

Journal of Commerce

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MONTREAL, JULY 24, 1914.

The Canadian Office in London

A London telegram reports that the question of new offices for the High Commissioner for Canada in London is again engaging attention, and we are told that the choice is between Westminster, (the present location), Aldwych, (the site for Lord Grey's proposed Dominion House) and the West End. "On the whole," we are told, "the district (Westminster) seems to be regarded as eminently suitable, but not the present building." The question of better accommodation in London has in one form or another been engaging attention for some years. Lord Strathcona was in some respects an old-fashioned man, with a fondness for his established quarters and a dislike for change. Out of respect for his suggestions which were occasionally made during the latter part of the Laurier Government's reign, were laid aside for consideration at a future time. Soon after the present Government came into office the question was revived. It is understood that negotiations were opened, through an agent who did not disclose the name of his client, for the purchase of a property in Westminster, a short distance from the present office. It was a case in which privacy was necessary until the completion of the deal. Somebody at Ottawa, who had not yet learned how to keep an official secret, gave out the information to the Canadian press. It was then cabled to London. The price of the property, it is understood, was thereupon increased and the transaction came to naught. Now that the question is again up for consideration probably Ottawa will be more careful and not announce negotiations until the business is closed.

A New Danger Threatens John Bull

A new danger threatens John Bull. For some time he has been harassed by the suffragettes, worried over the Home Rule question and thrown into panic by the German war scare, but these sink into insignificance when contrasted with the new danger confronting his people. The new invasion which threatens to wipe out old traditions and customs is none other than the introduction of ice cream soda which is growing in popularity so rapidly as to displace the hold which at noon tea drinking has on the English people.

Heretofore the English have been able to resist American and other foreign invasions and clung tenaciously to the habits and customs of their forefathers. However, a thrifty Yankee succeeded in introducing ice cream soda to the British populace and is making such progress with his commodity that tea as a national beverage and tea drinking as a national occupation are both declining. For some time this American habit made no impression upon the conservative Englishman, but finally one venturesome soul tried a chocolate sundae and succumbed to its many charms. Now sundaes, David Harms and sundry other concoctions are meeting with popular favor while tea drinking is showing a corresponding decrease. As a matter of fact, the soda water craze has swept over London with as great rapidity as did the South Sea Bubble of a century ago or the rubber craze of a few years ago. It will be a serious thing if this Yankee invention deprives John Bull of "the cup that cheers but does not inebriate."

State Versus Private Ownership of Railroads

The restrictions which are being placed upon American railroads together with the Government aid furnished to a certain number of Canadian railroads during the past few months have called fresh attention to the question of government ownership of railroads. In Europe state owned railroads constitute the major portion of the mileage, there being less than one-half of the roads privately owned. As a matter of fact, in Europe, Great Britain is the only country that has not experimented to a greater or less extent with government ownership. That country

with its 23,400 miles of road is now confronted for the first time with the question of state ownership.

Out of a total railway mileage in Europe of 212,651 miles, state railroads constitute 113,699 miles, against 98,952 privately owned. The United States possesses 250,000 miles of road, all of which is privately owned. Of the 26,700 miles of road operated in Canada, 24,920 miles are owned by stock companies, leaving considerable less than 2,000 miles of government owned roads. In Mexico, 7,990 miles are classed as private roads and 7,860 miles as government owned. Brazil has 7,400 miles of privately owned roads and 6,400 owned by the government. Argentina with 26,600 miles of road has but 2,490 state owned. Asia has but 66,534 miles of railroad of which over one-half is in India. The Asiatic mileage is divided into the proportion of 83,840 state owned and 22,694 privately owned. Of India's mileage 29,300 is owned by the government and but 4,100 by shareholders. China's 6,190 miles are all privately owned.

The following table dealing with the world's railway mileage in 1912, shows the relation between state and privately owned lines:

Country.	Railways, Miles.	Total Miles.	State Owned Miles.	Private Owned Miles.
Europe	98,952	113,699	212,651	113,699
America	321,406	22,237	343,643	22,237
Asia	22,694	43,340	66,534	43,340
Africa	10,656	15,835	26,491	15,835
Australasia	2,708	18,870	21,578	18,870
Total	546,416	214,581	670,997	214,581

Taking the world as a whole, there has been a steady but persistent increase in the mileage of railways owned by governments. Of the total world mileage in 1912 amounting to 670,997 miles, private companies owned 456,416 or 68 per cent. In the previous year, the state-owned percentage was 69.8. In other words, during the one year, 16,512 miles passed from the control of private corporations to that of governments. During the previous year, no less than 32,386 miles came under government control. Thus in 1910 over 70 per cent. of the world's railroads were privately owned. Two years later this percentage was cut by 2 per cent. Whether governments are able to operate roads as cheaply and efficiently as private corporations may well be doubted, but despite this it is an undeniable fact that more and more railroads are passing from the hands of private corporations into that of governments. Great Britain, the United States and Canada remain the last great strong holds of privately owned roadways. Just how long they will enjoy this monopoly is difficult to say.

