

# SEES PROSPERITY IN DEFEAT OF GERMANY

## End of Militarism, American Speaker Asserts, Will Bring Era of Expansion

### HUGE SUM FOR INVESTMENT

Europe's Annual War Charge of \$2,000,000,000 Will be Turned Into Useful Channels—War Machines a Thing of the Past.

Lynn, Mass., September 19.—In an address entitled "Effect of the War on the Price of American Railroad Bonds," delivered before the Society of Railway Financial Officers at their annual meeting here today, Lewis B. Franklin, vice-president of the Guaranty Trust Company, brought out some interesting conjectures. He divided his lecture into discussion of the effects on American railway securities, following these three contingencies: that mediation comes before a complete victory by either side; a complete victory for Germany and Austria and a complete victory for the allies. A decisive triumph for the allies, he believed, would be the best for Americans and other securities holders.

Mr. Franklin pointed out that during the last fiscal year the expenditures of the European nations for armaments amounted to \$2,000,000,000. That huge amount never could yield any return on the investment. In case the war should be ended by mediation before a decisive victory Mr. Franklin said that Europe would continue to be an armed camp and that the military and naval equipment destroyed would have to be replaced at enormous cost. Europe is already staggering under a debt of \$20,000,000,000, demanding at 3 1/2 per cent, \$700,000,000 per annum for the interest alone. With the ravages of war to pay for, the financial situation of Europe would be appalling.

### Developing Natural Resources.

Europe had been until lately, he pointed out, a heavy purchaser of our securities and a great help in developing our natural resources. If her burdens were increased she would force us to repurchase many millions of our bonds now held abroad. The results would be felt here in higher interest rates, greater difficulty in selling securities and a period of general retrenchment.

In case Germany and Austria win Mr. Franklin believed that Germany would be loth to abandon the military organization which brought her power, and added: "If Germany retains her army and navy in undiminished strength can others afford to adopt a different policy?"

In the event of a decisive triumph for the allies on the other hand, Mr. Franklin said that England would predominate in the making of terms. She would desire little or nothing in the way of territory and would wish only the prosperity of her own people and the peace of Europe. France, he said, is a peaceful nation at heart, while Belgium would not be likely to demand excessive reparation for the violation of her territory.

Serbia and Japan he eliminated as important factors in the making of peace terms, leaving Russia as the key to the problem. He recalled that the first proposition for disarmament came from the present Czar in 1898.

### Released for Investment.

Germany defeated and with her military organization shattered and discredited would hardly, he thought, be able to persuade her own people to rebuild it even if allowed to do so by her conquerors. The release for investment of the \$2,000,000,000 which Europe annually devotes to military expenditures would give an impetus to the development of the world such as would be difficult to imagine. "Such a sum," said Mr. Franklin, "added to the present amount available annually for investment would mean an abundance of capital for industrial development, both here and abroad, lower interest rates and probably lower cost of living. Add to this the transfer of some 4,500,000 men, which make up the standing armies of Europe on a peace footing, from a life of economic waste to productive pursuits, and it is not hard to believe that Europe would require very few years to recover from the ravages of war and enter upon a long period of prosperity from which we would be one of the greatest beneficiaries."

### Under such conditions, capital would accumulate with surprising rapidity, and Europe would soon be a heavy buyer of our securities, and we would witness in this country an era of expansion and prosperity such as we have never before experienced."

### NOTES ON PUBLIC UTILITIES

The Carolina Power and Light Company, including the Yadkin River Power Company and the Asheville Power and Light Company, reports for July gross earnings of \$1,079,778, an increase of \$14,697, or 16 per cent. Operating expenses were 22 percent, higher and net earnings were \$48,576, a gain of \$2,299. The balance after interest charges and preferred dividends was \$6,223, or \$867 more than in July, 1913. For the 12 months ended July 31, 1914, gross earnings aggregated \$11,228,798, an expansion of \$186,190, or 18 per cent. Net earnings were \$92,321, a gain of \$94,039, or 19 per cent. There was a balance after interest charges and preferred dividends of \$125,458 as compared with a balance for the preceding year of \$72,933, an increase of 72 per cent. On July 31st, 1914, the total number of electric customers served by the three companies was 5,331 and the number of gas customers was 4,481, an increase, during the year of 1,499 and 497 customers respectively.

