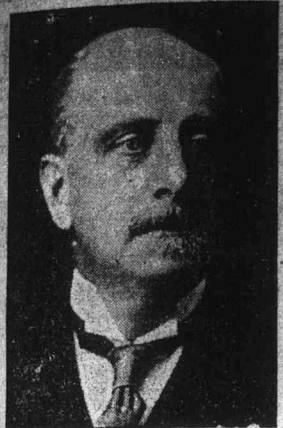


Minister of Finance and the Bankers Chosen to Advise Him in Regard to the Issuing of Dominion Notes.



E. L. PEASE. Pease is Vice-President and General Manager of the Royal Bank of Canada.



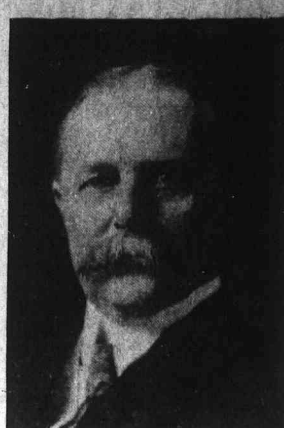
D. R. WILKIE. Mr. Wilkie is President and General Manager of the Imperial Bank.



HON. W. T. WHITE. Mr. White is Finance Minister of the Dominion of Canada.



SIR FREDERICK WILLIAMS-TAYLOR. Sir Frederick Williams-Taylor is General Manager of the Bank of Montreal.



H. B. WALKER. Mr. Walker is Manager of the Montreal branch of the Canadian Bank of Commerce.

UTILITY PROJECTS AFFECTED BY WAR

Companies Will Require to Conserve All Earnings Now Foreign Investments Have Ceased

WORK WILL BE CURTAILED

California Hydro-Electric Development Attracts English, French and Dutch Capital—How to Raise Funds Will be a Problem.

New York, August 10.—Stoppage of all capital investment from foreign sources by the war is certain to have a marked effect on the development of a number of public utility propositions now under way or in operation in this country, as well as in Canada and Mexico.

It is probable that the two largest projects in the utility line now under way in this country which have been financed almost entirely abroad, are the Alabama Traction, Light & Power Company in Alabama and the Southern Aluminum Co. in North Carolina. The Alabama Traction, Light & Power Co. financed by English capital, is fortunate in that it is now practically completed and is in no present need of new capital. This company has completed a 15,000 horse-power steam plant at Gadsden and a 70,000 horse-power hydro-electric plant on the Coosa river. The company will supply current to the entire Birmingham district and is now delivering power to Birmingham and also to several towns in which utilities it controls operate. About the only effect the war will have on its affairs will be to delay important new development work, which it had planned to undertake. It owns a number of hydro-electric sites in Alabama and also controls the Muscle Shoals site on the Tennessee river, where a plant larger than the Coosa river plant may be built.

The Southern Aluminum Co., financed by Paris bankers, is erecting a large hydro-electric plant and an aluminum reduction plant on the Yalagin river in North Carolina. About two years ago the foreign bankers took over the old Whitney hydro-electric project which collapsed after the 1907 panic and the present work is carrying out the development of power on the Yalagin as then planned. It is understood that the company had considerable of its financing done previous to the outbreak of war.

California probably will be hard hit by foreign developments and the withdrawal of foreign capital. Several large projects in that state have been almost entirely financed by French, English and Swiss capital and there are several financial reorganizations which have been carried out on foreign capital. The reorganization of the San Francisco-Oakland Terminal Railway is largely contingent upon furnishing of capital by English bankers and the other projects which involved in the F. M. Smith middle also are depending upon foreign capital.

Norfolk Consolidated is another California project, which was to have been put on its feet by English money. A number of California hydro-electric and electric railway corporations have in the past found a good market for their bonds in England and France, but this avenue is now closed to them. The greater part of the capital used in the development of the Illinois Traction Co. and Western Railway & Light Co. came indirectly from English sources being largely supplied by the Sun Life interests of Canada. The war doubtless will have quite an effect on new construction by these companies as they have relied on English and Canadian capital to a large extent in the past.

For the last two years Cities Service Company has financed its operations by raising money in England and the result of the closing of this avenue was seen in the deferring of dividends on the stocks of the company and the announcement that the earnings of the subsidiary properties would, for a time at least, be reserved for their capital requirements until conditions became such that new capital might again be available for improvements and extensions.