More Judges Needed

Every month sees a greater number of actions commenced in the Courts here and the general impression seems to be that the time has come for the appointment of more judges to do the very great amount of work in the Practice Court. It should not be necessary for business men to pay lawyers for waiting in many cases hours for an opportunity to present an application which may only take five minutes of the time of the Court. Usually during the past year fifteen or twenty lawyers are anxiously waiting their turn, and of course the time spent in waiting must be paid for by their clients. The amount paid each three months by the people of this district would go a long way toward paying the year's salary of an additional judge.

Insolvency cases under the Dominion Winding-Up Act and by abandonment are increasing and often one such case will take the best part of a morning.

There would be many advantages in having the same judge deal with insolvency cases. Many lawyers think there is plenty of work for one judge who will devote all his time to exparte and insolvency cases and it seems quite clear that to give the despatch necessary in a Practice Court at least one other judge should give all his time to the contested cases. Many members of the Bar think three judges in the Practice Court are none too many.

In the interest of the business men of the city we hope the Bar Council will urge this reform upon the proper authorities.

"Why do the heathen rage?" Ask the Hindus aboard the Komagata Maru.

If Premier Asquith can bring order out of the Home Rule chaos he will go down to history as one of the greatest statesmen of all time.

The latest issue of the Alberta Gazette contains a long list of new oil companies. If this thing keeps up the Province will be forced to change its name to Oil-Berta.

Sir Edmund Walker, one of our best informed bankers, stated in an interview with "The Canadian" that he believes "Canada has reached the turning point towards recovery." Sir Edmund is in a position to know and his reassuring statement will go a long way towards restoring confidence.

The trial of Mme. Caillaux promises to become as famous as the Dreyfus case of a few years ago. The dramatic court room scenes, the impassioned appeals and the noise and confusion sent foreign to our ideas of our proceedings. Such a trial gives to the emotional French an opportunity to give full vent to their feelings.

A LITTLE NONSENSE NOW AND THEN

Scientist says Eye didn't realize that she lacked clothing. Well, neither do the women of to-day.—Fremont Tribune.

Student A—How can I keep my toes from going to sleep.
Student B—Don't let them turn in.—Purple Cow.

The professor who declares that the study of algebra causes girls to lose their souls will not alarm them, so long as they have their figures intact.—Houston Post.

The Greeks have re-christened the daho the Lemnos. It is necessary to be careful not to transmute the "d" and the "o".—Minneapolis Journal.

"Before we were married you used to write me three times a day."
"Did I, really?"
"Yes, you did, and now you get angry because I ask you to write me a little bit of a check."—Boston Transcript.

A woman's crowning glory—somebody's hair.—New York Life.

"Have you an opening here for me."
"Yes, we have an opening for you."
"Yes, I am a very busy man."
"Yes," answered the manager. "It's right behind you."—Cleveland Plain Dealer.

"That country doctor's wife who rigidly adhered to his office," she had started life as a postmistress.—Salem Dispatch.

"A singer was doing his professional best before a large audience in Wellington, Australia, when a section of the platform fell with a startling crash.
After the dust had fairly settled a man in the audience rose and said, "Hold up, please, the show is over."
Whereupon the singing and conducting audience turned on the wretch with a howl of rage and chased him half a mile.—Cleveland Plain Dealer.

The teacher in an East Side school was reproaching Tommy, who had a grievance. Tommy's nose was all a low ebb, and teachers' golden rule admonishing fell on unreciprocating ears. At last she struck a responsive note.
"The right way to treat your enemies, Tommy," she said, "is to heap coals of fire on his head."
"Yes, ma'am, that's just what I done," said Tommy, brightening. "I give him hell."—New York Evening Post.

"Claude had disobeyed his parents, and his mother knew it, says Lippin-cott's. "I am afraid," she said, "that when I tell your father what you have been doing this afternoon, he will punish you severely."
"Have you got to tell him, mother?" asked the boy.
"Yes," was the reply; "I shall tell him immediately after dinner." "Well, mother," said the boy, "give him a real good dinner, won't you?" You might do as much as that for me."

IT NEVER COMES AGAIN.

(By Richard Henry Stoddard.)
There are gains for all our losses. There are balms for all our pains; But when youth, the dream, departs, It takes something from our hearts, And it never comes again.

We are stronger and are better. Under manhood's sterner reign; Still we feel that something sweet Followed youth, with flying feet, And will never come again.

