

WEATHER:
FAIR—SHOWERS.

THE MOLSONS BANK
Incorporated by Act of Parliament, 1852

Head Office, MONTREAL

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

Branches in 93 cities in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the World offering its clients every facility for promptly transacting business in every quarter of the Globe.

THE DOMINION SAVINGS AND INVESTMENT SOCIETY
DOMINION SAVINGS BUILDING
LONDON, CANADA

Capital \$1,000,000.00
Reserve Fund 225,000.00

T. H. PURDUM, K.C. President
NATHANIEL MILLS Managing Director

MARITIME TEL. AND TEL. CO.
IS VALUED AT \$3,491,682

Montreal, June 12.—According to the valuation of the Maritime Telegraph and Telephone Company in this province just filed, it would take to reproduce it \$3,491,682. This allows \$629,576 for depreciation from present cost. This valuation was made by the company at the order of the Public Utilities Commission, and in making it the services were omitted by Mr. Hayes and that his valuation was based in some particulars on costs in the United States which are higher in Canada.

The valuation is made in order that the Public Utilities board may have a basis for fixing a schedule of rates. These are based on the cost of the plant rather than on the amount of capital. The company argues that the rates should be such as to allow for the earning of 8 per cent on the cost of the plant. It is interesting to note that the capital, including the bond issue, is \$3,350,000, so that the valuation shows the net cost of the plant, as a going concern, to be \$141,682 more than the capital stock and bonds.

FRANCE APPROPRIATES \$77,000 TO SECURE WOODEN LEGS FROM U. S.

Philadelphia, Pa., June 12.—With 10,000 French army officers alone, in need of artificial limbs and thousands of soldiers in a similar condition, the French Red Cross has delegated Dr. Joseph Leidy, the noted Philadelphia surgeon, to investigate American facilities for supplying a big government order of this nature. An appropriation of \$77,000 has been made.

Dr. Leidy's appointment came through Charles Carroll, an American residing in Paris, who is actively interested in the French Red Cross. He has already investigated the facilities in Philadelphia and New York and from information he has obtained from men manufacturing artificial limbs, he said to-day he was confident that America could handle all or at least the major part of the order.

MORE RUSSIAN SUCCESSES.

Petrograd, June 12.—Further important successes for the Russians all along the line are announced in an official communique issued by the Russian War Office. In the Northern sphere of operations from the Dubissa River to Belogolova, the Russians have definitely assumed the offensive.

Attempts of the Austro-German army of General von Mackensen to push eastward from Mosiska to Lov, (Lemberg), have been stopped short by the Russians.

The Austro-German army of General von Linzengen, whose drive northward toward Lemberg was checked on the east bank of the Dniester River, have been compelled to retire, giving up much booty to pursuing Russians.

CREW OF GERMAN CRUISER HAVE VIOLATED THEIR PAROLE.

Washington, June 12.—Collector Hamilton at Newport News reports to the Treasury Department that Lieutenant Brauer and several members of the crew of Prinz Eitel Friedrich interned are not now on board their war vessels. He expresses the opinion that they have violated their parole and may have left the United States.

CANADIAN STOCKS IN N. Y.

New York, June 12.—Granby 88 1/2; British Columbia 100.

We Recommend For Investment

Dominion Power & Transmission Co.
Fives due 1932. Price to yield over 5 1/2%

Cedar Rapids Mfg. & Power Company
Fives due 1933. Price to yield about 6%

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VICTORY FOR ALLIES AT THE DARDANELLES

Within Four Hours of Gallipoli and Threaten to Encircle Enemy's Trenches

GERMAN ARMY OUTFLANKED

Whole Division Wiped Out in Defeat in Galicia—Six Thousand Killed and General Wounded—Austrian Attempt to Outmanoeuvre Italians Frustrated.

(Special Cable to The Journal of Commerce.)
London, June 12.—Steadily battling their way towards Constantinople, the Allies, after terrific fighting, have arrived within four hours' march of the town of Gallipoli, on the Dardanelles. The left wing of their forces now threatens to encircle the enemy trenches to the north of the town, according to the Athens correspondent of the Daily Express.

