

WEATHER:
FAIR AND COOL

THE MOLSONS BANK
Incorporated by Act of Parliament, 1855

Capital \$4,000,000
Reserve Fund \$4,500,000

HEAD OFFICE, MONTREAL

BOARD OF DIRECTORS:
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**The DOMINION SAVINGS
INVESTMENT SOCIETY**

DOMINION SAVINGS BUILDING
LONDON, CANADA

Capital \$1,000,000
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INCORPORATED 1852

—THE—
Bank of Nova Scotia

CAPITAL PAID-UP \$ 6,500,000
RESERVE FUND 12,000,000
TOTAL ASSETS OVER 90,000,000

BRANCHES IN ALL THE PRINCIPAL CANADIAN CITIES AND TOWNS; THROUGHOUT THE ISLANDS OF NEWFOUNDLAND, JAMAICA, CUBA AND PORTO RICO, AND IN THE CITIES OF NEW YORK, CHICAGO AND BOSTON.

EVERY DESCRIPTION OF BANKING BUSINESS TRANSACTED

RUSSIANS KEEP LINES INTACT BY MANY ORDERLY WITHDRAWALS

Petrograd, July 20.—The Russian armies are now maintaining on all fronts, the most terrific assault against the Austro-German armies has yet launched. The Teutonic allies have bent the Russian lines at several points but nowhere have they succeeded in breaching the Russian front, the official asserted today.

The masterly strategy of Grand Duke Nicholas is again evident. At no point is he risking a general battle against the Teutons with their superior equipment but by orderly withdrawal at threatened points is keeping his lines intact.

The latest report from the Grand Duke admits that the enemy has made successful advances in the Baltic provinces on the Vepz rivers in Lublin and on the Bug river near the Poland-Gallia frontier.

GERMAN WAR REPORT.

Berlin, July 20.—All along the line in Poland the Austro-German armies in their great drive against Warsaw are forcing back the Russians.

An official statement issued by the German general staff reports the Russians are falling back at various points all the way from the Baltic to the Italian line and announces the capture of 45,119 prisoners.

The towns of Tuckum and Schlock have been captured by the Teutonic allies. The troops of Gen. von Buelow's army have occupied Windau.

Between Pissa and Skwa rivers the Russians were driven out of their fortified positions by the assaults of the German forces.

Between Ostroleka and Novo the Russians have been driven back on Niver, where a fight is developing. In the southeastern theatre the Silesian Landwehr troops took the advanced Russian position at Glogow and Burg. Only at one point along the Pissa and Skwa rivers, namely in the Western Silesia, has the Russian army attempted any serious resistance.

In the western theatre of war a day of comparative inactivity has been followed by an increase of activity. Numerous artillery duels have occurred between the Oise river and the Argonne.

A French attack near Souchez was repulsed.

NOT EVACUATING WARSAW.

Petrograd, July 20.—German and Austrian reports that the Russians were evacuating Warsaw was officially denied at the War Office.

The Teutonic reports are absurd, said an attaché. The Germans are not menacing Warsaw. They must overcome six fine defensive positions before they can take the fortress.

Russian troops are in excellent positions and our railways now permit the shifting of troops to any dangerous points.

INCREASE IN COAL RATES.

Washington, July 20.—Increase in coal rates from the Illinois district, Illinois mines to Omaha, Neb., and points grouped therewith from \$2.95 to \$3.25 per net ton, has been approved by the Interstate Commerce Commission.

UNION BANK DIVIDEND.

The Union Bank has declared its regular quarterly dividend of 2 per cent, payable 1st September to shareholders of record 16th August. Books close 15th to 18th August, both days inclusive.

WASHINGTON TO INVESTIGATE.

Washington, July 20.—Secretary of State Lansing announced that an official investigation of the submarine attack on the steamship Orduna had been ordered.

WELSH STRIKE SETTLED.

Cardiff, July 20.—Welsh coal strike has been settled.

LOSS OF WARSAW TO GERMANY IMMINENT

Enemy Victorious Along Entire Eastern Front and is Endeavoring to cut Communications

GREATEST CRISIS IN EAST

Great Moral Victory for Germans Would not Improve Their Situation if Czar's Armies Intact—Desperate Efforts to Supply Turks With Munitions.

