

# The Journal of Commerce

THE BUSINESS MAN'S DAILY

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ONE CENT

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Capital \$4,000,000  
Reserve Fund \$4,800,000

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NATHANIEL MILLS  
Managing Director

### GERMAN SUBMARINE CAMPAIGN IS HAVING MORE SUCCESS

London, March 20.—That the German submarine campaign against English shipping has been more successful than was expected was officially admitted at the Admiralty to-day.

This admission came simultaneous with an announcement that during the week ended March 15th, eight vessels had been torpedoed and sunk by submarines. These eight vessels had a total tonnage of 22,685.

The official announcement does not include a report of the sinking of the *Gleaner* which was sent to the bottom on March 18th, making nine ships sunk in eight days.

Since the Germans began their submarine campaign on Feb. 18th, 32 English vessels have been sunk or badly damaged by submarines.

### SUBMARINE MAY MAKE OBSOLETE OLD TIME COAST BLOCKADE.

Washington, D.C., March 20.—That the old-time blockade by warships close to a country's coast may become obsolete with the development of the submarine, and that the indefinite area of operations set by the Allies in their plan to starve out Germany properly might be construed as "legal area," was the opinion in certain administration quarters today.

### BULGARIA HAS MOBILIZED.

Bucharest, March 20.—A dispatch from Bucharest says that recent mobilization in Bulgaria has been completed. A coalition cabinet presided over by Malinoff and including the party leaders Chadenoff, Theodoroff and Danoff will shortly be formed.

### INDEFLEXIBLE LOST 52.

Athens, March 20.—Fifty-two men including several officers, were killed on board the British battleship *Indeflexible* in Thursday's battle with the *Dardanelles* force, according to advices received from Tenedos to-day.

### CONTINUE DARDANELLES ATTACK.

Athens, via London, March 20.—At the conference of admirals on board the French battleship *Suffren* on Friday, it was decided to continue the attack on the *Dardanelles* from the sea.

### WESTERN CANADA TRUST CO. LIQUIDATOR APPOINTED.

Vancouver, B.C., March 20.—Mr. A. J. Lorrimer has been appointed provisional liquidator for the Western Canada Trust Company, the winding up of the company having been ordered by Chief Justice Hunter, Mr. Douglas Armour stating that the capital of the company was impaired and that no one was looking after the business.

### WESTERN ELECTRIC CO.

Chicago, Ill., March 20.—Earnings of the Western Electric Company for the fiscal year ended December 31, 1914, were equal to 17 1/2 per cent on the \$15,000,000 capital stock compared with 21.1 per cent in 1913. Orders on hand January 1, 1915, were \$4,309,000 less than on January 1 the previous year.

Total income	Dec. 31, '14	Dec. 31, '13
Mfg. costs, exps., etc.	\$67,456,993	\$78,255,416
Reserve for contingencies	63,322,558	71,489,555
Net earnings	500,000	2,500,000
Fixed charges	3,523,467	4,163,861
Balance for dividends	362,507	332,166
Dividends	2,670,966	3,171,895
Surplus	1,900,000	1,500,000
	1,170,966	1,671,895

### JOURNAL OF COMMERCE CONTAINS ALL INFORMATION HEREQUIRES.

The following letter was recently received by a business man from one of his customers:

"I obtained all the information I required from the Journal of Commerce of Montreal. Canada is mighty lucky to have such an up-to-date business man's paper."

## BATTLESHIPS WERE TORPEDOED SAY TURKS

### Rumored Admiral Carden Killed When Flagship Put Out of Action

### MINES FLOAT DOWN ON SHIPS

Russian Squadron Has Arrived at Bosphorus to Co-operate With Allied Fleet—Town is in Flames.

(Special Cable to The Journal of Commerce.)  
London, March 20.—Torpedoes, not mines, sank the British battleship *Irresistible* and *Ocean*, and the French battleship *Bouvet*, in the *Dardanelles*, it was officially announced to-day in Constantinople. The British Admiralty report, which tells of the French battleship *Gaulois* and Vice-Admiral Carden's flagship the battle cruiser *Inflexible*, being put out of action, says the loss of the warships presumably was due to floating mines, great numbers of which have been released by the Turks to float down the narrow straits among the fleet.

