

## BRITAIN BUILDING UP GREAT WAR POWER

Designed to Give Empire World -- Encircling Scope for Usefulness and Justice

### VIEW OF AN AMERICAN

Mr. C. W. Barron in His Work on "The Audacious War," Has Presented the Essential Fundamental War Facts in Their Most Condensed Form

"The Audacious War"—the series of articles which Mr. C. W. Barron contributed to the war to his own paper, The Wall Street Journal, and which were published simultaneously in these columns, have been brought out in book form by Messrs. Houghton, Mifflin & Company, of Boston. Mr. Barron has supplied the following preface for the work:

The Scotch have this proverb: "War brings poverty. Poverty brings peace. Peace brings prosperity. Prosperity brings pride. And pride brings war again." Shall the world settle down to the faith that there is no redemption from an everlasting round of pride, war, poverty, peace, prosperity, pride and war again? But it was not primarily to settle, or even study this problem that I crossed the ocean and the English Channel in winter. As a journalist publishing The Wall Street Journal, the Boston News Bureau and the Philadelphia News Bureau, and directing news-gathering for the banking and financial communities, I deemed it my duty to ascertain at close hand the financial factors in this war, and the financial results therefrom.

I found myself on the other side, not only in the domain of the finance encircling this war, but unexpectedly in close touch with diplomatic and government circles. The whole of the war, its commercial causes, its financial and military forces, its tremendous human sacrifices, the conflicting principles of government, and the world-wide issues involved, all lay out in clear facts and figures after I had gathered by day and night from what appeared to be a tangled web.

I learned who made this war, and why at this time and for what purposes, present and prospective; and from facts that could not be set down categorically in papers of state. No papers, "white," "gray," or "yellow," could present a picture of the war in its inception and the reasons therefor.

Immediate Causes of War. There is no powerful organization over nations to keep the peace of Europe or of the world, as nations are in organization over states, and states over cities, to insure peace and justice, without strife or human sacrifice.

The immediate causes of this war, and I believe they have not before been presented on this side of the ocean, are connected with commercial treaties, protective tariffs and financial progress.

It may be wondered that in our country, which is the home of the protective tariff system and boasts its great prosperity therefrom, there has been as yet no presentation of the business causes beneath this war. Our great journalists are trained to find interesting, picturesque and saleable news features from big events. Details of war's atrocities and destructions are to most people of the greatest human interest, and rightly so. As a country we have no international policy, and European politics and policies have never interested us.

Germany is buttressed by tariffs and commercial treaties on every side. Years ago I was told in Europe that the commercial treaties wrested from France in 1871 were of more value to Germany than the billion dollars of indemnity she took as her price to quit Paris. But I did not realize until I was abroad this winter how European countries had warred by tariffs, and that Germany and Russia were preparing for a great clash at arms over the renewal of commercial and tariff treaties which expire within two years, and which had been forced by Germany upon Russia during the Japanese War.

German "Kultur" means German progress, commercially and financially. German progress is by tariffs and commercial treaties. Her armies, her arms and her armaments, are to support this "Kultur" and this progress.

I believe I have told the story as it has never been told before. But the facts cannot be drawn forth and properly set in review without some presentation of the spirit of the peoples of the European nations.

Spirit of European Nations. If all the nations of Europe were of one language, the spirit, the soul of each in its distinctive characteristics might stand out even more prominently than today.

Then we could see even more clearly the spirit of brotherhood and nationality that stands out resplendent as the soul of France. We should see the spirit of empire and of trade, interlarded with administrative justice, as the soul of Great Britain. We should see Germany an uncouth giant in the centre of Europe, viewing all about him with suspicion, and demanding to know why, as the youngest, sturdiest, best organized, and hardest working European nation, he is not entitled to overseas or world empire.