Two of the six months allotted in the franchise to the Metropolitan Street Railway Co. of Kansas City, to comply with its reorganization terms have passed. The company granted the half fare to children on the Missouri side and then granted the same concession to the Kansas side. According to the terms of the franchise, which says the "new money" for reorganizing the Metropolitan and discharging the receiver-ship must be produced within six months, the Metropolitan still has four months of grace. There always is a saving clause in the Metropolitan franchise, however, which provides for "delay."

East St. Louis and Suburban Co. has completed its new steam generating plant and substation at Alton, Ill. The two combining the transmission of both steam and hydro-electric power. The new steam installation is of 7,500 horse power and the substation of 5,000 horse power capacity, connecting with the transmission lines of the Mississippi River Power Co. at Keokuk. The current from the steam station and the big hydro-electric plant is supplied to 133

# MANY LONDON BROKERS HOLDING PLACES FOR FORMER EMPLOYEES

Number of Foreign Accounts Carried by Most Firms is Causing no Little Embarrassment.

London, September 19.—London's financial district has responded nobly to Lord Kitchener's call to arms, and besides ordinary enlistments army men in the House have started recruiting on their own account, and are forming cavalry and infantry units to offer to the government when training is complete. Numbers of Exchange clerks who owned motor cycles have formed a motor cycle corps, which is now in training and will be ready for active service when in condition.

The London Stock Exchange has announced that in the case of men serving their time as clerks in the House prior to becoming members, and who have gone on active service, the period of the war will not be taken out of the necessary time. Many brokers who have clerks enlisting are not only guaranteeing their jobs, but have undertaken to look after their wives and families while away.

One of the many difficulties which confront London brokers is the number of foreign accounts which every firm carries, including those of Germans, Austrians, Frenchmen, Belgians and Russians. Many of the clients will undoubtedly be killed and many more will probably be unable to settle when the war is ended. Furthermore, those accounts belonging to the enemy must remain in status quo until the end of the war in any event, according to act of parliament prohibiting trading with "the enemy."

The stock ticker in London quotes bids and offers of various stocks in order to help those members who desire to make cash sales.

The financial district is deserted, and the few brokers who haunt the cafes and restaurants discuss war bulletins rather than financial possibilities.

Anyone taking a check, say of £10, to a bank to change, one will get a 10-shilling gold piece, 10 shillings in silver and the rest in moratorium £1 and 10-shilling notes. As stores change is usually given in postal orders. Of course, the postal order must not be signed by the owner as hitherto.

### PAPER FOR CIGARETTES

Formerly Came From Germany—Now American Firm Is Forced to Make Its Own.

Discussing the probable effect of the war on American trade and upon the tobacco trade in particular, the head of one of the largest tobacco interests said: "There are many materials incidental to the manufacture of tobacco which we have always imported but which we will now have to manufacture here. For instance, take the matter of cigarette paper of one of our most popular brands. For years we have imported it from a factory in northeastern Germany that makes this paper exclusively. Even if an American firm had offered us the same paper at 30 per cent in excess of its cost, we would not have changed. It is not an indispensible part of the cigarette, but is important and we could afford to take no chances of killing a brand that we have built up by years of labor and advertising expenditure."

"Now we are compelled to manufacture our own paper, and if we find it fully as satisfactory as the old, and we get our manufacturing plant established, we probably will never change back, no matter how cheap Germany may offer it to us when peace is established."

### TITANIC PIECE OF ORDNANCE

Panama Gun Will Supply the Largest Single "Boom" in the World.

Although the boom of the great gun designed to protect the Pacific entrance to the Panama Canal will not reverberate quite around the globe, it will be the loudest single "boom" in the world. This titanic piece of 16-inch ordnance which has been shipped to the Sandy Hook proving grounds is 50 feet long, weighs 142 tons and fires a projectile about 6 feet long and weighing a ton.

The discharge of this piece of coast artillery requires 665 lbs. of powder, giving its projectile a maximum range of from 22 to 23 miles. Theoretically, the projectile has power to pierce two feet of the best armor plate at its muzzle velocity, and at eleven miles will pierce an 11-inch armor plate, or any side armor afloat.

When the shell leaves the gun it is revolving at the rate of 4,000 revolutions a minute and develops a pressure of 32,000 lbs. to the square inch. The pressure on the rear of the gun and forward on the projectile amounts to 7,000,000 lbs. The carriage for this gun is under construction at the Watertown arsenal, and it is expected that all will be finished and the gun ready for shipment to Panama by next spring.

