

The Journal of Commerce

THE BUSINESS MAN'S DAILY

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MONTREAL, MONDAY, FEBRUARY 8, 1915

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WOULD ANNEX MAISONNEUVE IF DEBTS ARE GUARANTEED

Delegation of Aldermen Leaving for Quebec to Protect City's Interests—Governor of the Island May Represent Mayor.

Discussion of the Maisonneuve annexation was re-opened at this morning's meeting of the Board of Control. It was decided to send another delegation to Quebec to protect the city's interests when the bill providing for the annexation to Montreal comes before the Private Bills Committee in the House tomorrow.

The consensus of opinion appears to be that Maisonneuve should be accepted as part of Montreal on the condition that provision be made for the citizens of the east end meeting the accumulated debt. The proposal is that an assessment of municipal taxes sufficient to meet Maisonneuve's liabilities be secured. This would mean that the city would be annexed practically free of financial obligations as far as Montreal is concerned.

Part of the delegation left on the 1.30, and some are going to Quebec on the night train. Mayor Martin is said to have some private business to attend to, so is requesting Sir Leger Goulet to delay consideration of the annexation bill until his arrival. Falling Sir Lomer's compliance with this, he intends sending his brother, "the Governor of St. Helen's Island," to represent him.

FAMOUS MARKSMAN DEAD.

Fredericton, N.B., February 8.—Christopher Johnson, at one time the most famous marksman in Canada, passed away at McAdam's Junction on Saturday, where he had been for upwards of twenty-five years employed in the C. P. R. workshops.

He was a member of the first Canadian rifle team sent to Wimbledon in 1871, and it was due to his brilliant marksmanship that the Koopere Cup first competed for in that year was won for Canada.

The match was shot by English and Canadian teams—eight men on a side.
Old Snider rifles were used and the competitors were compelled to stand at the two hundred yards range, the first seven men there could score and Johnson was put up to finish the match against a member of the English team. He defeated his man by four points at the King's ranges and won the cup for Canada.

SENDING OUT AGREEMENTS.

New York, February 8.—The preferred stockholder's committee of the M. Rumely Co. of which Mortimer N. Buckner, vice-president of the New York Trust Co. is the chairman, is sending out to all holders of that class of stock a deposit agreement, circular accompanying the agreement urges the prompt deposit of all the outstanding shares, as immediate steps are necessary to conserve the best interest of the shareholders. Among the provisions of the deposit agreement is that the committee has no power to incur any personal liability in behalf of the depositors nor can the committee incur indebtedness in excess of 1/2 of 1 per cent of the par value of the deposited stock without further authority from the depositors.

RENEWAL OF FILIBUSTER.

Washington, February 8.—Administration Democrats have a majority of one in the Senate through the arrival of Senator Smith, of South Carolina, and they propose to move to re-commit the Ship Purchase Bill with instructions. This will mean a renewal of the filibuster.
It is understood that Democrats will make one last effort of endurance and then if it appears they cannot succeed they will replace the bill by the River and Harbor Bill. This break is expected about Thursday night.

CONFEDERATION IS PROPOSED.

Washington, February 8.—Objects of the Confederation proposed by Senator La Follette are as follows:—

"Early cessation of hostilities, and establishment of peace, consideration of uniform regulations for limitation of armaments, and nationalization of manufacturers of all equipment and supplies used exclusively for military purposes, consideration of regulations for prohibition of export of arms, ammunition, artillery, war vessels, armour plate, torpedoes, or any other thing designed to be used exclusively for military or naval purposes from one country to another."
"Ultimate establishment of an international tribunal where any nation may be heard on any issue involving rights vital to its peace and development of its national life, a tribunal whose decrees shall be enforced by enlightened judgment of the world and the consideration of plans for the federation of the neutral nations in the adoption of rules and regulations which will provide for the neutralization of certain waters and maritime trade routes."

EVENTS OF VAST MOMENT DEVELOP

Russian and Austro-German Forces are Engaged in a Crucial Struggle

INDIGNATION IN HOLLAND

Scandinavian Countries Aroused Over Germany's Declaration of a War Zone About the British Isles—Hard Fighting in Carpathians.

(Special Cable to The Journal of Commerce.)

London, February 8.—With events in the western theatre of war close to a standstill, the Russians and the Austro-German forces are engaged in a struggle in which events of vast moment are rapidly developing under the eyes of the Czar and the Kaiser, both of whom are at the front to encourage their troops to supreme efforts.

East Prussia, Northeastern Poland and the Carpathian passes have been the scenes of signal Russian victories, while a battle, yet undecided, is in progress in Bukovina.

Another event in the eastern war zone, which may prove of great consequence, is the reported violation of Roumanian neutrality by Austrian troops which are said to have attempted to seize the Roumanian town through which access is given to Serbia.