The list given a few days ago of companies the securities of which are listed on the London Stock Exchange, included but a small part of the American utilities which have gone abroad for capital. It is probable that there are more than a hundred well known utility corporations which have depended to a greater or less extent upon the sale of securities in England, France, Holland or Switzerland for new capital. Leading houses, operating many utility properties, have for some time maintained branch offices in those countries for the sale of their securities and millions of dollars of them have been sold.

In addition English capital has gone largely into the development of the large power companies on the St. Lawrence, the street railways in Montreal, Toronto and other Canadian cities, the Mexican Northern Power Co., the Mexican Light & Power Co., the Mexico Tramways Co., and other utilities in Mexico, the Cuban Telephone Co., the Porto Rico Railway, the Havana Electric Railway, Light & Power Co., the Brazilian Traction, Light & Power Co., and a number of other light, power and railway properties in South America.

Just how these concerns will raise money under present circumstances is a problem. They will require large amounts and especially will the Mexican and South American properties be in need of new capital. It is probable that for some time at least these companies will have to depend almost entirely on earnings for money for new construction, improvements, renewals and other requirements.

SENTIMENT AT TORONTO IS MODERATELY CHEERFUL

Insistent Demand for Food Commodities Was the Only Evidence of Unsettled During the Past Exciting Week.

(Special to Journal of Commerce.)

Toronto, August 10.—More gold imports from New York were announced by local bankers to-day. The withdrawals of gold reported do not, however, represent all of the engagements made on behalf of the domestic banking institutions. Some Canadian banks which have avoided bringing actual gold here are having it held for them in New York. The actual withdrawal will be made only in case of an emergency. These transactions do not figure in the total of imports which are estimated at \$8,500,000 since the war began.

Business remains very dull. The mad rush on the part of a section of the community to buy up staple provisions in preparation for what was expected to be a war famine has now subsided. This insistent demand for flour, sugar, tea and other commodities was the only real evidence of unsettlement seen during the past exciting week. Beyond the movement of savings, generally by the ignorant or foreign element, to the postoffice savings bank or to private depositors there has been absolutely no development in the banking situation.

The committee of the Stock Exchange are continuing their daily meetings, but the duration of these gatherings is growing daily shorter as the amount of business to be transacted decreases. Sentiment continues moderately cheerful.

MILLION SHARE DAYS

The record number of one, two and three million share days on the New York Stock Exchange since 1897 follows:

Year.	One	Two	Three	Year.	One	Two	Three
1914	2	0	0	1904	52	4	0
1913	0	0	0	1903	12	0	0
1912	5	0	0	1902	41	0	0
1911	12	0	0	1901	83	11	2
1910	24	0	0	1900	23	0	0
1909	51	0	0	1899	28	0	0
1908	41	0	0	1898	0	0	0
1907	44	3	0	1897	0	0	0
1906	114	4	0	Total	635	22	2
1905	105	0	0				

The number of months in the year in which the daily average exceeded one million shares are as follows:

Year.	Number of months.	Year.	Number of months.
1914	0	1904	3
1913	0	1903	0
1912	0	1902	1
1911	0	1901	5
1910	0	1900	0
1909	0	1899	0
1908	1	1898	0
1907	1	1897	0
1906	3	Total	19
1905	5		

The highest daily average sales for one month was April, 1901, the daily average being 1,813,873 shares.

QUARANTINE AGAINST CHOLERA.

Vienna, August 10, via London.—The Austrian government to-day established a strict quarantine against cholera here. The disease is raging among both Austrian and Serbian troops. None of the wounded will be brought here.

R. B. BENNETT, M.P., WANTS TO SERVE.

Ottawa, Ont., August 10.—R. B. Bennett, M.P. for Calgary, who has offered to raise upwards of two hundred infantry in that city, is here, anxious to go into military service. He is not a military man, but nevertheless ready for service. "They might send me as a paymaster," he said. "It is believed that Mr. Bennett's companies will be merged with the Hamilton Gault regiment of Montreal."

SERBIA ASSUMES AGGRESSIVE.