### JAPS REPULSE GERMANS.

Tien-Tsin, September 19.—A sortie by German troops in an attempt to drive the Japanese from Chi-Mo was repulsed on Wednesday.

miles of interurban lines radiating from East St. Louis and also to the lighting and power circuits of the company.

Recently the municipal electric plant at South Stillwater, Minnesota, was destroyed by fire and the village authorities found it economical and advantageous to contract with the Consumers Power Co., Stillwater Division, for their electrical needs. According to a fifteen year contract was entered into covering the delivery of current to the municipality for city lighting, city water pumping and commercial and domestic use. The Consumers Power Co. is building the necessary short extension to reach the point of delivery and the village will distribute the current over its own lines.

The California Railroad Commission has authorized the Pacific Gas & Electric Co. to issue \$1,000,000 general and refunding mortgage bonds. The company purposes to pledge these bonds to secure its surpluses on two bonds which it must file in the Federal Court in connection with suits brought to enforce the enforcement of the gas and electric rates fixed by the board of supervisors of San Francisco for the year ended June 30, last.

The Ohio Public Utilities Commission has authorized the Lima Natural Gas Light Company to issue and sell at par \$200,000 25-year 5 per cent bonds of which \$125,000 is to be used to redeem an issue of 6 per cent bonds which matured July 1, 1913, and the remaining \$75,000 is for payment of indebtedness incurred in the rebuilding of its gas plant in 1910.

A Delaware charter has been filed by the Central Ohio Gas & Electric Company to maintain and control gas plants. The company is capitalized at \$2,500,000.

# BUSINESS MEN AT THE FRONT



LIEUT. C. N. MCQUAIG, of the 5th Royal Highlanders.

# MARITIME PROVINCE SECURITIES

Quotations furnished by J. C. Mackintosh & Co., Members Montreal Stock Exchange, Exchange Building, Halifax.

Miscellaneous:	Asked.	Bid.
Acadia Sugar, Pref.	100	95
Do, ordinary	65	60
Brandram-Henderson, Com.	30	25
East. Can. Sav. and Loan	145	140
East. Trust Co.	163	158
Mar. Natl. Pref., with 40 p.c. com. stock bonus	100	98
Mar. Tel. and Tel. Pref.	102 1/2	100
N. S. Underwear, Pref.	98	95
Do, Com.	35	30
Stanfield's, Ltd., Pref.	95	90
Trinidad Electric	73	...
Bonds:—		
Brandram-Henderson, 6 p.c.	97 1/2	92
Eastern Car, 6 p.c.	100	95
Mar. Natl., 6 p.c.	100	98
N. S. S. and C. 6 p.c. Deben. Stock	98	95
Porto Rico Tel. 7 p.c.	105	100
Stanfield's, Ltd., 6 p.c.	95	90

# CONSUMPTION OF GASOLINE VERY LARGE IN PRESENT WAR

Germany Has Moved by Motor Trucks Siege Guns Larger Than Have Ever Before Been Seen Away From Stationary Carriage or a Fort—Motor Cycle Squads Playing Important Part in Action.

The automobile and the aeroplane are playing a large part in the war, and this means that gasoline is being consumed rapidly. Fuel oil was expected to be the important product from petroleum which would be most in demand, and large supplies of this article were provided for. Now it appears that the nation with the largest stock of gasoline would have an advantage, says the Oil City Derrick. There can be no doubt that the item of omnibus, the quick movement of the German armies, has been due to the recognition by the military leaders of the value of the motor vehicle. Recognizing this, the Germans have supplemented their artillery, infantry and cavalry with armored automobiles, provided with rapid-firing guns. They have moved by motor trucks siege guns larger than have ever before been seen away from the stationary carriage of a fort. Motor-cycle squads have scouted over the country far in advance of the main force, moving with a celerity which created rumors of larger armies and more rapid advance than proved true. But it served to embarrass the opponents and make uncertain the direction of movement by the main army. Motors have played a small part with the allies, except on aeroplanes.