The advice says a big battle has been in progress around Maldo since Thursday and that the Allies have won two hills near Maldo. In that fighting a Senegalese regiment took 700 Turks prisoners on the heights of Ortaksui.

Turkey Weary of War.

The Rome correspondent of the Daily Chronicle has diplomatic information to the effect that the Turkish Government is weary of the war and ready to be rid of the disastrous alliance with the Germanic powers. The possibility of a separate peace is being considered, according to authentic information.

With the Austrian cities of Montefalcone, Gradisca and Rovereto, as well as one hundred villages, in Italian possession, and the Italian drives against the Austrian strongholds of Trent and Trieste proceeding successfully, the Austrian troops are becoming completely demoralized by continuous defeats.

At three points in the Isonzo Valley, bloody battles are in progress between the Italians and Austrians. One fight is raging around Tolmino, another further south is taking place north and south of Gorizia, and the third between Gradisca and Montefalcone. At other points on the front a severe artillery duel is in progress.

Attempts of the Austrians to outmanoeuvre the Italians and strike a blow at the rear of the Italian army at Monte Nero, near Tolmino, was frustrated. General Ricciotti Garibaldi's five sons have enlisted in the Italian army as common soldiers.

Shell Injured Divisional Staff.

A whole Austro-German division was wiped out in the defeat of the army of General von Linzengen on the Dniester in Galicia. The right wing of the Teutonic army in Galicia has been outflanked. Six thousand Austrians and Germans are reported to have been killed in the battle at Mosiska, between Przemysl and Lemberg.

During an artillery duel in that quarter a German general, commanding a division, was wounded, and 12 other officers of high rank were struck by fragments of a shell which exploded nearby.

The Russian victory demonstrates once more that while sufficient artillery may break any given line, an advantage cannot then be pushed without equal or superior infantry.

ALLIES WILL HAVE MINIATURE RAILWAYS TO CARRY AMMUNITION.

According to advices from New York City miniature railroad trains that will carry ammunition right into the French and English trenches are now under construction in the United States and Canada. More than 100 of such trains, running on tracks two feet in width, will be ready for shipment within a short time. The little locomotives are being built in the Baldwin Locomotive Works in Philadelphia; the miniature tracks in the Lorain Steel Works, Johnstown, Pa., and the tiny cars in a foundry in this country. These trains are expected to be of great benefit to the Allies in trench warfare. They will be so small that they can run in tunnels near the firing line, unseen by the enemy, right into the trenches. They will be many times more handy than automobiles that cannot do such efficient service by night as by day. The entire equipment is unusual. Every part of the order is being built with great care.

GERMAN OFFICERS CONTEMPT FOR CIVIL RIGHTS AND CUSTOMS.

Toronto, Ont., June 12.—After six hours' deliberation, Emil Nerlich, the German millionaire, was found by a jury not guilty of treason.

Commenting on the action of a Crown witness named Zerow, who tore up a document in court, Judge Sutherland said he might have committed the offender for contempt of court.

His Honor added that he had obtained from doing so in order that he might not prejudice the case against accused.

"It seems to indicate," continued Judge Sutherland, "what we have heard so much about lately, the absolute disregard of officers trained in the German army for all civil rights and customs."

WILSON IGNORES BRYAN.

Washington, June 12.—The cabinet meeting yesterday was described by one of its members as "the calm after the storm." The public effect of the note to Germany was disclosed briefly but the meeting was largely devoted to departmental matters.

There was no reference to the retirement of Mr. Bryan, nor of statements he has issued since he resigned. It is understood that President Wilson desired no reference to this subject.

TWO CENT POST CARD.

In response to a very general request from the public, the Department is now issuing a Two-Cent Post Card, to cover both the postage and the War Tax. It is noticed, however, that the use of this card, which undoubtedly affords greater convenience than one-cent card, is still very limited. This is likely due to the fact that the public is still unaware of the existence of the new card. There is, of course, no intention on the part of the Department to prohibit the use of the ordinary one-cent card to which a war tax or one cent stamp has been affixed.

