PAGE FOUR

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MONTREAL, AUGUST 6, 1914.

Rival Canadian Naval Policies

It is to be regretted that in some quarters there is a disposition to inject into the consideration of war situation, as affecting Canada, the dispute of a couple of years ago respecting the proper naval policy for Canada. This is not the time for a re rival of that question, and one may doubt whether either of the policies proposed, if carried out, would the past. have reached a stage to become effective at this

Undoubtedly if Britain had three additional Dread noughts in the North Sea they would be of much value to her in this crisis. But it is pretty safe to say that if the policy proposed by the Borden Government in 1912-13 had been approved by the Senate and orders given for the construction of the three ships, these vessels would still be in the builders' yards in a state far from completion, and therefore not available for service now.

On the other hand, it can easily be seen that a fleet of fast and powerful cruisers, such as the aurier Government were about to construct, and for which they had received tenders at the time of retirement, would in the present state of affairs be of the utmost value to Britain and to Canada in guarding our coasts, protecting our trade routes. convoying our food-laden vessels, and watching the movements of maurauding German warships which are already reported to be within easy reach of Canadian waters. But can we be sure that these vessels, if ordered, would now be ready for active service? They would have had a better chance of be ing ready than the more elaborate Dreadnoughts, d only have been begun at a much later date. But the experience of Canada in the construc of public works necessitates a liberal allow ance for delay, and perhaps even the fast cruisers to be built in the Dominion would hardly yet be vailable for immediate needs

It cannot be profitable to discuss 'at this time, in a party spirit, which of the two policies would been the better. Such a discussion can only tend to raise party strife at a moment when all pa citizens should desire it to be stilled. The naval and military authorities should, and no doubt will, be able to devise measures for the present re quirements that will leave the old naval dispute among the questions of the future. At this time on men and our public writers should do their utmost to lay aside all matters of party controversy st cordially in supporting such meas and unite m ures as may be found necessary to enable Canada to do her part promptly in the great Imperial crisis

Germany Cannot Repeat 1870

It is evident that Germany is not going to be able to repeat the experiences of 1870. In that war with which broke out exactly forty-four years ago, the Germany army scattered the French troops and within five weeks from the commencem tilities one French army was imprisoned at Metz, another army was destroyed, Emperor Napoleon III the road open to Paris. In that war the first conflict took place on August 2nd, or fifteen days after France declared war. The probability is that mobilization will be carried on more rapidly during the present conflict than was the case in the that within the next few days a big battle will take place between the French and German armies. The participation of Belgium in the conflict will undoubtedly retard the progress of the German army and will give the French more time which to ass their forces. Germany will be seriously handicapped once the Russian and French armies get underway, as she be forced to divide her forces between the east and west. It is true, however, that the German railen constructed with the idea of rapid mobilization. Lines run from east to west, the Ger an idea being to strike a blow at France and then url her entire force against Russia on the eastern horder. In this case, however, Russia and France bly have their armies in readiness as quickly as Germany can mobilize hers and the fight will show the disadvantages under which the Germans are laboring. It is to be sincerely hoped that crushing blows will be struck by both France and sia against the disturber of Europe

to be, she will be forced to depend upo for her supply of grain. Russia, with her of grain and foodstuffs can best stand the France and Grant Policity strain; France and Great Britain because of their. naval power can import foodstuffs, but Germany is likely to be bottled up and starved into submission. Another great war, the Napoleonic war. or bas years, cost the lives of 1,900,000 men and cost \$6,250,000,000.

The Crimean war in 1854-56 lasted for 734 days: 485,000 men were killed, and the monetary loss was \$1,525,000,000 The civil war in United States, probably the most

cruel and cold-blooded of modern times, lasted from 1861-1865, in all, 2,456 days; 656,000 soldiers were killed, and the cost of the execution was \$3,700. 000.000 The Franco-German war of 1870-71, lasted a little

over a year, 405 days in all, but in that time 290,000 men were sacrificed, and a debt of \$1,580,000,000 incurred. The war between the Bussians and Turks in 1877.