Great Britain's formal answer to the comment on the display by the Cunard Line steamer Lusitania of the American flag while passing through the Irish Sea is that it was a legitimate ruse de guerre and one sanctioned by custom.

The Lusitania, with a large number of Americans on board, entered Liverpool under her own colors.

The only effect of displaying neutral colors on a merchant vessel, the British Admiralty says, is to force the enemy to follow the ordinary obligations of naval warfare and satisfy himself of the nationality of the vessel and the nature of her cargo.

The Admiralty statement says further: "To destroy a ship, non-combatant crew and cargo, as Germany announced her intention of doing, is nothing less than an act of piracy on the high seas."

Passengers aboard the Lusitania have stated that the American flag was raised on a wireless order from the Admiralty.

The indignation in Holland and the Scandinavian countries over Germany's declaration of a war zone about the British Isles continues to grow.

In Denmark and Holland the feeling against Germany is especially outspoken. Queen Wilhelmina has presided over two meetings of the Dutch Ministry to consider the situation, and even the pro-German press is protesting.

A Daily News despatch from Copenhagen says that Denmark is elated to find the feeling of indignation there has received the support of public opinion in the United States. It is declared that Germany, by this action, has entirely forfeited the friendly feeling manifested in Denmark after the war began.

There has been a lull in the fighting in France and Flanders, the only activities mentioned in the official statement being the repulse of minor German attacks near Nieuport and the bombardment of the German works north of Soissons.

On the eastern frontier operations of great importance are in progress, the Russians having not only checked the enemy in the Carpathians, where he had been reinforced by divisions drawn from the Serbian front, but have also made such progress in East Prussia that the Germans are reported to have withdrawn troops from the Buzza front to meet the Russian advance toward Koenigsberg.

The hardest fighting on the whole long front at the present appears to be in the Carpathians and in Bukovina, where the official statement admits they have been forced back.

Unofficial despatches declare a great battle is now in progress in Bukovina, between Dorna Watra and Kimpelung.

MARQUIS OF LONDONDERRY DEAD.

London, England, February 8.—The Marquis of Londonderry, one of the most successful members of the British Bar, died to-day of pneumonia.

Born in Ulster sixty-two years ago, he was a graduate of Trinity College, Dublin.

His first preferment under the Government came in 1892, when he was made Solicitor-General for Ireland, and in the last Unionist ministry he served as Solicitor General of Britain from 1900 to 1906.

In his younger years he was a member of Parliament for County Down from 1878 to 1884, and Vice-roy of Ireland from 1886 to 1889.

He held several offices in the Balfour ministry.

BRITISH CASUALTIES 104,000.

London, February 8.—Premier Asquith announced in the House of Commons that British casualties during the first six months of the war totalled 104,000 men.

While it had been known that the British troops were suffering heavily in the Continental campaign the number of casualties had not been thought so large.

DID NOT OPEN ITS DOORS.

Philadelphia, Pa., Federal 8.—The Federal Reserve Bank of Philadelphia has received word from the National Bank Examiner that the First National Bank at Schaefferstown, Penna., did not open its doors for business this morning.

Alvin Binner, the bank's cashier, committed suicide last Saturday.

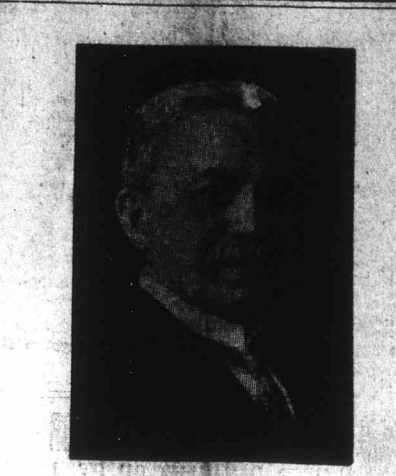
The bank had \$25,000 capital and \$15,000 surplus.

GERMANS COMMANDEERING FOOD.

London, February 8.—An Amsterdam correspondent telegraphed that the German Federal Council, according to German newspapers on Saturday, empowered the Communal Authorities to commandeer all stores of grain and flour in private houses above the weight of 25 kilograms.

BRITISH AVIATORS MAKE DARING ATTACK.

Cairo, Egypt, February 8.—Three Turkish batteries east of the Suez Canal were wrecked and another badly damaged in a daring attack by two British aviators on Saturday. The aviators covered a distance of 132 miles in their flight, and returned safely.



MR. A. P. LESPERANCE, General Manager, Montreal City and District Savings Bank, whose annual meeting was held to-day.

Men in the Day's News

Mr. A. A. Ayer, who has just reached the "three score and ten" allotted by the Psalmist was born at St. Armand East, P.Q., on February 6th, 1845. He came to Montreal as a young man of twenty and entered the produce business. Mr. Ayer established, and is still at the head of the firm of A. A. Ayer & Co., one of the largest dairy produce firms in the world. Apart from his business Mr. Ayer finds his chief interests in life in the promotion of temperance reform and in connection with the work of the Baptist Church, of which he is a prominent member.

