

Journal of Commerce

Published Daily by The Journal of Commerce Publishing Company, Limited. 35-45 St. Alexander St., Montreal. Telephone Main 2662.

Journal of Commerce Offices: Toronto—O. A. Harper, 44-46 Lombard Street, Telephone Main 7099. New York Correspondent—C. M. Withington, 44 Broadway, Telephone 333 Broad.

MONTREAL, JULY 31, 1914.

Still Ground For Hope.

War on Serbia has been declared by Austria. Battles have already been fought. Belgrade, and a few days ago the capital of Serbia, is in the hands of the Austrians. To talk of peace in the presence of this actual war may seem absurd. Nevertheless, we cling to the hope that the war will be of short duration, that it will be confined to Austria and Serbia, and that humanity will be saved from the horrors of a general European war, the fear of which is today so seriously disturbing the whole world.

The Waste of War.

It now looks as if nothing could hold back Europe from a tremendous war, which in the number of men engaged, the destructiveness of the arms, the interference with commerce and the loss of life will dwarf into insignificance any previous conflicts in the history of the world. If the several great powers in Europe engage in a conflict it will mean that in the neighborhood of 20,000,000 men will be involved at a daily expenditure of upwards of \$54,000,000. The loss of life, the suffering, the interference with commerce and trade, the destruction of property and the thousand and one other evils emanating from war will paralyze Europe and set it back a hundred years.

The Dumps.

Austria's declaration of war against Serbia came at the moment when there were signs of gradual recovery from the business depression that has prevailed for so many months. For the moment the widespread financial collapse will put a check on all improvement. There is, however, room for hope that although war has been formally declared, actual hostilities, if not averted, may at least be localized. If the efforts of the peacemakers should outweigh those of the war-makers, we may still look for a moderate revival of business. The editor of the New York Financier, writing a few days ago of the situation in the United States, said:

Insurance Regulation.

While it seems perfectly clear that in Canada the Federal Government alone can, through Parliament, charter banks, and that Parliament alone, whether Provincial or Federal, can grant charters to railway, insurance and trust companies, it yet remains true that there is a considerable conflict of opinion as to the respective rights of the provinces and of the Dominion to charter corporations doing an interprovincial business.

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of opinion as to the respective rights of the provinces and of the Dominion to charter corporations doing an interprovincial business. It has yet to be proved that the Federal Parliament alone has the right to grant a charter to an insurance company which is carrying on business in the several provinces. In the United States, however, it has been definitely established that, under the constitution, the Federal Government has no right to pass a general law covering the insurance business. The Federal Government has the right under the constitution to regulate inter-state trade and commerce; but on several occasions it has been decided that insurance does not come under this nomenclature.

Thirty-five representative stocks listed on the Montreal Exchange declined \$185,000,000 in value during the past year. The bulk of this was furnished by Canadian Pacific Railway, which declined \$45,000,000 per share, entailing a market loss of nearly \$120,000,000. Despite this shrinkage, it is extremely unlikely that any of the companies affected will reduce their dividends. While the shrinkage entails losses on shareholders, it at the same time furnishes bargains to those with money and the courage to invest.

These Emperors, Kings, and their War Lords who are showing such a feverish desire to bring on Armageddon should be forced to go to the front and taste the effects of the war at first hand. More might be accomplished towards the establishment of universal peace by introducing trial by combat than by preaching disarmament. It is seldom found that the men who make war go to the front.

"A LITTLE NONSENSE NOW AND THEN"

The America may be a flyver instead of a flyer. It is hardly logical to say the least, for Austria to strike before Richard Harding Davis can get here. Personally we don't claim to know much about the ivory of Heaven, but we doubt if it includes a peck-to-bodice.

The Island of My Dream.

With the pipe smoke curling round me, And the log fire flickering low, My mind gives way to Fancy, And across the seas I go. Where the stately palm fronds flutter, And the cooling Trade Winds stream, Thro' the sweetly scented verdure, On the Island of my Dream.

CHARLES A. DANA'S "BEST POEMS."

In connection with your enquiry, "What is the best short poem in English?" it might be of interest to recall Charles A. Dana's selection, some twenty years ago, of the "ten best short poems."

FOOL AVIATION.

A stabilizer is said to have been perfected by an English inventor that will make soaring in an aeroplane reasonably safe. No invention, however, will make these flying machines fool-proof. A day or two prior to the disastrous collision between a plane and a dirigible near Vienna, the risk of breaking every bone in his body, it was possible for a man to shove 500 feet in the air. The exhibitors who cut figure eights and do other stunts in their aeroplanes to thrill crowds do not want stabilizers on their machines. Indeed, such safety attachments would make it impossible for the aerial thrillers to perform their thrills.

MONEY AND THE MECHANISM OF EXCHANGE.

The use of money and credit is so natural in the realm of modern industry that few pause to consider the essential functions of these media of exchange. We have left in the dim and distant past old methods and measures of exchange, and can scarcely realize the remarkable process of evolution through which we have secured our modern perfected instruments of exchange. Here and there, however, there are vestiges of the methods of other days.

THE BREAKDOWN OF BARTER.

Barter was abandoned because of the difficulty in finding two persons whose disposable possessions mutually suited each others wants. Recourse was had to some article of universal acceptance in the particular group in which exchange took place. Many articles have been used by mankind for this purpose. In the Book of Job we read: "Skin for skin, ye all that man hath will he give in exchange for his life." A statement that clearly implies that skins were taken as the representative of value among the various oriental nations. The Latin word for money is "pecunia," which is derived from "pecus," a herd. This also indicates that oxen and skins were used as media of exchange in the early history of the Roman race.