78 did not last a year, 334 days, to be exact; 180.000 lives were lost, and the cost was \$950,000,000. The war of 1898, when Spain and United States

clashed, lasted only a little better than three months 101 days in all. The loss of life was slight, 2,910; the cost was \$165,000,000. The Boer war of 1899-1902, in which Canadian roops took part, lasted for 962 days; 90,898 lives

were lost, and the cost was \$1.000.100.000. The Russo-Japanese war of 1904-05 was the greatst slaughter of modern times. It lasted 576 days: 555.900 men were slain, and the cost was \$2,250

For ferocity and fiendish fighting, the Balkan wars of a year or so ago eclipsed anything in modern his-

tory. The conflict lasted 302 days: 145.000 lives were lost, and the war debt was \$200,000,000 The present conflict will probably dwarf into in significance any of the struggles which have take place heretofore. The probability is that the loss of life and the loss of treasure will stagger human ity and make it so that war will become a thing of

The Captain of the Kronprinzessen Cecilie evi dently did not know that Maine was a Prohibition State or he would never have been allowed to bring his German crew to Bar Harbor

The splendid resistance being offered by the Belgians will put heart into the Triple Entente. Belgium, Holland, Switzerland and Servia will be important factors in the struggle as these nations are fighting for their very existence

The enthusiasm of the Canadian Militia is an encouraging sign. There will not be the slightest dif ficulty in securing 20,000 picked men to go to Europe. In a fight with the Germans. Canadians would make as creditable a showing as they did in South Africa against the Boers.

The arrogance of the German Emperor and the supreme confidence of his War. Lords are shown by their latest ultimatum to Italy. The German Emperor should make one supreme job of it and challenge the whole world to mortal combat. He evilently thinks that he is a second Napoleon or modern Alexander the Great.

It would not be at all surprising if the Socialists Germany would establish a Republic as a result of the present war. Emperor Napoleon III forced France into a war with Germany in 1870 and came out of it minus his throne. The German Emperor has forced his country to take part in a titanic strug gle and the result will probably be that he will lose his throne and his head. It would be a good thing for the world if this were to happen.

The action of the Ottawa Government in summonin Parliament to meet on the 18th of August is probably wise. In view of the state of public opinion and the readiness of all parties to support the Cabi net in whatever may be necessary on the part of Canada to uphold the Mother Country, the Government might safely have counted on Parliamentary ratification of any action taken. But the magni tude of the issues involved in the war may call for uch wide and far-reaching action that it will be better to have the situation reviewed and the neces sary legislation enacted at the earliest possible moment. At the coming session all matters of party

controversy will naturally be laid aside and the members, irrespective of party lines, will devote themselves to the enactment of such non-partisan measures as the interest of the Empire requires.

The Halifax Morning Chronicle a few days ago completed its fiftieth year as a daily journal. Its history, however, goes back to much earlier time, for the Chronicle sprang as a tri-weekly, developing later into a daily, from the old Nova Scotian, which as a weekly had a prominent place in the journalism of the Province as far back as 1824. The micle is therefore not fifty but ninety years old. In the early days of the Nova Scotian Jos Howe was its chief editor, and down to a short time before hurry ?" his death the Chronicle, although owned by th Annand family, was with good reason looked upon as Howe's favorite organ. With pardonable pride in its jubilee article the Chronicle says: Through all these years The Morning Chronicle has held steadfast and true to the faith and principles of the far-seeing men who founded it. It is a paper with a history and it has been true to its history. It has clung to the old traditions, and yet it has been always animated by the spirit of progress and has kept pace with ern improvement and development. The Morn-ing Chronicle has pointed the way to reform, eđ. from the day of its birth, and the growth of cratic institutions in Nova Scotia is in ne small measure due to the influence which it has exercised upon the life of our Province." offer our contemporary cordial congratula tions and best wishes for its continued success in the field in which it has so long played a promi nent and useful part.

