

fact of the war situation is the  
domination—as including the Teutonic segment  
the cable and the sealing or censor-  
produced one kind of isolation. An-  
kind has come from the rupture  
previous lack of many ties that might  
Germany stands apparently friendless.  
she did not want any friends; con-  
to win over any or all, her triumph  
id be unshared.

past and present,—in the name of a  
virtues and attainments but traduced  
ideals?—has shown amazing lack  
and tact in the endeavor to win her  
She is the mother of splendid  
different diplomats. The great ques-  
whether those soldiers can win in spite  
directing them. That diplomacy  
been guilty of a long series of mis-  
perhaps on a fundamental flaw in  
Consider a partial catalogue of these  
flaws:

irritations to the peace of Europe  
ous recent rattlings of the imperial  
ing in militarism; and the refusal to  
trenchment,—especially now that the  
spent on battleships seem to-day  
treatment of Alsace-Lorraine.  
mistaken repression of the Poles,  
the reversion from an initial policy of

anic propaganda conducted in the  
nding to excite all the Little Slave  
acking of the Austrian schemes of  
and the Austrian taking of Bosnia.  
Small wonder that some Austrian  
lay reported undependable.

made out in the German white  
in the light of the Austrian behavior  
mpletion of the Kiel canal and the  
gold reserve.

of the neutrality of Luxemburg and  
sorry mistake—in terms of pre-  
suming that both Belgium and En-  
guet by mingled fear and cupidity,  
that German military tactics have  
able by alleged practices in mine-  
of Belgian peasants, the levy of  
use of Zeppelins at Antwerp, and  
Louvain. These tales of reprisal,  
gest blumiousness grown desper-

rging on of Turkey, the uncertainty  
would concretely be far outwaded,  
nkinding of the Balkans but also  
of Italy to arms against her na-  
al allies.

as contained in the reputed im-  
ake Paris, or all Germany will die  
that necessarily the taking of Paris  
triumph. The Kitchener state-  
controversy that. Too many gen-  
make Paris now an effective stop-

excuse for embroilment with so  
is that it may possibly give pride  
from complete disaster—just as  
fer world hegemony.

ental flaw in the whole philosophy  
d to find alike inspiration, mean-  
ence.

## RELIGION IN WAR.

religious line up in the twentieth  
t England, Catholic Belgium,  
Orthodox Russia vs. Lutheran  
Austria—and it might have been  
Turkey, if she hadn't seen through  
already. Religion is a cipher in  
on Morning Advertiser.

## IS OF CIVILIZATION.

re to begin all over again and re-  
reen thrown down in the last few

men have lain Europe in moral  
Emperor made the first move;  
or has swept the board; and on  
of the burden of the greatest crime  
They are enemies of civiliza-  
Opinion.

## AN AGENCY.

promptly executed at lowest cash  
and Continental goods, including  
onery,  
d Leather,  
Druggists' Sundries,  
ware and Glassware,  
rars and Accessories,  
ry and Piece Goods,  
d Perfumery,  
linery and Metals,  
and Watches,  
d Optical Goods,  
Olman's Stores,  
etc., etc.,  
% to 5%  
allowed.

ne on Demand.  
om \$50 upwards.

roduce Sold on Account.

WILSON & SONS

established 1814)

rch Lane, London, E.C.

: "Annuaire, London."

## F COMMERCE---the

on :

OF COMMERCE

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CHARGES EVILS ALONE  
TO SHORT SELLING

Exception Taken to View That, With  
Practice in Vogue, Stock Exchange  
Will Continue Peril

## AN ERRONEOUS ASSUMPTION

No Manipulation Now Takes Place on the Exchange—  
Government Supervision in the Circumstances  
Could Not Have Kept Wall Street Institution  
Open.

New York, September 2.—Samuel P. Goldman, au-  
thor of "A Handbook of Stock Exchange Laws," has  
issued an attack on the arguments against the Stock  
Exchange set forth in an article by Samuel Unter-  
myer in the New York Times of August 23, follow-  
ing the New York lawyer's return from Europe.

