

## Journal of Commerce

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MONTREAL, JULY 3, 1914.

## Death of Joseph Cham-berlain

The death of Mr. Joseph Cham-berlain, who if he had lived a few days longer would have been seventy-eight years of age should not, perhaps, cause surprise, for he has been an invalid for several years. But recent reports represented him as in a condition that allowed him to be moved about and to meet his friends. Only a few days ago the illustrated papers contained a picture of Mr. Chamberlain at a garden party, sitting in a wheel chair, with his wife and his son, Mr. Austin Chamberlain at his side. His friends were aware of his failing health, but no reason to feel that the end was near.

Mr. Chamberlain played a large part in the affairs of the Empire for many years and left a reputation that will endure. In his early manhood he rendered valuable service in the municipal affairs of Birmingham, a service of which his fellow citizens were never unmindful. Entering the field of politics he soon made his mark. His liberalism was of such a democratic character that he found himself in severe conflict with the Conservative forces with which, in later years, he was to become quite closely identified. Up to the time of the Home Rule quarrel he was one of Mr. Gladstone's first lieutenants, and there is little doubt that if he had remained in the Liberal party he would have been Mr. Gladstone's successor. Breaking away from Mr. Gladstone on the Irish question he found himself thrown into association with the Conservative party to which, possibly, more than any other Liberal leader, he had been strenuously opposed. He and those who followed him out of the Liberal ranks took to themselves for a while the name of Liberal Unionists. Gradually, perhaps inevitably, the line of separation between them and the old Conservatives disappeared and they became fully identified with the Conservative party, which, because of this old Liberal element, is by many called the Unionist party. Mr. Chamberlain entered a Unionist Cabinet, serving in several offices, and as Colonial Secretary did much to give the Colonial office a higher rank than it had previously occupied. His position brought him into close relations with the leading public men of the Overseas Dominions and it was safe to say that all those who met him were deeply impressed by his ability, his zeal, his patriotism and his courage. There were other men in his day who might be ranked above Mr. Chamberlain as orators, but it is not too much to say that as a Parliamentary debater and platform speaker he had no superior. Not even those who had to differ widely, and sometimes harshly with him, will dispute the fact that he was a piece among the great British Statesmen of the time.

## The Financial Situation in France

The money power of the French people was strikingly shown last week by their subscribing many times over the new loan of \$160,000,000, which was part of the \$360,000,000 loan proposed by the Viviani Ministry. The bonds will bear interest at 3½ per cent, and be subject to a 4 per cent. income tax. They will be redeemable at par from a sinking fund; but a certain part is to be subjected to redemption by drawings over stated periods, the whole amount to be redeemed in twenty-five years. A proposal to grant the new bonds immunity from further taxation was rejected by the Deputies by a large majority, thus leaving the issue open to existing taxation.

The manner in which the French people have rallied to the support of the Government's financial programme shows the vast monetary power of the Republic. Although the national debt of France is the largest in the world, the people, aside from political exigencies, appear to be able to meet

their obligations with ease. Publicists in other countries may talk as they will about the decadence of France, but the fact remains that the country was never in a stronger position, from a financial point of view, in its long history. The saving powers and the industry of the French people are marvelous, and continue to command the admiration of the world.

As in the United States and in Great Britain, there has been a tendency in France of recent years to oblige the richer classes to assume a large share of the national financial burden. It remains to be seen, however, whether or not this legislation will be worked out along sound constructive lines. At present the Government is indulging in a dangerous experiment. It was officially announced last week that the Government intends to collect a tax of five per cent. upon incomes received in France from foreign stocks, bonds and other securities, no matter what the form. These regulations went into effect July 1, although the law under whose authority the tax is to be levied, was passed last March. France has about \$9,000,000,000 invested in foreign countries, and it can be thus readily understood how serious is the nature of these proposals. Enormous pressure from financial interests has been brought to bear upon the Government to delay the application of the legislation, but without avail. It may be noted in passing that similar legislation has been in operation in the United Kingdom for several years back, and a large part of the national revenue in that country is derived from its income upon the \$17,000,000,000 of British investments abroad. It has been charged that this tax results in increasing the business of foreign banks, as the income is in some cases not paid into English banks; but as far as the United Kingdom is concerned there appears to be little evasion of the law by adopting such a policy.

French critics maintain that the enforcement of the law will drive out of France many thousands of French and foreigner who prefer to reside abroad rather than lose the twelfth part of their income derived from foreign investments. Other thousands it is declared, will remain in France and evade the law, which is deemed in some quarters incapable of enforcement. The regulations, however, are stringent. They require banks to keep a record of all coupons, checks and other instruments of credit used in transfer or collect interest from abroad. Severe penalties are inflicted for evasion, the extreme limit, aside from heavy fines, being a year's imprisonment.

