. These figures do not include the cost of
fortifying the canal. These fortifications have been
always kept secret.Fever was a stronger antagonist of the Frenchmen
than the hills and thousands of laborers died before
the United States took charge. Col. Gorgas of the
United States Medical Corps, installed a system of
sanitation which has kept the fever out of the district
ever since.Fifty Miles in Length.
At the end of 1912 accidents had caused 395 deaths
on the canal. Official figures are not available later
than this. This number is not considered great in
view of the fact that during the American period of
work the number of laborers has always been more
than 30,000 and sometimes as high as 50,000.The length of the canal from deep water in the
Atlantic to deep water in the Pacific is 50 miles and
from shore to shore 40 1/2 miles. The summit level,
regulated at between 83 and 87 feet above sea level,
extends 31 1/2 miles from the dam at Gatun Lake to
a smaller one at Pedro Miguel and is reached by a
flight of three locks at the former point.
The Gatun dam is 7,200 feet along the crest and
including the spillway, has a maximum width at
its base of 2,000 feet. It is 100 feet wide along its
top, which is 115 feet above sea level. Lake Gatun,
enclosed by dams, covers 164 square miles. All the
locks are in duplicate, being 1,000 feet long and 110
feet wide.ADD TO PROFITS
AND TO PRESTIGE"Adams" Sees in European War a
Great Chance for the Leading
Wall Street Bankers

WOULD FINANCE LOANS

Have Two-fold Reason: Would Make Handsome
Commissions and at the Same Time Give General
Industry a Substantial Lift.New York, August 17.—Some of our greatest finan-
cial doctors differ. Eminent banking specialists
disagree as to the best means of meeting new exigen-
cies. A few want to inject bank notes into bank re-serves. Others think this would be a calamity, and
others want Congress to make emergency money avail-
able for reserves. But on one point, I believe, all
concur. It is that in America the gold standard
exists by law and that somehow or other gold will
continue to be used in the payment of debts to Europe.Jacob H. Schiff came down from Bar Harbor in
good fettle. His outing made him more aggressive
than usual. In his speech at the special meeting of
the Chamber of Commerce, called to discuss the crisis
in credit and monetary affairs, he expressed the opin-ion that there would probably be no difficulty in
settling our obligations abroad and that a good deal
of gold could be obtained from the trust companies.
This, no doubt, is true. But the gold held by these
institutions at this time is but a drop in the bucket
compared to the four thousand million to five thousand
million dollars of American securities still in the hands
of foreign holders.Ocean Commerce Resumes.
The Atlantic highways are being opened up. It is
already clear that much of our foreign indebtedness
will be settled in merchandise. If, after that, there
remains an adverse balance owing to the sale of
securities—as there will, of course—it will be liqui-dated as heretofore. The matter of further selling of
our stocks and bonds by Europe, I may add, is one of
the principle obstacles in the way of stock exchange
resumption and is mainly responsible for the fact that
it has been closed longer than ever before. If the
governors of that institution were sure that re-opening of the market would not invite another flood
of foreign offerings they no doubt would throw open
their doors to-morrow. As matters stand this un-
certainty cannot be cleared up, in view of the de-velopment of the past month, that foreigners owning our
stocks and bonds for investment will be less dis-posed to sell them or will sell only in July they would
not liquidate their European investments except at
drastic declines. "Americans" were about the only
securities they could market. They should have a
higher opinion of the latter now, as a consequence.Yet their holdings of our railroad and industrial se-
curities, as I recently pointed out still total enorm-
ously, notwithstanding that England and the Con-tinent have materially reduced their interest in them
in the past few years.Brokerage Profits Dwindled.
In the stagnant months preceding the shut down
of business of July 31, brokerage profits in Wall St.,
as every one knows, dwindled almost to the vanishing
point. But commission people kept a stiff upper
lip. And they still have their nerve with them.Though office expenses have been further reduced re-
ports of the wholesale discharge of employees are
greatly exaggerated. Evidently brokers realize that
prevailing conditions cannot last—that in the nature
of things their facilities for doing business must be
restored before long.Ill-feeling between the financiers and Washington
is pretty well dissipated. President Wilson's new
policy of consulting with the country's business lead-ers has borne fruit, and the change is accentuated by
the recent meetings between bankers and merchants
and government officials to discuss affairs. The
most important of these conferences, of course, was
that held at the end of the week to consider facilities
for restarting exports at which J. P. Morgan, James
Speyer, Max May, H. R. Eldridge represented the
banking and foreign exchange interests and James A.Farrell, president of the United States Steel Cor-
poration, the shipping interests of this city. That the
interchange of views at this conference will hasten re-establishment of the international money market there
is every reason to believe.Shattered Old Fallacies.
The explosion in Europe has shattered old fallacies—
and old theories. The war has smashed the fallacy
that it could not happen because "the bankers would
not permit it." The familiar argument that modern
armaments would prevent it has fallen to the ground.The fact thrown into bold relief by Europe's con-
flagration is that when people think a war is neces-
sary to right real or fancied wrongs they will fight.
If we may judge the future by the past—and the pre-sent—the most the peace advocates can reasonably
hope for is an interval of fifty years or so between
battles.Never have events moved with such electrical
rapidity. Scarcely a fortnight has passed since the
first gun was fired. Yet every great European power
has armies on the march and already a million men
face one another on a 200 mile line in Belgium and
France. This cataclysm has its dramatic side, too.Germany, having started it by invading France, is
compelled to advance. She must strike quickly. The
Czar's hosts are pressing on in the Kaiser's dominions.
If he delays his French campaign they will be at his
back.According to the military experts a colossal
battle between the German forces and those of Eng-
land and France is very near. At all the financial
centres its result is awaited, of course, with tremen-dous interest. And I venture to predict that no mat-
ter what its outcome may be resumption of business
on the Stock Exchanges of New York, Paris and Lon-
don will quickly follow. The financial expedients of
the British Government, relief measures and new laws
at Washington and the passing of hysteria will then
all tend to ease the situation, as in fact they have
already done, and will make dealings in commodities
and securities in the world's principal markets prac-ticable once more.
Bankers and the War.
It is hardly a secret, I believe, that in the world-
wide death grapple now on banking sympathy in this
town is decidedly mixed. The German bankers, of
course, are patriotically for the Kaiser. Hebrew
bankers are with him because he is fighting Russia.Taking another angle, American financiers seem to
sympathize with France and England. So also do
many bankers and other business men outside of the
Metropolis who, rightly or wrongly, blame the Ger-
man Emperor for the war and the dislocation of in-

