ES CHANGE IN LUMBER-CONDITIONS AFFECTING THERN DISTRICTS.

intinued from page 1

of our hinterland we are oing communities which ombining agriculture with logging to the mutual adge of both. The farmer a market for his produce; e logging camp and the ng operator has the benefit rural community which has nt interest with himself in ving the timber. The fire n of 1925 offers a striking of the beneficial results of combination. Although 197 were reported, 134 or sixtyper cent were held to an of less than 10 acres and amage done struck the lowevel since the wet season of facts that are all the more! rkable, when we consider! 1925 was throughout the nce generally, the most disus that our forests have In addition to ooles and jackpine ties the Bulkley and adjacent y- contain many excellent s of spruce which with the ways available for power ransportation must ultiattract the large pulp ins, if the fire demon can be in subjection.

ales of Crown Timber

hundred and eighty-three of crown timber were made embraced the following es and quantities:

ar, hemlock, spruce and n sawlogs, 10,000,000 f.b.m. ar poles, 3,120,000 lin. ft. e, hemlock and fir railroad 350,000 pieces.

estimated revenue from sales is placed at \$185,000. valty collections totalled

Export

ort from the district with ximate value of the at point of loading nation is shown

U.S.—Sawlogs: 3,985,1551 feet, valued at 854,854. poles: 1,228,265 lineal valued at \$171,957. Eastern Canada Sawlogs:

06 f.b.m., valued at \$8,656. ties: 695,745 pieces, at 390. Cedar poles and piling: 52 lineal feet, at 899,177. nl. 8751,334.

Conditions of Export

ar poles and hewn ties manufactured articles are ted without special permit. igs being raw material may be exported on permit from imister of lands. To assist on his decisions he this appointed a northern export ory committee headed by Hanson of Prince Rupert. is committee is fully acited with market conditions export is rarely approved there is a local demand for roduct, and a possibility of manufacture.

is brief synopsis of 1925 ities should be sufficient to; a healthy and growing er industry in the north. e who remember conditions cars ago can realise most the rapidity of growth. The er industry more than any is susceptible to seasonal nations but subject to these ature holds great promise. cularly in the field of pulp

opment. Cause of Falling Off

eduction of lumber during ear 1925 fell below average e Prince Rupert district, but was to some degree offset n increased trade in o the introduction of the arrying barge.

e Massett Timber Company tot resume operations. The any, under provincial regtion, is controlled by large nean interests and the failto operate was due ge in policy of the latter er than to local conditions. ations were resumed in the e Rupert sawmill, recently oyed by fire, and also in the at Queen Charlotte City, the er operating as the Prince rt Spruce Mills and the as the Sitka Spruce Mills. mills specialised in the proon of high grade lumber aeroplane stock as the ob-, where logs capable of ng out to the high standard) pecification were available. Georgetown sawmill at Big continued to be a producer gh class material. The sawat Swanson Bay was leased e Southern Alberta Lumber from the Liquidator of the

sed down.

IMMENSE PROFIT POSSIBILITIES IN HAMBURG 41/2% BONDS

In the year 1919 the City of Hamburg (Germany), floated a loan. This loan was known as the Hamburg 41/2% State Loan of 1919-Series B-the Bonds forming part of this loan are the securities which possess possibilities of earning profits up to 32,000% on the capital amount invested today.

Hamburg 41/2% Bonds represent a direct obligation of the City of Hamburg just as City of Montreal Bonds or City of Winnipeg Bonds represent a direct obligation of the City of Montreal or the City of Winnipeg. In Germany, City of Hamburg Bonds are legal investments for trust funds and savings

bank; in short: the prime type of security. Canadian Municipal or City Bonds are payable, that is, they are bought, sold and redeemed with Canadian Money: likewise German Municipal or City Bonds are payable in German Money i.e., marks. The Paper Mark, or what is known as such, having no value, it might be thought that the Bonds which are payable in that money or currency are also without value. It is not so, however, Hamburg 41/2% Bonds are not only worth hundreds of dollars in cold cash today, but they will be worth much more in the future.

