

WEATHER: FAIR

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The Journal of Commerce

THE BUSINESS MAN'S DAILY

MONTREAL, WEDNESDAY, JULY 2, 1914.

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LEADERS MAY FIGHT
Carranza and Villa on Verge of Active Hostilities Against One Another.
(Special to The Journal of Commerce.)
Mexico, July 2.—Followers of Carranza and Villa stated today that the forces of Carranza were on the verge of active hostilities. It was asserted that Carranza's troops were forming a complete severance of relations with Villa. Efforts to bring the two leaders together have been futile. Indications are that the attack on Mexico City will be deferred for several weeks.

NEW TEA ARRIVES.
The first shipment of this year's crop of tea from China, Japan and Ceylon reached Vancouver on Dominion Day by the Canadian Pacific liner "Empress of Asia." The total shipment amounted to no less than 11,600 tons. The largest consignment came from China. The "Empress of Asia" also carried 140 saloon passengers, including the Dowager Lady Cheowde, the Col. Ford Hutchison of the Comdant Rangers and the Rev. Canon Gould of Yokohama, who is en route for Toronto.

PAYING UP TAXES.
(Special to The Journal of Commerce.)
Washington, July 2.—The sum of \$1,181,782 was paid into the United States Treasury yesterday in income tax corporation taxes which is about one-third the collection for the fiscal year. The total receipts for the day were \$2,462,223. Secretary McAdoo estimates the treasury deficit for the year at \$1,010,000. It was estimated that the income and corporation taxes would total \$75,000,000. To date \$71,345,156 have been collected, and \$3,654,844 more are coming.

SHIPPED 6,000,000 TONS.
(Special to The Journal of Commerce.)
Philadelphia, July 2.—The production of anthracite last month was larger than that of June 1913, and official figures next week will show shipments of more than six million tons.

STEEL MAN LOOKS FOR IMPROVEMENT
Chairman of Board of United States Steel Is Hopeful

SOME OF THE CAUSES
Under Present Tariff Arrangements He Thinks Manufacturers Cannot Pay Usual Dividends—Prospects Reversion to Old System.

New York, July 2.—Judge Elbert H. Gary, chairman of the board of the United States Steel Corporation, believes that the fall will see better business conditions. Judge Gary is sailing for Europe to-day on the Aquitania for a two months' stay abroad. His address to the presidents of the Steel Corporation subsidiaries last week was made public yesterday.

"I believe in the early autumn we shall see an improvement in our business conditions," he said. "We are already witnessing an increase in tonnage, and it will be further increased. I trust. The fact that tonnages are increasing from day to day will naturally influence some improvement in prices. Therefore I think our earnings should be more satisfactory in the latter part of the year. Indeed, as I have remarked before, generally when we have a very good six months during the early part of the year there is likely to be poorer business in the latter half of the year, and vice versa. Now business has been had enough during the first half of 1914, and we hope at least that it will be very much better during the latter half of the year. And I am rather expecting it."

Judge Gary traced the causes of world-wide business depression. He took a gloomy view of the effects of the tariff here, but saw hope in the fact that the people of the country will soon recognize the evil effects of a tariff as business men now do.

Conditions Admittedly Bad.
"It seems to me it would be foolish to claim that business conditions generally are satisfactory," he said. "Our lines, taken as a whole, business conditions during the last few months have been worse than they have been before at any time during the last decade."

Regarding causes of business depression in the first place there has been throughout the world during the last two years great destruction and severed property. Wars, which were wars by way of buying and burning powder and other instruments of war, have materially depleted the financial resources of the world.

CANADIAN BANKS ARE IN PERFECTLY HEALTHY CONDITION
Messrs. E. C. Pratt and W. H. Draper Analyse May Bank Statement For Journal Of Commerce

VALUE OF THE BANKS
Business in Country Would Come to Dead Stop if Banks were to Close—No "Window Dressing" in Monthly Statements of Canadian Banks—Canada and the English Capitalist.