PRICE OF LEAD UP AGAIN.

New York, June 12.—American Smelting and Refining Company has advanced price of lead from 6 1/2 to 7 cents.



MAJOR-GENERAL HUGHES.
Minister of Militia, who is making efforts to increase the output of shells in Canada.

HON. LOUIS CODERRE TO BE SUPERIOR COURT JUDGE.

Ottawa, June 12.—It is stated from an authoritative source that the Government is about to decide on the impending change in the Cabinet. The Hon. Louis Coderre is, it is said, to be appointed a judge of the Superior Court for the District of Montreal, succeeding Mr. Justice Chabouin, who will be transferred to Montreal to replace the late Mr. Justice Beaudin. Mr. J. M. Teller has been again asked to accept the portfolio of Secretary of State, which Mr. Coderre is to resign, but has not yet given his answer.

Men in the Day's News

Mr. S. R. Parsons, who has been elected second vice-president of the Canadian Manufacturers' Association, is a native of Port Hope, where he was born some fifty years ago. Mr. Parsons is president of the British American Oil Company, Limited, chairman of the board of directors of the Ontario Branch of the Canadian Fire Insurance Company, and for the past four years has acted as chairman of the transportation committee of the Canadian Manufacturers' Association.

The Hon. James MacLennan, a former Judge of the Supreme Court of Canada, who died yesterday in Toronto, was a native of Glangarry County. He was born there in 1833, and educated at Williamstown and at Queen's University. He was called to the Bar in 1857, and practised his profession first at Hamilton and later at Toronto, in the latter city as partner of the late Sir Oliver Mowat. The late Mr. Justice MacLennan was a warm friend of higher education, being particularly interested in the work carried on by Queen's. For some years he was chairman of the board of trustees of that University.

Ottmar Mergenthaler, inventor of the linotype, was born in Wurtemberg sixty-one years ago. In Germany he learned watchmaking, but as a boy of eighteen he emigrated to the United States and settled at Washington, where he secured employment in the shop of an electrical instrument manufacturer. He there carried on the experiments which finally resulted in the production of the linotype machine, although it has been improved since it was first placed on the market. Mergenthaler died in 1899, having amassed a fortune from his invention.

Mr. Mostyn Lewis, secretary of the Corporation Agencies Limited, Secretary of Canada Brick, and Vice-President of British Canadian Canners, and connected with a number of other corporations, has resigned his offices, and is leaving in a few days for one of the aviation camps, having secured a commission in the Royal Naval Air Service. Mr. Lewis is a sane, level-headed chap, who has heretofore been able to keep his feet on the earth, but of late has shown an unexpected fondness for going up in the air. He is a son of Mr. Lansing Lewis of this city, and a grandson of Sir Henry Bate of Ottawa.

Prince Chigi, hereditary Grand Marshall of the Holy Roman Church and Chief Guardian of the Conscience, has just sold the old Chigi Palace in the heart of Rome to the Italian Government for one million dollars. Previously the palace was used as the home of the Austrian Ambassador, but as that individual is no longer in Rome, the Prince has sold the palace. The family of the Prince has filled these offices connected with the Catholic Church for upwards of two hundred years, but the first occasion on which the present Prince performed his duties was last year at the election of Pope Benedict XV.

Sir Arthur Herbert, one of the members of the English Diplomatic Service in the United States, was formerly Envoy at several of the German Courts and also in Norway. At the present time he is stationed in New York presumably in connection with the purchase of war supplies by the United States by Great Britain. Lady Herbert is an American, while their only son, a freshman at Harvard, is receiving an American education, although he will attend Oxford after he leaves Harvard. Sir Arthur Herbert is one of the best linguists in the Diplomatic Service as he possesses a mastery of Russian, Persian, German and many other languages.