(Special Cable to Journal of Commerce.)

London, July 20.—North and south of the salient which has held back the Germans who attempted to carry Warsaw from the west, they are pushing their forces forward and compelling the Russians to retire to their secondary lines of defence.

In the north the troops directed by Field Marshal von Hindenberg, are turning southward after reaching a point within thirty-eight miles of Riga, to close that horn of the arc about the Polish capital. In the south Field Marshal von Mackensen is pitching forward slowly but steadily, and is now close to the Lublin-Cholmer road.

Expect Fall of Warsaw.

Success by the German and Austro-Hungarian forces along the entire eastern front, where the greatest struggle of the war has begun, has caused the belief that the loss of Warsaw by the Russians is imminent. A despatch from Budapest declares that gradual evacuation of the Polish capital already has been ordered by the Russians.

At various points on the long battle front the Russians have won local victories, but the enemy is making steady progress in developing the campaign to close in from the north and south, cutting the Russian communications and narrowing the Polish salient until it will no longer be safe for the Russians to maintain their hold on Western Poland.

New Offers to Roumania.

It is apparent from despatches received from Petrograd as well as from Teutonic sources that Grand Duke Nicholas is feeling the greatest crisis of the war in the east. The capture of Warsaw would be a great moral victory for the Teutonic allies, but if the Grand Duke has to yield and withdraw his forces the position of the enemy is no better than it was after the sweep through Galicia and the recapture of Przemysl and Lemberg, provided the Russian commander-in-chief keeps his armies intact.

New inducements have been offered by Germany to Roumania to permit the passage of munitions through her territory to Turkey. A despatch to the Times says that Germany has offered if Roumania permits the passage of munitions, to deliver immediately all the munitions ordered by Roumania in Germany before the war started.

Violent Fighting at Souchez.

Paris, July 20.—French troops are successfully withstanding the terrific assaults of the Germans on their positions along the heights of the Meuse, according to reports from the War Office made public today. The Kaiser's troops are still on the offensive around Souchez, but have met with little success.

German attacks have also been repulsed in the Argonne. Reports of hand grenade encounters near Apremont and violent artillery battles in the Souchez conflict were features of the day's reports from the front.

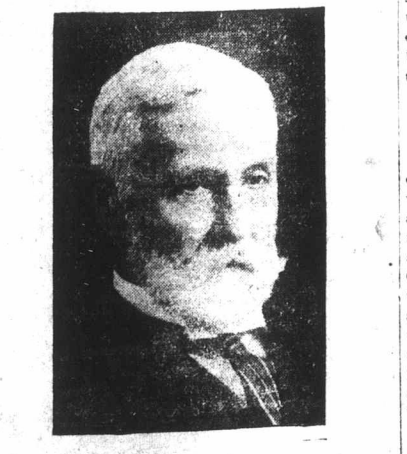
CHICAGO TUNNEL'S EXPENSES CONSIDERABLY EXCEED REVENUE.

Chicago, Ill., July 20.—Vice-President Tracy, of Chicago Tunnel Co., says: "During the period from 1906 to 1914, the company paid the city in taxes \$701,431, and during the same time not one cent to its owners. Revenue derived from the company has averaged about \$500,000 per year, and operating expenses and taxes have considerably exceeded this amount.

"For a period of five years, 1910 to 1914, inclusive, the company earned, net out of its transportation plant, the sum of \$393,559, after paying operating expenses. Against this the company has paid taxes and franchise compensation amounting to \$528,035; therefore, the company has paid to the city in five years \$134,476 more than was earned from transportation property. This condition is urged by the company as a reason why it should be permitted to sell its 'phone property.'"

SIX PERSONS SUFFOCATED IN TENEMENT HOUSE FIRE.

Chelsea, Mass., July 20.—Six persons were burned to death or suffocated in a fire which destroyed a three-story brick tenement house on Beacon street early today. The victims were a man, four women and a twelve-year-old girl.



R. B. ANGUS.
One of the Directors of the Dominion Bridge Company, who will meet to-morrow to decide upon a dividend policy.



LORD FISHER.
Chairman of Great Britain's new Inventions Board, which was created to aid the Navy.

