

WEATHER
FAIR

The Journal of Commerce

THE BUSINESS
MAN'S DAILY

Vol. XXIX. No. 74

MONTREAL, SATURDAY, AUGUST 1, 1914.

TWO CENTS

We Own and Offer
Town of St. Lambert
5 1-2% Debentures Due 1954
PRICE TO YIELD 5 3-8%
N. B. STARK & Co.
TORONTO MONTREAL NEW YORK BOSTON

THE MOLSONS BANK
Incorporated 1855
Capital Paid Up \$4,000,000
Reserve Fund \$4,800,000
Head Office - MONTREAL
25 Branches in Canada
Agents in all Parts of the World.
Savings Department at all Branches.
LETTERS OF CREDIT ISSUED
TRAVELLERS' CHEQUES ISSUED
DRAFTS AND MONEY ORDERS ISSUED
A General Banking Business Transacted

City of Hull

Province of Quebec
Population, 20,600

5% Debentures
TO YIELD 5.20 PER CENT.

Subject to Sale or advance in price.
The highest class of security to yield
an attractive rate of interest.

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and INVESTMENT SOCIETY**
DOMINION SAVINGS BUILDING
LONDON, CANADA

Capital - - - - - \$1,000,000.00
Reserve - - - - - 200,000.00
Y. H. PURDOM, K. C. President.
NATHANIEL MILLS, Managing Director.

BANK CLEARINGS IN JULY

The July bank clearings in Canada are incomplete owing to an absence of the return from Halifax, so that no absolute comparison between this year and last can be made. Figures received up to the moment are as follows:

	July, 1914.	July, 1913.	Declines.
Montreal	\$228,897,933	\$243,647,733	x\$14,749,800
Toronto	198,337,785	179,588,146	18,749,639
Winnipeg	108,769,138	120,226,877	11,457,739
Calgary	20,878,499	51,411,870	30,533,371
Edmonton	15,217,009	19,725,326	4,508,317
Ottawa	17,717,427	18,281,355	563,928
Hamilton	13,934,967	15,829,697	1,894,730
Victoria	11,981,270	15,428,229	3,446,959
Quebec	15,741,169	15,868,875	x\$127,706
Regina	8,233,956	9,632,906	1,398,950
Halifax	9,658,991	1,398,950	8,260,041
Saskatoon	4,990,469	7,484,875	2,494,406
London	7,807,314	7,790,705	x16,609
St. John	8,094,476	7,625,859	468,617
Moose Jaw	3,770,564	4,365,191	594,627
Fort William	4,154,262	4,936,000	781,738
Brandon	2,709,258	2,842,605	133,347
Winnipeg	2,591,086	2,591,086	0
Lethbridge	1,739,054	2,390,978	651,924
New West-			
minster	1,786,407	2,496,289	709,882
Medicine Hat	1,708,934	2,654,698	945,764
Total	\$762,702,676		
Peterborough	1,768,868		

x Increases.

UNITED FRUIT CO. MAKE STEAMERS PAY FOR THEMSELVES

Certain Percentage of Cost of Each Steamer is Absorbed Each Voyage until She Has Been All Paid For.

Boston, August 1.—When steamers contracted for last year are finished and delivered, the United Fruit Company system will have a fleet of 57 owned boats, representing 280,000 gross tons and costing over \$30,000,000.

The unique manner in which the building up of this large tropical fleet of refrigerated and especially equipped steamers has been financed has obscured some of the salient points of the really substantial equity which is piling up in this branch of the business.

A certain percentage of the cost of each steamer is absorbed in each voyage as a part of the expense of operating that steamer. In a year's time about 10 per cent. of the cost is thus absorbed. As things stand now in an average of a few months over 11 years all of these 57 steamers will thus have been paid for and will stand on the books, without a dollar of capitalization against them.

As to the exact worth of these 57 steamers with their \$30,000,000 cost at the end of 11 years there may be some difference of opinion among authorities. A fair estimate is that they will be worth \$20,000,000, a sum equal to over \$55 per share on the stock.

Some of the boats have, as a matter of fact, already been paid for in full. At least six steamers are paid for and another three will be coming out in September. Year by year from now on more steamers, in lots of three for the most part, will have discharged the last capitalization against them and will be full paid. The amount which United Fruit has paid in this manner to date is not far from \$4,000,000.