But few persons on this side have comprehended the relation of this great war to the greatest commercial prizes in the world; the shores of the Mediterranean, Asia Minor, with its Bagdad Railroad headed for the Persian Gulf, Mesopotamia with its great oil-fields, undeveloped and a source of power for the recreation of Palestine and all the lands between the Mediterranean, the Indian Ocean and Asia.

The greatest study for Americans to-day is the spirit of nations as shown in this war, and great lessons for the United States may be found in the finance, business, patriotism and justice that stand forth in the British Empire as never before. She is rolling up an tremendous war-power within her empire and throughout Europe, encircling the German war-power. But she is likewise looking to her own people and her own workers, filling her own factories and every laboring hand to the full that she may keep her business and profits at home, and with her business and profits and accumulated capital and income prosecute the greatest war of history.

She is not unmindful in any respect of what the war may send her way. In the breaking away and the breaking-up of Turkey, she sees a clear field for Egypt, the realization of the dream of Cecil Rhodes of the development of the whole of Africa by a Cape to Cairo Railroad, and she sees her own empire and peoples belting the world in power, usefulness and justice, and with a sweep and scope for enterprise and development beyond all the previous dreams of this generation.

United States is Uncomprehending. The United States, with hundreds of millions of banking reserves released and giving base for a business

## WARNING TO UNITED STATES TO STRENGTHEN HER NAVY

Cincinnati, February 22.—A warning to the United States to take heed of the European war and strengthen its fleet is contained in a letter received by Casper Henry Burton of Cincinnati from Rear-Admiral Victor Alexander Montagu, of England, who died January 31st last. Mr. Burton to-day made public the letter which is believed to have been one of the last written by the Admiral. It follows in part:

"America must establish herself as a sea power in the Far West or her days are numbered. When one can only leave to her fates to decide, but the day will come when you will be dragged into war, and without a powerful fleet you will be done."

"Your fleet should be almost doubled, not only to enable you to defend your Monroe Doctrine but for the protection of your large foreign tradings."

"This war over here will end in a general upheaval for the balance of power in Europe and America will consequently have to look out for squalls."

"When this war ceases there will follow a second secession; the Balkan States will begin, Austria disabled as well as Germany, will set Bulgaria, Serbia, Roumania and Greece at work. The Turk will be sent to blazes before the war ends. Russia will have her bag—but she can't have all."

"You will have trouble with South America, Brazil, etc., and consequently Spain."

"The blood in your fleet must be bona-fide, of American extraction; no cross with other nations. Aliens are a curse and if I were the 'boss' of my country I would disallow all nationalization of foreign subjects. We are all intermixed, and it breeds unrighteousness and jealousies. The Germans seem to glory in taking their own lives, as well as their enemies and when her citizens there have been slaughtered enough, with no results obtainable, the Kaiser will be told to go, or make peace. That he will go, is certain, when that time comes but many more will have to be killed, alas."

"All her trade gone, all her shipping, her colonies and fleet bottled up, afraid to venture out to now. Italy will join us in the spring. She wants to see Austria a bit more hampered."

### JANUARY TRADE BALANCE U. S. LARGEST IN HISTORY.

Washington, February 22.—Exports last month aggregated in value \$267,801,370, compared with \$204,066,603 in January last year and \$227,032,930 in January, 1913, according to a statement of the Department of Commerce to-day.

Imports in January this year totalled \$122,365,267, against \$154,742,923 in January, 1914, and \$120,360,000 in January, 1913. In the six months since August last the monthly trade balance has shifted from an excess of \$19,400,396 on the import side to an excess of \$145,356,103 on the export side, exceeding that shown by any previous month in the country's history.

Of January imports \$2.67 per cent. entered free of duty, against 61 per cent. in January, 1914, and 55.5 per cent. in January, 1913.

Imports of gold in January last totalled \$6,896,398, against \$10,442,373 in January, 1914, and \$6,210,360 in January, 1913. Gold exports in January were \$691,569, against \$6,814,658 in January, 1914, and \$17,237,648 in January two years ago.