(By Prof. W. W. Swanson).
The May Bank Statement shows that there is no apparent falling off in the business of the country. The government returns show the following figures for April and May respectively:
April, 1914. May, 1914.
Current Loans . . . \$285,705,064 \$283,462,856
Call Loans in Canada . . . 68,323,774 67,210,504
Demand Deposits . . . 850,515,993 840,748,488
Time Deposits . . . 652,672,223 642,945,723

These figures, Mr. Pratt, have been interpreted in some quarters as showing a slowing-down in the banking business of Canada. What have you to say about that, Mr. Pratt?
"I cannot agree with the general conclusions of the critics. Whatever the general industrial conditions may be, banking is on a thoroughly sound basis in this country. The only considerable falling off is in the case of demand deposits, where the decline amounts to almost \$10,000,000. The contraction in call loans is small, indeed almost negligible. The time deposits—that is, deposits payable after notice—show a gain of over \$10,000,000, while current loans have increased by \$2,000,000. The bank statement, on the whole, shows a thoroughly healthy state of affairs, and is remarkable in the results it shows when we take into consideration the general slowing down of industry, and the trying conditions through which Canada has just passed."

Business Prospects in Canada.
"What are the prospects, Mr. Pratt, with regard to the revival of business?"
"In my judgment they are good. We, naturally, have our eyes turned at present to crop conditions in the prairie and the harvest will be good. I look for an immediate revival of trade. Not a return to boom conditions of recent years, to be sure, but the modern credit system is a wonderfully delicate piece of mechanism, subject to the influence of forces in every part of the world. The Russian and Japanese cannot hurt us, but in wealth without affecting the money markets of the world, and Canada must, for years to come, be dependent upon the progress has been, for the trade reaction in our country is entirely of our own making, but here I am traversing familiar ground."

Not All Saved.
"Of course it should not be imagined that the enormous amount of deposits to the credit of the banks' customers has been saved, and ordinary writers in the financial press would have their readers believe. The deposits—time and demand—in Canada, amount to a great sum of \$1,044,654,241—a vast sum and her commercial and industrial career and is a new country, still in the making. All these deposits, as I have said, do not represent savings; they represent rather the extent to which our people make use of the banks. Much of this money on deposit originated, in the first instance, in a way the reverse side of the coin, which borrowers can draw checks as they wish. The deposits, therefore, are in a way the reverse side of the coin, at bottom the business of banking is that of insurance. The banks collect Banks. Much of this money on deposit payment, so that the farmer waiting for his crops to mature, the retailer with goods on his shelves to clear, the importer and the exporter who have yet to dispose of their wares can get the funds to meet their present obligations. Business in Canada would come to a dead stop at once if anything serious happened to the banks of a nation. It has been said that transportation is the life-blood of commerce, the work of the banks. In a thousand different ways, and to an extent undreamed of by the ordinary individual, they help to keep the wheels of commerce revolving."

No Window Dressing.
"In connection with the monthly statement I would like the readers of the Journal of Commerce to take note of the fact that the Canadian banks have little or no opportunity for 'window dressing,' even if they were disposed to take advantage of that device. The English joint-stock banks are accustomed to keep their balances with the Bank of England. They may even borrow there and leave whatever they have received by way of accommodation on deposit so much cash. When they prepare their quarterly statements they withdraw part of these balances, and include them in the item 'cash on hand.' Now, our great Canadian banks each in each case, are, therefore, the monthly statements pretty accurately represent conditions as they actually exist. Keeping these facts in mind, I have no hesitation in saying that the May statement is quite satisfactory and indicates a healthy condition in our banking institutions."

LAKE STEAMER DUNS AGROUND
Assiniboia Struck Bad Neighbours Shoal in Lake Superior this Morning

A HEAVY FOG
Steamer Going at Half Speed When Accident Occurred, But Little Damage Done—All Passengers Safe.

At two o'clock this morning the C.P.R. lake steamer Assiniboia, while proceeding at half speed in a fog ran aground on Bad Neighbours Shoal, Cove Island, near the southeastern corner of Manitowlin Island, close to the entrance to Georgian Bay. The bow of the vessel is resting lightly on the shoal, only slight damage having been sustained to her hull. Although the accident was not one to cause danger to the passengers, Captain McCarnal summoned the S.S. Manitoba by wireless. This ship arrived on the scene at 4:09 a.m., and since that time has been standing by to give whatever assistance may be deemed necessary.