In this criticism of the Stock Exchange, made a  
little over a week ago, Mr. Untermyer stated that on  
closing of the exchange was made necessary only on  
account of the fact that it lacked the necessary gov-  
ernment supervision to prevent manipulation and  
erroneous supervision. He stated that it was a gross exag-  
geration that foreign selling totalled from 50,000 to  
100,000 shares per day during the 2,000,000 share days,  
when every one who has been in the financial dis-  
trict as long as counsel for the Pujo committee has  
known that the sales of foreign holdings were much  
greater.

Mr. Untermyer on August 23 made the statement  
that if the Stock Exchange were to suppress short  
selling, "as it shortly will be compelled to do," it  
selling, "as it shortly will be compelled to do," it  
selling, "as it shortly will be compelled to do," it

Mr. Untermyer charged further that the Owen  
bill for the regulation of stock exchanges has passed  
the exchange would not have to close.

Answers Mr. Untermyer.

Mr. Goldman says:  
"Mr. Untermyer's strictures on the New York  
Stock Exchange are based entirely on an erroneous  
assumption. In the first place, he speaks of abuses  
as if the abuses he had in mind have been patent  
within the past few weeks. The contrary is  
true. During these troublesome times the strength  
and solidity of the exchange have been demonstrated  
more than ever, and nothing has been more patent  
than the absence of abuses, particularly those abuses  
which the exchange, under its own rules and regu-  
lation, has succeeded in removing, or at least mini-  
mizing."

"He is greatly in error when he states that the closing  
of the exchange was made necessary solely by  
the absence of Government supervision and because  
manipulation and short selling are permitted. That  
no manipulation now takes place on the exchange can  
be asserted without the fear of contradiction, and  
that short selling could not cause the closing of the  
Stock Exchange would seem to be so obvious as to be  
almost a truism."

"It is impossible for one familiar with the theory  
and practice of stock brokerage to see how Govern-  
ment supervision could have kept the exchange open.  
Government supervision could not have restrained  
foreign holders of securities from endeavoring to sell  
them in the New York market, nor could Government  
supervision fix the price at which foreign holders of  
American securities must dispose of them, nor could  
Government supervision fix the price at which Amer-  
ican purchasers would take up these securities."

Supervision Would be Futile.  
"When one examines the sort of Government su-  
pervision set out in the recent proposed laws sub-  
mitted by Mr. Untermyer to the Committee on Bank-  
ing and Currency of the United States Senate, it  
becomes quite apparent that Government supervision  
would be wholly impotent to have maintained the  
Stock Exchange as an open and free market where  
foreign holders of securities could turn in their  
holdings in large quantities and be paid for them  
in American gold."

"It would have had precisely the opposite effect.  
The whole basis of Mr. Untermyer's proposed leg-  
islation in regard to the Stock Exchange is compul-  
sory incorporation. Had the New York Stock Ex-  
change been incorporated when the war commenced  
any person with an ulterior purpose could have sought  
an injunction. Even the granting of a preliminary  
injunction which would have kept the Exchange open  
for the shortest time in which such injunctions can  
be dissolved would have precipitated an economic  
tragedy in America. Hundreds of thousands of in-  
nocent persons would have been ruined beyond re-  
covery."

"Again, if the exchange had been incorporated and  
the governing committee had prohibited private trad-  
ing as the committee of five of the Stock Exchange  
actually and wisely did, there is no telling how many  
injunctions would have been sought to prevent such  
prohibition, and again during the time necessary to  
obtain the dissolution of even the preliminary in-  
junctions great and irreparable loss and injury  
would have been inflicted upon numberless innocent  
and unsuspecting persons. Never in the long history  
of the agitation for compulsory incorporation of  
stock exchanges at home and abroad has there been  
stronger and more conclusive demonstration of the  
fallacy of this measure."

Values Not Artificial.

"The prices of securities are regulated by the two  
factors which regulate all other prices, namely, value  
and supply and demand, and if foreign holders found  
it necessary to convert their securities into money  
at any cost, all the Government supervision and re-  
gulation that could be conjured up by the liveliest  
imagination could neither prevent them from selling  
nor fix the prices they would receive."