### CANADA MACHINERY WILL SELL ITS HAMILTON PLANT.

Galt, Ont., February 22.—At a special meeting of the bondholders of the Canada Machinery Corporation, Limited, the sale of the Hamilton property was authorized.

This action, stated T. H. Watson, president and general manager, means a concentration of the business at Galt and extensions to the already large local plant.

The meeting also carried a resolution converting fifty per cent. of the bond issue into preferred stock and deferred the interest for two years.

Business expansion double any we have had before, seems suddenly paralyzed in its business activities, and comprehending only that the loaf of bread is a cent higher and a pound of cotton a few cents lower, it is wondering on which side of its bread the butter is to fall.

Meanwhile, it talks politics, asks if prosperity here is to come during or after the war, and having little comprehension of the meaning of the national throbs that on the other side of the globe are pulsating the world into a new era of light, liberty and expansion by individual labor, it refuses to take up its daily home-task and go forward.

In the hope that these pages may be useful to my fellow-countrymen in giving them the facts of this war, its commercial causes, its financial progress, its sacrifice in humanity—sacrifice that could not be demanded but for a greater future—these papers are taken, as completed in my financial publications in this month of February, and placed before the reading community in book form, as requested in hundreds of personal letters.

They were never conceived and written with any idea of their permanent preservation. They were prepared for the banking community, which demands news-facts and figures discriminatingly presented. The banker wants the truth; he will make his own argument and reach his own conclusions.

The reader will readily see that these chapters are day-to-day issues aiming to present the news from the standpoint of finance. But under all sound finance must be primarily the truth of humanity. They do not claim to be from beginning to end a harmonious book-presentation of the war, but it is believed that they contain the essential fundamental war-facts; and the aim was to present them in most condensed expression.

Maintaining Peace of Nations. They cover the first six months of this most Audacious War. Whether it is to continue for another six months or another sixteen months is not so material as the character of the peace and what is to follow.

No greater problem can be placed before the world than that of how the peace of nations may be maintained. Having cleared my own mind upon this subject, I submit it in the final chapter, which naturally follows after that treating of the lessons for the United States from this war.

Only in an international organization, with power to make decrees of peace and enforce them, and with insurance of powers above those of all dissenters, can we find the peace of nations as we have found the peace of titles. This Audacious War has forced such an alliance as can yield this power. Its transfer to the support of an international tribunal can make and keep the peace of Europe and eventually of the world.

Then may the earth cease to be in history, that steady round of Prosperity, Pride and War.



MR. A. M. NANTON, Elected Vice-President of the Winnipeg Electric Railway.

## NEW YORK TELEPHONE NET EARNINGS LOWER

Balance Available for Dividends Was Equal to 10.17 Per Cent. on the Capital Stock

NET AMOUNTED TO \$10,159,045

New York City Franchise is Assessed for the Year at \$38,878,949.—Independent Experts Are Now Making An Inventory of the Property.

New York, February 20.—The report of the New York Telephone Company for the year ended December 31, 1914, shows net telephone earnings of \$10,159,045, as compared with \$11,996,606 the previous year.

The balance available for dividends was \$12,715,542, equal to 10.17 per cent. on the \$125,000,000 capital stock, against 11.43 per cent. earned in 1913.

U. N. Bethell, president of the company, states that the discount of 10 per cent. in telephone rates made pending the appraisal of the company's property by the Public Service Commission has amounted to \$1,929,160 for the period beginning February 1 and ended December 31.

