

## FOREIGN EXCHANGE RATES SUSPENDED

New York Money Market in a Generation Has Never Been so Demoralized

### ENGAGEMENTS OF GOLD

Foreign Bank Rates Will be Advanced if Cable Predicting War be Good—New York Exchange Bearing Brunt of World-Wide Security Liquidation.

(Special to The Journal of Commerce.)  
New York, July 29.—Not in the memory of the present generation have money conditions been in such a demoralized state, so far as they bear upon the international markets.

The war scare brought about the complete disturbance of foreign exchange rates on Wednesday, while in Amsterdam money was quoted at 16 per cent., and then all rates were suspended. The supply of exchange in this market has fallen to a minimum.

Further engagements of gold have been made for shipment Friday. In the case of the National City Bank, which will send \$2,500,000 on the St. Louis, the gold will come from the clearing house rather than from the sub-treasury.

Foreign bank rates will be advanced if cable predictions make good. It was believed that the Bank of England would raise its minimum discount rate from 3 to 4 or 5 per cent., and the Bank of France was also expected to make a corresponding advance.

Control of the International and Great Northern Railway will pass from the Jay Gould Estate to a banking syndicate formed for the protection of that company's notes, which have just been extended for 2½ years at 6 per cent., should an option granted the syndicate be exercised.

Should this step develop it will reduce still further the Gould holdings in corporation control. Already the Western Union Telegraph Company has passed its while various railroad properties long in their offices will pass their dividends, if certain plans now being formulated are carried through to completion.

The New York Stock Exchange will go down in history as being the only institution of like prominence in the world to remain open uninterruptedly during the European crises. As a result it has been bearing the brunt of the world-wide security liquidation and prices have tumbled accordingly.

### SPIRITED RALLY FOLLOWED OPENING.

New York, July 29.—A spirited rally followed the opening, but stocks were supplied on advance, there being a continuance of foreign liquidation and of forced selling by local speculators.

In all conservative quarters it was said there was a great volume of investment buying. The break being regarded as an opportunity for men of means to acquire good securities under their intrinsic value. Some traders had talked of the possibility of a suspension of business on exchange, but no one of importance thought of anything of the kind.

At 11 o'clock recoveries of 2 or 3 points, and even more were shown in standard issues. Buying was of the best kind for the little men, however, eager for stocks could not have orders executed on margins such as under ordinary conditions would be considered ample. Rarely has there been such a large proportion of cash buying as on the present occasion.

### EXCITEMENT LATER SUBSIDED.

New York, July 29.—Excitement subsided around mid-afternoon, trading quieted down to something like its normal state and prices showed steadiness at a level a little under the best of the forenoon. Experienced traders said that assuming the worst will be over the market for some time to come should merely back and fill while recent liquidation was digested. Bear tips on Canadian Pacific were circulated and stock was subjected to pressure with result that the price broke to 161, compared with a high of 166½ about an hour before. There was a moderate recovery later but the stock showed no resiliency.

### ARBITRAGE TRADING.

New York, July 29.—Over the arbitrage rail very little London trading was done, chiefly on account of conditions prevailing in the exchange market, but it was estimated that the continent sold between 15,000 and 20,000 shares on direct orders.

### NEWS SUMMARY

British Consols touch new low record of 69½.  
Russian forces massing on eastern border following declaration of war on Serbia by Austria. Russia to take field if Serbia is invaded, is report in Berlin.  
Efforts continue in European capitals to prevent spreading of conflict.

Great Britain's call for ambassadorial conference failed generally when rejected by Germany.  
Wheat in United States advances sharply.  
Gold to the amount of \$14,750,000 engaged for shipment abroad, making total since July 23rd, \$27,350,000.

Lock-out in British building trades favored by big majority of employers is impending.  
Cape Cod Canal opens officially to-day.  
Bank of France will increase its discount rate Thursday, is report.

Business men to meet President Wilson at noon to-day to discuss conditions.  
Lackawanna declines further conferences with its 20,000 coal miners who threaten to strike.  
Warburg agrees to meet Senate Committee on Banking, according to Senator Hitchcock.

Dodge Brothers, Detroit auto manufacturers, to build \$1,000,000 addition to plants.  
Paris, July 29.—The financial situation here is critical. There are other growing fears of big difficulties at the end of the month. As banks and private bankers are unable to borrow or sell stocks on foreign exchange to meet maturing obligations. Political situation is unchanged.

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### REGULAR DIVIDEND.

New York, July 29.—Regular dividend Liggett and Myers Tobacco Company of 2 per cent. on common stock was declared to-day, payable September 1 to stock record August 15.

## MORE FAILURES IN 1913

Largest Increase Noted in the Western Provinces. Few in N. B. and P. E. I.