We can best judge by comparison. Take for example: City of Toronto Bonds, a \$100 City of Toronto Bond today is worth \$100.00, perhaps more, in Canadian Money; Canadian Money consists of Notes issued by the Canadian Government: every \$1.00 Note is theoretically worth \$1.00 in Gold. Supposing, however, the Canadian Government was to print many millions of Dollar Bills without at the same time increasing the Gold Reserve; it is obvious that if there was no real demand for the new Currency Notes or Dollar Bills, there would be no means of securing the necessary Gold Reserve-what would happen? Simply this: those Notes or Bills which were already in circulation would lose some of their value since the newer Notes would share in the theoretical disbursement of what was in Reserve.

Inflation Defined-The process of issuing Currency Notes without adding to Gold Reserve is known as Inflation, i.e., the Money becomes inflated. To return to our supposition: if this process of inflation were continued for very long. Canadians would soon lose all sense of the actual Gold Value of their Currency and it would be found necessary to measure its value with the value of some Currency that was sound, i.e., worth its Face Value in Gold. During the Great War such a currency was the United States Dollar.

If the inflation process should continue until 1 Canadian Dollar (\$1.00) was worth only 25 Cents (\$0.25) in American Money and conversely | American Dollar (\$1.00) would be worth 4 Canadian Bills (\$4.00). it can thus be seen that a City of Toronto Bond of a Par or Face Value of \$1.00 could be bought for 25 American Dollars (\$25.00).

If we will further suppose that a period of a few years clapses between the date on which it would take 100 American Dollars (\$100.00) as well as 100 Canadian Dollars (\$100.00) to buy a \$100 City of Toronto Bond, and the date on which it required only 25 American Dollars (\$25.00), while it still required 100 Canadian Dollars (\$100.00) to purchase the same Bond we will have a good idea of the situation in German Municipal Bonds today.

When the City of Toronto calls its Bonds for Redemption, which we suppose the City will do at the end of the two-year period, it is obvious that if the bond holders are offered Canadian Dollars that are worth only one-quarter (1/4) of their Face Value in Gold when the Bonds were issued, a great injustice will be done them. Moreover, it is extremely unlikely that the bondholders would accept depreciated Paper Money in payment of their charges on the City of Toronto.

Situation in Germany-That is just what happened in Germany after the Great War. Wealth invested in Government and Municipal securities was literally wiped almost out of existence by the Inflation of German Money. Our example of a City of Toronto Bond that supposedly loses three-quarters (%) of its Face Gold Value is almost farcical in comparison with the losses in Gold Values which took place in German Government and Municipal Bonds.

A classical indication of the extent of the Depreciation in Gold Values resultant upon the Inflation of German Money is furnished by the fact that 1000-Mark Bonds were never traded in alone: Bonds were dealt in that aggregated millions of Marks. A Bond transaction that involved \$238,000.00 would have attracted some attention before the War, yet in 1923, The Investment House of C. M. Cordasco & Company, sold many millions of Marks in German Government Bonds for a few tens of dollars before the War the same transactions would have involved millions of Dollars.

The greatest example of Currency Infla-

tion that the world has ever known, took

place in Germany during the years that followed the War. In fact, the Gold Value of the German Mark depreciated from January 1st, 1919, to November 29th, 1923, to such an extent that the Mark ceased to function as a Currency and it was necessary to introduce a new Currency.

New German Money-The new monetary unit is known as the Reichsmark or more commonly the Mark (this sameness of name has led to endless confusion), and it has today a Gold Value of 23.8 cents as had the old Mark prior to the War.

At the beginning of 1919, 1,000,000 Marks in German Currency had an approximate Gold Value of \$122,000.00, just prior to the adoption of the new monetary unit in November, 1923, the Gold Value of 1,000,000 Marks in German Currency was an infinitesimal fraction of a Centin fact, the depreciation had been so great that German Marks were traded in trillions. ene trillion (1,000,000,000,000) Marks having a Gold Value of about 24 Cents.

