

The Journal of Commerce

WEATHER:
Fine and Cold.

THE BUSINESS
MAN'S DAILY

VOL. XXIX, No. 242

MONTREAL, SATURDAY, FEBRUARY 20, 1915

ONE CENT

THE MOLSONS BANK
Incorporated 1855
Capital Paid Up \$4,000,000
Reserve Fund \$4,800,000
Head Office: MONTREAL
59 Branches in Canada
Savings Department at all Branches.
LETTERS OF CREDIT ISSUED
TRAVELLING CHEQUES ISSUED
DRAFTS AND MONEY ORDERS ISSUED
A General Banking Business Transacted.

RITZ-CARLTON HOTEL
Special Winter Apartment
Rates:
Luncheon, \$1.25
Dinner, \$1.50
or a la carte.
Dance, Banquets, Dinners, Wedding Receptions,
Lectures, Concerts and Recitals. Solicited.
Supper from 9 till 12 p.m.
Music by Lignante's Celebrated Orchestra.

**THE DOMINION SAVINGS
AND INVESTMENT SOCIETY**
LONDON SAVINGS BUILDING
LONDON, CANADA
Capital \$1,700,000.00
Interest 200,000.00
T. H. PURDOM, K.C. President
NATHANIEL MILLS Managing Director

**ST. JOHN PAYS \$219,793 INTEREST
EACH YEAR ON ITS INDEBTEDNESS**
St. John, N.B., February 20.—That the finances of St. John are in a fairly satisfactory condition despite the war is indicated by the report of the City Chamberlain which shows that the city closed the year with a surplus of \$30,379.67.
Against this surplus is an overdraft of \$42,000, \$20,000 of which was used in providing street employment for unemployed laborers during the early stages of the war.
The tax collections were only about one-half per cent. less than the amount of the warrants issued for 1914.
The statement of assets and liabilities shows assets of \$7,118,581.48, which is an excess over liabilities of \$2,547,586.71.
Bonds amounting to \$124,000 had been issued during the year for water and sewerage, public works, fire apparatus and ferry approaches. These bonds have been subscribed for by citizens at par, the total amount of subscriptions having been \$250,000 or more than double the issue.
The city's debt interest is \$5,100,870.51, the annual interest of which is \$219,793.83.
At the end of the year there was to the credit of the various sinking funds the large amount of \$1,153,021.18.

**BANK CLEARING IN STATES
CONTINUE IN MODERATE VOLUME.**
New York, February 20.—Bank clearings continue in moderate volume, but indications of improvement are becoming quite noticeable, as the total this week, which includes only five days at the leading cities in the United States, according to Dun's Review, amounts to \$2,584,559,414, a decrease of 14.4 per cent.; as compared with the \$3,020,383,127 of the same week last year and of 22.2 per cent., as contrasted with the corresponding week in 1913, when the aggregate was \$3,320,165,84.
New York City again reports considerable contraction, the falling off at that centre being respectively 17.4 and 26.4 per cent. in the comparison with the same weeks in the two immediately preceding years.
The total of all cities outside of New York is 9.1 per cent. smaller than last year and 14.1 per cent. less than two years ago; and, though most centres share to some extent in the loss, Baltimore, Cincinnati, Cleveland, Kansas City, Minneapolis and St. Louis report gains over one or both years and the return by several other points indicate a tendency towards more favorable conditions.

B. AND O. FINANCING UNSETTLED.
New York, February 20.—Bankers in touch with Baltimore and Ohio's financial plans say sale of securities to provide for maturity of \$35,000,000, one year 4 1/2 per cent. notes due June 1st, is still far from imminent. The road, of course, with this maturity ahead, is considering plans for new financing, but it can be stated on good authority that the form it will take is at present undetermined.
Details of Baltimore and Ohio's new mortgage are all but completed, and it will be in shape to bring an issue of bonds well before June 1st if directors decide to sell the initial block of bonds to take care of notes.
If they decide to sell new notes, the financing is not likely to come until shortly before June 1st, and it would mean duplication of interest charges until that time.

N. Y. C.'S CAPITAL INCREASE.
New York, February 20.—The New York Stock Exchange has received notice from the New York Central Railroad Company of the proposed increase in the capital stock by \$100,000,000.
CHICAGO UNION STATION NOTES.
Chicago, February 20.—New York bankers are planning an initial offering of \$5,000,000 Chicago Union Station, 3-year, 4 1/2 per cent. notes.