There were 520 more failures in Canada in 1913 than in the preceding year. The largest increase was in the West, especially in Saskatchewan, while the Maritime showed only 13 more failures than last year, as the following table would indicate.

	1912.	1913.
Ontario	363	409
Quebec	488	501
New Brunswick	50	45
Nova Scotia	45	65
P. E. I.	7	4
Manitoba	96	204
Alberta	76	128
Saskatchewan	37	186
British Columbia	144	284

## MUST PAY HIS BROKERS

Court Would Not Accept Heinze's Defense that David Lamar Had Indulged in Misrepresentation.

New York, July 29.—Supreme Court Justice Ford handed down a decision yesterday holding that F. Augustus Heinze must pay the expense of a campaign in 1909 to acquire control of the Ohio Copper Co., of which he became president, and uphold transactions made on the curb in Heinze's behalf by David Lamar.

The suit tried before Justice Ford was brought by the former firm of Carpenter, Baggott & Co., against Heinze to be declared the owner of 15,000 shares of Ohio Copper stock, which Heinze deposited under an agreement to pay the amounts advanced by the brokers in his behalf.

Heinze not only refused to pay the amount due but set up a counter claim to recover all the money he had paid to the brokers previously on the ground that Lamar had made false representations concerning the transactions. The court gives judgment for the brokers, and dismisses Heinze's counter claims.

### BANK OF HAMILTON.

Bank of Hamilton has declared the regular quarterly dividend of 3 per cent., payable September 1st to shareholders of record August 23rd. Transfer books will be closed from August 24th to 31st, both days inclusive.

### FAILURES IN LONDON.

London, July 29.—Failures have been announced of brokerage house of Leaver May and Company, Bowler and Company, stock exchange dealers; Elser and Company, brokers, and Clement Theodore Alers Hans.

### BORROWERS PAY 16 P.C.

New York, July 29.—A cable to a New York banking house says that yesterday in Amsterdam borrowers were paying 16 per cent. for money and that to-day funds were not available at any rate.

## MONTREAL EXCHANGE TEMPORARILY CLOSED

(Continued from Page 1.)

Under any support that may be necessary in the present emergency.

While nothing definite is known as yet respecting what may take place to-morrow, the probabilities are that there will be no board on Thursday, either in the morning or in the afternoon. The consensus of opinion is that it would be preferable to keep the doors closed until after some definite conclusion has been reached respecting the final outcome of peace or war.

### Better Feeling Developed.

Later in the afternoon a better feeling developed on the Street as the result of more reassuring cables from abroad, and the possibility of opening to-morrow was canvassed in various quarters.

No further official action was, however, taken, and the committee of the Montreal Exchange, it is said, now contemplates no further meeting until a quarter to ten o'clock to-morrow morning.

The probabilities are that there will be no local board until the European Bourses resume business, it being particularly desirable that Canadian securities should not be unloaded in excessive volume on Exchanges in the Dominion, where they might not, at the moment, meet with the ready absorption that would undoubtedly be shown at another time.

### Margins Were Well Met.

So far as could be gleaned by cursory enquiries in the Street, there have not been any large demand for further margins. Where these have become necessary in the main they have been well met.

It is stated on the best authority that all the brokerage houses in Montreal are in excellent shape to meet any exigencies that may arise.

The rumors which have been current on the Street to the effect that a few firms were in an unsound financial condition are unfounded, remarked Mr. John Pitblado, the secretary-treasurer of the Montreal Exchange. "I personally investigated one rumor to this effect last week and learned that the firm in question was not only secure, but in a position to assist others should emergency arise."

### Sir Henry Still Optimistic.

Sir Henry Pellatt is still the unfailing optimist. Apropos of the developments of yesterday, he says: "Prices are down where they have never been for years, and as the pressure comes from the banks for margins, and the clients cannot respond, constant selling and liquidation of the best securities results. At a time like this the investors are away on their holidays."

"When things are so uncertain and war scares are prevalent, investors are few and far between, and thus this constant pressure on the market of margin stock draws the market down, which drags in others and so it goes. It is a shame that securities are being sacrificed, the way they are, and there is only one way to stop it, and that is for the banks to be content to carry the stocks until such time as affairs right themselves."

"Sacrificing of securities unduly means ruination to all sorts of all good people and besides it would be serious to everybody, and would revert on the general business condition of the country."

"I think the banks will come together and look upon everything from a sensible point of view. There is nothing wrong with the securities, all are selling far below their value, and it is nothing but pressure and fright that is causing the trouble."