THE FUNCTIONS OF MONEY.

Stripping the functions of money of all extraneous considerations, they may be reduced to three: 1—Money functions as a medium of exchange. 2—Money functions as a standard of value; 3—Money functions as a standard of deferred payments.

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BANK OF MONTREAL. INCORPORATED BY ACT OF PARLIAMENT. CAPITAL Paid Up \$16,000,000.00. UNDIVIDED PROFITS \$1,098,968.40. Head Office - MONTREAL. BOARD OF DIRECTORS: H. V. MEREDITH, Esq., President. R. B. Angus, Esq., Hon. Robert Mackay, C. R. Hooper, Esq., H. R. Drummond, Esq., E. B. Greenhalgh, Esq., Sir Thos. Shaughnessy, K.C.V.O., A. Baumgarten, Esq., D Forbes Angus, Esq., Sir William Macdonald, David Morrison, Esq., C. E. Gordon, Esq., Wm. McMaster, Esq., A. D. BRAITHWAITE, Asst. Gen. Man. Bankers in Canada and London, England, for Dominion Government. BRANCHES at all important Cities and Towns in every Province in the Dominion of Canada. NEWFOUNDLAND: ST. JOHN'S, CURLING, GRAND FALLS. In GREAT BRITAIN: LONDON, 47 Threadneedle St., E.C. Sub-Agency, 9 Waterloo Place, Pall Mall, W. In the UNITED STATES: NEW YORK, R. Y., HEDDEN, W. A. Bldg., and T. Molnar, Agents, 61 Wall Street; CHICAGO, ILL.; SPOKANE, WASH. In MEXICO: MEXICO, D. F.

ESTABLISHED 1872 THE STANDARD BANK of Canada. 118 Branches throughout the Dominion. A general Banking Business transacted. Correspondence Invited.

ESTABLISHED 1872 BANK OF HAMILTON. Head Office: HAMILTON. Capital Authorized \$5,000,000. Capital Paid Up 3,000,000. Surplus 3,750,000.

ESTABLISHED 1854 THE METROPOLITAN BANK. Head Office: TORONTO. Capital Paid Up \$1,000,000.00. Reserve Fund 1,250,000.00. Undivided Profits 182,547.61. A GENERAL BANKING BUSINESS TRANSACTED.

THE BANK OF ENGLAND. Employes of the Bank of England recently enjoyed a holiday in celebration of the 210th birthday of the world's greatest banking institution. "The Old Lady of Threadneedle street," as the famous old bank is properly called, was projected by William Paterson, a Scotchman, and was incorporated July 27, 1694. It was constituted as a joint stock association, with a capital of \$6,000,000. In return for the loan of its entire capital to the government, it received the right to issue notes and a monopoly of corporate banking in England. It was not until early in the nineteenth century that this monopoly was broken down. In its early days the Bank of England was a servant to the government; and in a lesser or greater degree it has enjoyed this character through all the stages of its subsequent history. At first the charter of the bank was for eleven years only; but in consequence of the great services of the institution to the government, its charter has been at various times renewed. Every one knows that the Bank of England possesses many privileges, such as issuing bank notes and acting as the agent of the government in the matter of the national debt. But few are aware that it has the power of selling beer without a license. This privilege was allowed the bank by charter of incorporation under the great seal, dated July 27, 1694, and the bank, if it liked, could open a public house in Threadneedle street, or could send its drays around and deliver its beer.—Exchange.

LARGEST SHIPMENT A New York, July 31.—American Line sailed for Europe this morning, an amount of gold ever taken from any for a single shipment. Total value \$11,025,000, or more than \$1,000,000 high record for a gold shipment.

ONE CONCERN HANDLING New York, July 31.—German Air line stated this morning that it was handling cables for Berlin. A censorship has been ordered, and is expected as usual.

BROKERS SURF AT MARGIN. Traders Have Surpassed Their Auction. WAR PROSPECTS. No Business Done in Any of But These are Thronged, By Anxious Enquirers. Nothing was discussed on the case in banking circles for the the terrible conflict that Europe. Ordinarily, when the Exchange on account of holidays at home, tomer's rooms in the various entirely deserted. It seemed strange to-day, on dering from one brokerage office, while filled with animals still doing no business. The voice of the ticker was telegraph instruments gave for tracted intervals (when they v ation to transmit a brief item the boards, usually adorned b setting forth the price fluctua mained entirely void of quotati

ENGLISH AND FRENCH WITHDREW FUN. Prior to That Berlin Was Most of any of the Premier Eu Markets. Berlin, July 31.—It was a fore Reischbank Bank would immo ample of English and French ce vance its official rate of discom per cent, was in force since Feb The bank had raised its rate to ember of 1912 on the outbreak and continued it till October, 19 5 per cent on February 5 last. Before the present war cloud Berlin was the most comfortably the premier European money ma Reischbank bank's great accum the widespread contraction of tr many. With the commencement of ket has been placed under a sever result of domestic factors suc banks and a propensity to hoard and English bankers have withdr a wholesale scale.

SUSPENSION OF BAN New York, July 31.—It is report that the British Bank Act of 1844 No press dispatches to this effect ed. If the report is true, it mean England will practically suspen and that it will have authority to out the usual gold backing. Hou ceived this information interpret Germany that England is prepari treme in event of war. Bank of E inary authorization from ministy Bank Act, which must be subsequ Act of Parliament.

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