GERMAN AMBASSADORS QUIT FRANCE AND RUSSIA

Announcement in Rome that Germany has Demanded Declaration of Neutrality from France and Russia

ITALY REAINS NEUTRAL

Unconfirmed Report that Italy will not Back up Triple Alliance—German Residents of Paris are Fleeing to Their Homes—German Warships Hold up Danish Steamers.

(Special to The Journal of Commerce.)

Rome, August 1.—Cutting off of telegraphic communication between England and the Continent as well as between the various continental countries was one of the most distinctive factors of to-day's developments in the present situation. The assumption of control of lines between this country and France was for the purpose of preventing the leakage of war news. British and German warships were so far as to overtake boats flying the Danish flag and examine them. This latter action was immediately made the subject of a communication by the Danish government.

German Ultimatums.

Private advices received here during the morning stated that Germany had addressed an ultimatum to St. Petersburg, demanding that Russia cease mobilizing within twelve hours. The Berlin advices also stated that Germany had likewise addressed to France an ultimatum requesting the French attitude in the event of certain contingencies. The massing of troops went on through Europe as the day wore on. All code despatches from Germany to outside points were forbidden and none but those written in plain German would be accepted. International trains can no longer pass the German frontier while soldiers have been put on guard at the Kiel canal and stationed at bridges over the Elbe.

France Suspends Duties.

The French government suspended duties on flour and bread and furthermore prohibited the exportation of food and other articles of war. This decree was followed by a second stating in effect that for fourteen days there would be suspended the payment of acceptance bills falling due before August 15.

So stringent had money become in Germany, that the bank rate was advanced from 5 to 6 per cent. The Bank of England paid no attention to closing hours and remained open for the purpose of changing notes into gold. The definite announcement of suspension of the bank act is expected to be made on Tuesday next.

Ambassadors Leaving.

Two of the most significant occurrences of the day were unconfirmed reports from St. Petersburg and Paris to the effect that the German ambassadors to the Russian and French capitals had been given their passports and were leaving for Berlin immediately. The third which if correct should act as a great deterrent to the Triple Alliance, was the announcement that in the case of a general war, Italy would remain neutral.

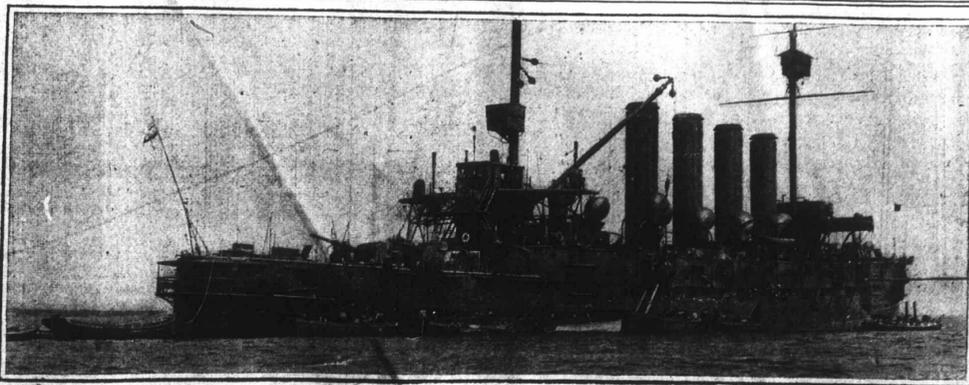
The report that Austria and Russia had resumed negotiations was the one bright spot in the situation this morning, but little faith is put in the pacific possibilities of these negotiations, as it is a fact that Russia is proceeding with mobilization as speedily as possible.

Practically Mobilized.

Great Britain is practically though not officially mobilized, and the smaller European states—Belgium, Holland, and Switzerland—as a precaution have ordered the mobilization of their armies to protect their territory from being used as a highway for the belligerents. Norway, Sweden, and Denmark will guard themselves on general principles. Italy makes no announcement, and although a rumor credits her with the decision not to participate in the struggle there is little doubt that she is making ready by mobilization.

THE TIMES DESPATCH.

London Times prints despatch from St. Petersburg stating that impression among Russian ministry is that Germany is now disposed to bring influence to bear upon Austria to resume diplomatic conversations. This opinion was expressed, according to the despatch, following messages exchanged between Czar, Kaiser and King George.