Mr. Henry F. Gooderham, of the legal firm of Gregory and Gooderham, has just been elected President of the Union Trust Company, Limited, Toronto. Mr. Gooderham, who was called to the Bar in 1903 has been a director and a member of the executive committee for some years, and has always taken an active interest in the company's affairs. He succeeds Mr. H. H. Beck, who has gone to Victoria to live. The latter remains on the board as chairman.

Emile Verhaeren, the Belgian poet, has received additional notice since the outbreak of the war. He is the greatest living Belgian poet, as Maurice Maeterlinck is her greatest man of letters. Verhaeren has been described by a French writer as "A Belgian, but one of ourselves." An American writer declares that "Verhaeren might be thought the greatest living French poet." When Maeterlinck was recently invited, to become a member of the French Academy, he suggested that the honor be paid Verhaeren instead pointing out that the poet's voice was truly the inspired voice of Belgium. Verhaeren's best known work is Les Flamands.

Admiral David Beatty, although but forty-three years of age, has seen a lot of fighting, having had experience in Egypt and China. In the former country he won the praise of Kitchener by setting gunboats over almost impossible cataraacts and then bombarding Dongola. At Tien Tsin he was twice wounded while leading his bluejackets in the capture of two guns. He was made an Admiral at thirty-eight and was knighted a year ago. Sir David Beatty is a handsome, dashing Irishman with all that race's traditional fondness for a fight. He is married to a daughter of the late Marshal Field, of Chicago. Lady Beatty has placed her private yacht at the disposal of the British Admiralty, who are using it as a hospital ship.

Hon. J. A. Oulmet, who presided at the annual meeting of the Montreal City & District Savings Bank, held at the head office to-day, is a retired Judge of the Court of King's Bench. He was born at Ste. Rose, Que., in 1848, educated at the Seminary of Ste. Therese-de-Blainville, Que., and Victoria University. For a time he was a journalist and then studied law. He has also had a lengthy political experience, being member of Parliament from 1873 to 1896, and was Speaker of the House of Commons for four years, and Minister of Public Works from 1892 to 1896. He has also been a military man, commanding the 65th Regiment during the Rebellion in the Northwest Territories in 1885. He is one of the best known business men among the French-Canadians in Montreal.

Thomas Mott Osborne, the new Warden of Sing Sing, is one of the most talked of men in the United States. He was a millionaire manufacturer at Auburn when he first became interested in a prison near his factory. He made a study of crime and of prison management and then voluntarily entered the prison to see what inside conditions were actually like. As a result of his investigations and interest in the work he was appointed Warden of Sing Sing, where he says: "There is not a single thing that is right." The reforms effected in the first month reduced the number of cases calling for discipline from 117 to 34. Mr. Osborne is a prominent Democrat and was a candidate for Lieutenant-Governor of New York a number of years ago. He says he will reform the prison laws of the country.

Sir John French, who commands the largest army ever raised by Great Britain, is sixty-two years of age but does not look it nor do his movements suggest that age. As a boy French developed a fondness for homilies which led his mother to urge that he be educated for the ministry but his father, a naval captain, had his son enter the navy. After some years he left that branch of the service and joined the cavalry, where he soon made a name for himself. French was a student and instead of attending teas and fox hunts as his brother officers did he devoted himself heart and soul to the study of military tactics. His success in the Boer war stamped him as one of the greatest cavalry leaders of all time, while his appointment to the command of the army in France is additional proof of his ability.

PROFITS OF THE FLOUR MILLING COMPANIES

Good Reason to Believe Mills Will Make High Showing in Present Year

OBVIOUS PROFITS LARGE

Milling Companies Heavy Buyers Around 90 Cent Level, and with Rise in Prices, Profits Will be at Least 45 Cents Per Bushel.

(By H. M. P. ECKHARDT.)

There has been some speculation as to how the big Canadian flour milling companies have been affected by the recent sharp rise in wheat prices. Several of these companies end the fiscal year on August 31st. Just before the new crop makes its appearance on the market in Western Canada. It was noted when the statements came out that one or two of the recently consolidated concerns had comparatively large amounts of grain on hand, and bank loans at fairly high figures. Other companies had sold off their stock and reduced loans to a small compass. Probably there are few industries in Canada affected by the war so much as flour milling. Immediately after hostilities commenced the Dominion Government and two of the provinces gave large orders for flour to be sent to England as gifts from Canada. These orders were divided more or less equally among the several large concerns. It is not to be supposed that the millers would hold up the Governments in a transaction of this kind. They in common with other business men would be moved by the desire to contribute towards the well-being of the Empire in its critical times, but nevertheless, the presumption is that prices quoted on the special orders would give a fair or reasonable profit to the milling companies.