Paris, August 10.—The Serbian advanced troops have arrived before Visegrad in Bosnia, a province of Austria, according to advices received this afternoon. The Austrian troops fell back to Visegrad when they quit the Serbian frontier after losing two officers and two men killed. The Serbian advance to Visegrad shows conclusively that King Peter's army has assumed the aggressive against Austria.

THIRTY-DAY EXTENSION.

New York, August 10.—The attorneys for the New Haven have asked for and obtained a 30-day extension of time in which to answer the suit instituted by Jos. P. Lauber for an accounting from the present board of the New Haven directors. The answer must now be filed on or before September 2nd.

CHINO COPPER CO.

Deming, New Mex., August 10.—Chino Copper Company is laying off its night shift at the mine. Mill is operating four sections five days a week. Production has been curtailed to between 2,750,000 and 2,000,000 pounds.

New York bankers agree to lend south \$400,000,000 to help cotton planters.

Conference of shipping men and exchange bankers called by Secretary McAdoo, August 14th.

PROVIDE SKILLED ELECTRICAL OPERATIVES FOR WAR SERVICE

Patriotic Offer Made by the Canadian General Electric Company Has Been Much Appreciated by the Authorities at Ottawa.

Much appreciation has been expressed of the offer made by Mr. Frederic Nicholls, president of the Canadian General Electric Company, to supply the services of, and provide the equipment for, skilled and mechanical electrical operations.

The following is a copy of the telegram to Sir R. L. Borden:

"Toronto, August 6th, 1914.  
"The Right Honorable  
Sir Robert L. Borden,  
Prime Minister, Ottawa, Ont.  
"The Board of Directors of the Canadian General Electric Company, after full consideration, and having regard to the present serious war situation, have resolved to submit to your Government an offer to raise, equip, and pay the salaries of a company of twenty-five skilled electrical and mechanical operatives who would be available for service in any part of the Dominion, and he under the control of the Minister of Militia as part of the Canadian forces. Probably their services could best be utilized in the erection, repair and maintenance of wireless telegraph stations, cable stations, bridges, transport vehicles, artillery, etc."

(Signed),  
FREDERIC NICHOLLS,  
"President."

A prompt reply was received in the following terms:  
"Ottawa, Ont., Aug. 6th, 1914.  
"Frederic Nicholls,  
President, Canadian Gen. Elec. Co.,  
Toronto, Ontario.  
"The Government of Canada warmly appreciate the patriotic offer of the Canadian General Electric Company embodied in your telegram just received, and send their sincere thanks. Your telegram has been submitted to the Minister of Militia, who will communicate with you thereon."

(Signed),  
R. L. BORDEN."

MOUNTAIN COPPER CO.

San Francisco, August 10.—Mountain Copper Company, an English corporation, has closed its smelter at Martinez on account of war.

NEW YORK EXCHANGE CALLS SPECIAL MEETING

New York, August 10.—A special meeting of governing committee of the Stock Exchange has been called for Wednesday, August 12, for purpose of considering the matter of a contract between the Exchange and one of the telegraph companies.

REMITTANCES TO SWITZERLAND.

New York, August 10.—The National City Bank announces that it is prepared to make remittances to Switzerland on deposits of gold at the National City Bank, which will be paid out in the form of Swiss bank notes by the Swiss National Bank.

LITTLE BUSINESS DONE IN FOREIGN EXCHANGE

Still Great Difficulty Experienced in Realizing Upon Credits Resulting from Merchants Exports.

New York, August 10.—Although attempts are being made to do business in the foreign exchange market, and some transactions have actually been carried through in the purchase of grain bills, etc., there is still great difficulty experienced in realizing upon credits resulting from merchandise exports.

This is generally the case on the Continent and some instances in London as well. Little difficulty is being met with as regards letters of credit for small amounts, but trouble arises when large amounts are involved.

European bankers are still holding on to funds as much as possible.

FIRE DID \$20,000 DAMAGE

(Special Correspondence.)  
Medicine Hat, Alta., August 10.—A fire at Carlsbad which destroyed several buildings, including the telephone office, was stopped only after it had done damage amounting to \$20,000, broke out early this morning.

C. P. R. IN AUGUST.

New York, August 10.—The Canadian Pacific for the first week in August showed a gross decrease of \$345,000.