H. M. S. NIobe.

Halifax, N. S., August 1.—There is a well authenticated rumor around the Naval Dockyard that the Government intend placing the cruiser Niobe in commission for coast defence and patrol service. As most of the cruiser's crew are at present filling out the service complement of the Rainbow on the Pacific, it will be necessary to enlist some four to five hundred men to man the Niobe. The Dockyard authorities are extremely reticent in giving out information regarding the Niobe, but a well-known Naval authority, in conversation with your correspondent, stated that an order for commissioning the cruiser and enlisting a full crew was on the way.

SAYS SWORD WAS FORGED ON GERMAN EMPIRE

Five Thousand Enthusiastic Subjects Cheer Kaiser Who States Position of Empire in Present Grave Situation.

Berlin, August 1.—Five thousand persons assembled in front of the Palace late yesterday afternoon and cheered the Emperor and the Empire. During the demonstration Emperor William appeared in a window and addressed his subjects as follows:

"A fateful hour has fallen for Germany. Envious peoples everywhere are compelling us to our just defence. The sword has been forced into our hands. I hope that if my efforts at the last hour do not succeed in bringing our opponents to see eye to eye with us, and in maintaining the peace, we shall, with God's help, so wield the sword that we shall restore it to its sheath again with honor.

"War would demand of us an enormous sacrifice in property and life, but we should show our enemies what it means to provoke Germany. And now I commend you to God. Go to church and kneel before God and pray for His help for our gallant army."

The Emperor has summoned the Reichstag to meet on Tuesday next, at the Royal Palace, to hear the decision of the Emperor and the Bundesrath, and, if necessary, to vote a war credit.

HOLDING LLOYD LINERS

Four Steamers Have Been Recalled on Point of Departure For European Ports.

(Exclusive Leased Wire to The Journal of Commerce.)

New York, August 1.—The North German Lloyd Line report to-day that it has recalled the following four steamers which are en route to Europe: S.S. Neckar, which sailed from Galveston, July 29, has been ordered to put into Baltimore or New York and remain for further orders. Friedrich Der Grosse, which sailed from Baltimore, July 29, has been ordered to return to Baltimore or New York. Grosser Kurfurst, which left New York, July 30, has been ordered to return. The Wilhelm, now at Montreal, has been ordered to Boston to remain until further orders.

GERMAN AMBASSADOR LEAVES PARIS.

Washington, August 1.—German Ambassador to France has been handed his passport. Myron T. Herrick, American Ambassador to France, will act as representative of Germany in Paris in the absence of the German Ambassador, who is expected to leave the French capital in the near future. Herrick has received the consent of this government to do this.

GERMANS FLEE FROM PARIS.

Paris, August 1.—The Germans are fleeing from Paris by hundreds to-day. Reports from Rome that Germany had demanded that Russia and France declare their neutrality within twelve hours resulted in the panic in the German colony. The Germans expect an order expelling them from the country as soon as the French army is ordered to mobilize. The Rome report is not generally credited, but German residents are making every effort to leave France by way of Switzerland or other indirect routes before the railways are seized by the government.

GERMAN AMBASSADOR LEAVES RUSSIA.

Washington, August 1.—Information has reached the White House that the German Ambassador to Russia has been handed his passport and has left St. Petersburg.

SERVIANS ADMIT DEFEAT.

Nish, Servia, August 1.—Servian Government admitted that Serb troops had been defeated by Austrians near Fochka, Bosnia. Servians lost 100 killed and 200 wounded, but inflicted heavy losses on their foes.

PERIOD EXPIRED AT NOON.

Berlin, Aug. 1.—The period of ultimatum to Russia expired at noon to-day, it is officially announced here.

ROME SAY GERMANY HAS SENT ULTIMATUM.

Unofficial reports from Rome say Germany has sent ultimatum to France demanding assurance of neutrality within 12 hours, expiring at noon to-day, and that a second ultimatum demands that Russia shall cease mobilization within 12 hours. It is stated officially that Italy will remain neutral in event of general war.

CHANCES OF VESSELS UNDER NEUTRAL FLAGS

Roaming the Seas in These War Times will Prove Quite a Precarious Venture

QUESTION OF REGISTRY

Foreign-Built Ships Cannot Carry the American Flag Unless the Present Law is Changed by Act of Congress—Coastwise Ships Now Laid Up or Operating at a Loss Might Gain by an Atlantic Charter.

New York, August 1.—In view of the prospect of a European war, the question has arisen among the shipping interests as to how a change of flags on vessels would affect the freedom of commerce on the high seas.

It is represented that a war involving Great Britain, Germany, France, Russia, Italy, Austria, and possibly Greece, would subject the major part of the shipping of the world to seizure by war vessels. The neutral nations of prominence would be the United States, Norway, Sweden, Holland, Denmark, Spain and Portugal.