The *Gaulois* left the straits under her own steam, and is anchored off the island of *Navria*, while the *Inflexible* also has withdrawn under her own steam.

In the action in which the fleet sustained these serious losses it is estimated that more than 2,000 shells were hurled at the Turkish forts within six hours.

Vice-Admiral Carden has been succeeded as commander-in-chief of the Allied fleet by Rear-Admiral John Michael De Robeck, because of illness, it is stated officially, but there is an unconfirmed rumor here that he has been killed.

Further operations of great importance are expected to begin immediately. A despatch to the *Chronicle*, from Tenedos says this was decided upon at a council of war held aboard the French flagship *Suffren*.

The *Bouvet* went down three minutes after being hit, and practically all her crew perished. The two British battleships remained afloat long enough for their crews to be rescued, a task which was performed under a most gallant fire from the Turkish forts.

It is officially announced in Petrograd that a Russian squadron has arrived at the northern part of the Bosphorus to act in co-operation with the great fleet in the *Dardanelles*. Its arrival is said to have caused a panic in Constantinople. The powerful warships *Queen* and *Implacable* are expected to arrive at the straits to-day or to-morrow, making good the losses in the fleet.

The town of *Dardanelles* is in flames. Despatches from Greece declare that the forts have been seriously damaged, but Constantinople declares they have not suffered serious damage.

The Kaiser is reported seriously ill again with the throat affection which has so long troubled him. He is said to have been advised by a specialist that he submit to an operation and take at least two months complete rest.

On the Western front the chief activities reported in the night communication from Paris were an artillery duel in the Valley of the Aisne and in the Champagne where, north of Le Mesnil, the Germans followed a violent bombardment of the French lines before Hill No. 196 by an infantry attack, which was repulsed.

The East Prussian port of *Memel* has been seized by the new Russian force, which suddenly appeared on the Baltic coast. This is the northernmost town of Germany and is only six miles over the frontier. Before the war it was a port of considerable consequence and is fortified.

On the left bank of the *Niemen* the Germans have been pushed back further and isolated engagements are reported on the front from *Istrohenke* to *Prasysz*. Austrian attacks in the *Carpathians* have failed.

## BELGIAN VICTORY FOLLOWS WITHDRAWAL OF GERMANS

Paris, March 20th.—The withdrawal of German troops from the Yser region in West Flanders to reinforce the lines near *Neuve Chapelle* in Northern France enabled Belgian troops to gain an important success in Belgium. Their new positions have now been all consolidated. Belgian artillery reinforced with French guns, shelled German batteries near *Westende* and *Dixmude* violently. East of *Steenstrate* and south of *Dixmude* the Germans delivered strong counter attacks all which were repulsed.

### BANK OF ENGLAND RELEASES GOLD.

London, March 19.—The Bank of England has released £900,000 in sovereigns for account of Egypt, and sold £202,000 in foreign gold coin, while there has been set aside £62,000 for Argentine account.

### FEELING AGAINST THE GERMANS GROWING WORSE IN TURKEY.

Athens, March 20.—The situation in Constantinople is constantly growing worse. The sentiment against the Germans and the Young Turks who have been expelled from Constantinople are arriving at Salonika with their families.

Ohio Oil total surplus, \$63,349,827, increased \$4,350,000.  
Cotton spinning report expected to-day at 10 am.

### WAR SUMMARY.

Commanders of the Allied fleet are in conference on the French flagship, and an important move is said to be pending.

British Admiralty has ordered the battleships *Queen* and *Implacable*, to the *Dardanelles*, to replace the *Ocean* and the *Irresistible*.

French battleship *Gaulois* and English ship *Inflexible* were put out of action by Turkish shells, and retired for repairs.

Operations against the *Dardanelles* are continuing despite the losses suffered.

Von Hindenburg is reported to have begun a new drive at *Warsaw*.