Men in the Day's News

Mr. J. F. Chapman, general manager of the Thousand Island Railway, and of the Oshawa Railway, has just died at the age of fifty-two. He was born at Frankfort, educated at the local schools, and as a young man entered railway work. He has spent the past thirty-five years actively engaged in transportation. The late Mr. Chapman was a past president of the Canadian Freight Association and before the Bay of Quinte Railway was transferred to the Canadian Northern was general manager of that system.

Lieut.-Colonel D. R. Street, of Ottawa, has been appointed Commander of the 7th Battalion, which is being recruited in Ottawa and throughout Eastern Ontario. Lieut.-Col. Street was born at Fredericton, N.B., in 1864, and educated at Ottawa University. He is secretary-treasurer of the Ottawa Electric Company and the Ottawa Gas Company, but is best known through his military connections. He has served as an officer in the Governor-General's Foot Guards, attaining to the command of the regiment in 1908. The new officer is unusually popular in Ottawa, which will go a long way towards securing men for the regiment.

C. N. McCuaig, who has just won his captaincy as a result of meritorious service, went overseas as a lieutenant in the 5th Royal Highlanders. Young Charles McCuaig is but a boy, being only twenty-two years of age, yet he has done a man's work in the fighting which has gone on in France. He went through the terrible fighting at St. Julien, holding a front trench for three days in the face of overwhelming odds. He is the youngest son of Mr. C. J. McCuaig and is one of three brothers at the front, the eldest of whom, Major Rykert, was wounded in seven places at St. Julien and then taken prisoner, while Captain Eric, another brother, was also wounded. The showing made by this family is probably unequalled in the military history of the country.

The Rt. Hon. Charles Scott Dickson, who has been made Lord Justice Clerk of Scotland in the Coalition Cabinet, is a Conservative member of Parliament. He is one of the most distinguished members of the Scottish Bar and has held in turn the offices of Solicitor-General, Lord Advocate and of Dean of the Faculty of Advocates in Scotland, but despite all these has followed the ancient Scottish custom of submitting to probation. This custom has come down from ancient times and is still practised in Scotland. The Bench and Bar must be satisfied of the fitness of a Judge before he is formally invested with office. The position carries with it a salary of twenty-two thousand dollars a year and usually the elevation to a peerage. The office of Lord Justice Clerk is the second highest in Scotland.

The Hon. Louis Beaubien, who died in Outremont yesterday at the age of seventy-eight years, was a former Cabinet Minister in this province. He was born in Montreal and educated in this city. The late Mr. Beaubien took up farming on an extensive scale and practically devoted his entire life to the bettering of agricultural conditions in the province. He was elected to the Quebec Legislature in 1867 and held a seat for seven years, serving at the same time as a member of the House of Commons. When the system of dual representation was abolished he retained his seat in the Quebec House, being speaker of the province from 1871 to 1878. Later Mr. Beaubien was Minister of Agriculture in the administrations of the Hon. L. Taillon and the Hon. E. J. Flynn. He retired from public life in 1897.

One of the tragedies found in the war is in the list of missing. A case in point is found in connection with Edward Stafford King-Harran, the eldest son and heir of Sir Thomas Stafford. He was reported missing after the battle of Ypres in November, an action in which he took part as officer in the Irish Guards. His father has made exhaustive searches through all the prison camps, hospitals and insane asylums, as well as among the officers and men who took part in the battle of Ypres, but is unable to get the slightest trace of him. He is, therefore, having his will probated. The young man in question only came of age three years ago and married at the outbreak of the war. He has a baby daughter whom he has never seen. The late officer had a different name to his father, which is explained by the fact that when he came of age he inherited a large estate from his mother's father and added that family name to his own.

AFTER THE WAR OR WHAT OF INDUSTRY?

Difficulties of Trading Will be Increased, if Theories of Economists Prone Correct

PREPARING FOR FUTURE

Will be Far More Rapid Restoration of Industry Than World Has Ever Seen—Keen Minds Pondering Coming Industrial Needs.

(By W. E. DOWDING.)