STANDARD OIL DIVIDEND.
New York, February 20.—Standard Oil Company of Ohio declared the regular quarterly dividend of \$3 and a extra dividend of \$3, payable April 1, Books close March 31st, re-open March 25th.
This is the same rate as was declared three months ago.

GERMAN FOODSTUFFS ARE NOW CONTRABAND

Britain Makes Declaration In Reprisal for Submarine War Zone Decree

DRASTIC ACTION PROMISED

London, February 20.—All foodstuffs meant for Germany are to be declared contraband in reprisal for the German war zone decree which has resulted already in two merchant vessels being torpedoed by German submarines. Neither was sunk. Other reprisals are to follow the embargo on food stuffs.
The holding of the cargo aboard the American steamship *Wilhelmina* makes clear Britain's intention.
The British reply to the American note on the seizure of the *Wilhelmina* has been handed to Mr. Walter Hines-Page, the Ambassador for the United States.

The action in regard to the *Wilhelmina's* cargo is based largely on the German decree that all grain and flour imported by Germany is deliverable only to certain organizations under direct governmental control or to municipal authorities.
The British answer to the American protest against the use of the American flag on British merchantmen also has been given to Mr. Page. It disclaims any intention to advise shipping to use neutral flags, "otherwise than for escaping capture or destruction, and placing the responsibility on a belligerent warship to ascertain definitely for itself the nationality and character of a merchant vessel before sinking it." It states that the use of such flags is not advised as a general practice.

The French Minister of Marine, Mr. Augagneur, in speaking of the German submarine attack on commerce, said: "Ultimately the German submarines will be sunk, perhaps sooner than they expect."
Holland is reported fully prepared for any emergency which may arise from German interference with the rights of neutral shipping.
Both her troops and water defences are now said to be in the highest state of preparedness.
The loss of two German airships off Denmark is attributed to the suppression of weather reports in Great Britain and France, which left the German air commanders in ignorance of a storm developing over the North Sea.
A third Zeppelin, weighted down with snow, is reported to have been seen making its way with difficulty over the North Sea, at times barely clearing the water.

In France and Belgium there has been much activity, resulting favorably at important points to the French.
The fighting in the Vosges has been again of great violence, a company and a half of French soldiers at one point distinguishing themselves by dislodging with the bayonet a German regiment which had occupied a French position. This occurred in the region of Bonhomme Pass, where the Germans gained a foothold on Hill No. 607.

The smaller French force worked toward the enemy in the night and attacked vigorously at dawn, succeeding in holding their conquered position despite the violent efforts of the enemy to drive them back again.
In the Far North, the German advance continues. The Russian troops, it is officially announced in Petrograd, leaving the sphere of fighting in the Region of Augustowa.

SOUTH AFRICAN LINER KWARRA NARROWLY ESCAPED GERMAN SUBMARINE
St. John, N.B., February 20.—After escaping from a German submarine which was lurking submerged in the steamer lane in St. George's Channel ready to launch a torpedo, the South African liner *Kwarrá* (Captain Davies), arrived here yesterday afternoon from Liverpool.
Only the vigilance of the officers of a British patrol boat prevented disaster and her warning of peril came none too soon.
As Captain Davies and the officers of the *Kwarrá* sighted the German submarine twenty-five minutes after the freighter had altered her course and steamed at full speed.

AMERICAN FLAG NOT USED.
New York, February 20.—The *Lusitania* arrived today from Liverpool with 263 first, 169 second cabin and 140 steerage passengers.
The American flag was not used this time. Rough weather prevailed throughout the voyage.
Among the passengers were: J. H. McFadden, Anthony J. Drexel, H. R. Pyne, of the American Embassy at Berlin, Major Norton, J. Henry, attaché of the American Embassy at Paris; C. O. D. Ielin and Dean Howard McClellan, of Princeton.

BRITISH SHIPPING SUSPENDED.
London, February 20.—England is isolated from the Continent of Europe to-day as far as British shipping is concerned.
No English ship has left the east coast ports since 6 o'clock last evening, and it is probable that traffic will be held up indefinitely awaiting information from the Admiralty that there is no further danger from German submarines.