LORD FISHER  
head of the Admiralty. He is not worried over the loss of two British battleships but expresses his confidence in the ability of the Allies to force the *Dardanelles*.

### GENERAL STEELE TO COMMAND THE SECOND CONTINGENT.

Ottawa, March 20.—Major-General Sam Steele, recently appointed inspector-general for Western Canada, is to command the second contingent which may leave for England next month.

This disposal of the rumor that General Hughes himself will go in command of the second division, and the appointment will appeal to all Canadians as General Steele is one of the most distinguished military figures in Canada.

## Men in the Day's News

Professor Willet G. Miller, by having had awarded to him the gold medal of the Institution of Mining and Metallurgy, is made the object of a recognition that comes only to men who have rendered eminent service to mining or its allied professions. Prof. Miller was educated at the University of Toronto but afterward prosecuted post graduate studies at Chicago and Harvard Universities in the United States and at the University of Heidelberg in Germany. For many years now he has been the mining expert for the Ontario Government. He is a man of the highest standing in his profession.

Mr. J. S. Ewart, K.C., who delivered an address before the Canadian Bar Association on "Federation and Confederation," is one of the best known legal men in the country. He was born in Toronto in 1849 and educated at Upper Canada College and Osgoode Hall. On graduation he went west and successfully practised his profession in Winnipeg until 1904, when he removed to Ottawa. He was Chief Counsel for Canada at the Hague Tribunal in 1910. Mr. Ewart holds somewhat pronounced views on Imperialistic questions, which have brought him into controversy with such well-known Imperialists as Earl Grey, the late Governor-General and others. Mr. Ewart has written extensively and is a well-known lecturer.

Mr. W. D. Reid, president of the Red Newfoundland Railway, and one of the big men in the Ancient Colony, is forty-eight years of age to-day. He was born in Australia, but came to Canada with his parents as a child of four and was educated at *Balt*, Ont. Mr. Reid became associated with his father in construction work on the Canadian Pacific Railway and later went into the railway construction work on his own account. Following the death of his father in 1908 he became president and general manager of the Red Newfoundland Railway. He is keenly interested in the development of Newfoundland and has done much to assist in the opening up of the country by means of his railroad. Mr. Reid now resides in Montreal.

Mr. John Boyd, whose work on "Sir George Carter and his Times" has just made its appearance, is a well-known journalist and poet. He was born in this city in 1864 and educated at the Montreal High School and at McGill, but left the university before graduation and entered newspaper work. For some years he was financial editor of the *Gazette*, but not even the stern, prosaic commercial side of newspaper work, with its "stocks and bonds and six per cent," was able to quench the muse in him. Boyd was, and is, a frequent contributor to newspapers and magazines. He has written several well-known poems, while his life of Carter is a classic. His best known poems are "The Quebec Battleships" and "The Pilot of the Atlantic." He is a great believer in the entente between the two races in Canada and has done so much to further better relations between the two that he has been called "the unifier of the races."

The Duc de Magenta, the eldest son of the late Marshal MacMahon, formerly president of France, has been promoted to the rank of General, as a result of bravery on the battlefield. In this war what remains of the French nobility are taking as prominent a part in the struggle as the best Republicans in the country. The Duc de Magenta was erroneously reported among the killed in the second month of the war, but is very much alive and has been giving an excellent account of himself in Alsace. The younger brother, Emmanuel, has also been promoted to the rank of General. The Duc is married to Princess Marguerite of Orleans, the family being the claimants to the French throne. Another French nobleman, the Duc de Lorge, a Lieutenant of Dragons, was killed in battle, while his two cousins, the Duc de Brissac and the Duc de Rohan, have been mentioned in despatches for conspicuous gallantry under fire. The latter's father fell fighting in the war with Germany forty-four years ago when the present Duc was a child of two years of age.

## EPOCH OF EXPANSION FOR U.S. AND CANADA

### American Financiers Finding it Necessary to Embrace Principles of Export Capitalism

### CLOSER RELATIONSHIP

In Interests of American Bankers and Financiers to Arrange for Canada Such Loans as May Be Required.