Lieut.-Colonel F. Minden Cole, who has been commissioned to recruit a heavy brigade from Montreal, is well known in military circles. He was born in Montreal in 1859, and educated at the Montreal High School and McGill University. On graduation he went into the insurance business, but has been prominently identified with military matters throughout his entire life. He was a cadet in the Montreal High School in the early seventies and then joined the Hemmingford Rangers as a private, later transferring to the artillery, with which he has remained ever since. He took part in the North-West Rebellion and later, while in command of his brigade, won the Queen's Cup at Shoeburyness in open competition against the Empire. He is recognized as one of the best artillery officers in Canada.

EXTRA ISSUES OF DOMINION NOTES

In the Past Six Months an Aggregate of Nearly \$15,000,000 Have Been Returned

SOME MET TEMPORARY LOANS

Nothing Has Been Published in Canada as to the Means by Which the Redemption of Excess Issues has Been Effected.

By H. M. P. ECKHARDT.

A most gratifying feature of our public finance is seen in the gradual reduction in the volume of Dominion notes outstanding. It will be remembered that in the first three or four months of the war there occurred a startling increase in the volume of this circulation. According to the statement of liabilities and assets issued by the Finance Department, the Dominion notes outstanding rose from \$115,900,000 on July 31st, 1914, to \$166,400,000 on November 30th, 1914—the amount of gold reserve against the issues falling during the same period from \$91,700,000 to \$89,300,000. This rapid increase raised fears in some quarters that the pressure of financial necessity might force the Government to go too far and too fast in the direction of emitting irredeemable paper money; and the Finance Minister was involved in some criticism for his part in the development. That being the case, it is right that he should receive full credit for the improvement of position effected in the months following November.

A good view of the course of the Dominion note circulation is obtained by taking the amount outstanding from month to month in comparison with the preceding month. Thus, beginning on July 31st, at \$115,900,000, there was a decrease in August of \$1,800,000, followed by an increase of \$18,200,000 in September, a further increase of \$19,000,000 in October, and another of \$15,000,000 in November. As above mentioned, this brought the total to \$166,400,000. In December the balance fell \$2,400,000, in January, 1915, it dropped to a figure \$1,800,000 below the December level; by the end of March it was down \$1,200,000 further; and at the end of May another reduction of \$4,900,000 occurred, bringing the aggregate down to \$152,100,000, or \$14,300,000 less than at the end of November.

It is to be noted also that the reductions since November have been effected without any loss whatever in the gold reserve held against the notes—that has remained practically stationary. Although the statement of circulation and specie as at May 31st, has not been published at the time of writing, it is reasonably safe to estimate the gold held for redemption of Dominion notes at \$89,400,000, the same as in the past few months.

Nothing has been published as to the means by which the redemption of excess issues has been effected. This may, however, make a fairly good guess as to this. It was announced some time ago that the extra issues of notes were made for three principal purposes: First, to make advances to the Canadian Northern and Grand Trunk Pacific, on the security of bonds of the companies guaranteed by the Dominion Government; second, to make advances to the banks for crop moving purposes on pledge of approved securities; and third, to take up maturing obligations in London. So far as the notes issued to the railway companies are concerned, it would seem that the only means of retiring them would be through placing in the investment market in London the Government-guaranteed railway bonds constituting the security for the loans. That is to say if the C.N.R. and G.T.P. were able to dispose of the guaranteed bonds to underwriters, they would thus be able to repay the

CITY OF CALGARY ARRANGING TO MEET TREASURY BILLS DUE.

Calgary, June 12.—A plan to meet the payment of the \$1,805,000 worth of treasury bills, falling due at the end of this month, has been laid before the finance committee of the city council.

The scheme is to retire part of the issue and either renew the rest or sell a like amount in treasury bills in New York to raise the money with which to retire them.

Arrangements have been made with the banks whereby the city will be able to retire £71,000 of a total of £371,000. This means that the city will reduce the amount from \$1,805,000 to \$1,599,000 by paying off the \$305,000.

