WEATHER: FINE & WARM

The Journal of Commerce

THE BUSINESS MAN'S DAILY

Vol. XXIX. No. 55 MONTREAL, FRIDAY, JULY 10, 1914. TWO CENTS

We Own and Offer
Town of St. Lambert
5 1-2% Debentures, Due 1954
PRICE TO YIELD 5 3-8%
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Head Office—MONTREAL
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Agents in All Parts of the World.
Savings Department at all Branches
LETTERS OF CREDIT
TRAVELLERS' CHEQUES
DRAFTS AND MONEY ORDERS } ISSUED
A General Banking Business Transacted

SIR ADAM BECK,
Who has just announced that it is the intention of the Ontario Hydro-Electric Company to develop power along the French River in Northern Ontario. Already 10,000 horse power has been contracted for by the British-American Nickel Mining Corporation.

REVENUE DECREASE OUTLAY HEAVIER

Department of Finance Give Out Figures for First Quarter

Ottawa, July 10.— The financial statements giving expenditures for the first quarter of the fiscal year ending July 1, and also the revised figures for the fiscal year, have just been issued from the Department of Finance. Decreased revenues and increased expenditures are reflected in these statements.

The total revenue for the three months ended July was $33,660,389, as against $41,268,690 for the corresponding period of 1913, a decrease of more than seven million dollars.

The expenditure on consolidated fund for that period was $13,047,642, as against $10,777,911 for the corresponding period of 1913, or an increase of nearly three millions.

Capital outlay totalled $4,160,954, which is a decrease of three million dollars below last year, when there were heavy payments for railway subsidies. The revised figures for the fiscal year ended March 31st give a surplus on consolidated account of $35,820,413. Total revenue amounted to $163,174,394, and expenditure to $127,353,981.

The capital expenditure was $56,216,712.70. This was made up of $37,180,475.95 on public works, and $19,036,236.77 on railway subsidies.

The Dominion net debt on March 31st was $325,966,658, as against $ 314,301,633.58 last year. This is an increase of $21,665,032 in the national debt.

BREAK WITH SENATE

President Wilson Resents Attitude of Body Regarding Reserve Board Nominees.

(Special to Journal of Commerce.)

Washington, July 10.—An open break between President Wilson and the Senate is threatened as a result of the latter's action in refusing to confirm the nomination of Thomas B. Jones as member of the Federal Reserve Board and its indefinite postponement of action in the Warburg case. To prevent a revolt it is intimated that the President may modify his attitude though he will be keenly disappointed if he is forced to withdraw the names of both men. Efforts are still being made to persuade Warburg to permit the Senate banking and currency committee to quiz him.

A fresh general strike of the employes of the Italian State Railroads is threatened for Saturday, and the Government has taken extensive precautionary measures.

BOTH WILL FIGHT FOR BETTER TERMS

Controllers Ainey and McDonald Further Explain Position re Tramways

OPPOSE RAILROADING

Question too Important to Decide in a Hurry—Object Not to Length, But to Terms of Franchise.

Mr. Duncan McDonald, and Mr. Joseph Ainey, who are leading the fight in the Board of Control against the proposed Tramways deal, had some interesting things to say when interviewed together by a representative of the Journal of Commerce to-day.

Controller McDonald, speaking for himself and his colleague, said: "We refuse to permit the Tramway Company to railroad through the Board Control and the City Council, any agreement respecting the future position of transportation of this city without giving the people an opportunity of fully considering all the conditions of the proposed agreement.

"We are uncompromisingly opposed to hasty action upon the question of fares or upon the question of percentages of profit, which the city may derive from the operation of the Tramways. We demand an opportunity for intelligent consideration of any franchise proposal, by the Board of Control and the City Council, but especially by the citizens of Montreal.

"If the Tramways proposals are as rumored, and as we have good reason to believe they are, we are emphatically of the opinion that it would be unjust to rush them through the City Council and the Board of Control, or to indulge in any hasty action. We believe that there must be full consideration of the question,, and an expert investigation made of problems in this city in the light of the experience of other cities that have worked out modern street railway franchise, before any action is taken.

"While it is merely rumored that the Tramways propose to increase the fare to five cents, yet such increase is so important to the people of this city, and especially to the working classes, that we will leave no stone unturned to defeat any such measure. We do not care whether the franchise extension is for forty years, or for whatever period may be decided, but what we do insist upon is that it shall be drawn up in such a way that the interests of the people shall be guarded down to the minutest detail. Moreover, we intend to see that the franchise shall not be given for any period of time until a careful analysis is first made of the proposed earnings of the company and an expert estimate made of what should be justly paid out of profits to the citizens of Montreal. These points we shall fight for, and shall fight until the last ditch.