London, July 6 (by mail).—We hear less to-day than we did nine months ago of the phrase "business as usual." The scheme to capture enemy trade has survived the winter. It is not that business need not be carried on, or that the effort to extend the scope of foreign trade should be relaxed. It is more urgent than ever for the non-combatant population to trade at home and abroad in order to bear the burden of abnormal expenditure. The neglect of the phrase lies in the fact that we realize that while a big European war continues, conditions of trading are of an unusual character, and must remain so till hostilities cease. It has taken some little time to grasp this fundamental condition of war. That is perhaps natural. Our past experience had been limited to punitive colonial expeditions. Business continued its normal course. It is different to-day; and the adjustment of the mind of the trading community to the present position was not achieved without displays of irritation at such necessary but unprecedented steps, for example, as the embargo on capital. All periods of transition are periods of dislocation; but the adjustment has to be made, and while it is true that business adjusts itself to new conditions, such, for instance, as a high or low rate of foreign exchange, it is only possible to continue when there is room for elasticity. Much of the difficulty that faces business men from day to day is overcome by looking ahead, but the changes have been so frequent and so rapid that there may be excuse for the failure to realize what may be normal when this war ceases.

First and foremost in the altered circumstances is the probable level of credit, which for some time must remain considerably above what business men have hitherto been accustomed to. The high bank rate has been nullified by the plethora of credit. The supply of commercial bills has been inadequate to the demand, hence the trader who has been able to conduct business as usual has found no difficulty in placing his bills cheaply, though high commodity prices and scarce labour have given much food for thought. It will not always be so; and the present war loan must have far-reaching effects which it is only possible at this stage to conjecture. At any rate these war loans will be held responsible for some of the difficulties in financing trade in the future.

Let us picture what must happen after the war, when there is freedom for borrowing by commercial or industrial undertakings. We will assume that previously an old-established and prudently-managed concern floated its debentures at 4 per cent., its preference shares at 4 1/2 per cent., and the ordinary shares could be bought to yield 5 1/2 per cent. What we have in mind now is clearly a first class business with a reputation fully justified by an examination of its balance-sheet. There are many such businesses, though there are a great many more that are less enviously situated. But the principle holds good in each case, that if the British Government must pay 4 1/2 per cent. on its debt, each of these companies must step down one or several more places, and the conspicuously sound ventures must raise their terms for money. The 4 per cent. debenture must yield 4 1/2 per cent. (or more likely 5 per cent.), to satisfy the new conditions, the 5 per cent. debenture must get nearer a 6 per cent. basis than a 5 per cent. basis, and the same condition will affect junior issues. Concerns of first-class standing will be affected less severely; more severely those whose position is more precarious. While if the war lasts

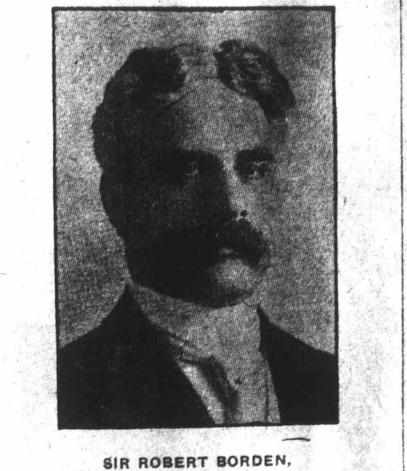
(Continued on Page 7.)

ENCOURAGING CROP REPORT.

New York, July 20.—Newman Ebb writes from Watertown, South Dakota, as follows:

"Have been over Minnesota, and St. Louis, in Illinois, Iowa, Minnesota and South Dakota, rye is perfect and the completed crop in Minnesota and South Dakota is now being harvested. Oats crop is out of danger and is the heaviest known. Harvesting will begin in about ten days. Wheat is in perfect condition everywhere. There is no evidence of rust, and harvesting will begin in about two weeks. Corn is doing well, if anything it is above the average in South Dakota than in Minnesota. We will have the heaviest yield and greatest grain movement in the history of our property."

The Hon. Louis Beaubien, who died in Outremont yesterday at the age of seventy-eight years, was a former Cabinet Minister in this province. He was born in Montreal and educated in this city. The late Mr. Beaubien took up farming on an extensive scale and practically devoted his entire life to the bettering of agricultural conditions in the province. He was elected to the Quebec Legislature in 1867 and held a seat for seven years, serving at the same time as a member of the House of Commons. When the system of dual representation was abolished he retained his seat in the Quebec House, being speaker of the province from 1871 to 1878. Later Mr. Beaubien was Minister of Agriculture in the administrations of the Hon. L. Taillon and the Hon. E. J. Flynn. He retired from public life in 1897.