MIDDLEMAN THE REAL CONSUME South Jersey is rotten ripe with tomatoes, firm meated, blushing beauties. Housekeepers living with-in a mile or so of the burdened vines pay 16 cents a "small measure." At the wharves on the farmers sell to wholesplays at 10 cents a s sell to wholesalers at 10 cents a full crate sket. In Swedesboro, they say, the fruit on vegetable, luscious under any name, is shipped to

market in the city, then shipped back to starting place, picking up prices as it goes. From Woodbury comes report of a woman who paid 75 cents for a basket of tomatoes for which the grower probably got at most 30 cents; and it is averred that the grow er would have rejected a consumer's direct proffer of half a dollar f.o.b.' at the farmyard gate.' The potential mood is not, perhaps, properly admissible in

That less succulent but more necessary esculent, the potato, is in tuberous teem; growers get \$1.50 s barrel, consumers ten minutes jog distant in Main street pay \$3.50 'or \$4 for the same barrel. The midd they nsume the consume

A generous year. Long Island has a bumper crop markets will be glutted. In north Jersey mountains of cherries were wasted this spring whil lover's of cherry pie went pieless. In south Jersey oon apples of Persia, ichorous druges, will be piled in Woolworthian skyscraping heaps. Jersey pork ers will root ecstatically through a thesaurus of peachy pulp distilling under Jersey suns into mush seas of elixir fit for the highest of the high gods, gorge gloriously to the uttermost limit even of por cine capacity. Any one who has sojourned in sour knows the sight. And yet in the winter Agricola's near neighbor, who is a store clerk or a carpenter or a school teacher in the village, will pay city prices for his pork-and the city will get the

best of the toasts and chops. Was not the parcel post to solve this problem? -New York Sun.-

WHENCE JAM CAME.

Jam, which may cost more on account of the in-jury of the fruit crop by the frost, seems to take its name from Jamaica, and is comparatively a moder luxury. Galt, in his "Annals of the Paris." states that the fashion of jam-making was introduced into Scotland about 1760, when berry bushes were planted some of our young men that had been sailors com ing from Jamaica" and the condiment was valued in the first place chiefly as "an excellent medicine for a ore throat." A writer in Hone's "Everyday Book' in 1826, deplored the fact that jam could not be "pur

chased at the shops as other articles of consumption are."-London Chronicle.

"A LITTLE NONSENSE NOW AND THEN "

Austria may yet be sorry she didn't accept tha apology,-Atlanta Journal

Food for thought is found in empty cupboards .- At anta Journal.

That giant war cloud in Europe makes our little affair with Mexico seem trivial and threadbare. But ours is a very durable little affair.—Southern Lumberman.

We are rapidly supplementing our currency. Rats are worth five cents aplece at the health office at New Orleans, while several of the Eastern "movies are admitting all comers upon presentation of fifty swatted flies.

We love to seek the seaside sand, When weather's nice and hot,

To spend the sweltering week-end and Whatever else we've got.

Rocky Mountain News. Wife-Well, then, I'll just buy what I want and

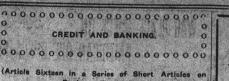
have the bills sent to you. Hub-Yes; but oughtn't we to agree to some limit as to the amount?

Wife-Certainly not! Combinations in restraint of trade are illegal.-Boston Transcript.

"Job was said to have been a most patient man," remarked the Observer of Events and Things, "but it must be remembered he lived long before the day of balky automobiles."-Yonkers Statesman

"Now some doctor advises people to eat sand. Seen angerous to me. What do you think? "Dunno. I think it might be safe to take a chance Most of us need it badly in our systems."-Courier-Journal.

"Hello, old man! Where you bound?"



By Professor W. W. SWANSON. The fund tion of banks will be examined in detail in course on "Money and Banking," and it will therefore, be necessary at this point to consider only the broad aspects of credit and banking. Wide Use of Credit.

If one thing above another distinguished modern industry from methods of the past it is the wide of credit. It especially characterizes the business ac tivities of the great industrial nations-the United Kingdom, the United States and Germany. France, of course, also makes wide use of credit, but still cling to the use of money to a far greater extent than the countries mentioned. The bank notes which circulated in France to a very wide extent are course, only a particular form of credit. But the of the cheque and deposit business is not as highly developed there as in the other leading com

Credit is highly developed in Canada. The Jupe nt (1914) shows that the total deposits of the hartered banks of Canada are as follows:

Deposits on Demand \$355,006,220 Deposits after Notice 663,650,230

people. The deposits in Canadian banks have more than doubled in the last decade. How Deposits Arise. It must not be thought, however, that all these de-

posits have arisen through actual savings. In fact, if one studies the course of loans and deposits he will find that the loans keep face with the deposits, or slightly exceed them. This is due to the fact th many deposits arise through loans; and this brings is to consider the central function of banking. A farmer may need funds to buy a bill of goods, c secure machinery for farm work. He may be out of funds, but has his stock and equipment and his crop

He cannot wait, however, until the harvest is gathered to secure the funds to meet his present needs. His only recourse is to the bank.