"On its face, Mr. Untermyer's statement of figures  
must be wrong. It can hardly be that European  
holders were selling only fifty to 100,000 shares per  
day, or that 1,000 shares were sold short to every  
hundred shares sold by owners. If, during the two  
days immediately preceding the close of the Ex-  
change, but 200,000 shares were sold by foreign hold-  
ers averaging \$100 par value, this would amount to  
only \$40,000,000 worth of securities. This is alto-  
gether too insignificant a figure for the situation. It  
is more than likely that \$200,000,000 worth of securi-  
ties were thrust upon the New York market for sale  
during those two days, and it is safe to say that a  
careful investigation will show that the proportion of  
short selling was very small, and that the bulk of  
if not all, of the transactions during the closing were  
actual bona fide transactions, in which actual sales  
and deliveries and payments were made."

"Without going into detail as to the nature of short  
selling, Mr. Untermyer puts a fallacious view upon  
the subject by stating incorrectly that this does not  
constitute actual transactions. Short selling is as

UNITED STATES WILL MAKE  
ANOTHER GOLD SHIPMENT

Ottawa, September 2.—Another large gold ship-  
ment is expected shortly at Ottawa from the United  
States. The city of New York owes London \$5,000,000  
on New York municipal bonds.

The war risk to ship the amount in gold to London  
would amount to about 2½ per cent. while it can  
be shipped to Ottawa at an insurance rate of one-  
tenth of one per cent. plus its carrying charges.

The former rate is almost prohibitive so that it is  
believed that the gold will find its way to Ottawa to  
the Canadian Government vaults there it will be held  
in trust with other large deposits for England.  
It is estimated that there are from four to six  
billions of American securities held in London on  
which interest is due quarterly.

SAYS U.S. WITHIN RIGHTS  
IN BUYING GERMAN SHIPS

Secretary of the Treasury McAdoo, However, Refuses  
To Discuss Diplomatic Aspect of Question.

Washington, September 2.—The right of the United  
States to buy merchant ships of any nationality for  
neutral uses cannot be disputed by any nation, de-  
clared Secretary McAdoo, of the Treasury Depart-  
ment, to-day, before the House Merchant Marine  
Committee, supporting the Administration Merchant  
Marine Bill. Mr. McAdoo refused, however, to dis-  
cuss the diplomatic phases of the situation when ask-  
ed if protests had been received from Great Britain or  
France against the possible Government purchase of  
German vessels.

Secretary McAdoo heartily endorsed the bill, which  
provides for the organization of a \$10,000,000 corpora-  
tion with power to buy, build and operate ships in  
the foreign trade, and the Government as majority  
stockholder. He said that as some of the lines to  
be established would probably be operated at a loss  
private capital would not be attracted, the Govern-  
ment probably supplying the entire capital.

"Do you understand," asked Representative Saun-  
ders, "that there is grave objection on the part of  
Great Britain and France to our taking over the Ger-  
man bottoms which have been driven out of the for-  
eign trade by the war?"  
"Of course, I cannot discuss the diplomatic phases  
of the question," said Secretary McAdoo. "That is  
the business of the State Department. It cannot be  
successfully disputed, however, that this Government  
has the right to buy ships from German companies  
or anyone else so long as it buys those ships for neu-  
tral uses."

"It is stated that payment for the ships would be  
in the nature of supplying funds to a belligerent na-  
tion," observed Representative Saunders.

"The ships are not owned by the Government. They  
are owned by private citizens, and the money would  
be paid to those citizens, not to the Government,"  
answered Mr. McAdoo.

"But it is said that these lines are so closely con-  
nected with the Government that payment would be  
practically to the Government," Mr. Saunders per-  
sisted.

"I think there is nothing in that objection," said  
the Secretary.  
"I have just received this bill. We can rest assured of its  
absolute rectitude."

## THE RUSSIAN VICTORY.

St. Petersburg, September 2.—Battle at Helzig, in  
which the Austrians were so badly defeated, was  
brought on by their attempt to flank the Russian  
forces, according to later reports received by the War  
Office. The official report says: "The Austrian  
right wing attempted to flank our troops but were  
repulsed and we in turn flanked the Austrians, cap-  
turing the fortifications. The retreat of the Aus-  
trians was turned into a rout. We captured 32 guns  
and large quantities of supplies."

Later details of operations in Warsaw district say  
Germans captured more than 10,000 prisoners, three  
guns and 10 quick-firers.

## A FRENCH VICTORY.

Paris, September 2.—An official statement issued  
by the French War Office announces that the Ger-  
man troops, led by the Crown Prince, have been de-  
feated in the region of Spincourt and Longwy, but  
admits that the French have suffered a partial check  
in the region of Neufchateau and Paliseul.