OHIO COPPER CO

Salt Lake, Utah, August 10.—Ohio Copper Company to-day filed suit here in Federal Court against Bingham Central Railroad (Heinz's road), to recover \$123,027 alleged to have been wrongfully charged against Ohio Copper since hauling contract became effective 1908.

BRITAIN TO RAISE ANOTHER HUNDRED THOUSAND.

London, August 10.—Premier Asquith announced in the House of Commons this afternoon that Lord Kitchener, the Minister of War, has directed the raising of another volunteer army of 100,000 men.

SMALL DENOMINATION NOTES ISSUED BY BANK OF ENGLAND

With Passage of Bank Charter Act in 1844 It Was Supposed That Commercial Crisis and Monetary Panics Had Passed For Ever.

Prior to the monetary panic of 1825 the Bank of England had on several occasions issued notes in denominations of less than five pounds. In the latter part of the 18th century the bank issued £1 and £2 notes, and to further supply the demand for small currency imported a large number of Spanish dollars which were current at 4s. 6d. about 1d. more than their current market value. By 1824 the Bank of England had anticipated the suppression of the £1 notes by accumulating bullion to the amount of £14,200,000. A change in the government policy made it unnecessary for the bank to use the large volume of gold to support expected losses when the small notes were suppressed, but general panic conditions caused the amount to shrink to £1,260,890 within two years.

In the latter part of 1825 the Bank of England issued another 500,000 £1 notes which had been held in reserve for a previous authorization, and when these notes were sent throughout the country the panic was allayed. Some of the British ministers then thought that the small notes should be withdrawn and a metallic currency substituted, and the Ministry prohibited any more stamps being issued to country banks for £1 and £2 notes. A motion to continue the small notes of the Bank of England was defeated.

The Bank of England passed through the monetary panic of 1838-39 without issuing any more notes of small denomination, although severe drains were made on the bank's bullion. The Bank Charter act was passed in 1844, and it was supposed that commercial crises and monetary panics had been ended forever. The act placed an absolute limit on the discretion of the bank in issuing notes. Neither were any small notes issued in the panic of 1847.

In the monetary panic of 1857 and 1858, the latter being the last large one in England, and in the crisis of 1890, the Bank of England was authorized to extend its note issues, but they were of normal denominations.

"GERMANY'S FUTURE LIES ON THE WATER"

(Continued from Page 1.)

not oppose a new formation in which Austria shall have no part. Furthermore, the Emperor will recognize the closer federation which the King of Prussia shall establish north of the Main, and will permit the formation of a federation of the States south of the Main; the relations of the southern federation to the northern band to be regulated later by mutual agreements between them."

The northern federation at first consisted of twenty-two States, all the States north of the Main except the Kingdom of Hanover and Saxony, and the Duchies of Kur-Hesse, Hesse-Darmstadt, and Luxembourg. The southern confederacy was never formed, but Prussia entered into an offensive and defensive alliance with the Southern States, whereby there was to be united military action and the armies of the south were to be trained according to the Prussian model. That early military organization is the present basis of the German Army.

The agreement for united action in the event of war was soon put to the test. War broke out with France, and the northern and southern armies entered the field side by side. The southern States came to the conclusion that an international relationship was no longer sufficient. The line of the Main, created politically by the formation of the North German Federation in 1866 disappeared politically by the entry of the south German States into the confederation in 1870.

There were three treaties made: first, an agreement between the northern federation and Baden and Hesse whereby a German confederation was formed and its constitution adopted. In the second treaty a similar agreement was made with Wurttemberg; and in the third an agreement with Bavaria. Bavaria retained for herself a membership of special privilege. The treaties were in form entries of the various States into the northern federation on condition of certain alterations in the federal constitution. The new union, which was only an extension of the old northern confederation, was given a new title—the German Empire; and the president, who continued to be the King of Prussia, was also given a new title, namely German Emperor.

The Empire remains what it was, a federation of States which guard, some of them with very great jealousy, the smallest remaining item of their independence. Besides the German parts of the Empire there are certain non-German elements—Prussian Poland, Schleswig-Holstein taken by force of arms from Denmark, and Alsace-Lorraine seized from France in 1870.