In spite of the tremendous decrease in the Gold Value of German Currency, German Government Bonds, State, Federal and Municipal issues retained considerable Gold Value in comparison. True enough, their Gold Value was ridiculous by comparison with normal Gold Values (German Government 5% Bonds worth \$238,000.00 before the Great War, could be bought for \$10.00 or less during the latter months of 1923), but nevertheless, the great faith of the bondholders that ultimately Gold Marks would be paid where Gold Marks had been received, kept prices up.

Prices of German Government Bonds reached their lowest levels at the height of the Inflation period. At that time (in the Fall of 1923). The Investment House of C. M. Cordasco & Company, strongly advised Canadian investors to buy selected German Government and Municipal Bonds.

The outlook at that time, however, was one of extreme gloom. All of Europe was in a chaotic condition. Inflation had been taking place in many countries. Confidence was at a low ebb, The problem of reparations was hanging fire over the heads of the German people. Many lost faith in the ultimate recovery of Europe to anything approaching pre-war conditions.

The Dawes-Young Plan-Then came the Dawes-Young Plan and the Financial Commissions; uncertainties were removed. The road to future prosperity was laid open. Confidence returned. Hope sprang anew in the breasts of the German people. They agreed to shoulder the Reparations burden. The wheels of industry began to turn once

Reflecting the new confidence in the future German Government and Municipal Bonds made spectacular rises. Many issues jumped hundreds of dollars overnight. The table following illustrates graphically the extent of the first great rise, and gives at the same time an indication of the extent of the previous declines:

All quotations per 1,000,000-Mark Unit Fall of 1921 Fall of 1923 Fall of1924 City of \$5,500.00 \$ 9.00 \$13,000.00 8,000.00 12.00 9,900.00 6,750.00 11.00 Coblenz 4s ... 5,000.00 Cologne 4s 7,250.00 18,000.00 13,000.00 Dresden 4s 9.75 13,000.00 essen 4s Frankfurt 4s 7,500.00 9.75 16,000.00 7,500.00 9.25 13,000.00 Leipsig 41/28 Munich 4s 7,250.00 19.00 23,000.00 7,500.00 12.50 Stuttgart 4s 15,000.00 Gov't. War Loans 5s 5,500.00 6.00 2,800.00

At what was believed to be the top of the first rise. The Investment House of C. M. Cordasco & Company advised its clients to sell their holdings of German Bonds and take their profits.

During the months that followed prices of German Government Bonds held steady around their recently reached levels. At that time the pressure of the Bondholders on the Government to have service resumed, i.e., payment of principal and interest (which had been temporarily suspended), on Federal, State and Municipal Bonds, began to be felt.

An election was only a few months off. Both political parties promised a careful sonsideration of the demands of the bondholders.

Revaluation Explained-When Germany had accepted the terms of the Dawes Plan, there was no provision made for the redemption of her own Government, State and Municipal obligations-thousands upon thousands had lost their fortunes during the Inflation period; their Bonds had become well-nigh worthless. The recovery of German industry and finance from the date of the acceptance of the Dawes Plan was so rapid, however, that her nationals perceived that there would be a surplus remaining after the Annuity Payments prescribed by the Dawes Plan and the demand for compensation from the Government on account of losses sustained through the depreciation

in the Gold Value of Government securities became incessant.

This compensation was necessarily partial. The Government could not afford to resume service on the full Gold Value of German Bonds. The measure of compen-Revaluation of War Loan Bonds meant 10% great improvement during the past months. of 1,000,000 Marks, each Mark worth 23.8 Cents or 10% of the total \$238,000.00 Revaluation rate applying on the estimated which would be \$23,800.00—in Germany. Gold Value of these Bonds—approximately of course, the Revaluation was expressed in \$122,000.00 per 1,000,000 Mark Unit, so many Gold Marks for so many Marks | every \$420.00 invested today will earn a Par Value of Bonds.