On a two-name note he may borrow, say, \$100. He then can make immediate purchase of what he needs. He looks to his crops, or this way to fruition, to liquidate the debt. When the wheat is placed on board the cars, or stored in the elevator, he can at once sell it and receive payment. . He then discharges his debts at the bank. Of what does the whole transction consist?

He simply "coins" his future goods-his crops-into present means of payment. He exchanges his future products for the goods he needs, here and now. ounts merely to the bartering goods for goods. It is in this sense that credit may be said to be refined state of barter.

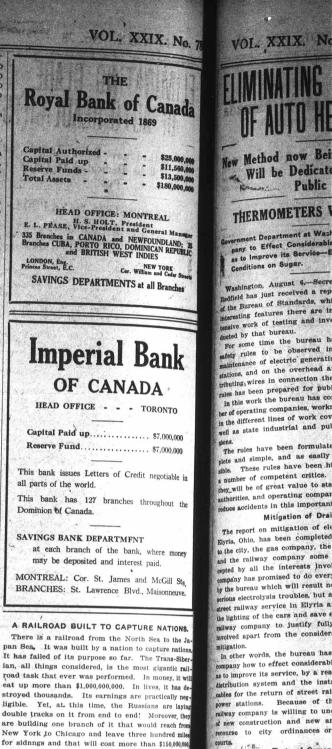
Putting it is a short statement, credit may be defined as: "The coining of future goods into a present neans of payment," Where credit is not based on the actual production of future goods it is unsound and speculative in nature. Much of recent Canadian operations has been of this class. Men secured credi at the banks, hought real estate and other speculative property, on the partial payment plan. They bought not as an investment, but merely looked for a rise in the market in order to sell at a profit. When they were suddenly called upon to pay they had not the means of meeting their obligations, and were ced to sell their holdings at a sacrifice. The mar ket was glutted; prices fell and depression and hard times, followed.

If Canada had borrowed-as the farmer in our illustration did-for productive operations she would have been on a sound basis, for the goods would have been forthcoming in due season to meet all obli-There might have been a decline in prices due to a heavy selling movement, but there could not have been any period of lasting depression The Part the Banks Play,

What is the role of the banks in these operations? They guarantee that the obligations of the farmer, the merchant, or the manufacturer will be met. In other words, they issue their notes or grant deposit accounts which afford an instant means of making payment. If the crops are destroyed or the merchant's goods lost by fire or failure, the banks ultimately carries the loss. In a very real sense, therefore, it may be said that the function of the banks is that of in

Notes and Deposits.

As against the huge deposits in Canadian banks al ready mentioned, the banks have a relatively small note issue-amounting to only \$99,138,029. A bor ower has the option of taking notes or running s Wholesalers, manufacturers and deposit account. men in general who are carrying on a large business generally keep their borrowings in the form of deposits, against which they draw cheques. Retail pusiness men, farmers and small dealers make more intensive use of notes. But there is no essential dif



Tests of Cemen If that were only a railroad, it would be the great In the cement laboratory in Wa railroad mystery of the ages; but it is not only a railroad, it is like the army and the navy of Russia. ade from samples for delivery is a national expenditure for the conquest of Asi at the Northhampton labor ints sampled and tested represe ne day, no doubt, when the coffers of Russia a filled again with gold, the rest of the story of the of cement, an average daily rate resting to note in this connec Trans-Siberian will be written. Now it is only be lreamed. Probably the men who are doing the drea hipments tested at this laborat 158 108 barrels, mainly for the l ing will not live to see the writing .- World's Work. About two months ago an ins tructed for the United States W DIME NOVEL VS. SEX NOVEL. So far as morals were concerned, the old dime now was a Sunday school book compared to our moder neasuring the so-called nocturn sually is a loss of heat from ter