Paris financiers assert that in spite of all that may be said, foreign securities will be exported to foreign countries, where banks and other financial institutions will have the entire handling of the dividends and coupons. The Swiss banks, particularly, have been making active preparations to handle French-owned securities. It is all to show that there are dangers in placing undue restrictions upon capital. The legislation may defeat the very ends it is designed to effect. There is absolutely no reason why capital that is invested abroad should be more heavily taxed than the funds invested at home. France cannot hope to employ all her capital profitably in the domestic market, and it is a short-sighted policy to diminish the financial power of the people by diminishing their income-earning capacity. If any considerable part of this capital is withdrawn from abroad it will have no other effect than to reduce the rate of interest to the point that savings will be affected, unless the lower rate of interest will in turn stimulate industry and increase the share of the national income to be shared by labor. But this is to be doubted. The capital already available in France is more than ample for her needs. Ability to pay is the proper test of just taxation; but there seems no legitimate economic ground for differentiating between capital investment at home or abroad. The true line of demarcation is found in the distinction made in the British system, namely, that between earned and unearned incomes. Here there is a legitimate ground for making a distinction between the rate levied; but here is no such justification in making a difference in the rate on capital investments as such.

## Latest Move in the Home Rule Situation

There is a ray of hope—perhaps only a faint one—in the speech of Lord Lansdowne on the second reading of the Home Rule Amendment bill in the House of Lords. As we pointed out in a recent article, the Lords now have before them both the Home Rule bill itself, recently passed by the House of Commons for the third time, and the Home Rule Amendment bill, a measure introduced by the Government into the Lords with a hope that its provisions respecting a temporary exclusion of Ulster might make Home Rule more acceptable to the Upper House. The House of Lords is by a large majority hostile to the Government and

to Home Rule. The extremists—"die-hards"—they have been called—in that chamber have been ready to strangle both the Home Rule bill and the Amendment bill without ceremony. But under the influence of Lord Lansdowne the Unionist party, with a few exceptions, are willing to consider the Amendment bill, not with any intention of accepting it as it stands but with a view to offering further amendments. The main Home Rule bill, the Unionists declare, will not be allowed to go to a second reading. This surprises nobody. Nor does it have any practical effect upon the situation. Under the operation of the Parliament Act that bill no longer requires the Lords' assent. Their approval of it, as evidence of an agreement between the two parties, would be a happy settlement of the question. But without the Lords' approval he bill can now be signed by the King in due course presented to him by his ministers.

The Home Rule amendment bill stands in a different position. It is introduced in the Lords, as we have just said as a possible basis of compromise. It provides that the Counties of Ulster may by direct vote of the electors, exclude themselves from the Home Rule scheme for a period of five years. That the Lords will accept this as a sufficient amendment is not now to be expected. But the fact that they are willing to give it their second reading and take up its details in Committee of the whole is a large step towards reconsideration of the Unionist position. Hitherto, the Unionists have taken the ground that no Home Rule bill in any shape or form would be considered. By their present action they recognize the fact that the passing of a Home Rule Act is inevitable, and they address themselves to the question of endeavoring to secure some satisfactory amendments. The amendments they talk of, particularly the definite and permanent exclusion of Ulster, are not acceptable to the Government or the majority of the House of Commons. It is too soon therefore to count on an agreement being reached. But the ray of light is to be found in the fact that the Unionists instead of struggling to destroy the Home Rule scheme, are now willing to consider the question of making amendments to it.

Calgary will be pleased to learn that there are now seventy purposes for which fuel oil can be used.

The town of Carmen, Oklahoma, has achieved fame by holding a "debating day" in which all debts were paid. Now if Mayor Martin would only discharge the debt he owes Montreal—his resignation, it would be forgiven.

Unless the United States does something to foster her merchant marine building of the Panama Canal will not mean much to her. In 1867 seventy per cent of her foreign commerce was carried in foreign bottoms, while last year eighty per cent was so carried.

During the past century the wealth of the United Kingdom increased from twelve billion dollars to eighty-five billions or by 550 per cent. The income of the nation has increased in the same period by 700 per cent or from one billion five hundred millions to twelve billions. In other words the present annual income of the United Kingdom is equal to the principal of a century ago.