Something beautiful is vanished. And we sigh for it in vain; We behold it every where. On the earth, and in the air, But it never comes again.

CORPORATE ORGANIZATION.

(Seventh in a series of Short Articles on Business Economics. By Professor W. W. Swanson.)
The question of business control is one of the most important features of modern industry.

There are a number of methods under which business control may be vested in different authorities. But, fundamentally, the form which ownership assumes is not so important as the organization which owners determine to adopt in their particular industry. Ownership may be vested in an individual, a partnership or a corporation of stockholders; but whatever form it assumes, it is the organization that makes for business success. The essential fact in ownership is that it confers the control over the business organization. Subordinate to this authority, however it may be vested, are ranged the three great departments of production, distribution and accounting.

Such an organization is characteristic of every business, whatever the figure of the yearly volume of trade. The control of the business is exercised by the great department store. He produces when he buys his goods from the wholesaler and prepares to sell them to the consumer. He performs the functions of the sales department when he writes a price card for his window, or when he hands his goods over to the cashier and the customer. He becomes the accounting division when he goes to his desk and makes an entry of the sales in his cash book. All these are productive processes of course, but at the same time so important for purposes of business organization that they should be placed on a par with the more important facts in tabular form, as follows:

- I. Control through ownership by the individual.
 1. Partnership.
 2. Corporation.
- II. Production by the individual.
 1. Manufacturing.
 2. Purchase from other producers.
- III. Accounting Division.
- IV. Selling.

How a Partnership is Formed.

In a partnership two or more individuals assume the power of ownership by means of a legal agreement. This agreement should be of the most exact, in order to avoid any misunderstanding, so can misunderstandings and difficulties be avoided. The legal partnership involves, in reality, the control of the firm are bound to carry out the provisions. The agreement defines the share that each member of the firm shall have in the conduct of the business, his duties, and also the extent to which he shall have control of business policy. It determines the division of business profits; the proportion in which assessments shall be made for losses that may occur; and the methods under which the business shall be conducted. The agreement may also provide for a receivership in the event of the respective interests, in case of vital disagreement among the partners. It is frequently the case that some member of the firm is a "silent partner," known to the world under the title "and company." The common terms of business control through a partnership are as follows:

- Method I.
Firm of Smith, Jones and Brown.
A. Smith, manager of production division.
B. Jones, manager office division.
C. Brown manager selling division.
- Method II.
In this partnership agreement two members of the firm are actively engaged in the business. By general agreement, the third member is placed in entire charge, with a authority to appoint assistants at the head of the three branches of the work.
A. Brown, general manager.
B. Production manager.
C. Office manager.
D. Sales manager.
- Method III.
In this partnership scheme one or more silent partners are represented by the word "Company." The members of the firm exercise general appointing power and oversight, while delegating the control to their chosen managers.

A. Smith, Jones and Company by partnership agreement compose the firm.

Owing to the very great advantage of the corporate form of ownership, however, such a form of ownership is conditions. Among the many advantages of the corporate form of enterprise are the following:

1. Limited liability.
2. Large-scale production facilitated.
3. New investments promoted.
4. Stock system divides risks of ownership and risks from investment of capital.
5. Those unfit to control their own capital may place it under the corporate system in the hands of men of great ability.
6. The corporation can sue, and be sued, in its own name.
7. The life of a corporation does not depend upon the life of the individual who owns an interest.

In a corporate organization, ownership is invested in stockholders of record. The stockholders are bound to meet the articles of incorporation, and the constitution and by-laws. These documents provide for the election of a board of directors, an executive committee and various other officers, whom the administration of business is delegated by vote of the stockholders.

BANK OF MONTREAL
Established 1817

INCORPORATED BY ACT OF PARLIAMENT

CAPITAL PAID UP \$16,000,000.00
REST \$16,000,000.00
UNDIVIDED PROFITS \$1,000,000.00

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CAPITAL ISSUES MAKE HUGE TOTAL.
Total capital issues at the leading monetary centers of the world for the ten-year period between 1902 and 1912, inclusive, reached the enormous total of 175 milliard francs, according to figures published in a recent issue of Le Matin. Of that total, Government, Municipal, and similar loans accounted for 61 2/3 milliard francs; capital issues by banking institutions amounted to 21 1/3 milliard francs; and those by railway and industrial undertakings to 93 1/3 milliard francs. Le Matin analyzes the total geographically as follows:

(000,000 omitted).	State	Industrial
United States	2,800	36,378
Germany	12,640	7,453
England	3,645	2,282
Russia	9,285	1,059
France	2,246	3,112
Austro-Hungary	2,856	886
Italy	668	342
Other countries	24,812	6,044
Total	64,242	21,378