"If the statement made by the Mayor at the meeting of July 3rd can be believed, it was intended to rush through an agreement involving hundreds of millions of dollars at one sitting, and to send it along to the City Council for ratification.

"Remember the magnitude of this deal. It involves a sum of $800,000,000—a vast amount which the city cannot afford to permit interested parties to manipulate to their own advantage. If neeessary, the city can on its own account construct subways and institute a service of motor buses, which will make us entirely independent of any private corporation whatsoever. The subways could be constructed at an approximate cost of $2,000,000 per mile. The fixed expenditure for a motor bus service would be moderate indeed in comparison to other systems of transportation.

"We are, therefore, not obliged to enter any contract whatsoever. The people of Montreal will decide this matter for themselves, because they are in a strategic position to do so. Without going into the legal aspect of the question—that is a matter for lawyers—I would like to say, however, that the Council is morally bound to submit this matter to the people. It is a problem the solution of which will take the most careful consideration and involve the most exhaustive investigation by experts.

"At present, the city receives percentages of 4, 6, 8, 10, 12 and 15 upon earnings arising from the operation of the tramways, ranging from $500,000 to $3,000,000. I believe that these percentages should be materially increased. There is no reason why the growing income of the Tramways, which is expanding rapidly from year to year, should not be equitably shared with the city. This increased income is due to the growth of the city of Montreal, a growth for which the citizens of Montreal are jointly responsible. It is therefore only natural and right that the people of this city shall participate to a greater extent than they have in the past in earnings which are largely due to their own enterprise.

MARCONI WIRELESS

Net Profits For the Past Year Amounted to $611,615.

London, July 10.—The Marconi Wireless Telegraph Company has declared a final dividend of ten per cent. on both the preference and ordinary shares, making a total of seventeen per cent. on the former and twenty per cent. on the latter for the year.

Gross profits for the past year were $1,227,915 and net profits $611,615.

According to R. G. Dun & Co. there were 1,218 failures in Canada during the first half of 1914, which compares with 817 for same period in 1913. Aggregate indebitedness was $11,688,225 against $9,593,498 in earlier period.

BRITISH INVESTORS ARE PUTTING OUT MORE CAPITAL

Show Faith in Future by Buying Securities More Freely Than Ever During the Past Six Months

NOT MUCH MORE FOR CANADA

The Increased Investment in Canadian Securities Does Not Show the Same Proportionate Advance as do the Increases of other Colonies.

(Special Correspondent, W. E. DOWDING.)

London, June 30.—The Statist has published its record of the public investments of British inventors for the first half of this year. The total is compared with the first halves of the last eight years, and exceeds every one of them.

In 1910 the figure for the first half year was 158 million pounds sterling. Last year, 1913, it was 151 million sterling, but this year it is 166 millions sterling, which is by far the largest sum ever subscribed by British investors in a single six months. The Statist observes very truly that "the amount of money which this country has for investment year by year seems to be almost unlimited . . . the condition of the money market would seem to indicate that investors are prepared to go on investing freely, provided that the issues are sufficiently attractive."

The table which The Statist publishes enables us to watch the variations in the classes of investments. The most noticeable feature of this year's market is that the amount invested in Government Securities is enormously greater than at any preious time. It is 70 millions sterling, which is higher by 22 millions than 1909, the next highest year. Taking what may be called "strong borrowers" together, namely, Governments, Municipalities and Railways, it is found that these three groups account for no less than 122½ millions sterling out of the total amount for the six months of 166 millions sterling.

Railways are down on the whole, which is quite in accordance with the general impression that the world is reaching the end of the second Napoleonic period in railway construction.

Another noticeable feature of the returns is the drop in commercial and industrial investments. It is the lowest figure for the last four years, and is between 8 and 9 millions lower than the first six months of 1913.

Drawing Conclusions.