## C.P.R. BRINGS FISCAL YEAR TO A CLOSE

Net Earnings Were Almost Four Million Dollars Less Than in Preceding Year

### OPERATING COSTS DOWN

Earnings in June Showed a Considerable Improvement Over Those For the Month of May—Record of Stock Fluctuations For Eight Years.

With the month of June the Canadian Pacific Railway Company has brought its fiscal year to a close and operating figures covering that period are now available.

Both the gross and net earnings in 1913-14 are very materially less than they were in 1912-13, but so great were the economies effected in the management of the line that the latter show a much less decline than the former. While the gross decrease amounted to \$9,580,876, the net decrease aggregated \$3,819,947.

Statement of earnings and expenses, for the month of June and for the year to date compare as follows:—

	1914.	1913.	Decrease.
Gross earnings	\$10,054,241.06	\$11,674,430.42	\$1,620,009.36
Working expenses	6,718,796.16	8,046,675.84	1,327,879.68
Net profits	\$3,335,444.90	\$3,627,754.58	\$292,309.68
Gross earnings from July 1	\$129,814,823.83	\$139,395,699.98	\$9,580,876.15
Net profits from July 1	\$42,425,927.68	\$41,245,874.15	\$3,819,947.47

A comparison of the gross and net earnings by months throughout the past year is as follows:—

	1913-14	1912-13	1911-12	1910-11	1909-10	1908-09	1907-08
July	\$11,993,062	\$12,052,398	\$4,116,793	\$4,448,177	\$11,434,459	\$12,251,715	\$3,961,139
Aug.	11,434,459	12,251,715	3,961,139	4,717,925	12,157,082	11,579,734	4,415,579
Sept.	12,157,082	11,579,734	4,415,579	4,250,305	14,480,216	18,060,398	5,602,858
Oct.	14,480,216	18,060,398	5,602,858	5,060,887	13,407,015	12,862,666	4,888,246
Nov.	13,407,015	12,862,666	4,888,246	4,258,139	11,814,325	12,219,278	4,226,822
Dec.	11,814,325	12,219,278	4,226,822	4,395,719	7,916,216	9,679,607	1,000,174
Jan.	7,916,216	9,679,607	1,000,174	1,662,373	7,594,172	9,747,685	1,491,576
Feb.	7,594,172	9,747,685	1,491,576	2,520,069	9,447,461	11,111,892	3,099,239
March	9,447,461	11,111,892	3,099,239	3,855,417	9,720,461	11,750,913	3,344,865
April	9,720,461	11,750,913	3,344,865	3,945,077	9,795,928	11,904,979	2,963,011
May	9,795,928	11,904,979	2,963,011	3,594,022	10,084,421	11,674,430	3,335,424
June	10,084,421	11,674,430	3,335,424	3,627,754	129,814,823	139,395,699	42,425,927

The stock has ranged as follows during the past eight years:—

	1907	1908	1909	1910	1911	1912	1913	1914
Com. Com. Com. Com. Com. Com. Com. Com. Com.	195½	180½	189½	202½	247½	283	266½	219½
High	138	149	165	176½	195	226½	204	171½
Low	138	149	165	176½	195	226½	204	171½

## BUSINESS AT LONDON PRACTICALLY SUSPENDED

London, July 29.—Difficulties of arranging the settlement added to nervousness over European international situation resulted practically in suspension of operations on the London Exchange, dealers refusing to make prices and transactions being a result of individual negotiations. Such sales as occurred in American were at prices not much under Tuesday's New York closing level, except in the case of Southern Pacific which was weak on continental selling.

As expected the settlement pay day brought a number of failures, but that difficulty being of the day only, it was expected that unless a change for the worse occurred in political affairs the market would improve before the end of the week.

## MONEY AND EXCHANGE

New York—Foreign exchange market opened with purely nominal rates for sterling and none at all for francs and marks. Demand was quoted at 4.93 at 95 and cables at 4.98 at 5.00. Even at latter figure it is said to be impossible to govern orders.

### SENTIMENT MORE HOPEFUL.

New York, July 29.—R. M. Bauer is in receipt of a cable from Berlin as follows: "The North German Gazette (a semi-official organ), in an editorial, says: 'The Russian note is satisfactory and there seems to be a reason to believe that international complications will be avoided. Sentiment is more hopeful.'"

### REGULAR DIVIDEND.

Akron, Ohio, July 29.—B. F. Goodrich & Company declared regular quarterly dividend of 1½ per cent on preferred stock, payable October 1 to stock record September 18.

### LONDON FAILURE.

London, July 29.—Herbert S. Stoneham and Company suspended. The firm is an old stock exchange brokerage house and a considerable liability is involved.