(By JOSEPH G. DE LORIMER)  
For some years and particularly since 1912, commercial and financial conditions in the United States have been adversely affected by a general feeling of uncertainty regarding the future, caused by prospective changes in the tariff and banking laws, and by other legislative measures, as well as by judicial findings. Especially disturbing have been the proceedings of the Inter-State Commerce Commission, while the decisions rendered by the Inter-State Railway Commission have at times threatened to undermine the whole Railway System of the United States. Before troubling conditions such as these could settle down to what might be termed a "normal basis" something of a drastic nature had to happen, and this has taken place in the present European War. Following upon the inevitable adjustment of National and International conditions, which may now be counted upon to follow in due course upon present events, it seems to be generally agreed that, for the United States and Canada, there will be an epoch of extraordinary expansion in industry, commerce and banking.

It is not intended in this treatise to examine minutely into the diversified influences that have been brought to bear upon the finances of the countries of the North and South America as a result of the present war, but, however, to take as an accepted fact that the war has acted as a precipitant, and that in consequence important changes of policy are already being forced upon American bankers and financiers which they are finding it both necessary and advantageous to embrace the principles of what is known as "Export Capitalism" more especially in their dealings with the Dominion of Canada.

"Export Capitalism" may be defined as the financial policy of a commercial country, which, in the varied transaction of its international banking business, has for its ultimate object the fostering and facilitating of a close commercial relationship between that country and other countries whose commercial markets it may be seeking.

It has been very largely as a result of an extended application of this policy that the great lending nations of Europe have in recent years been able to expand their export trade throughout the world to such enormous proportions. Apart from the evident advantages that have thereby resulted to their commerce, the principle of granting financial credits to foreign purchasing countries has in actual practice proved itself to be fully in accord with the rules of safe banking. It is indeed a well established axiom that finance must follow the same laws that govern the exchange and movement of commodities.

Finance is, after all, but the instrument of trade, and must, therefore, be subservient to it, provided always that it can be foreseen that profits will result from the individual commercial transaction of that trade.

### Fundamental Laws of Export Capitalism.

There are three fundamental requirements of a sound policy upon which export capitalism should be based:

1. Issues of foreign securities in the domestic market should be encouraged only after the home demand for capital shall have been fully satisfied, for it is the first duty of bankers to use the available funds of their country to increase domestic production and purchasing power, and generally to strengthen the home market.

2. International commercial dealings, as well as international financial transactions, should have for their ultimate object the obtaining of national ends, especially the employment of home labor.

3. Even when the foregoing conditions have been fulfilled, care should be exercised in the selection of foreign securities offered by the home investor.

### Countries to Deal With.

Assuming that the principles outlined above are economically sound, the question naturally arises as to which foreign countries should have extended to them the financial privileges referred to.

Regarding the matter from a purely theoretical standpoint, a lending nation should seek as arenas for its activities only those countries that present hopeful fields in agricultural and industrial enterprise, or that possess strong resources in the form of natural resources, being thereby placed in a position to endure the stress of hard times, and to emerge speedily therefrom. In the case of a country like the United States, with its constantly increasing population and remarkable growth in trade, from both of which there necessarily arises a tendency to impoverish its own natural resources—the raw materials of its industries—one of its first duties should be to invest its accumulated savings, derived from the profit obtained from the sale abroad of its food stuffs and manufactures, in those countries to which in the future it will require to look for a further supply of raw material. Taking into consideration the present rate of growth of the population and consumption of the United States, it may be assumed that the day is not far distant when it will be necessary for the Republic to look to a very considerable extent to foreign countries for her manufactures. Concurrently with this reversal from export to import of food stuffs and other natural resources, it may be assumed that the industrial growth of the country will be far greater than that warranted by the then home demand, thus necessitating the exporting to other countries of a large proportion of the country's manufactured goods. So great and rapid an increase in this respect is likely to be experienced, if recent trade statistics are to be relied upon, that it would seem to be safe to estimate that in 15 years the exports of manufactured goods from the United States will be so largely in excess of her imports of food and raw materials that she will thereby become one of the chief money-lending countries of the world.