It is impossible, of course, to draw more conclusions from these returns than such as apply to commercial undertakings and industries that publicly advertise for additional capital. The Statist's tables are compiled from the public prospectuses, and the journal observes that "with regard to the investment of capital at home we have, of course, to recollect the large amount of capital found privately for the extension of British enterprises of all kinds and descriptions. Normally we place abroad about one-third of our savings, although just now, partly in consequence of the urgent demands of our colonies, we are placing abroad nearly one-half of our annual savings." I am not sure that anybody can collect sufficient information to establish the fact that half our annual savings are being invested abroad. There is no means of ascertaining how much money is being put into the development of Home Industries; but the signs are that it is much greater than ever before. One reason why there is such a rapidly increasing shortage of working class dwellings throughout the country is that capital is finding more remunerative investment in industries, and no visitor to this country, even if he confined his observations to what he could see from the windows of a railway carriage, could fail to notice the general activity in extending, renewing, and improving our means of production. So far, therefore, as British commerce and industry are concerned, the published figures of invested capital offer no real guide, because the bulk of the capital required is provided out of profits, or is privately subscribed.

Turning to the geographical distribution of British capital during the last six months, and comparing it with the amount supplied in the two previous year (six months of each) we find that the great self-governing dominions of Canada, Australasia, and South Africa have enormously increased their demands. Canada obtained of British capital in the first six months of 1912, £21,588,294; of 1913, £37,367,319; of 1914, £38,295,458, thus it will be seen that the rate of increase in Canada is slowing down. So far as Australia and New Zealand are concerned, the figures for the three periods referred to are 4 millions, 12 millions,, and 19 millions, showing a rapid rate of increase. The same may be said of South Africa, whose figures are in the three successive periods, 3, 5, and 10 millions.

Turning to foreign countries, one of the most notable features is the enormous drop in Brazilian, and U. S. A. investments, while, on the other hand, Russia investments increased and Argentina investments remained about the same. In the first six months of this year, Belgium has had 9 millions of British capital; Hungary, 4 millions, and Greece nearly two millions. Investments in Mexico, have, of course, dropped to almost nothing. Neither China nor Japan has had any of our money this year so far.

HUERTA'S DOWNFALL.

Fall of Guadalajara Reported by Carranza Means Defeat of President. It Is Said.

(Special to The Journal of Commerce.)

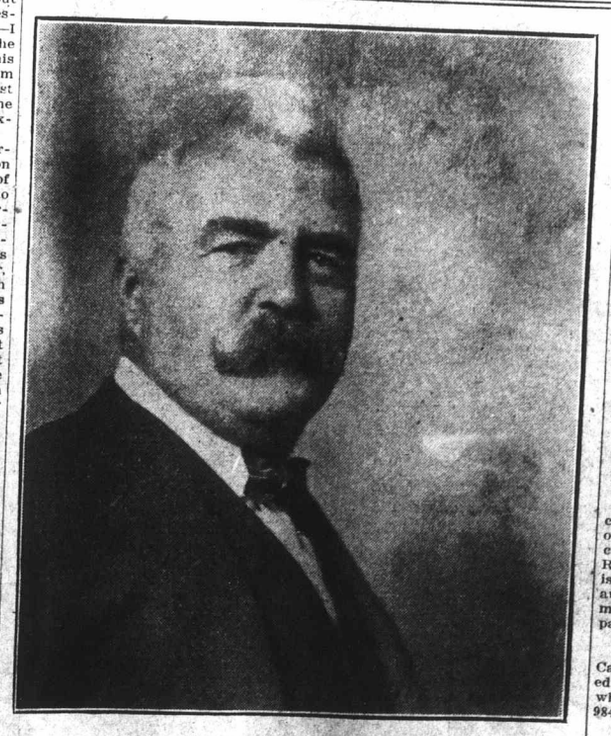
Washington, July 10.—A despatch from General Carranza to Constitutionalists here confirms the fall of Guadalajara. The next move of the Constitutionalists will be against Irapuato and Guanajuato. It is also reported that General Gonyales is marching to attack San Lusi Potosi from the northeast. The way is clearing for an attack on Mexico City. Senor Juan Urquiri, Secretary of the Constitutionalist Junta here says the fall of Guadalajara means the speedy downfal of Huerta.

GUARDING THE KAISER.

(Special to Journal of Commerce.)

Berlin, July 10.— The police are keeping vigilant watch on the Kaiser, owing to anonymous communication from Sarajevo Bosnia, saying that the Servian Slavonic secret committee in Berlin was plotting against the German ruler.

The British Government decided to build a series of towers along the coasts as a defence against attacks by air craft.



MR. DUNCAN McDONALD,
Controller McDonald, who says Montreal is not dependent upon the Tramways for transportation facilities.

