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MONTREAL, AUGUST 1, 1914.

The European Struggle and the Yellow Peril

If the Triple Alliance and the Triple Entente engage in a Titanic struggle, it will mean that millions of lives will be lost, immeasurable treasure destroyed and Europe set back one hundred years.

Asia has a territory of 17,000,000 square miles and a population of 970,000,000. Europe, heretofore the centre of wealth, culture and the home of the strongest military and naval powers, has an area of but 3,675,000 square miles and a population of 445,000,000.

Already there are signs of an awakened East. Japan emerged from her conflict with Russia conscious of her latent power. China is just beginning to awaken to the possibilities of what might be accomplished by her 425,000,000 people.

In connection with the pending struggle, it is interesting to note the territorial and numerical strength of the Triple Alliance and the Triple Entente. The German Empire possesses 3,500,000 square miles and a population of 60,000,000.

Bugs

This week a new specie of bugs made its appearance in the person of the war bug. On the streets in the hotel lobbies, in cars, on trains, in newspapers and everywhere else there is nothing but the talk of war and the possible outcome of a conflict.

This is a change from the many bugs which have been coming into the limelight during the early summer. In various parts of the country, the army worm has been occupying a place on the front pages of our papers with accounts of his devastation.

Extravagance Lessens Investment

A few years ago the inhabitants of the United States and Canada were accustomed to save from \$500,000,000 to \$750,000,000 a year. Now the people of these two countries spend each year on automobiles more than the latter sum.

those seeking a good return on their money. May there not be a very close and intimate connection between the savings of a few years ago and the money expended at the present time for automobiles and also a close relation between the orders for automobiles and the orders for stocks and bonds?

It is undoubtedly true that the automobile is here to stay and no matter what is said or done, thousands of people will continue to purchase automobiles. The brokers and bond dealers can do something to counteract the wholesale advertising campaign.

Undoubtedly there is a lot of reckless extravagance going on with the automobile business and very many people are driving cars who would be far better off financially in every other way if they had never ridden in a car. Brokers, bond dealers, insurance companies, banks and all other institutions saving to do with the savings of the people would do well to "fight the devil with fire," or in other words, engage in an extensive advertising campaign.

Perhaps sober second thoughts will prevail and general conflict avoided.

The cost of a war between the Triple Alliance and the Triple Entente would be fifty-four million dollars per day. No wonder economists speak of the waste of war.

The militant suffragettes have shown a consideration which was unexpected. They have been unreasonable so long that people began to doubt if they possessed any reason at all.

The closing of every stock exchange in the world illustrates the internationalism of finance. The nations constitute a brotherhood in matters of business but not in matters of war and peace.

"A LITTLE NONSENSE NOW AND THEN"

"What do they mean by the deadly parallel?" "The comparison you draw between the summer hotel and the prospecting in Louisiana." "No, Clerk—Will you advance me \$10, sir?" "Employer—No, if I did you might stay the week."

"The physics instructor in a Texas high school was teaching a German girl whose vocabulary was not very extensive." "What is a vacuum?" he asked. "I have it in my head, but I can't express it," was the reply. "Woman's Home Companion."

"The proper way to pronounce Guadalajara is to pour in six h's and mix."—Cleveland Plain Dealer.

She—"It's raining at last, John!" He (to corpulent wife)—"Well, come inside, then, and give it a chance to get at the lawn!"

"Seems to me these stockings are rather flimsy," said the man who was shopping for his wife. "Will they stand much strain?" "Well, I don't know," responded the clerk, dubiously. "Will they—er—be extra well filled?"—Judge.

Customer—I think this meat is spoiled. Meat Market Proprietor—Perhaps so, mum, but that meat came from a prize lamb and it may have been petted too much.—Illinois Siren.

SOME DON'TS ON SAFETY FIRST. Don't call a man who is bigger than you are a fat unless you are a first class sprinter or he is unusually good natured. Don't debate the question of your friend's wife's new gown.

Don't try to hug your girl and run the automobile at the same time. Don't tango after your 90th birthday.—Exchange.

Two Pullman porters, representing different railroads, met off duty and progressed from friendly gossip to heated argument. Their quarrel centred about which one worked for the better road. Their claims, figures and arguments came fast and furious.

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ULYSSES. (Alfred Tennyson.) Come, my friends! 'Tis not too late to seek a newer world. Push off, and sitting well in order smite the sounding furrows; for any purpose holds To sail beyond the sunset, and the baths Of all the western stars, until I die.