### WAR DEMONSTRATION IN MOSCOW.

St. Petersburg, July 29.—It was announced that a modified form of martial law had been established at Yalta in the Crimea. This is the city where the Royal family spends part of the summer every year. War demonstrations continue here, in Moscow and other large cities.

### ADVANCE IN DISCOUNT RATES.

New York, July 29.—Local bankers look for an advance in the discount rates of the Bank of England and Bank of France to-morrow, owing to the unfavorable political developments.

### BORDEN'S CONDENSED MILK CO.

New York, July 29.—Borden's Condensed Milk Co. declared semi-annual dividend of 2 per cent. on its common stock, payable Aug. 15, to stock of record Aug. 5.

## RUBBER CO'S BIG GAINS

Goodrich Profits for the First Half of the Year Amounted to the Sum of \$2,651,276.

New York, July 29.—The B. F. Goodrich Company, manufacturers of rubber goods, with principal offices at Akron, Ohio, reports for the first six months of 1914, net profits of \$2,651,276, after making allowances for maintenance, depreciation bad debts and all known outstanding liabilities.

The net profits added to the surplus carried over December 31, 1913, according to the statement, show undivided profits of \$2,307,260, after deducting the regular April and July dividends on the preferred stock. From this the company has appropriated an amount sufficient to retire \$900,000 par value of preferred stock. The amount of quick assets over current liabilities shows a gain of approximately \$1,628,507 for the period.

## The Meat in the War Situation.

(Wall Street Journal.)

Traders in general are shrewd thinkers, as comment about the tickers in brokerage houses illustrates. The following conversation is typical:

First Trader—"Well, I guess this European war has a lot to do with the rotten market, don't you think, Mr. Wholes?"

Second Trader—"Y-e-s-s-s-s. Still the market is not doing as badly as it did in London."

Third Trader—"Oh! The London market don't mean as much as it used to, anyway."

Second Trader—"Well, it has to be considered."

First Trader—"It certainly will be had if all of Europe gets into the war."

Chorus—"You bet."

First Trader—"It will mean a lot of bloodshed and money gone, I want to tell you."

Chorus—"It certainly will."

Second Trader—"I guess England will be in it if she sticks to this here Triple Intent."

Chorus—"Sure, she'll have to."

Third Trader—"Well, Germany will be glad to go after England, you can bet on that."

Fourth Trader, who has just come into the office at—"Say, vat did the Interstate Commerce Commission do dis morning. Do ve get de decision to-day, ney?"

The group promptly with much disgust breaks up.

## GREAT WAR WILL INCREASE PRESTIGE OF U.S.

Washington, July 29.—United States Government believes the possibility that all Europe will be drawn into vortex of Austro-Serbian war and little anxiety is felt as to its effect upon this nation. Heavy exports of gold will not affect financial status of the nation, it was said. The drain hardly will be felt by industries of United States. It is recognized, however, that increased demand for American foodstuffs will have strong tendency to stiffen prices here and to the consumer of lower prices which bumper harvests seem to promise.

Opinion is held in administration circles that great war will increase the prestige of United States.

### NEW YORK EXPULSION.

New York, July 29.—Announcement of expulsion of a Stock Exchange member is expected after the close of the market to-day.

## NEW YORK STOCKS

	Open.	High.	Low.	Close.
Atchafalpa	91	94½	90½	94
Anacostia	25	27½	25	27½
Smelters	57	60½	57	60½
Amal. Copper	56	59½	55½	58½
Am. Tel. & Tel.	117	118½	117	117½
R. R. T.	85½	87½	84½	87
Balto. & Ohio	73	75½	72½	75½
N. Y. Central	80½	83½	80½	82½
Ches. & Ohio	42	44½	42	43½
C. P. R.	162	165½	160	165½
Del. & Hudson	145½	148½	144½	145
Erie	21	23½	20½	22½
Great Northern	114½	118½	113	117½
Chicago Great Western	11	11½	11	11½
M. & K. T.	11½	11½	11	11
Louis. & Nashville	128½	130½	128½	129½
Lehigh Valley	130	131	129	130½
Soo	112½	115½	112	114
Nor. & Western	101½	102½	101	102
Nor. Pacific	109½	109½	109	109½
New Haven	51½	53½	51½	53
Penna.	107	108½	107	108½
Reading	152½	155½	150½	154½
Sou. Pacific	86½	91	86½	91
Southern Ry.	17½	19	17½	18½
St. Paul	89½	92½	88½	92½
Union Pacific	117	121½	116½	120
U. S. Rubber	53½	55½	52	53½
U. S. Steel	54½	56½	54	56½
Do. Pfd.	107	108½	106½	108½
Westinghouse	72½	74½	72½	74
Western Union	55	57½	55	56½

## BOSTON CLOSE.

	Bid.	Asked.
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