Although the orders were forthcoming in the month of August it is doubtful whether any profits made therefrom would be included in the annual report issued as at August 31st, 1914. It is doubtful whether the contracts would be filled and the consideration paid over by that date. So the chances are that these profits would count in the results for the current fiscal year. Assuming that a fair profit was made the special transactions would improve the position of the companies through enabling them to clean up surplus left over from the previous season on satisfactory terms. It is well to remember that before the war broke out so suddenly, at the end of July, the outlook rather favored a soft wheat market. There appeared to be some chance of prices dropping to a level which would be unprofitable from the producers' point of view, and under those circumstances the fact of a milling company having large stocks on hand and big bank loans did not appear to the advantage of the company.

However the war changed the situation, as by magic. The wheat market began to gain strength persistently notwithstanding the huge crops harvested in the neighboring Republic. So far as our milling companies are concerned, in order to make any satisfactory guess as to the measure of advantage they have obtained out of the rapidly rising prices, one would have to know what was their attitude last fall when the new wheat was coming forward. We are aware that the banks are accustomed to require their grain dealing borrowers as a rule to sell from day to day practically all wheat purchased by them. That is to say the banks are not willing to take the risk of a falling market, and after navigation closes at the beginning of December the dealers must hedge through selling "futures" in the speculative market. Where that course was followed the holders of the grain would derive little or no benefit from the subsequent price increases. All they would get would be their usual working profit.

Now it is not exactly clear whether the big milling companies are required to conduct their business on these lines. The two older companies are well known to be wealthy and possessed of a considerable working capital of their own. They could at any rate invest their own money in wheat and hold the stuff if they wished to do so regardless of what their bankers might think or propose. Then as regards wheat purchased by them through the agency of bank loans they are in a position to show a wider margin of security than many other dealers can show. Consequently the risk to the bank of having the value of the security brought below the amount of the bank loan, through a drop in prices, is not so great, and the companies could doubtless follow such policy as seemed to them advisable. Last fall much of the wheat that came forward was bought around the 90 cent level. We may be sure that the milling companies would be heavy buyers in September and October. In the earlier weeks of the war there was practically no export business, owing to the scarcity of tonnage and the impossibility of securing insurance against war risk. The millers in this country were well aware that the blockade of exports would have a most decided tendency to keep wheat prices in American at a level considerably below what one might call intrinsic values; and they would be disposed to buy every possible bushel in anticipation of substantial rise in prices after the export situation righted itself. Then of course with such a war as this in progress, almost anything might happen in the way of rising prices.

So some of the companies at any rate would no doubt be inclined to buy and hold while awaiting developments. One can easily see that if a big company constantly followed this policy to the limit of its capacities it would now stand with fabulous paper profits in its books. Even when one knocks off 10 or 15 cents from present quotations, there would remain a profit of something like 45 cents per bushel on wheat purchased last fall at about 90 cents per bushel. When one applies such a rate of profit to a large amount of grain say 500,000 or 1,000,000 bushels the results are tremendous. If any of our companies have been fortunate enough to secure results approaching near these figures, the probabilities are that the annual reports issued this fall will make extremely pleasant reading for the holders of the common stocks. Speculations of this nature open up visions of stock bonuses, heavy writing down of such assets as "good will" and "patents," provision for retiring bonds, etc., etc. Even if such fancy profits as above suggested are not secured, there is apparently good reason for expecting that this year's reports will make a highly satisfactory showing.

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VIOLENT ARTILLERY DUEL.

Paris, February 8.—The official communique says: "From the sea to the Oise there was artillery duel yesterday. This was rather violent in the region of Quincy, west of La Bassee."
"To the southwest of Carney we succeeded in a surprise attack on a German trench which was blown up by a mine and its defenders were killed or taken prisoners."
"On the Alsace front and in Champagne there were intermittent bombardments. The efficacy of our artillery fire was demonstrated at several points."
"To the west of Hill No. 191, north of Maasiges our batteries checked an attempted attack."
"In the Argonne an attack by the enemy in the direction of Fontaine Madame was repulsed. At Bagatelle the Germans began violent infantry action in the morning. At last reports we were maintaining our position."

RECAPTURED SHORT TRENCH.

Berlin, by wireless, February 8.—The official report follows: "In the western theatre the battle for our positions on the Canal, southwest of La Bassee, continues. We have re-captured part of a short trench taken by the enemy."
"In the Argonne we took part of our opponents' fortified positions yesterday. Nothing else of importance occurred."
"On the East Prussian frontier, southeast of the Plain of the Lakes and in Poland on the right bank of the Vistula, a few successful engagements of local importance occurred. Otherwise there is nothing to report."