problem novels, disgusting and erotic, with the acce The latest report is t to space is unusually sensitive and that it on the second syllable. The only "problem" was whe ther the villain would get it in the neck in the final inte The influence of atmospheric chapter or in the one just before. There was never any doubt in the mind of the youthful reader the esting of sugars has long been ar wing to the difficulty of controllin virtue would triumph. If undue emphasis was la on the heroic qualities of the train robber at leas and humidity in the research labo the lesson of some good in the worst of us was taught urge and inexplicable differences -Pittsburg Gazette-Times. some years between the tests 1250 THE BRITISH PREMIERSHIP. The lot of the British premier is like that of the policeman in the Gilbertian ballad-not a happy one After Lord Derby had been prime minister he said

for the collection of duty at the v So great have been these diff we purposely been imported via the intent of paying a lower rate of studied this question, and its lows not only the exact cause of simple and certain method of elin "Glare" of Headlig

In compliance with a request bile Club of America for ing methods of eliminating "glard ethod of accomplishing this has ang tested. The director recomm dedicated to the public be taken on as been the establishment of a sta of which not merely the light in was measured but the total radiat sible was accurately determined. ions have been completed with fo w most excellent agreement-as per cent. compared with the p of these lamps. Hence the stands ined by these lamps may be con This standard is quite dist of/light. The interest in this we rominent English firm of instru ordered copies of the radiation ared at the bureau

Two things will probably make the European war of short duration, viz., the tremendous loss of life and the abnormal cost. It is, of course, impossible to tell what the loss of life will be, but a glance over the history of other great wars, and the knowledge that present day armaments far exceed in destruc which has ever before been used anything in warfare, make the present fight the worst in his We have not only the tremendous guns of super-dreadnoughts, which can shoot a project weighing almost a ton a distance of eight miles erce 27 inches of wrought fron, but we have the submarines, torpedo boats, air-crafts, with their quick firing guns and bombs and also the deadly machine guns, heavy artillery and the latest rifles. All these things make for great loss of life. The cost is estimated in the neighborhood of \$50,000,000

chood of \$50,000.000

The Cost

SOBRIETY GROWS

But there is no question whatever that it is too late in the world's history for any man to drink freely, and all employers, commercial and governmental, are in-creasingly opposed to men who drink at all. Several ships in the British navy are "dry," and there is some expectations of a general order to that effect. All alcoholic drinks have been barred from the Norwegian navy. The Kaiser is not drinking anything no and has commended total abstinence to the naval cadets, telling them that the next war would be won by the nation which drank the least. The Czar is dis aging the use of liquors among officers, and the Rus-sian war ministry is trying to check the use of vodky. In France and Germany many scientists and govern-ment oficiais, givit and military, are devoting there and Germany many scientists and go ples to total abs

stop to talk. "But what takes you to Washington in such a

"I'm going to put through a bill to pendion the veterans of the army-worm invasion."-Buffalo Ex

Jones was telling what an excellent cook his wife was, says Youth's Companion. Smith boasted that his wife was a splendid dressmaker, and Robinson proudly stated that his was was an unusually clever artist Brown was not to be outdone so he remarked My wife is a great linguist." No one seemed impress-There was a moment's silence, then Bobinso spoke up, "Humph," he exclaimed, "they all are."

He was a long suffering traveler on a little single he complained bitterly about the lateness of the trains and the irregularity of the service. The employe remonstrated in virtuous in-lignation. "Twe been on this here line, sir," he beban, "upward of eight years, and-"" "Have you, ininterrupted the traveler sympathetically. "At what station did you get on?"-Saturday night.

THE GLORY OF WAR

IT AND Hoof beat and trampet blast And banners in the dawn! And what of the grain in the fallow field When the husbandman has gone?

Sword, song and battle roar. And the great grim fighting line! and what of the woman in the door And the blown grape on the vine?

Drum beat and graped flag And he beneath his shield-And what of the woman weeping low, And the dead grain in the field? -In the New York St ference in the credit afforded, whatever form it assumes.

Notes are merely promises to pay legal money, whe er issued by the bank or the individual. The only difference between the note of the bank and that o the individual is the power of wider circulation of the former, due to its strong financial position. As, how-ever, the bank note is used as currency, special safeguards are thrown around it to make it perfectly safe and secure. Thèse safeguards have been already described.