500 MEN GUARD UNIONIST MEETING

Cordon of Ulster Volunteers With Fixed Bayonets Around Hall

STRIVE FOR PEACE

Only Amendments Aiming to Maintain Peace Should be Considered Now, Said Lord Lansdowne at Last Night's Meeting.

(Special to Journal of Commerce.)

Belfast, Ireland, July 10.—While Unionist leaders were holding a meeting to-day in Ulster Hall, their headquarters, five hundred Ulster volunteers stood guard about the hall with bayonets attached to loaded rifles.

At the conclusion of the meeting the Tory leaders announced their decision to leave everything to Sir Edward Carson.

London, July 10. The committee stage of the Home Rule Amending Bill closed last night. Nearly all the most important amendments had been disposed of on Wednesday, and the greater part of last evening's sitting was spent in discussing proposals which the Opposition leaders do not regard as essential for meeting the great need of the moment—the prevention of civil war.

On this point Lord Lansdowne made an important statement. He told the House that he and his friends had considered whether they should put down amendments for safeguarding the interests of the Unionist minority in the south and west of Ireland, and they had now come to the conclusion that in view of the present situation in Ireland, it was in the public interest that they should concentrate their amendments entirely on the question of avoiding civil strife.

"We should complicate the issue and divert public attention from the main question," he said, "if we made ourselves responsible for a number of other proposals designed to protect the Unionists in the south and west." He reserved the right of supporting any of the other amendments, but pointed out that the responsibility of his friends and himself for such other amendments would be wholly different from their responsibility for the amendments they had themselves put down.

"To these amendments," he said, "we shall certainly adhere as being absolutely vital. With regard to the others, we can only give them our general support."

Lord Lansdowne did not say whether he included among the absolutely vital amendments the proposal made by Lord Halsbury the previous night, to set aside those provisions of the bill which sanctioned the appointment of judges by the Irish Parliament, and the substitution for appeals to the Privy Council of appeals to the House of Lords.

The discussion of this proposal was resumed, and Lord Middleton expressed the opinion that justice in Ireland would become a sham if the appointment of judges were given to the Irish Parliament. He wanted to know why, if Ulster was to be excluded, Ulstermen should not have some appeal, as they have at present, to the House of Lords.

Lord Crewe, for the Government, would not hold out any hope that this appeal would prove effectual. He remarked that the Irish executive would be set up to look after peace and good government, and it would be difficult to persuade Home Rulers that Parliament ought to withdraw from them the appointment of the judiciary.

The amendment was carried by 166 to 42.

Another amendment was carried to the effect that the Irish constabulary should not pass under the control of the Irish Parliament.

FREIGHT RATE DECISION SOON

Chairman of Interstate Commerce Commission Will Sail for Europe July 24th.

Washington, July 10.—A rumor that Interstate Commerce Commission decision in the five per cent. advance rate case is to be handed down within a few days was circulated at the Commission's offices.

It was based on announcement of several members of the Commission that they intend to leave Washington on vacations next week.

Jas. S. Harlan, chairman of the Commission, plans to sail for Europe on July 24.

It is regarded as certain that decision will be forthcoming prior to that date. Officials of the Commission declined to make any statement as to the date of the decision.

INTEREST TO BE PAID

Chicago, July 10.—Local bankers received information to-day that a plan of consolidation of the Western Pacific Railway with the Denver and Rio Grande is under consideration. It is believed that the 2½ per cent. semi-annual interest shortly due on first mortgage bonds of former road will be paid.

The value of the pig iron mined in Canada last year ($16,540,000) exceeded that of the gold by more than $300, while the value on the silver was $18,984,012.

Nine States of the American Union having an aggregate area of 2,137,726 square miles and a population of 46,029,750, are now under prohibition.

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RAISED ESTIMATE OF COST $132,000

Startling Facts Adduced in Today's Session of Southampton Ry. Investigation

QUANTITIES INCREASED

Engineer's Testimony Shows That Estimate of Amount of Rock Excavated Was Increased by 8,000 Yards.

(Special Correspondence.)

Fredericton, N.B., July 10. Edmund Joseph Walsh, of Ottawa, civil engineer, sent by Commissioner Pringle to inspect and value the Southampton Railway, now under investigation, gave his evidence at to-day's session. He gave an itimized statement totalling $159,516 as the actual cost. The amount reported to the department was $291,517, a difference of $132,000.