As to the rest, treasury bills will be prepared for that amount in sterling and another batch in dollars and cents. If it is possible to renew the amount in England, the sterling notes will be used. If this is not possible the dollars and cents notes will be disposed of in New York.

NORWEGIAN SHIPS DESTROYED.

Copenhagen June 12.—The War Insurance Bureau has announced that 29 Norwegian ships have been destroyed since the war began. The ships including cargoes were valued at \$7,800,000.

The Canadian Bank of Commerce

Head Office—TORONTO

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

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Collections Effected Promptly and at Reasonable Rates

OPTIMISM IN SOUTHWEST, ACCORDING TO A VERY INTERESTING LETTER

(Exclusive Leased Wire to The Journal of Commerce.)

Boston, June 12.—Added testimony to the general improvement in the south and southwest and the feeling of optimism over present business prospects, is furnished by an interesting letter received by the Endicott, Johnson Company, the largest shoe manufacturer in the world, from the Battratt Shoe Company of St. Joseph, Missouri. We quote from the letter as follows: "On or about May 15, the drought covering a period of many weeks, over most of our territory, was broken by heavy rains, which continued almost daily up to the latter part of the past month. The benefit to the growing crops is evident, as a result of recent rainfall, which has a tendency to retard, if not entirely destroy the chinch bug and necessarily had much to do with the retarding of progress of the Hessian fly."

"During the past few days there has been a decidedly better feeling among our retailers as to trade conditions and our collections show up favorably as a result, and notwithstanding the facts of reports we have to the effect that crop conditions throughout our territories are not quite so favorable as a year ago; yet the acreage, especially in wheat, is much larger and unless some unforeseen disaster prevents, we predict a goodly harvest will be gathered."

"It will perhaps be of interest for you to know that our cash receipts for the month of May show a gain of 4.7 per cent, while our total cash receipts from December 1, 1914, to June 1, 1915, shows a deficit of 7 of 1 per cent."

"Our shipments for the month of May, as compared with 1914, show gain of 11.7 per cent, and our total shipments from December 1, 1914, to June 1, 1915, show a gain of 5 of 1 per cent."

"Our orders received during the month of May, 1915, as compared with corresponding period of 1914, show a deficit of 12 per cent, all of which would indicate the trade area following conservative lines and are not anticipating their requirements beyond a reasonable point."

"Many dealers, we believe, over-ought in anticipation of a higher level of values during the past season, and on account of so many of our laboring people being out of employment, the sales of men's shoes show quite a falling off, but the fancy novelties in women's and misses' shoes continue to enjoy an unprecedented demand."

"The changes in taste for the coming season are very few and the millinery idea indicated in the shoe business, we believe is fast growing to a close, and we will, no doubt all welcome business on staple lines. It is to be hoped that the business will return to normal on these kinds as the fancy articles necessarily carry more or less hazard with them."

"Should the growing crops mature, as we now anticipate they will, we know of no good reason why we should not enjoy an increased volume of business during the fall and winter months. All in all, we feel most optimistic regarding trade conditions for the coming season."

BANKERS ANNUAL CONVENTION.

New York, June 12.—The annual convention of New York State Bankers' Association will be held on June 24 and 25 at Saratoga Springs.

Addresses will be delivered by Paul M. Warburg, of the Federal Reserve Board, and Benjamin Strong, Jr., Governor of New York Federal Reserve Bank.

AN IDEAL NEWSPAPER FOR MEN OF AFFAIRS

"I have been receiving the Journal for a month or two now, and I feel I ought, in tendering my thanks for the opportunity afforded me to read it, to tell you how greatly pleased I am with it. Though three days old when it arrives here, I find it full of most interesting news concisely told, and above all I like its admirable editing which in every field of importance gives us only the things that matter. It is an ideal newspaper I think for men of affairs, sane and informing, and I heartily wish it the success and prosperity it deserves, and will surely attain wherever it becomes known."

The above letter, written by a western business man on June 8th, is typical of many letters being received by the Journal of Commerce.