The lake this morning has been calm and it is expected that the steamer will be able to back off the shoal without assistance before the close of the afternoon. Under the stern of the vessel there is eleven fathoms of water, and although there is no tide on the shoal, the depth of the water varies according to the direction of the wind. The S.S. Assiniboia is one of the most recent additions to the C.P.R. lake fleet, and is regarded as one of the finest passenger steamers plying the waters of the upper lakes. She runs between Port McNicoll and Port William. On her present voyage she was carrying a list of one hundred first-class passengers, and a cargo of 2,200 tons of lumber. She was constructed by the Fairfield Company, Glasgow, is of steel throughout, and has a tonnage of 3,880.

WRITING TO "TIMES"
Mr. Henri Bourassa Takes Exception to Article Written by Toronto Correspondent.

London, July 2.—Mr. Henri Bourassa has a lengthy letter in yesterday's Times concerning a recent cable from the Times' Toronto correspondent, which said, "The mass of active and aggressive Imperialists in Canada sympathize with Ulster. It is they who have kept the flag flying in North America."

"What category of Canadians are designated?" asks Mr. Bourassa. "Is it the group of financiers who wage flag in hand, so brilliantly and successfully the war against reciprocity? They do not doubt know how to keep the flag flying so long as how to keep the financial and industrial concerns. The same class of men who fought in 1911 to maintain protection, in the name of Imperialism and the flag, led an attack for the introduction of protection in 1878. In both instances they won the day because they had at their back the support of the masses of the people, rightly or wrongly, is detected in the protection of Canadian industries from competition from the outside, from Europe as well as from the United States. Whether the active aggressive Imperialists would strain their nerves and financial resources in an Imperial cause which does not affect their interests I doubt very much, but if they did I am quite certain they would receive nothing like the support they had from the Canadian people in their past struggles, either for or against the flag."

Mr. Bourassa proceeded to say that perhaps the Times' correspondent was referring to the Orangemen, "whose effort in the national sphere is mainly concerned in keeping up racial and religious feuds."
"As against these two sections stands the total Irish Catholic element in Canada, as strongly favorable to Home Rule as Ireland is the other dual group is opposed to it. Between these two extremes, the mass of Canadian people can be fairly divided in the proportion of two in favor of Home Rule and one in favor of the other."
"Canadians have been urged to help in some form in the maintenance of the military and naval forces of an Empire over which they have no constitutional control, but if commanders are to have the right and power to decide when they are to obey the orders of civil authorities, what assurance has Canada, whose government has no authority over the imperial forces, that they would come to her rescue in case the imperial officers decided that her cause was not one in which they were obliged to serve?"

ESTABLISH BRANCH.
New York, July 2.—Branches will be established by the National City Bank in the Argentine Republic at Buenos Ayres and in Brazil at Rio de Janeiro as soon as the bank officials can obtain the necessary permission from the Federal Reserve Board. The City Bank directors at a meeting yesterday authorized Frank A. Vanderbilt, the president, to make application to the Federal Reserve Board for permission to establish the branches and the application will be one of the first pieces of new business to be laid before the administrators of the Federal Reserve banking system. The City Bank has thus taken the lead in this new field of foreign work opened up by the Federal Reserve act.

COLLIERIES CLOSE DOWN.
(Special to The Journal of Commerce.)
Philadelphia, July 2.—The Atlantic City collieries of the Reading Company closed down last night for the balance of the week.
The French steamer La Gasconne is stranded on the Portuguese Coast.

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CONFER WITH PRESIDENT.
(Special to The Journal of Commerce.)
Washington, July 2.—J. P. Morgan conferred with President Wilson at the White House to-day on various aspects of business and financial problems now before the country. This interview was first of a series the President plans to hold with prominent business men. Henry Ford, of Detroit, will be the next caller.

EMPERESS DECISION.
Chief counsel Beatty, of the Canadian Pacific Railway, announced this morning that the Court at Quebec, which has been conducting the inquiry into the cause of the Empress disaster, will be convened some time next week. Lord Mersey will read aloud the decision of the Court on the case. It is likely that the decision will be handed down not later than Thursday.

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