Such being the case, it is to-day the duty of the American banker to create for the people of the United States a closer relationship with the people of the United States.

## The Canadian Bank of Commerce

Head Office—TORONTO

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Reserve \$13,500,000

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

Collections Effected Promptly and at Reasonable Rates

## EXIGENCY NOTE ISSUE LIMIT WAS RAISED TO \$100,000,000

Ottawa, March 20.—When the Minister of Finance brings in his promised bill to ratify the over-issuance of Dominion notes last autumn to the amount of 125,000,000 to the C. N. R. Co. T. P. and for Dominion purposes, authority will be taken to provide for any such further issue as the exigency of the members may in the opinion of the government necessitate. Under the legislation of the last regular session of Parliament provision was made for the issue of Dominion notes up to \$50,000,000 against a gold reserve of 25 per cent. The government intends to increase the amount to \$100,000,000, with the further provision that if it be made necessary by war conditions the government may exceed this amount. In other words the government is asking for what is practically a blank cheque against the credit of the country's paper currency enabling it to issue Dominion notes to any amount found necessary for Dominion purposes.

It is pointed out that authority to increase to \$100,000,000 the amount of the Dominion note issue against which a gold reserve of only 25 per cent must be held in security, will enable the government to issue a further amount of \$22,500,000 upon the security of the present holding of gold in the treasury. If the whole \$22,500,000 were issued the gold holding would on the basis of the present note issue still be approximately some 60 per cent of the total note issue. An examination of the relative amount of gold held against the note circulation in the past shows that it was not until the year 1902 that the amount of gold held exceeded 60 per cent. of the Dominion notes in circulation.

Prior to that the percentage year by year were substantially lower. While this method of raising ready money is perhaps necessary owing to the present war conditions, there is likely to be some criticism in the Commons on the ground that it contemplates a serious lowering of the security held in the treasury against the note circulation. The same method has been adopted in other countries in war time.

## GENERAL MOTORS COMPANY SHOULD HAVE \$10,000,000 CASH.

Boston, Mass., March 20.—With a cash balance of \$13,500,000 and only \$5,000,000 of its 6 per cent. notes to pay off at maturity on October 1 next, General Motors, even allowing that no surplus cash accumulates during the next four months, would have a cash balance after paying off the notes of \$8,500,000. The probabilities are that this cash balance will be nearer \$10,000,000, as the next four months are the period of heaviest sales, when profits accrue very rapidly.

It is interesting in this connection to recall the very remarkable income which has accrued to the fortunate original purchasers of the \$15,000,000 6 per cent. notes. When Lee, Higginson & Co. brought out this issue nearly five years ago it was the frank recognition on their part that General Motors notes were a new and different form of security. The list of purchasers was generally restricted to those who could afford to take the risk. And these purchasers could have had an average income return on their money, counting the notes paid as of October 1 next, of 19.8 per cent.

The notes were brought out at 96 and will be paid off at par. With each \$100 note there was given a bonus of two shares of common, worth at the present time slightly more than \$100 per share. In addition, there will have been up to October 1 next five years of 6 per cent. interest. This means that each \$100 note has produced an income for its original buyer of \$40, or 51 per cent., an average of 10.8 per cent. per annum.

## FIRE AT CHARLOTTETOWN, P.E.I.

(Special to The Journal of Commerce)  
Charlottetown, P.E.I., March 20.—The foundry and blacksmith shops of Bruce Stewart & Co., Ltd., were destroyed by fire this morning with all their contents. They were insured for \$5,000, about half their value. Twenty men are thrown temporarily out of employment.

## NOT NEGOTIATING FOR WAR ORDER.

Illwaukee, Wis., March 20.—An official of Allis Chalmers Co. says there is no truth in the report that the company is negotiating with the Russian government for an order of 1000,000 shaftpins.

WILL HEAR RATE APPLICATION.  
Washington, D.C., March 20.—Interstate Commerce Commission has granted a hearing to the Principal Express Companies of the United States on their application for higher rates. Date for the hearing will be set later.