SIR ROBERT BORDEN.
Who is to receive one of the greatest Imperial distinctions—the freedom of the City of London—toward the end of the month.

THE CANADIAN BANK OF COMMERCE

Head Office --- TORONTO

Paid Up Capital - - \$15,000,000
Rest - - - - - 13,500,000

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WITH BRANCHES THROUGHOUT CANADA AND IN THE UNITED STATES, ENGLAND AND MEXICO, AND AGENTS AND CORRESPONDENTS THROUGHOUT THE WORLD, THIS BANK OFFERS UNSURPASSED FACILITIES FOR THE TRANSACTION OF EVERY KIND OF BANKING BUSINESS IN CANADA OR IN FOREIGN COUNTRIES.

Collections Effected Promptly and at Reasonable Rates.

U. S. NOTE TO GERMANY WILL BE FINAL WARNING

Washington, July 20.—With the members of the Cabinet in full accord with him, President Wilson to-day will place before them the draft of the American note to Germany which, it is believed, will be a final warning that this country is prepared to uphold the rights of Americans upon the high seas.

The note will make plain that the time for discussion is now past, and that the United States is fully determined to adhere to the position taken at the start, that America's vital rights must be upheld.

The Orduna case may not be mentioned specifically, as it is believed that previous offences as well as the German evasions of the American demands provided all the material necessary to deal with the situation without further parley being permitted.

The course of action the United States must follow in the event of Germany continuing the path she has pursued is receiving more attention in official circles here than the discussion of what will be the actual terms of the forthcoming note. It is considered that there is imperial need of adding to the words of the note a manifestation of intent to act that Germany may at least be impressed by the fact that this government is thoroughly in earnest.

President Wilson and Secretary Lansing are said to have prepared the outline of the forthcoming note and it probably will be this that the Cabinet will consider to-day.

After the discussion of the note as it has been outlined and the steps to be taken to meet the possible eventualities, the final draft of the note, it is expected will be then prepared and submitted to the Cabinet at its meeting next Friday.

U. S. CABINET CONSIDERS REPLY.

Washington, D.C., July 20.—The American reply to the German note to-day was considered at the cabinet meeting.

The final draft of the note was laid before the meeting by President Wilson and Secretary Lansing, and it is said a statement on the attitude of the Government will be made later to-day.

There was no division of opinion regarding the policy determined on by the President.

UNITED STATES IS WORLD'S GREATEST MANUFACTURING COUNTRY.

The United States manufacturing company is the world's greatest manufacturing country. More than twenty-two million persons, or nearly one-fourth of the entire population, depend directly for their support upon manufacturing industries. The total investment of industrial plants in the United States is \$24,000,000,000 and the value of their annual output amounts to \$28,000,000,000. This exceeds the amount of Great Britain and Germany combined. Those who say that in the event of war the United States would not be able to turn out munitions to supply their own needs and to send some to the Allies are evidently not aware of the country's resources in manufacturing establishments.

NEW BRITISH CREDIT, \$750,000,000.

London, July 20.—A new vote of £150,000,000 credit was introduced in the House of Commons. This second supplementary vote will bring the sum actually appropriated by Parliament for war expenditures to a total of £650,000,000 (\$2,250,000,000).

The vote of credit merely sanctions the expenditures out of the funds on hand and does not represent a new loan.

CONFERENCE REGARDING BRIDGEPORT.

Washington, D.C., July 20.—Samuel Gompers, president of the American Federation of Labor, has called a conference of officers of the International Association of Machinists to meet in Washington to consider the Bridgeport conditions.

Bridgeport, Conn., July 20.—500 machinists and 100 bricklayers employed at the Remington Arms Company walked out as per schedule at noon. There was no disorder.

OIL STRIKE IN U. S.

New York, July 20.—The Bayonne plant of the Standard Oil Company of New Jersey is idle this morning due to labor troubles. As a result 5,000 men are out of employment, and the New Jersey company's capacity is temporarily reduced from around 125,000 barrels to 30,000 barrels daily as Bayonne works has a daily capacity of 45,000 barrels.