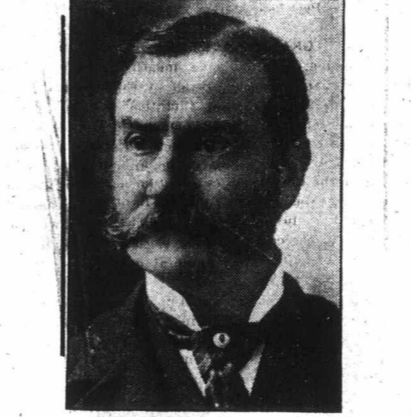
Although hard times are upon us there is no doubt about the future of this country when it gets down to a legitimate basis. We have a fertile soil, a good climate and an abundance of other natural resources. We can produce all kinds of food and fodder crops in abundance.

THE MONEY STANDARD

(Number 14 in a Short Series of Business Economics. By Professor W. W. Swanson.)

The functions of money have already been enumerated, but it remains to examine them somewhat in detail. At present the Canadian gold dollar is based on the United States unit—23.22 grains of pure gold, or 25.8 grains nine-tenths fine.

As has been explained, one of the necessary characteristics of a perfect monetary medium is that it should possess stability of value. This is essential in order that there shall be no wide fluctuation in price, over short periods of time, with consequent demoralization of the markets.



He is probably the foremost corporation lawyer in Canada to-day. In 1868 he was called to the Ontario Bar, and eleven years later, the Marquis of Lorne made him a Queen's Counsel.

His life is bound up with the history of big legal cases in this country. As a member of the firm of Blake and Lash—now a very big partnership indeed—he early jumped into prominence as a corporation lawyer. He was counsel for the Dominion Government in the Mercer Escheat before the Privy Council in England, in 1880, and has appeared there again and again in important cases.

To bankers, Mr. Lash is very well known. There is no one in Toronto whose judgment on banking matters is more respected. By many articles in Canadian and other publications, he has shown that his opinion is well worth hearing, and his work for the Canadian Bankers' Association, of which he was a pioneer, has contributed in no small measure towards the success of that institution.

Politically, Mr. Lash was up to 1911 a Liberal. But he didn't like the responsibility, and so he came out strong for the other party. His campaigning and the prominent work he did helped a good deal to secure the defeat of reciprocity at the polls.

Mr. Lash is one of those men who believe that a light is very wisely put under a bushel at times, but he doesn't talk much for publication. His power is rather as an influence than as an achievement. He is very often the man behind the gun, rather than the gun itself.

HUGH S. EAYRS.

THE FUTURE ALL RIGHT.

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When it is recalled that price is merely the exchange relation between gold and any other commodity, whatsoever, the difficulties involved in securing a stable standard of value are already understood. It is evident that anything that affects either the demand for or the supply of gold, will affect the relation of goods and gold, and hence will affect prices.

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Historical attempts to correct price changes may be grouped into four classes. First are the well-known instances of efforts of the authorities in almost every country to fix the price of staple products. But, although every effort has been made to fix prices both in time of peace and in time of war, these attempts have failed.

The second method to which resort has been had for preventing losses due to price changes has been the selection of some ideal standard, such as a labor unit. But these attempts are important for theoretical and not for practical purposes, as no such standard has ever been put into practical use, if, indeed, it were possible to do so.

The third class of proposals includes those which would change the money supply of a country by coining two metals such as gold and silver and giving each the quality of legal tender—that is, the power of legally discharging a debt upon payment of the money, in question into court. The policy is known as bimetalism. The experiment has been actually made, and is so important that it will need more extensive treatment.

Experiments in Bimetalism. Bimetalism is important to-day merely because of the lessons it has taught. Nowhere do we find it adopted in the monetary policy of any nation. But it once played a great role.

Both before and after the great inflow of specie from the Spanish-American mines, the two metals were used interchangeably. Silver was relatively the more plentiful, and the more commonly used. It was entirely possible to coin each metal independently, and let the two sorts of pieces circulate together, but not on any common basis.

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Imperial Bank OF CANADA HEAD OFFICE - TORONTO Capital Paid up \$7,000,000 Reserve Fund \$7,000,000 This bank issues Letters of Credit negotiable in all parts of the world.

THE DOMINION BANK SIR EDMUND B. OSLER, M.P., President W. D. MATTHEWS, Vice-president C. A. BOGERT, General Manager Banking Business in Foreign Lands

THE BANK OF BRITISH NORTH AMERICA Established in 1836 Incorporated by Royal Charter in 1840. Paid up Capital \$866,666.66 Reserve Fund \$3,017,333.33

ranging their denominations that they could be used interchangeably. Thus, the double standard system developed; both metals were manufactured into coins of the same of similar denominations. The method is illustrated in the system of the United States. The silver dollar contains 371 1/2 grains of pure silver, or 412 1/2 grains of silver 9-16 fine.