A model train has been invented by a Frenchman named Mons. Bachelet that will fly at the rate of 300 miles an hour. The flying train does not use rails or overhead wires but rests on an electrified cushion of air. One magnet or force propels it through the air and another overcomes the force of gravitation. After the wonders of wireless we are ready to believe anything.

Many people imagine that the combination of Argentina, Brazil and Chile and their interference in the United States—Mexican trouble is the outcome to a sudden resolve to keep peace in the Continent. As a matter of fact these three countries long ago formed what is known as the A. B. C. Combination for the purpose of taking common action against the United States if that country should at any time take aggressive steps against any of the Latin Republics. The United States, largely because of the Monroe doctrine is hated and distrusted by the South American Republics.

## MONEY IN GAMBLING.

A report issued by the Establishment des Bains de Monte Carlo, shows the famous Casino, otherwise net profits for the fiscal year 1913-14, \$49,948 pounds (\$4,214,740) over the total for 1912-13. This is the greatest increase in net profits of any year in the company's existence. Neither the Balkan, financial nor any other crisis had the slightest adverse effect. The dividend was raised from 235 francs a share to 350. The normal value of a share is 50 francs, and it is now quoted on the Paris Bourse at 550.

The balance sheet shows that the company has 1,621,310 pounds (\$8,065,500) in available assets, against 354,000 pounds (\$1,820,000) immediate liabilities.

## THE CREDIT SYSTEM IN BRITAIN

In no other country is the credit system as highly developed as in Great Britain. Whatever may be the cause of their action, the fact is that the British people have provided a larger amount of capital than any other country for developing the supplies of natural wealth throughout the world. Beyond this, British bankers, by means of the vast sums deposited with them, financed a large part of the world's international commerce, and it is computed that about \$2,500,000,000 of British money is employed for temporary purposes over and above the sums supplied as permanent capital. Lastly, British banks have been created to operate in many colonial and foreign countries, and not only is the capital of these institutions British, but they are supplied with large amounts of deposits obtained from the United Kingdom. It is evident that the sum of \$50,000,000,000 of British capital out of \$55,000,000,000 is now employed by other than the owners, and that of this sum about \$20,000,000,000 is engaged in colonial and foreign countries.

At the present time, about one-tenth (roughly speaking) of the yearly sum of the British people, or \$200,000,000 per annum, is left permanently with bankers; upward of \$1,000,000,000 of nearly one-half of the savings is supplied by investors publicly to states, municipalities, corporations and companies, while a large part of the remaining 40 per cent is loaned privately by persons who seek to obtain a return on their money by employing it in some business. —San Francisco Journal of Commerce.

Following a crowded reception at Westminster Cathedral in London, Cardinal Gasquet missed a gold watch which he had worn since 1860. The watch was valued at \$500.00. The exhibition of 1881, and was the first stop-watch made.

## "A LITTLE NONSENSE NOW AND THEN"

Employer—Not afraid of early hours, I suppose?  
Young Man—You can't close too early for me, sir.—Answers.

Why not set up "movies" in the Stock Exchange? Stocks positively refuse to move.—New York American.

The rate decision is due July 3, but the railroads don't know whether to draw works or to lay in a stock of copies of the Standard Oil Company's Independence.—New York American.

Pumper—Don't go on deck, madam. It is stormy, and you will be seasick with bare poles.  
Aunt Polly—Well, I suppose that, coming from such a cold country as Poland, they can stand running bare poles. I think it is downright scandalous to let 'em.—London Telegraph.

For supreme pathos what could exceed the picture of the Colonel standing voiceless at Armageddon?—Chicago News.

Puzzled Diner (to restaurant waiter): "What have you got for dinner?"  
Waiter: "Roast beef, fried potatoes, stewed lamb, baked apples and coffee."  
Puzzled Diner: "Give me the third course, please. I think it is a very good one."  
Waiter: "Sixth, eighth, ninth and nineteenth syllables."

Father—My child, if I should die tomorrow, and you were prepared to fight your way in the world of life.  
Daughter—I think so, father. I've been through three engagements already.

The railway train had just put in a long playing machine. "Are we running on the Eastern or Central time?" asked a passenger.  
Conductor wearily: "rag time."

An old farmer and his wife drove to market one day. He had been a very wet day, and large pools of water had formed in the roadway between the farm and town.

On the return journey an old friend was met.

"And how are you to-day?" was the friendly greeting.  
"Oh, very well, thank you," answered the farmer.  
"How is the missus?" continued the friend.  
"She's fine, fine!" answered the farmer. "She's behind there, jerking his thumb toward the back seat.  
"She's not there!" said the astonished friend. "The missus is slowly turning and looked over his shoulder, then coolly replied:  
"Hum! That was the splash, then!"