CRUISER LEIPZIG CAPTURED BRITISH  
STEAMSHIP.

San Francisco, September 2.—A despatch from  
Guaymas, Mexico, says the German cruiser Leipzig  
captured the British steamship Cetina and con-  
fiscated her cargo of coal and supplies. Captain Min-  
ister of the Cetina, was ordered to seek the near-  
est neutral harbor.

much an actual transaction as any other transaction.  
The stock is sold, delivered and paid for in full. If  
there were anything fictitious about it, it could be de-  
livered with very little difficulty, and as Mr. Unter-  
myer should know, the constitution of the exchange  
provides expulsion as the penalty for a violation of  
the rule against fictitious transactions, and the Penal  
Law of the State of New York holds out imprison-  
ment as an additional deterrent.

## Points Out Contradiction.

"A complete answer to Mr. Untermyer's present  
criticism of short selling is to be found at page 397 of  
his testimony before the Senate Banking and Cur-  
rency Committee (February 12, 1914), in which he  
says: 'I have not argued here or elsewhere that short  
selling was an evil.' The two statements are irrecon-  
cilable."

"Again, Mr. Untermyer speaks of 'illicit methods' of  
the exchange. He cannot be quite serious in this,  
for his vast experience in Wall Street must have  
taught him that the practices of certain individual  
brokers have not only never been sanctioned or per-  
mitted by the exchange itself, but the exchange, by  
its governing committee, has adopted the most drastic  
and stringent rules to prevent such practices, and  
these rules have been upon its books for many years  
and long antedate the enactments of the Penal Law  
upon the subject."

"Lastly, Mr. Untermyer's statement in the closing  
part of his observations, to the effect that the ex-  
change 'thrives' on 'illicit activities,' deserves the  
severest condemnation. It is the language of pas-  
sion and excitement and should deprive his utter-  
ances of the credit usually accorded to the calm, de-  
liberate statements of careful persons. It is state-  
ments such as this that cast doubt upon Mr. Unter-  
myer's sincerity, and as they are apt to create an  
undeniably false impression in the minds of his  
readers, who are not familiar with the facts and  
cannot, without great difficulty, become so, they  
are unworthy of any man who aspires to the con-  
fidence of the public."

NEW MARKETS IN  
BRITAIN SOUGHT

Dominion Steel Corporations More  
Anxious Than Ever To Broaden  
Its Trade

## FINANCING A HINDRANCE

President Plummer Says That Numerous Enquiries  
Are on Hand, and That He Is Hopeful of Secur-  
ing Some Further Orders.

Halifax, N.S., September 2.—Mr. J. H. Plummer,  
president of the Dominion Steel Corporation, on his  
arrival from Montreal, was asked if he had anything  
definite to say with regard to new business for the  
steel plant. He declared that many enquiries are  
being made, and negotiations pending out of which  
a fair amount of business may be expected.

"Most prospective purchasers," said Mr. Plum-  
mer, "are finding the question of finances to be the  
most serious obstacle in arranging for new business,  
but we are hopeful this may be overcome at any rate  
to a sufficient degree to secure some further orders."

C. S. Cameron, the company's secretary and treas-  
urer, left for England last night, and will investi-  
gate opportunities for trade in English markets.

AUGUST BANK CLEARINGS  
GIVE THREE INCREASES

City.	Aug., 1914.	Aug., 1913.	Changes.
Montreal . . .	190,434,006	233,600,268	— 43,166,262
Toronto . . .	143,924,791	158,540,281	— 14,615,490
Winnipeg . . .	87,424,502	98,940,525	— 11,516,023
Vancouver . . .	38,598,185	47,435,329	— 8,837,144
Calgary . . .	15,880,301	18,692,392	— 2,812,091
Edmonton . . .	11,693,266	15,770,803	— 4,077,537
Ottawa . . .	16,960,770	16,069,620	+ 891,150
Hamilton . . .	11,422,751	13,363,700	— 1,940,949
Victoria . . .	9,824,821	14,133,320	— 4,308,499
Regina . . .	6,822,267	8,881,642	— 2,059,375
Halifax . . .	8,080,297	8,755,036	— 674,739
Quebec . . .	13,517,193	13,483,042	+ 34,151
Saskatoon . . .	4,041,977	6,136,479	— 2,094,502
London . . .	7,016,338	7,207,250	— 190,912
St. John . . .	6,427,732	6,585,673	— 157,941
Moose Jaw . . .	3,247,255	4,054,051	— 806,796
Port William . . .	2,896,673	4,015,469	— 1,118,796
Brandon . . .	1,978,287	2,355,449	— 377,162
Brandon . . .	1,776,876	2,230,265	— 453,389
Leithbridge . . .	1,618,364	1,875,305	— 256,941
New West . . .			
Minster . . .	1,553,791	2,353,651	— 799,860
Medicine Hat . . .	1,462,861	2,308,663	— 845,802
Total . . .	582,341,304	686,286,217	— 103,944,913