Party which had promised 15% Revaluation for every \$420.00 invested today. to bondholders came into power. It must be understood that 15% Revaluation meant | burg Bonds will be Redeemed at their northat the Government would pay Bondholders mal Gold Value or 100%, and the far-15% of the Gold Value of their holdings. sighted investor can accordingly expect that In the case of German Government 5% ultimately he will obtain the estimated Gold Bonds aggregating 1,000,000 Marks, men- Value of \$122,000.00 for every 1,000,000 tioned heretofore, which were worth \$238,- Marks Unit in City of Hamburg 41/2% 000.00 in 1914, 15% meant a Gold Value | Bonds or for every \$420.00 invested today. of 150,000 Gold Marks, or \$35,700.00.

The Revaluation Law-A few months after the election a Revaluation Bill was a million and a half and is steadily increassubmitted to the German Reichstag (Parlia- ing. The City of Hamburg is the greatest ment). This Bill promised only 5% Re- seaport in Germany. The City does not valuation and later the rate was still further rely solely upon its commerce and shipping reduced to 21/2%. On July 15th, the Bill for prosperity. It has its own industrial was made a law and the first step in the plans such as railroad shops, ship yards, iron way of honorable settlement of her national and boiler works, refineries, cotton mills, obligations was taken by Germany.

When it became known that only 21/2% of the Gold Value of German Government Bonds could be expected for the present, the market which had discounted (i.e., risen to or reflected) a much higher figure, fell sharply. The table below indicates the extent of the reaction:

All Quotations per 1,000,000-Mark Unit Fall of

\$13,000.00 \$ 7,500.00 9,000.00 Bremen 4s 4,000.00 Cobienz 4s 15,000.00 13,000.00 18,000.00 8,500.00 Cologne 4s 13,000.00 10,000.00 Dresden 4s 13,000.00 Essen 4s 9,500.00 Frankfurt 4s 16,000.00 9,000.00 13,000.00 8,500.00 Leipsig 41/28 Munich 4s 23,000.00 13,000.00 15,000.00 9,500.00 Stuttgart 4s

Government War Loans 5s 2,800.00 A secondary reaction followed and prices moved still lower. Just prior to and immediately after the Locarno Conference, however, a vigorous recovery set in and all issues are moving into higher ground.

During the course of the events depicted above Hamburg 41/2% Bonds of 1919 followed the course of the market. As the Loan was issued in 1919 when 1,000,000 Marks had a Gold Value of approximately \$122,000.00 City of Hamburg 41/2% Bonds aggregating (i.e., denominations making up) a Unit of 1,000,000 Marks had a Gold Value of approximately \$122,000.00. In the Fall of 1923, however, the aforementioned Unit had fallen to \$6.50, and at the time of the first rise, reached \$1,500.00. Today a 1,000,000 Marks Unit in Hamburg 41/2% Bonds may be bought for as small a sum as \$420.00.

ers of Hamburg 41/2% Bonds to the extent stress too greatly the necessity for immedi-Gold Value of \$3,050.00 on every 1,000,- 'delivered by registered and insured mail.

1000 Mark Unit, or on every investment of \$420.00, made in Hamburg 41/2% Bonds today. Every \$420.00 invested today can, therefore, earn a profit of \$2,630.00, and this is only the first step.

Many Cities in Germany are reported to sation, accordingly, took the form of Re- have made an initial Revaluation of their valuation Government Bonds were to be Bonds at as much as 10%, 15% and even revalued, that is, an agreed upon Rate of 25%. We believe that the City of Ham-Valuation would be made; this Rate would burg will increase the rate of Revaluation apply on the normal or original Gold Values | to 5% before long. The financial condition of the various Bonds. To illustrate: 10% of the Municipal Government has shown

When the City of Hamburg increases the profit of \$5,680.00 at 5% Revaluation; at The Election took place. The Nationalist | 10% the profit will amount to \$11,360.00

We believe that eventually, City of Ham-

Wealth of Hamburg- The present pop ulation of the City of Hamburg is close to printing and dyeing plants, and many others. Official figures from English sources state

that the shipping and trade of Hamburg has been increasing by leaps and bounds, and that the Government shipbuilding industry in the past year has made great strides towards regaining its former place.