dustry.



SIR LYMAN MELVIN-JONES.

Sir Lyman Melvin-Jones, President of the Massey-
Harris Company, whose factories are to re-open for
the purpose of manufacturing trenching machines for
war purposes.

CHESAPEAKE AND OHIO

Chances Do Not Favor Declaration of Usual One
Per Cent Quarterly Dividend.New York, August 17.—Chesapeake and Ohio's di-
rectors are scheduled to meet for dividend action on
Thursday, and it would cause no great surprise if the
dividend were reduced. The present rate is 1 per
cent quarterly. On August 1, the first quarterly in-stalment of \$500,000 was paid under the note sale
agreement, which provided that so much per year
should be set aside for improvements out of earn-
ings before dividends could be declared. The
amount to be paid the note trustee in the period from
April 1, 1914, to June 30, 1915, is \$2,000,000.As far as the note agreement is concerned, there is
nothing to preclude a declaration of a dividend on Au-
gust 29. In the period from April 1 to August 1, the
company more than earned the \$500,000 instalment
and for the purpose of the dividend the earnings in
August are reckoned. In the four months from April
1 to August 1 the company's surplus after charges was
approximately \$738,000, with June partly estimated,
and July wholly so. This is \$238,000 in excess of the
amount required for the payment on the note agree-ment.
The rate of dividend to be declared lies wholly with
in the discretion of the directors. If they decide that
in view of the present situation it will be wiser to
conserve resources, naturally a dividend reduction
would be ordered. If, on the other hand, they be-lieve that in the near future business will be large
enough to warrant the payment of the regular divi-dend 1 per cent will be declared. Chances do not
seem to favor this latter decision.

BANK OF NOVA SCOTIA

Branch in London, Eng., Owing to the Outbreak in
Hostilities, Will Not be Opened For the
Time Being.The Bank of Nova Scotia will not now open the
branch that had been contemplated in London, Eng.
Mr. H. A. Richardson, the general manager, and Mr.
W. P. Hunt, manager of the Montreal branch, who
went abroad to make the necessary arrangements,
have returned to Canada without taking the necessary
action.Mr. Richardson said that, while negotiations were
well advanced, when war broke out, it became neces-
sary, owing to the turn in affairs, to postpone the
new enterprise for the time being.LOAN TO WARRING NATION INCONSISTENT.
New York, August 17.—Following statement by
Secretary State Bryan that "in judgment of this
government, loans by American bankers to any for-eign nation at war is inconsistent with true spirit of
neutrality."
J. P. Morgan sent following message: "The ques-
tion had been asked of