COTTON SEED OIL DUTY REDUCED.
New York, February 20.—A despatch from the United States Consul at Trieste transmitted from the United States Embassy at Rome, says that by a ministerial decree the duty on cotton seed oil was reduced to 15 crowns per 100 kilos, (\$1.38 per 100 pounds).
This decree modifies the tariff of Austria-Hungary, which provides a duty of 40 crowns per 100 kilos on cotton seed oil in casks, skins or bladders; and 48 crowns per 100 kilos for cotton seed oil in bottles, jugs and similar containers of less than 25 kilos in weight (\$3.68 and \$4.42, respectively, per 100 lbs.).
By special permit cotton seed oil for industrial purposes may be imported under government supervision at 12 crowns per 100 kilos (\$1.11 per 100 pounds).



SIR JOHN FRENCH.
Who has been honored by the French Government.

Men in the Day's News

Mr. W. S. Middlebro, who is chairman of the committee to investigate the manufacture of defective shoes for the Canadian soldiers, was born at Orangeville, Ont., in 1858. He was educated at the Owen Sound Collegiate Institute, and Osgoode Hall. He was elected to the House of Commons for North Grey in 1908, and re-elected in 1911. He has been an active member of Parliament, and has frequently been mentioned for Cabinet rank. He has chairman of a number of very important Parliamentary committees, and as he is possessed of a judicial mind, the coming investigation will be most thorough, and at the same time fair to all parties.

Lt.-Col. George S. Cantlie, who is to command the new 42nd Regiment of Highlanders, recruiting for which has just started, had for years been an outstanding figure in the militia in Montreal. He was born in this city in 1867, and after an education which included private tuition, Montreal High School and McGill, he entered the services of the Canadian Pacific Railway. He is now general superintendent of the Car Service Department of that road. He is a former Lt.-Col. in Command of the 5th Royal Highlanders, and is largely responsible for bringing that regiment up to a very efficient standard. Colonel Cantlie is a nephew of Lord Mount Stephen.

Mr. Robert E. Harris, president of the Eastern Trust Company, whose annual report has just been issued, is one of the outstanding figures in the Maritime Provinces. He is president of the Nova Scotia Steel & Coal Company, vice-president of the Eastern Car Company, director of the Bank of Nova Scotia, and of many other corporations. He was born at Annapolis, N.S., and studied law, being called to the bar in 1882 and created a K.C. in 1889. In 1892 he removed to Halifax, where he has since practiced his profession, although at the present time his many duties and outside interests makes it difficult for him to give the time to his legal work which he formerly gave. Mr. Harris, who is a quiet, unassuming man, finds his chief recreation in salmon fishing and an occasional game of golf.

Mr. J. H. Plummer, who has just celebrated his sixty-seventh birthday, was born at Tavistock, Devonshire, England, and educated at Upper Canada College, Toronto. As a young man he entered the services of the Bank of Montreal, but joined the Bank of Commerce in the following year, when that organization commenced business. After a valuable experience with the Bank of Commerce, which lasted for sixteen years, he joined the Merchants Bank, where he became assistant general manager. Four years later he returned to the Bank of Commerce as assistant general manager, which position he retained until he became head of the Dominion Iron and Steel Corporation, and a director of a large number of financial, insurance and industrial corporations, and altogether is one of the big captains of industry in Canada.

Captain J. A. Farquhar, of Halifax, who was in Montreal yesterday on his way to the East, is a most interesting personality. He is one of the few survivors of a breed of Nova Scotians who helped to make the province famous in the days of the square rigged ships—the days when the hard "Blue Nose" pioneers cut down the standing timber on the coast, built ships out of it and sailed them to all parts of the world. The genial captain, though over seventy years of age, is a representative type of the daring, resourceful seafarers who made that province famous. He went to sea at an early age—going "through the mill" as sailors say, in all kinds of ships. Later he turned his attention to sealing and at the present time is the owner of two steamers, the "Sea" and the "Sable," designed by himself, which are the only Canadian vessels engaged in that venture in the North Atlantic in the spring of the year. In spite of his years, Captain Farquhar is still hale and hearty and intends to command one of his own ships during the spring seal fishing.

General Victor C. Michel, who a short time ago was placed on the retired list by General Joffre, has now been recalled to active service, and assigned to the command of the northern zone of the camp at Paris. Up to the outbreak of war, General Michel was Chief of the General Staff, vice-president of the Superior Council of War, and Military Governor of Paris. At the outbreak of hostilities, he was supplanted as Governor of Paris by General Gallieni, while General Joffre superseded him as Commander-in-Chief. It is stated that General Michel's military appointments were due to political influence, and when a crisis threatened the nation, the French Government selected competent officials, and side-tracked those who had more or less outlived their usefulness or owed their appointments to political pull. General Michel fought through the war of 1870, emerging from that conflict with the rank of captain at the age of twenty-three, and was also decorated with the Legion of Honor for conspicuous gallantry on the battlefield. He was a full fledged colonel at the age of thirty-four. In his present position he is expected to give a satisfactory account of himself.