## A SONG OF THE ENGLISH.

We have fed our sea for a thousand years.  
And she calls us, still unfed,  
Though there's never a wave of all her waves.

But marks our English dead,  
We have strewed our best to the weed's unrest.  
To the shark and the sheering gull,  
To blood be the price of admittance.  
Lord God! we have paid it all!

There's never a flood goes shoreward now,  
But lifts a keel we manned;  
There's never an ebb goes seaward now,  
But drops our dead on the sand—  
But sinks our dead on the sand fore-  
lore.

From the Ducies to the Swin,  
If blood be the price of admittance,  
If blood be the price of admittance,  
Lord God, we have paid it all!

We must feed our sea for a thousand years.  
For that is our doom and pride,  
As it was when they sailed with the Hind.  
Or the wreck that struck last tide—  
Or the wreck that lies on the spouting reef.

When the ghastly blue lights flare,  
If blood be the price of admittance,  
If blood be the price of admittance,  
Lord God, we have paid it all!

Rudyard Kipling.

## A PRINCE OF ADVERTISERS.

There died recently in England a man who, if he was not exactly the father of modern advertising, had probably a nearer claim to that reputation than any other man. Probably no reader of The Journal ever heard of Mr. Barratt, the head of the firm of A. & T. Peers, the manufacturers of Peers' soap. Mr. Barratt was the man who made the fame of that article. He reaped a fortune out of it.

The Peers' story is rather an illustrative one, as regards the effect of good advertising. Before Barratt was taken into the firm, the concern had been in existence eighty years, conducted on good solid retail lines, spending later years as much as \$400 a year in advertising, and making an ordinary limited business profit. Before Barratt was done with it, the firm was spending \$400,000 a year in advertising, and its annual profit was about as great.

Like poets, great advertisers are probably born, not made. "I began by advertising soap," said Barratt, "and I ended by advertising Peers' soap." He was telling the story of his first venture. This London-born boy was coming from school when he saw a little card in a greengrocer's shop window bearing an unconvincing announcement of the price of apples. He thought he could do better and went home and painted a card which he exchanged for the shopkeeper's apples.

Later, he got work with the Peers' firm. By and by, he got the firm to do more advertising with steady success. In 1865, he was taken into partnership, and in 1892, the business was converted into a company with \$4,000,000 capital. Barratt became managing director, a position which he retained up to the time of his death.

"Good morning! Have you used Peers' Soap?" was Barratt's greeting. "Good morning! Have you used Peers' Soap?" was Barratt's greeting. "Good morning! Have you used Peers' Soap?" was Barratt's greeting.

Mr. Barratt invented many other catch-words, which with his lavish expenditure of money, he made the position as the greatest of English advertisers, possibly of all advertisers. The principle to which he attached the most value was, "Advertising does not jerk but pulls." Its effect is cumulative. Its value can not often be gauged unless it is steady and continuous.

Newspapers like of course to hear of a career like that. But let us be frank. Another of Mr. Barratt's principles, one which every business man needs to heed, namely, the effect of a waste of money upon two things are right; first, the goods; second, the advertising. Usually, the goods are of the shoddy order, but very often the character of the advertising is neglected; it is not clear, it is not active, it is not varied or it is not catchy. "Advertising is a waste of money," said Mr. Barratt. "The Ottawa Journal."

## A COUNTER SUIT.

The worm has turned. The Erie Railroad, sued for \$25,000 damages by a man who tried to drive a wagon across the Erie tracks co-incidentally with a locomotive, has retaliated with a counter suit, claiming \$100,000 expense of replacing broken "slats" in the cowcatcher, restoring paint and polish to the locomotive, and the cost of stopping and re-starting train.

Great possibilities appear in this. What is to prevent common carriers, in the case of a collision, from claiming for loss of revenue, damage to goods, and so forth?—The New York Financial.

## BIG OAKS FROM LITTLE ACORNS.

In the spring of 1848, one Joseph Curtis, of New York, asked the Common Council for permission to lay an experimental street car track in Broadway. The Council resolved that the petition of Joseph Curtis for an endless rail track through Broadway be denied. Mr. Curtis sent the Council a petition in which he said: "When the owners of the property in Broadway and the public at large shall be fully satisfied of its utility, they will come forward and propose it instead of the humble citizen." This time the Common Council granted the permission and made various remarks upon the venture.