The income account compares as follows:

	1914.	1913.
Phone revenue .....	\$47,295,088	\$46,831,034
Expenses and taxes .....	37,136,043	34,834,428
Net tel. earnings .....	\$10,159,045	\$11,996,606
Dividends and interest .....	5,542,078	5,770,395
Miscellaneous earnings .....	474,632	15,278

Total net earnings .....	\$16,175,741	\$17,782,279
Interest charges .....	3,460,139	3,494,695
Balance .....	\$12,715,542	\$14,287,584
Dividends .....	10,000,000	10,000,000
Surplus .....	\$2,715,542	\$4,287,584

President Bethell's statement follows:—"In submitting the foregoing statements it seems proper to call attention to the fact that although the franchise, rights and privileges owned by your company are assessed and taxed as property, the New York City franchise alone being assessed for the year of this report at \$38,878,949, the company has not included any part of the value of such franchises, rights or privileges in its assets, as shown in this report. Neither has it included therein going value, the appreciation in value of real estate or the value of other forms of intangible property."

"The Public Service Commission, Second District, State of New York, is now engaged in an investigation of your company's affairs, and in that connection the property is being inventoried and appraised by a committee of independent experts employed by the company. It is believed that this work will be completed not later than June 30, 1915, and that rate adjustments based on the appraisal can be made that will prove satisfactory to the company, to the Public Service Commission and to the public."

"On December 31, 1914, there were 1,154,905 stations in the system directly operated by your company and its local connecting companies, an increase during the year of 72,140. Including the associated and connecting companies, there were in service in the whole system at the end of the year 2,050,603 stations, an increase during the year of 119,198 stations."

"Under the plan for 'employees' pensions, disability benefits and death benefits there has been paid out from the fund during the past year \$260,795. The interest added amounted to \$74,960, leaving a balance of \$185,995, which has been appropriated to restore the fund to its original amount of \$2,000,000."

### CANADA BOND CORPORATION.

Mr. Harry B. Houser has been appointed Toronto manager of the Canada Bond Corporation, Ltd.

	Asked.	Bid.
Eastern Canada Savings and Loan .....	140	135
Eastern Trust Company .....	150	150
Maritime Trust and Tel. pfd. ....	98	93
Do, Common .....	73	68
Nova Scotia Underwear, pfd. ....	95	90
Do, Common .....	35	30
Porto Rico Tel. Pfd. ....	105	102
Porto Rico Telephone Common .....	50	45
Stanfield, Limited, pfd. ....	95	90
Do, Common .....	45	39
Trinidad Electric .....	72	68



GERMAN PRISONERS IN GREAT BRITAIN.

## LONDON UNDERGROUND SHAREHOLDERS CAN EXPECT NO DIVIDEND AT PRESENT

Announcement of the dividends of the subsidiary companies, and of the payment of the full interest on the 6 per cent. income bonds of London Underground breaks the news to the holders of the shares of the company that they cannot expect any dividend on their stock.

Last July it was stated that, after providing for the full 6 months on the income bonds, the receipts for the first six months of 1914 were sufficient to provide for the declaration of an interim dividend of approximately £60,000 on the shares, but that the board had decided to defer the question of a dividend payment until it could be dealt with in the audited accounts for the complete year. No dividend is forthcoming on the shares now that the full results of the year are known. After providing for the full income bond interest £35,000 was carried forward as compared with £45,200 in 1913.

In the subsidiary companies the dividend rate of London General Omnibus was reduced from 10 per cent. to 16 per cent., but, because of the issue of £450,000 of new capital, the dividend payments for 1914 at the reduced rates are nearly £50,000 larger than for 1913. Figures on London Omnibus would indicate about £80,000 increase in net earnings over 1913.

Central London Railway Co. in 1914 paid 2½ per cent. on its ordinary shares compared with 3 per cent. in 1913, and carried to profit and loss for the year £15,400 as against £20,900 in 1913. The District Railway paid 2 per cent. on its second preferred shares as against 2½ per cent. in 1913, and carried forward £13,900 against £12,600 in 1913. City & South London Railway made a rather poor showing. For the first six months the dividends on all four issues of preferred stock were paid but for the last six months only the dividends of the two earlier issues were declared, and that on the two latter issues passed. In 1913 the ordinary stock also received ¼ of 1 per cent.