## NO EFFORT TO OCCUPY BOULOGNE.

Boulogne, via London, September 2.—The Germans  
made no effort to occupy Boulogne, but sent all  
their forces against the left flank of the Allies,  
which lay in a strong ring of steel between them  
and their goal. The fighting between St. Quentin  
and La Fere opened Saturday morning and continued  
all day Sunday. The lines of the Allies faltered and  
fell back. The Germans pushed forward, the Uhlans  
cutting the way with their lances.

The German advance came on the forest land be-  
tween St. Quentin and La Fere. The wooded dis-  
trict south of St. Quentin had been burned so that  
the onrush of Germans sweeping toward Paris would  
not be hindered by the forest.

One correspondent who limped in from the battle  
zone said: "My information is that the Allies' left  
wing had to swing half way around but that they  
are still giving more punishment than they are re-  
ceiving from the Germans."

## TO RAISE PULLMAN RATES

First Actual Effect of Suggestions Made by the Inter-  
state Commerce Commission Soon to  
be Felt.

The first actual effect of the suggestions made by  
the Interstate Commerce Commission in its decision  
on the 5 per cent. rate advance case, as to how the  
railroads in Eastern territory may best obtain more  
revenues without a general advance in freight rates,  
according to information obtained by the New York  
Journal of Commerce, will be a general advance in  
the passenger rates over the lines of the principal  
trunk line roads, together with a thorough readjust-  
ment and rearrangement of the present passenger  
tariffs, based to a great extent upon the European  
system.

It is learned that the carriers, after giving the mat-  
ter careful consideration, have practically reached a  
decision that in line with the suggestions put forth  
by the commission, steps should be taken to increase  
passenger rates. The European system, with differ-  
ent charges for different classes of service, will af-  
ford the basis of a general application to the various  
State authorities and the Interstate Commerce Board  
for approval of higher passenger tariffs. The plan is  
to establish a different basis of charges for transport-  
ing passengers by the issuance and sale of special  
tickets at higher rates on all Pullman sleeping and  
parlor cars.

Tariffs covering the proposed new and higher pas-  
senger rates are now being formulated.

## N.Y. TRANSFER TAX.

Albany, September 2.—August transfer tax re-  
ceipts were \$27,600.



A SESSION OF THE COURT OF KING'S BENCH  
(Crown Side), holding criminal jurisdiction in and  
for the DISTRICT OF MONTREAL, will be held in  
the COURT HOUSE, in the CITY OF MONTREAL,  
on THURSDAY, the TENTH DAY OF SEPTEMBER  
NEXT, at TEN o'clock in the forenoon.

In consequence I give PUBLIC NOTICE to all who  
intend to proceed against any prisoners now in the  
Common Gaol of the said District, and others that  
they must be present then and there; and I also give  
notice to all Justices of the Peace, Coroners and  
Peace Officers, in and for the said District, that they  
must be present then and there, with their Records,  
Rolls, Indictments and other Documents, in order to  
do those things which belong to them in their respec-  
tive capacities.

P. M. DURAND,  
Deputy Sheriff.

Sheriff's Office,  
Montreal, 24th August, 1914.

INTERNATIONAL HARVESTER MAY  
RESUME ON SMALL ORDERS

Hamilton, Ont., September 2.—The International  
Harvester Company, which closed down some time  
ago, was to have resumed operations to-day, but, ap-  
parently, conditions are not such as to render such  
a course advantageous.