Things were lively for a time with Mr. Pringle conducting the questioning.

Q.—"But you gave the Department of Railways, through Mr. Johnson, in the fall of 1912, an estimate showing rock excavated as 12,500 yards, when you knew of only 4,311 yards?"

Mr. Teed.—"Is that another estimate?"

Mr. Pringle. "This is an intermediate one. It is not in evidence, but I have it here, as I thought it would be useful."

Mr. Brown—"Did I sign that?"

Mr. Pringle "It is a typewritten signature, but Mr. Johnson swears it was given to him by you."

Mr. Johnson came forward and confirmed this.

Q.—"Now can you tell me why in this estimate you raised all the quantities?"

A.—"The cost of the work was greater than the estimate."

Q.—"I am not asking about the cost but about quantities. Why did you increase the quantity of rock as an example. I will not go into all the other increases?"

A.—"Because I believed there must be more I suppose."

Q.—"You have sworn that you gained no additional information in this period, why did you make the change?"

A.—"Because Mr. Pinder said the road was costing more."

Q.—"Then it was Mr. Pinder who wanted the change, and it was at his request that you jumped the rock 8,000 yards?"

A.—"They said there was more rock."

Mr. Pringle.—"I only want to find the truth, a great wrong has been done and I want to know who is responsible."

Brown said his figures were only approximate. Later he said he increased the figures because he believed Engineer Johnson, of the departmnt, had hinted that the margin above the cost required to get the double subsidy was so low that he did not think the department would allow it. "He did not tell me to increase it, but he inferred that." The witness said he took this as a hint to avoid an audit. Johnson was recalled and repudiated this.

UNITED STATE'S STEEL'S UNFILLED TONNAGE.

New York, July 10.—Filled tonnage on the books of the United States Steel Corporation as at June 30th amounted to 4,032,857 tons, an increase of 34,697 tons over May 31st.

DELAY IS CAUSING INCONVENIENCE

Sir Wm. MacKenzie in Ottawa to Rush Through Arrangements for $45,000,000

(Special Correspondence.)

Ottwa, July 10.— Sir William MacKenzie, head of the Canadian Northern, is on the Capital to-day, accompanied by Hector McInnes, of Halifax, counsel for the company. They conferred with the Minister of Railways and the Prime Minister in connection with the execution of the trust deed and the consummation of the $45,000,000 bond guarantee proposals.

Sir William, when seen by your correspondent, was obviously displeased with the delay in the execution of the mortgage, and the decision as to the Trust Company which will hold the trusteeship for the company's bondholders.

It is apparent from his attitude that the delay is occasioning serious inconvenience. Sir William could not say when the deed would be executed, nor did he care to discuss the additional terms which are to be inserted as to the issue of the bonds, etc. The absence of Hon. Arthur Meighen, Solicitor-General, who was prominent in drawing up the agreement, and of the Minister of Finance from the capital, is believed to be largely responsible for the delay. A further conference will be held with the Prime Minister this afternoon.

There is also present at the Capital W. H. Biggar, counsel for the Grank Trunk Pacific, who, with Travers Lewis, K.C., of Ottawa, are engaged in the preparation of the trust deed in connection with the $16,000,000 guarantee for the company. Mr. Biggar states that negotiations were preceeding satisfactorily. Asked concerning the rumor that the Government was holding up the guarantee until the company had settled with its western machinists, Mr. Biggar stated that he knew nothing about such a report.

SHOE MAN RESIGNS.

(Special Correspondence.)

Hamilton, July 10.—It was announced this morning that John MacPherson, head of the MacPherson Shoe Co., had resigned from that concern with which he has been connected for over a quarter of a century. The stock of the concern is now in the hands of J. Long and W. Duffield, it is said. The management refuse to discuss the matter.

BUYS EDMONTON BONDS.

(Special Correspondence.)

Edmonton, Alta., July 10.— Sydney Spitzer, of Toledo, Ohio, who purchased last year's Edmonton school-board debentures, will again purchase the $850,000 worth authorized this year. He has offered the board a price together with accrued interest which it is understood has been accepted.

F. W. WOOLWORTH CO.

The sales of the F. W. Woolworth Company for June amounted to $5,473,812, against $5,147,446 in June, 1913, an increase of $326,366, or 6.34 per cent. From January 1 to June 30 sales amounted to $30,613,752, compared with $28,350,570 in 1913, an increase of $2,263,181, or 7.98 per cent.

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