Our next article will deal with the relation between credit and prices.

COTTON EXPORTS FOR FISCAL YEAR 1914 REACH HIGH RECORD.

Exports of raw cotton from the United States in the fiscal year 1914 made a new high record, being valued at 610 million dollars, and exceeding the for-mer high record of 1911 by 25 million. The value of the exports of this great staple has doubled in the last twelve years. In 1902, the total was 291 million; in 1908, 438 million, and in 1911, 585 million while preliminary figures just completed by the Bureau of Foreign and Domestic Commerce, Department of Commerce, show for 1914 a total of 610 mil-

COWS AND THE CHICKENS.

A soda fountain in the financial district, and not such a large one either, in one year used 91,000 eggs and 42,000 quarts of milk in the mixing of sane and safe drinks. These figures may be respectfully submitted to the authorities at Washington to prove that Wall Street contributes to no depression in th hen and dairy industries anyway.-Wall Street Jour-的复数通知

alleran . IDEALISM'S FAILING.

is possible for the practical man to cherish high is of course. But the man who gives himself over ure idealism becomes incapacitated for the work-stfairs and compromises and balf-hitches of real It is p oit Free Press.

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Lord Palmerston was so much affected by his work that he had a special high desk built, which necessitated a standing position. He explained that if he fell asleep while trying to keep up with his work the fall would awaken him.

that he had had only two happy days in office, one being the day he entered it and the other the day he

Peel wrote: "It is impossible for me not to fee

that the duties are above all human strength; at least, above mine." Peel also once made the curi-

ous statement that if his nose had not bled every

night during his premiership he could not have borne

retired from it.

the load of his position.

Disraeli frequently stated that no man could ha any notion of the arduous life, and when Gladstone was released from the duties of prime minister he head over heels down a grass bank at Lord Evans' through sheer delight.

Lord Rosebery once wrote the following concern-ing the duties of prime minister: "He has to deal with the sovereign, with the cabinet, with parliament and with public opinion in its various kinds and degrees. Some of his colleagues he must convince, some he may have to humor, some even to lajole. It is a harassing, laborious and ungracious task." - New York Times.

1. 10 00 GERMANY'S "CANNON KING." The way to pronounce the name of the head of the

firm of Krupp of Essen is not to make it rhyme with "up," as is generally done, but with "hoop." Throughhe is known as "der Kanon enkonig out Germany or "Cannon King," and, indeed, it may be said that he even did more than the king of Prussia to unify Germany, for it was mainly owing to him that Sedan was won. In his interview with King William at the Chateau Bellevue, Sedan, the captive Emperor (Na-poleon) remarked "that the Prussian artillery" (consisting of 500 guns) "had won the battle." The sen-tence is taken from Dr. Russell's account of the interview as detailed to him by the crown prince, who had received it from his own father immediately af-ter the famous meeting.-London Chronicle.

THE BAND MINES.

Dominion royal commission estimates that 230,009.* that there are 587,000,000 probable payable tons left in the producing mines, and 600,000,000 tons in new mines. No estimate of the gold contents of unwork-ed tonnage is made; estimated that for five years production will be at about present rate, but annual output will decrease so that by 1930 it will be about tons of ore have been taken from the Rand mines. Il decrease so that by 1930 it will be an int production.

Rejected 177 Thermon The heat divis on has tested 177 lished to one of the government bu all of them because they were for made of inferior glass unsuited to such work will serve as a sharp s urers that the standard of qua

A work of considerable scientific construction at the bureau neasuring the radiation from star tory, Mt. Hamilton, Cal. Th uction of the instrument are entit the first test of watches for th leted June 7. These tests will b a year and will enable the public ul test of high grade adjusted time

LONDON TO OPEN EL ew York, August 6 .- Cable to Jonneroe, says it is expected that bonneroe, says it is expected that schange will re-open Friday for min The Stock Exchange Comm with The Stock Exchange Comm with the closing of long and antual consent, but there will be wreant conditions to force settleme

BANK OF ENG London, August 6.—The Bank ten reduced from 10 per cent.