Only the office staff continues at work, the mech-  
anical portion of the plant still being in idleness. It  
is said, however, that work may be resumed this  
month on small orders in order that the stock may  
be kept up to a point where any emergencies may  
be met.

## RUSSIAN WAR OFFICE CONFIRM VICTORY.

St. Petersburg, September 2.—A later statement is-  
sued by the General Staff, indicated that the cam-  
paign in East Prussia would wait on a decisive en-  
gagement with the main Austrian army. It says:  
"The aim of Russia is first to destroy the Austrian  
army and then march upon Berlin. Three armies  
are now operating against the Austrian army with  
best results. Russia is continuing operations in  
East Prussia. As we have surrounded Koenigsberg,  
there is no danger of an attack from that quarter."

Nothing is said of the operations about Allenstein,  
where the Germans claim to have captured 70,000  
Russian prisoners.

A third statement issued by the War Office an-  
nounces a victory over the Austrians at Halicz, on  
the River Nieser. It adds: "Austrians are being  
pursued in direction of Lemburg. 4,800 Austrians  
were buried on battlefield at Halicz."

## EQUIPMENT BUSINESS DULL.

New York, September 2.—August was the dull-  
est month thus far this year in the equipment business.  
In the neighborhood of 5,000 cars were ordered dur-  
ing the month.

For the first eight months of this year about 90-  
000 cars were bought, but it is expected that little  
business will be placed in last four months of the  
year. Last year car orders totalled about 140,000  
which was the lowest in ten years with the excep-  
tion of 1908.

## WILL NOT BENEFIT FROM WAR.

New York, September 2.—Operations of the Beth-  
lehem Steel Corporation compares favorably with  
other companies. Earnings have been running in  
excess of preferred dividend requirements. It is not  
believed Bethlehem Steel Corporation will reap great  
benefits from the war as many have intimated. The  
company is likely to benefit in the long run, but  
immediate benefits are not expected.

## THE KAISER AT CHARLEROI.

London, September 2.—A dispatch to the Daily Mail  
to-day from its correspondent at Abbeville, France,  
said that the Kaiser witnessed much of the fighting  
at Charleroi last Saturday. After leaving the bat-  
tlefield there, the Kaiser motored to Mons and then  
to Brussels, where he remained for the night at the  
Bellevue Hotel.

## AUSTRIAN MINISTER HEARS OF VICTORY.

New York, September 2.—Dr. Constantine Dumba,  
the Austrian Minister to United States, announced  
that he had received information that the Russian  
attack about Lemberg had been brought to a stand.  
He said his country's forces had been victorious over  
200,000 Russians.

## BOND DEALERS TO MEET.

Chicago, September 2.—Representatives of forty or  
fifty bond houses, banks and commission houses,  
have appointed a committee to consider dealing in  
bonds. Members will meet with the Clearing House  
Committee, and with Committee of the Stock Ex-  
change, to consider the best course to pursue.

## SALES INCREASE.

Chicago, September 2.—Sears, Roebuck Company's  
August sales were \$6,142,404, an increase of \$289,025.  
For year to date, \$60,379,533, increase, \$3,257,072.

## DIVIDENDS DECLARED.

New York, September 2.—The American Tobacco  
Company has declared the regular quarterly dividend  
of 1½ per cent on preferred stock, payable October  
1, to stock of record September 15.

## EARNINGS.

Atlantic Coast Line—July gross \$2,538,139, increase  
\$80,988, July net \$316,391, decrease \$18,386.  
Philadelphia and Reading—June gross \$3,709,179,  
decrease \$327,652. June net \$702,140, decrease \$482,  
800.

## BANK OF ENGLAND BUYS GOLD.

London, September 2.—The Bank of England  
has bought £28,000 gold bars, and £126,000 United  
States gold coin.

## SAILING OF RED CROSS SHIP POSTPONED.

Washington, September 2.—Sailing of Red Cross  
ship from New York has been postponed from Sat-  
urday until Monday.

HAS EFFECT ON MANUFACTURE OF  
STRUCTURAL STEEL.

New York, September 2.—Structural steel manu-  
facturers report a quiet market due to suspension of  
many large building projects throughout the country.  
The war has prevented contractors from going for-  
ward with work planned. Plans for a large residence  
on 5th Avenue to be built by a wealthy New Yorker,