The wealth of Hamburg and its citizens is a common by-word in Germany. It has been created, maintained and increased in centuries.

Immovable assets maintain a high standard of value whether expressed in Marks, Dollars, or any other currency. In fact, the largest portion of its wealth having been created in gold value, the proportionate appraisal of the assets of the free city and free state of Hamburg in paper Marks, must today be infinitely higher than the total debt.

The foregoing information concerning the City of Hamburg whose 41/2% Bonds we now offer to our clients has been gathered from reliable sources. Reports from our own correspondents abroad inform us that there is practically no unemployment in the city at the present time and it may be called one of the most highly developed industrial municipalities of Germany.

Apart from the foregoing considerations we are of the opinion that Hamburg 41/2% Bonds are selling far below their intrinsic market value. Other municipal bonds issued in 1919 are selling anywhere from \$1,000.00 to \$3,000.00 per million mark unit as compared with \$420.00 for Hamburg 41/2% Bonds. They are only beginning to right their position and consequently the coming months will undoubtedly witness sensational advances in the price of Hamburg 41/2% Bonds.

The table which is appended below makes clear the profit possibilities in City The Revaluation Law compensating hold- of Hamburg 41/2% Bonds. We cannot of not less than 21/2% of the Gold Value ate action. Present prices shown in the of their holdings places an approximate table, cover every expense. Bonds are

TABLE SHOWING PROFIT OPPORTUNITIES

in the purchase of City of Hamburg 4½% Bonds of 1919 Estimated

				Gold Value		
Par Value				at time		Gold Values
of			Present			at 5%
Bonds				Were Issued	Of Estimate	d Gold Value
			\$ 42.00	\$12,200.00	\$ 305.00	\$ 610.00
200,000			84.00	24,400.00	610.00	1,220.00
300,000	Marks		126.00	36,600.00	915.00	
400,000	Marks		168.00	48,800.00	1,220.00	
500,000	Marks		210.00	61,000.00	1,525.00	
1,000,000	Marks		420.00	122,000.00	3,050.00	-,
2,000,000	Marks		840.00	244,000.00	6,100.00	
5,000,000	Marks		2,100.00		15,250.00	
						CONTRACTOR OF THE PROPERTY OF

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THE INVESTMENT HOUSE OF

C. M. CORDASCO & COMPANY FOREIGN EXCHANGE

FOREIGN MONEY FOREIGN BONDS MARCIL TRUST BUILDING-290 ST. JAMES STREET MONTREAL, CANADA enclose herewith accepted cheque for \$ in full payment for the Logn of 1919 Series B) which you are to forward me by registered mail. Address P. H. D. N.

Lumber Co., a new organisation to Minnesota jobbers. Smaller Mills The Devine Spruce Mills took acquired the plant and timber Other interior mills which op- dol, Royal Mills, Hanall, Spitzl interior mills cut were only fair print, 30 tons of kraft paper, en Pulp and Paper Co. and over the mill at Namu from the holdings of the Kleanza Company erated during the year were the & Poble, Carnaby and Hudson and demand small.

| Vanarsdol Lumber Co., Vanars- eastern markets for which the capacity of 232 tons of news-

and 40 tons of wet lapper kraft

till the end of April when Gosse-Millerd Company and ran and operated the sawmill at Usk. Little mill at Terrace, Little and Bay Mountain Lumber Co., The Pulp & Paper Mill at pulp, ran continuously throughfor a few months. The Skeena Their output is sold principally Giggey mill at Kitsumkalum, Smithers. Prices in prairie and Ocean Falls, which has a daily out the year.