TAX WILL AFFECT BANKING SYSTEM

Should Eliminate Loose Methods and Reduce Forgeries, But May Lessen Deposits

CUSTOMERS WILL PAY

Railroads Likely to Pay For Stamps on Wage Cheques as Collection From Employes Would Not be Feasible.
(By H. M. P. Eckhardt.)
There is naturally much speculation in banking circles as to the probable effects of the new taxation placed on the banks by Hon. Mr. White's War Budget. Apparently the bankers have accepted the imposts as necessary evils. Additional revenue must be obtained in some manner and the Government has been compelled, with more or less reluctance, to impose burdens on business which would, under other circumstances, be left free. It will be interesting to discuss the new cheque tax of two cents. As generally understood this applies to every cheque issued by bank customers. Some of the probable effects have already been mentioned in the Press. For example, it is said that the two-cent tax will make a reduction in the number of small cheques issued—the bankers say that the customer will not be so apt to draw cheques for thirty cents or fifty cents when he has to pay two cents for the privilege of doing so. The number of these very small cheques is greater than is commonly supposed, and they are invariably regarded as a great nuisance by the banks. So it is, but natural to expect that these will not be so numerous in future. This development will not probably have important economic effects.

The Grand Trunk Railway officials are quoted as having declared that the stamp tax on cheques will increase their expenses very materially, inasmuch as it will now be necessary to put a stamp on every one of the pay-cheques issued. This applies also with equal or greater force to the Canadian Pacific. The C. P. R. is understood to have had roundly 100,000 men in its employ in 1913 and 1914. The company, like the Grand Trunk, pays monthly by cheque. Assuming that one cheque were issued each month to each employer, there would be 1,200,000 cheques issued by the C. P. R. to employes alone in a year. This would make the cost of the stamps \$240,000.
Companies to Pay Cheque Tax.
It would not be practicable to lay this expense on the employes, and it therefore comes out of the net profits; in other words, the holders of common stock pay it. The railways also issue many cheques for other purposes—Purchase of supplies, working expenses, construction work, payment of dividends, etc. So it can be seen that their contributions will represent quite an important part of the revenue collected in this form.
The question arises whether the stamp tax will cause them to revert to the old method of paying the employes in cash instead of by cheque. Probably railway officials will not be disposed to go back to the old system. In the first place they will be willing, like others, to contribute from their profits for the necessary expenses of Government. Again they will reflect that if the old-fashioned pay-car were reintroduced they would probably lose as much as they gained through avoiding the tax. It is to be remembered that the pay cheques, especially those sent to small out-of-the-way places, are outstanding for some days or weeks, and the interest saved on the balances standing in the bank accounts would be quite a respectable item.
Then there would be increased risk of loss of round amounts through hold-ups, etc. If large sums were sent to all parts of the line in cash—to say nothing of the extra expenses of guarding the money. When the payments are made by cheque there is no danger of robbery. So all things considered we may presume that the railway companies will pay by cheque as in the past.

Stamp Tax and the Banks.
There is another point which might be considered in connection with the inauguration of the stamp tax. It is said that the bank customers will now be required to pay for the stamps when they get their cheque books from the banks. Perhaps the change of practice in this regard may lead to the adoption of European methods in connection with numbering and safeguarding bank cheques. Our practice in Canada has been loose in this respect. At nearly all bank offices the public counters are stocked with blank forms of cheques on the different banks, and bank customers in general take very little care of their cheque books—the blanks are sometimes left lying on office or store desks where almost anyone can get at them. This facilitates the task of the forger. He has absolutely no difficulty in acquiring his raw material, so to speak, and can with ease get possession of a blank cheque on any bank. Forgeries have been very common of late years; and the banks have lost considerable sums in this way, many of the losses are never published.
The English system is to have all cheques printed with check letters and numbers. Whenever a customer wishes to have a new cheque book he is obliged to sign for them opposite the record of the number given to him. He is warned to keep the cheque book under lock and key and not to give blank cheques to any other parties. Then the ledger keeper at the bank makes a record at the head of his ledger of the cheque numbers held by this customer, and as the cheques are charged up the numbers of the paid cheques are entered. Thus, if a cheque on this account is presented, bearing a number out of line with the others, the ledger-keeper is at once put on guard and has a much better chance of stopping a spurious document. Of course, there are no counter cheques for strangers in an English banking office. Unauthorized persons cannot easily get blanks unless they steal them.
This method of cheque distribution helps to make the work of the forger more difficult, and it is quite possible that our new stamp tax will cause the banks to move in the direction of the English practice. It should not be forgotten that the stamp tax will have some tendency to decrease the amount of money deposited in banks. Many depositors will prefer to pay cash rather than submit to the two cent charge whenever they issue a cheque. In this way the cheque