Among them, it was stated: "The cars proposed by the projector are novel in many respects. They will save a single row of passengers and accommodate 24 persons at a time; they will save the cost of a horse and a driver; they will save the cost of a horse and a driver; they will save the cost of a horse and a driver."

A petition is being very liberally granted by members of London Stock Exchange committee to modify and partially abolish fixed scale of commission. These fixed commissions, petition argues, are cause of market stagnation.

When answering advertisements please mention The Journal of Commerce.

If you are not already a Subscriber to the JOURNAL OF COMMERCE

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Write Plainly

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Address \_\_\_\_\_

Give Town and Province

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Established 1817

INCORPORATED BY ACT OF PARLIAMENT

CAPITAL Paid up \$15,000,000.00

RESERVE FUND \$15,000,000.00

UNDIVIDED PROFITS \$1,098,958.40

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UNDIVIDED PROFITS \$182,547.61

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BANK OF HAMILTON

Head Office: HAMILTON

Capital Authorized \$5,000,000

Capital Paid Up \$3,000,000

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HOW ASTRACHAN IS PREPARED.

The big nomad tribes, the Kalmuk and the Arabs, bring immense flocks of sheep each spring and autumn to the Shira market. The Russian dealers pay them sums in advance to obtain everything from the chiefs, who often deliver as many as forty to fifty thousand skins at one time.

Before these lambskins are ready to be packed in bales they undergo a very careful and lengthy preparation to preserve them. All leave Persia in a salted state, the final tanning being done in Europe.

The preliminary cleaning of the lambskin or astrachan is done in running water, to get rid of impurities on the fleshy side of the skins, which are scraped with long, blunt-edged knives. Then follows the salting, which is done in large tanks or earthen vessels capable of holding three to five hundred skins each. The skins remain in pickle ten to fourteen days, and are then taken out one by one and spread on a table, where they are once more carefully examined and scraped.

This finished, they are spread out in the sun to dry for twelve hours or so, by which time they are bone-dry, and very dirty, for flour, salt and water have formed a paste, and the fine curls are all stuck together and full of lumps. To get rid of this the skins are once more washed in running water. They are next thoroughly rinsed, well shaken and placed woolly side down on the sun-warmed pebbles of the river-bed. What is happening is not peculiar to the views of the eminent British economist. When interviewed by the London correspondent of the New York "World" last Monday, Sir George Paish said: "The situation in the United States, that an improvement is near. As to the United States, the shortage of the corn crop last year is one of the contributing causes. Such a shortage is inevitably followed by a shrinkage of trade."

Sir George believes that the stagnation in the stock market is due largely to the delay of the Interstate Commerce Commission in deciding the freight rate case, and he regards the claims of the railroads as well founded, because he thinks it is unfair to expect the railroads to concede such a large increase of wages without giving them some set off in the form of higher rates. He is confident that if the Interstate Commerce Commission grants increased rates, business will show a distinct revival, especially with the prospect of good crops this year.

As he sees the situation here, he finds no fundamental reason for depression. The American people are enjoying a great income which, he feels sure, will show enormous expansion as time goes on. But naturally, if a great industry like the railroads is uncertain of the future, it will not spend capital at the normal rate and this affects many other trades, especially the steel, cement and timber trades. Outside of the United States there is a universal depression, and this is due to the international political situation, particularly in the Balkans, shows signs of being adjusted. The main cause of the existing situation as far as securities markets are concerned is that both European and American investors have lost their nerve. In saying this, Sir George Paish expresses opinions identical with those frequently set forth in the columns of the New York Commercial—New York Commercial.

ONE STOCK EXCHANGE CONVERT

There is one man in the far West who does not think the Stock Exchange stands for all that is bad. He bough "stock" a while ago from one of the "get-rich-quick artists" who rent offices in the financial district in "Wall Street interests." He sold his "investment" through the same alleged broker, on the news of a big rise. He was informed by the broker that the stock had been sold, but instead of receiving the proceeds the latter kept the money "until he received an order" for another of his pet cats and dogs.

The broker tried his best, with the usual predictions of an immediate advance in Green Beetle Mines' preference, from two cents to 20 cents and share, to get an order from his victim, but the latter kept writing for his cash, which amounted to some \$250.

Finally, after fruitless efforts to secure the return of his money, the victim submitted his troubles to the Stock Exchange authorities and asked for advice. Inasmuch as shares and broker were unknown they could do nothing. The correspondence was shown to the newspaper men, who went in a body to the office of the mining expert.

They told him that unless he would put the westerner's money they would make haste to comply with this demand, and as a result the Exchange has in its possession the most sincere letter of thanks it ever received.—The Wall Street Journal.

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