### TROY SHIRTMAKERS BANKRUPT.

Utica, N.Y., February 22.—The Searle Manufacturing Company, of Troy, manufacturers of shirts, collars, etc., filed an involuntary petition in bankruptcy to-day, with liabilities of \$340,000, and assets of \$305,000.

Judge Ray appointed James W. Fleming and Henry Colvin, of Troy, receivers, and authorized them to borrow \$50,000 to continue business.

### KAUFMAN STORES' POOR YEAR.

The annual report of the Kaufman department stores of Pittsburgh for the year ended Dec. 31, 1914, shows a decrease in profits from \$704,329 to \$389,450, a loss of \$314,879, or 44 per cent. The figures follow:

	1914.	1913.
Net .....	\$10,231,172	\$10,165,610
Profits .....	389,450	704,329
Preferred dividend .....	168,001	154,683
Balance .....	221,449	549,746
Appropriations .....	100,000	249,746
Surplus .....	121,449	300,000
Previous surplus .....	30,000	.....
Total surplus .....	\$151,449	\$300,000

### NEW MINIMUM PRICES.

The Stock Exchange this afternoon established the following minimum prices, to take effect Tuesday: American Car & Foundry 40, American Locomotive preferred 80, American Steel Foundry 24, Baltimore & Ohio 65, Federal Mining & Smelting preferred 24, Loose-Wiles Biscuit firm, Loose-Wiles second preferred 74, National Railroad of Mexico 17, New Haven 45, Pressed Steel Car preferred 94, and Seaboard Air Line preferred 34.

### GERMANY'S BOND ISSUES IN 1914.

Germany's output of new securities in the first half of 1914, according to the Deutsche Oekonomist, was 2,025,900,000 marks, an increase of 184,500,000 over the previous year. In the second half, the new issues footed up 4,593,500,000, an increase of \$356,500,000 over 1913. But 4,349,200,000 of the second-half issues was made up of the Government war loan.

### MARITIME PROVINCE SECURITIES

(Quotations furnished by J. C. Mackintosh & Co., Members Montreal Stock Exchange, 166 Hollis Street, Halifax, N.S.)

	Asked.	Bid.
Eastern Canada Savings and Loan .....	140	135
Eastern Trust Company .....	150	150
Maritime Trust and Tel. pfd. ....	98	93
Do, Common .....	73	68
Nova Scotia Underwear, pfd. ....	95	90
Do, Common .....	35	30
Porto Rico Tel. Pfd. ....	105	102
Porto Rico Telephone Common .....	50	45
Stanfield, Limited, pfd. ....	95	90
Do, Common .....	45	39
Trinidad Electric .....	72	68

	1915.	1914.	1913.
January .....	\$2,037,058	\$2,768,479	\$3,354,418
February .....	1,914	1,913	1,912
March .....	2,952,755	2,837,938	3,297,742
April .....	3,040,677	2,880,788	3,216,695
May .....	3,116,764	3,051,701	3,263,150
June .....	3,282,630	2,999,686	3,176,946
July .....	3,024,037	3,092,754	3,248,295
August .....	3,111,398	2,783,917	3,253,189
September .....	3,049,558	3,173,382	3,202,317
October .....	3,058,340	3,373,998	3,311,794
November .....	2,904,924	3,334,558	3,132,352
December .....	2,917,846	3,358,050	3,528,625
January .....	2,660,186	3,118,352	3,989,832

## CONFUSION OVER JAPANESE DEMANDS

Anxiety Shown in Great Britain Regarding Pressure Exerted on China

### TWENTY-ONE PROPOSALS

Ten of These Were Withdrawn—No Disposition to Criticize the Political Aspect of the Action of Japan.

London, February 22.—British commercial men are keenly interested in Japan's alleged demands on China, although the exertion of pressure there after Foreign Secretary Sir Edward Grey's statement on Thursday as yet seems unlikely.