It was stated yesterday that ship-owners bent on peaceful trading would probably seek Norwegian register rather than that of other nations including the United States.

Foreign built vessels cannot get United States registry without the enactment of a special act of Congress amending the present law because no vessel can sail under the American flag unless it has been built in the United States.

Offer Special Inducements.

Other nations, including Cuba, Brazil, Argentina as well as those mentioned would probably offer special inducements to persuade ship-owners to adopt their flags. Owners would take into consideration the ability of a nation to which they transferred their allegiance to make their neutrality respected by the warring nations.

The American vessel owners, who might profit by a war, it was said, are the owners of coastwise steamers and sailing vessels. For some time past there has been depression in American shipping. Many large steamers have been laid in dock and a number have been operating at a loss for many months. These vessels might be run with a profit if they took out transatlantic charters.

One of the most prominent authorities on shipping suggested, however, that the chances of profit would be somewhat dubious no matter what flag a vessel sailed under. He said:

"Nearly every cargo carried would be continental of war and subject to seizure if cleared for a port involved. While the vessel would be protected by her neutral flag, unless she cleared for a neutral port and then attempted to run a blockade, in which case she would be subject to seizure and sale as a prize, the cargo-owner would of course be a loser.

Decidedly Precarious Business.

In consequence shipping of cargoes of cotton, petroleum, all edible goods, all metals, fuel of all sorts, machinery and, in fact, anything designed to afford comfort or equipment to an enemy if shipped to a nation with a weak navy would be a decidedly precarious business.

Of course, mail matter, personal baggage and other private property would not be subject to seizure under present arrangements. Mails might be carried from New York to Norway or other neutral ports without hindrance. Cargoes might be landed in Spain, Portugal or other neutral countries without hindrance so long as they were not consigned to ports in the war zone. Certainly the European country which keeps out of the brawl offers chance to its merchants for profit, in case of war brighter than at any other time for years."

ANACONDA CLOSES SMELTER.

Butte, Aug. 1.—Anaconda has closed its Great Falls smelter, reduction and refinery on account of the European situation. The output of the smelter has been about 6,000,000 pounds of copper per month.

Seven of the company's mines, which have been producing a tonnage of ore about equal to the capacity of the Great Falls smelter, have also been shut down.

All other Butte mines and the Washoe smelter at Anaconda will, it is expected, continue operations.

The Canadian Bank of Commerce

Head Office—TORONTO

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

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WAR WOULD NOT GREATLY AFFECT LIFE COMPANIES

Mr. A. B. Wood Well Known Actuary, Does Not Think War Would Hit Life Companies Very Hard.

Mr. A. B. Wood, head of the Actuarial Department of the Sun Life Assurance Company, stated in an interview with a representative of the Journal of Commerce to-day that the Sun Life had not yet taken any action regarding war, and were continuing to write policies in the British Isles on the usual plan. What action would be taken if war occurred Mr. Wood could not say.

All present policies of the company cover loss of life by war. Mr. Wood stated that during the war in Mexico the company ceased writing policies there altogether, but there were only two small claims resulting from the war. "As a rule," said Mr. Wood, "the class of people who take out insurance are not those who would likely take part in a war." Although he stated he did not think even if war did take place it would have any serious effect on life insurance companies, he admitted, however, it was of course impossible to even make a surmise at the present time.

RECEIVERS FOR COAL COMPANY

Capital of Pittsburg Concern \$3,000,000, With \$500,000 Bonds.

Pittsburg, August 1.—D. L. Kuhn and the Fidelity Title and Trust Company of Pittsburg were to-day named receivers for the Pittsburg and Westmoreland Coal Company. The action, it was stated, was deemed advisable in order that the company might refund a note issue of \$300,000, which will be due August 1. The company has a capital of \$3,000,000 and bonds to the amount of \$500,000.

ANOTHER CONSUL LEAVES.

Capetown, S.A., August 1.—Offices of the German Consulate here have been closed and the Consul-General with his staff took passage in the German steamer Saxson.

SWISS CALLED OUT.

Basle, Aug. 1.—All reserves of the Swiss army were called out to-day.

DYNAMITE CATHEDRAL.

Belfast, August 1.—Militants to-day dynamited the ancient Cathedral at Lisburn by placing a bomb under the chancel windows shattering all the rare stained glass and badly damaging the masonry.