Small Light-Bills in Europe. In this country many of the electric light stations serve a large part of their customers at a loss. This is due to the fact that the interest on the investment made to supply the customer plus the cost of reading the meter and keeping the accounts is oftentimes more than the actual return for the electricity consumed. In Europe the change of small customers from unprofitable to profitable ones has been brought about in a large measure by reducing the fixed costs of serving them. This has been done by simplifying the methods of charging and billing, etc., so as to make possible the wholesale handling of small customers. The importance of the small and very small consumers toward the building up of the income of the electric light company is recognized to such a degree in Europe that in many places large amounts are invested by the electric light company in financing small customers, that is, financial aid is extended to small customers toward payment of the cost of wiring their houses. In the City of Milan, the laboring classes and the company handles amounts as small as 66 cents a month. In the City of Prior even the poorest peasants use electricity in their cottages.—Electrical World.

The Textile Manufacturer's Paper



Canadian Textile Journal

The Only Canadian Publication Devoted Exclusively to the Interests of the Textile Industry

Each Issue Contains Many Valuable Technical and Practical Articles on the Manufacture of Textile Fabrics

Also Trade News Summaries and Comment on all Factors Affecting the Industry, as well as Special Reports on the Domestic and Foreign Primary Markets

A GUIDE FOR THE MANUFACTURER AND WORKMAN AND A HELP TO THE SALESMAN

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G. P. R. SUFFERS DRASTIC SLUMP

Drops to 181 1-2 the Low Point Shown in the Past Four Years WEAKNESS PREVALENT

All of the More Active Issues Off, Some of them Indicating Decided Declines in Keeping With Other Markets.

The stock of the Canadian Pacific Railway Company was the principal sufferer from the heavy clouds which are now lowering in Ulster and in New East.

Opening at 183 as opposed to closing sale yesterday at 184 1/2, was a decline to 180 1/2, a loss of 4 points.

To find a lower figure than this recent years reference must be had to 1910, when, in July of that year, sale was recorded at 179 1/2.

From that time onward for a period of two years, the progress was consistently upward, culminating in 1912, in August. About that time these commenced the agitation reduced freight rates in the West, since then the course has once more been downward.

International Stocks Suffer.

All the foreign markets were pressed to-day. Investors abroad manifestly selling rather than buying, any chances on an overcast of hostilities other in Ireland or in Serbia. Usually the international stocks have been the first to suffer and Brazil's keeping pace with C. P. R., broke 1914, a further decline of 4 points. The latter is a new low level for the stock in its experience.

Brazilian earnings for the week ending July 18th amounted to \$47,200 compared with \$42,912 for the corresponding period of 1913.

The earnings are slightly below that of the previous week, but with the market higher than the previous week in the year.

Chief Power Development.

All the leading local stocks showed declines.

Toronto Railway, now largely the hands of investors, cost over point at 12 1/2. Some holders are now satisfied with the progress events in the Queen City, so far as company is concerned.

Laurentide was off 2 1/2 points at 1 Mr. C. B. Gordon, of this city, who has just returned from a visit to the plant at Grand Mere, expresses himself as greatly impressed by the cost at which power is to be developed in the company's new electric undertaking.

Shawinigan dropped a point at 1 as also did Nova Scotia Steel at 50.

DECREASES STILL SHOWN IN RAILWAY EARNING

All three of the great Canadian railway systems showed decreases in the earnings for the third week in July.

The C. P. R.'s gross aggregated \$2,229,900, a decrease of \$376,900 compared with a decrease of \$319,000 the previous week.

The Grand Trunk Railway System traffic earnings from July 15th to 21st 1914, were as follows: \$1,016,895; last year, \$1,164,836; decrease, \$147,941.

The C. N. R. earnings for the week ending July 21st averaged \$278,900, against last year, a decrease of \$68,300. Earnings for the year to date were \$1,115,900 against \$1,256,000 last year, a decrease of \$219,100.

COPPER METAL WEAK

Boston, July 24.—Trading on the Stock Exchange to-day was more active but at the expense of prices due to the prospective European war.

Weakness in copper metal featured a point to decline in Amal. Copper for 6 1/2c ex-including, a new low record for the year.

Granby declined 1/2 to 7 1/4. United Shoe was a strong feature. Industrial stocks were neglected.

FORBIDDEN FRUIT

Five New Haven directors came early to the meeting of the board Thursday, but one was locked out. They imperiously sent for the colored attendant to open the door.

George, in answer to the summons, came rushing up in excited fashion, and said: "Can't do it, sah. It's forbidden fruit."

A director said: "George, what do you mean? But George did not know the extent of his wit.

WHY BUY ADVERTISED GOODS?

B-E-C-A-U-S-E

Advertising increases the sale of a commodity, lowers the cost of selling, and thereby reduces the price to the consumer, at the same time guaranteeing the quality of the product.