There is much confusion on the whole subject, as the text of the Japanese proposals is unknown, but private advices received in London from China, where there is great anxiety as to the effect of the demands, say there were originally twenty-one proposals. The representations of China caused ten of these to be withdrawn. The great Powers interested in China were informed of this step, which was true at the time, but it is believed that since then owing to pressure China agreed to the restoration of the ten proposals to the original list.

Two versions of the situation are published, both of which are admittedly incomplete and inaccurate, yet British merchants have to formulate their views on data which they know are not too reliable, although all which they are able to procure.

There is no disposition to criticize the political aspect of the action of Japan, but the demands for special exclusive privileges are inspiring great anxiety in commercial circles, not merely in regard to Peking and the Langkat Valley, but more especially in respect to railway concessions, which seem to be all demanded; namely, first, from Wu-chang (otherwise Hankow) to Kiu-Kiang and thence to Nanchang; secondly, from Nanchang to Kan-chow and thence to Hang-chow.

The real significance of these demands is that if they are granted they will give Japan practically the whole trade of Yangtze Valley to the detriment of Shanghai and allow her to tap the trade of all southern China as well as the interior. Coupled with the fact that Japan will control southern Manchuria and Shan-tung, as well as the province of Chang-shu, through the Hang-chow terminus, the demands show that practically all the coast line with the country adjoining will be subject to the sphere of the railway influence of Japan.

### NIPISSING TO MEET SMALL PAYMENT DUE ON TECK-HUGHES MARCH 1st.

Cobalt, Ont., February 22.—The expectation is that the small payment due by the Nipissing Mining Company on March 1st to the Teck-Hughes Mines will be forthcoming.

The heavy payments under the agreement do not fall due until late in the coming summer.

The workings at the Teck-Hughes have now reached the third level at a depth of 265 feet. A winch on the main vein was carried down to this depth and drifting operations started the first of February. Nothing has been announced regarding the vein at this depth although approximately 100 feet of the ore body has been opened up.

One drill is now driving at this depth while a second machine is drifting on the vein at 185 feet. Nothing but development work is attempted at the present time.

Quite recently the Nipissing, under an optional agreement took over the 40 acre claim, lying south of the south Teck-Hughes lot, and owned by the Wettlaufer, of South Lorrain fame. This property is only a short distance south of the main shaft and the main vein carries into the adjoining property. The drifting will be extended into the Wettlaufer territory and in the spring some surface prospecting will be attempted.

### TRANSVAAL GOLD OUTPUT.

The January output of the Transvaal mines amounted to 714,984 ounces, valued at £2,027,058, against 695,137 ounces valued at £2,952,755 in December and 651,753 ounces, valued at £2,768,479, in January, 1914.

Following is a comparison of the value of output figures being compiled by the Transvaal Chamber of Mines:

December .....	2,952,755	2,837,938	3,297,742
November .....	3,040,677	2,880,788	3,216,695
October .....	3,116,764	3,051,701	3,263,150
September .....	2,882,630	2,999,686	3,176,946
August .....	2,024,037	3,092,754	3,248,295
July .....	3,111,398	2,783,917	3,253,189
June .....	3,049,558	3,173,382	3,202,317
May .....	3,058,340	3,373,998	3,311,794
April .....	2,904,924	3,334,558	3,233,382
March .....	2,917,346	3,358,050	3,285,828
February .....	2,660,186	3,118,252	3,069,322

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### NEW YORK BANK STATEMENT.

New York, February 22.—The statement of the actual condition of clearing house banks and trust companies for the past week shows that they held \$107,445,000 reserve in excess of legal requirements. This is a decrease of \$2,698,900 from last week. The statement follows:—

Loans, etc.	Dec.	\$41,000
Reserve in own vaults	Dec.	2,975,000
Reserve in Federal Bank	Dec.	1,507,000
Reserve, other	Inc.	15,000
Net demand, dep.	Dec.	10,800,000
Circulation	Inc.	40,000
Time deposits	Inc.	1,875,000
Aggregate reserve		509,645,000
Excess reserve		137,171,450
Excess		2,698,900