The Canadian Bank of Commerce

Head Office—TORONTO

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

Board of Directors:
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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

TEMPORARY LOSS OF SOME OF ENGLAND'S FINANCIAL PRESTIGE

The Bankers' Magazine of London, because of the British Treasury regulations forbidding participation in foreign loans, expects to see the loss of a good deal of profitable business and a temporary loss of some of England's financial prestige. It says:

"For the moment we believe that the government is right in taking the view that, great as our financial resources are, it is of utmost importance that they should be husbanded and employed entirely in those directions most helpful to the prosecution of the war. For the time being all other considerations must be subordinated to the supreme problem of the hour, and we must be prepared to lose a great deal of profitable business and even temporarily to suffer some loss of financial prestige owing to our refusal to finance the great mass of foreign requirements."
"It is not merely a question of New York making occasional loans in this and that direction, which under ordinary circumstances would be applying to the London money market, but in the matter of daily bill transactions there is already a growing tendency for bills, formerly drawn upon London, to be now drawn upon bankers in New York, and a habit formed in that direction will not be so easily disturbed even when the war has ended."
"At the moment, however, the point which bankers and all connected with the money market bear in mind is the important part which finance has already played, and will play, in this great war. Notwithstanding gains of gold by the Reichsbank, and the somewhat boastful declaration as to normal conditions prevailing in Germany, there are not wanting signs of serious economic disturbance in that country, and if only the entire financial community in Great Britain addresses itself to the task of blocking every possible channel of finance or business which might conceivably benefit the enemy countries, and if, with the same energy and skill, our financial resources are conserved with the one object of concentrating them upon the prosecution of the war, we believe the effects in shortening the conflict and bringing it to a successful conclusion may be more powerful than is generally imagined. It is because the highest financial quarters in the city are fully persuaded on this point that they are so completely in accord with the action of the treasury, and have resolved to give that action their most hearty and loyal support."

AMERICAN ENAMEL WARE WILL COMPETE WITH GERMAN.
New York, February 19.—Recent urgent inquiries have come to several American manufacturers of enamelled ware from such widely separated points as England, Australia, Cuba, South America, Africa and China.
Heretofore the markets in these countries have been dominated by the German and Swedish manufacturers, who, owing to lower labor costs, have been able to undersell the American makers.
The war has changed the situation. Some German ware is still being sent out through Holland, but the volume of both German and Swedish exports in these goods has been so greatly reduced that a number of commission dealers in the countries named have turned to the American manufacturers for their supplies. Negotiations are now under way for large shipments.
Some twenty-five manufacturers located in many points in the United States and Canada produce each year in normal times enamelled ware to the value of about \$15,000,000. Imports of these goods into America usually amount to about \$1,000,000 annually.

U. S. PROPERTY IN TEN YEARS INCREASED \$34,000,000,000 IN VALUE.
Washington, February 20.—All property in the United States in 1912 subject to ad valorem taxation had an assessed valuation of \$69,452,938, the Census Bureau to-day reported.
This represented an increase in value in 10 years from 1902 of \$24,114,519,221, or 64.5 per cent.
The per capita valuation in 1912 was \$715.48, and the average tax rate per \$100 was \$1.94.
Net debt of Federal and State Governments and all minor civil divisions in the United States in 1913 was \$4,850,460,713, or \$49.97 per capita.
National government's share was \$1,028,664,055, or \$10.59 per capita, and that of the States \$3,821,796,658, or \$38.37 for each person.
It may have had effects. An impost of this nature is always considered irksome by the business community; and, as in the case of the United States Stamp Tax, removal of the impost is hailed by business men as a considerable relief.