It is doubtful whether it has paid Germany to incorporate Alsace-Lorraine in the Empire. Granting that these were formerly German States, taken by force of arms by France, it yet remains true that they had been almost, if not quite, assimilated to France, and had absorbed French ideas and ideals. Their possession has made for standing armies and crushing military burdens; and finally has caused the breaking out of a war which will prove the most ruinous in the history of the world.

GENERAL ELECTRIC.

New York, August 10.—General Electric to-day declared regular quarterly dividend of 2 per cent., payable on October 15 to stock of record of August 29.

FEDERAL RESERVE BOARD INAUGURATED

Numbers Met at Call of Secretary of the Treasury McAdoo and Took Oath

CLASS C. DIRECTORS

Charles S. Hamlin, Formerly Assistant Secretary of the Treasury, Has Been Designated as Governor of the Board, and F. A. Delano as Vice-Governor.

Washington, August 10.—The new federal system was put into operation to-day.

The members of the Federal Reserve Board met at the call of Secretary of the Treasury McAdoo and took the oath of office.

The designation of Charles S. Hamlin, formerly assistant secretary of the treasury, as governor of the board, and of Frederick A. Delano, of Chicago, as vice-governor, completed the last preliminary to organization, and the members immediately entered on the task of putting the system at work.

One of the first duties of the new board was the appointment of class C directors as the directors of the 12 reserve districts had to be completed before actual operations could begin.

The other directors have been elected by the member banks.

GERMANS MASSACRE VILLAGERS.

Brussels, August 10.—Belgian War Office has issued a statement saying that all residents of the village of Solron (near Popin) were massacred by German troops, because three gardeners working in a field had fired on a detachment of 200 Germans stationed at a farm house where garden hands were employed. Officials statement says gardeners were first shot down and then all in the village were put to the sword.

Another official announcement says there has been no fighting around Liege, nor in the city itself to-day.

U. S. TO PRESERVE ABSOLUTE NEUTRALITY.

New York, August 10.—In an effort to preserve absolute neutrality, United States government to-day ordered the 30 knot torpedo destroyer Ammen to patrol Long Island Sound for any boats that might attempt to leave harbor with contraband cargo. This patrol is in addition to that of battleship Florida and torpedo boat Drayton, which are doing duty in lower bay.

GUSTAF V. MAKES APPEAL.

Copenhagen, August 10.—An appeal was made to-day to King Gustaf V. by the Swedish Peace Arbitration Association, that he initiate among the non-combatant European powers an unanimous request that President Wilson's mediation proposals be accepted by the nations now at war.

FRENCH LOSS SMALL.

Paris, August 10.—French losses in taking Altkirch from Germany were less than 100, according to official statement.

NO BANK STATEMENT DURING WAR.

Paris, August 10.—During the war there will be no statement issued as to financial condition of Bank of France.

TO FLY U. S. FLAG.

Boston, August 10.—There is a possibility, if Congress passes enabling legislation, permitting the registry of foreign steamers under the American flag that the United Fruit Company may put its 41 steamers with 190,000 tons gross under the United States flag.

All of these 41 steamers now owned by the United Fruit System, are under the British flag, very built in Belfast and are manned by British crews. They are owned here and except for the Elfers and 15 others contingent of about 14 steamers, they operate between the United States and Central American ports. United Fruit charters 45 to 60 steamers for fruit service outside of the 41 it owns. These are mostly Norwegian boats. They are under a neutral flag, have Norwegian crews, and are apparently fully protected.

SEIZED AEROPLANE FACTORY.

Paris, August 10.—A great aeroplane factory operated by a noted German manufacturer was seized by the French in the occupation of Muehauzen.

AUSTRIANS TO CO-OPERATE.

London, August 10.—Despatch from Bern, Switzerland, reports that 48 trains of Austrian troops have arrived at Leopoldshove, Baden, to co-operate with German forces.

TO PROTECT U. S. INTERESTS.

Washington, August 10.—United States battleship Maine was to-day ordered to remain at Gibraltar to protect American interests in Mediterranean.

U. S. TAKING NO CHANCES.

New York, August 10.—To prevent any messages other than those in strict accord with neutrality laws from being sent out, United States revenue cutter Calumet to-day made a tour of New York harbor and sealed up wireless rooms on 84 ships.

Between \$20,000,000 and \$25,000,000 is the estimate placed upon the annual revenues from bill-boards in the United States and Canada.