In all this action gasoline was necessary. The auto without its fuel supply was more useless than the horses of the cavalry or the legs of the infantry. In this connection it is interesting to refer to the figures showing the amount of gasoline imported by the countries at war from the United States. For the year 1913 Germany imported 1,942,000 gallons, and increased the amount in the fiscal year of 1914 to 5,025,000 gallons. This was also probably supplemented by some imports from Roumania. Whether this large increase for the year was due to the expectancy of war can only be surmised. But Germany was a small customer, as compared with France, which imported 19,608,000 gallons in 1914, as against 3,500,000 gallons in the previous year. England took 25,802,000 gallons the last fiscal year and 6,000,000 gallons in 1914. Even Belgium imported 3,588,000 gallons, as against the negligible quantity of 894,000 gallons in 1913. Basing opinions on these figures it would appear that Germany was less well supplied with gasoline than either France or England. It is not improbable to imagine that the lack of this article may account for the slowing down of the German army movements during the last week. It is certain that with motors stalled along the road, and no gasoline to be obtained the armored automobiles

# WOULD FORM BILLION DOLLAR STOCK POOL

Philadelphia Bankers Discuss Purchase of United States Securities Abroad

### ALTERNATIVE PROPOSALS

Either the Government at Washington or Great Bankers Must Secure Stocks Offered For Sale During Sixty Days Next Succeeding October 1st.

Philadelphia, September 19.—Bankers in this city today discussed two distinct propositions for the relief of the financial situation and the consequent re-opening of the stock exchanges of the country which, because of the European war situation, have been closed since July 30.

Of the two schemes proposed, the first is a plan to have the United States Government buy all American securities owned abroad, which may be offered for sale during the 60 days next succeeding October 1, at prices to be agreed upon later and to have the government pledge these securities as collateral for an issue of 10 year bonds, maturing serially. One-tenth of such collateral is to be sold each year to provide for the payment of these bonds.

The other plan is to organize a gigantic pool representing at least \$1,000,000,000 and made up of such financiers as J. P. Morgan, Jacob H. Schiff, James Speyer and other bankers of international reputation, which shall put through the same scheme as outlined for the government—namely, an issue of 10-year bonds, which shall be sold to the general public at, say, a 6 per cent. basis, the securities bought to be held as collateral and to be disposed of annually as conditions best warrant.

### PRESIDENT TO HEAR MINERS.

Washington, September 19.—The request of representatives of Colorado coal operators for a conference with President Wilson next Wednesday has been granted. Belief was expressed that operators will accept the plan for a three-year truce recently proposed by the President.

which have taken so prominent a part in the field operations, would be useless unless the opponents could be led to them.

# PROSPEROUS ERA FOR STEEL MEN AHEAD

Magnitude of Revival After War Will Stagger Even the Most Optimistic

### MORE USES FOR STEEL

European Countries on the Termination of Hostilities Instead of Being Competitors, Will Be Compelled to Bring in America To Rebuild Destroyed Cities and Industries.

Pittsburgh, September 19.—As a result of the European war the steel industry of the United States will shortly enter upon an era of prosperity of such magnitude as to stagger even the most optimistic element of the nation, says Colonel H. P. Bope, first vice president and general manager of sales of the Carnegie Steel Co.

"In Europe," says Colonel Bope, "the countries which have hitherto competed with us in the manufacture of steel are at war. They are engaged in the destruction of each other's steel plants and in the destruction of their cities. When this strife is ended these countries, instead of competing with us for some years, at least, will be compelled to buy from us to rebuild their destroyed cities and industries.

Good Results Will Accrue.

"While I am one of those who believe that the European war will set civilization back nearly one hundred years, yet there are reasons to hope that some good results will accrue. If, when peace is finally obtained, the warring nations of some of the stupendous national debts, which are lashed to the shoulders of the taxpayers, some good will surely have been wrought. It is considered dishonorable to sit upon a debt, but if the action will ameliorate the situation to a sufficient extent, it is probably justified. And there are other reasons why we may look forward to a long, unbroken stretch of good business conditions. For instance: Steel is constantly supplying war in every department of construction; every day builders are discovering some new use for it.

### Using Heavier Rails.

"The railroads find it necessary in waging the campaign for 'safety first' to apply their credit to the roadbeds. This they are doing by using heavier rails. The Pennsylvania Railroad has ordered 120,000 tons of 110 lb. rails. These new rails are 1 1/2 inch heavier than the old rails, and are made of a heavier steel than the old rails. The new rails are 1 1/2 inch heavier than the old rails, and are made of a heavier steel than the old rails. The new rails are 1 1/2 inch heavier than the old rails, and are made of a heavier steel than the old rails.

### Concern Its Railroads.

"One of the greatest problems this nation has to face to-day concerns its railroads. It is a known fact that half the railroad systems in the country are on the verge of bankruptcy. Such a condition should not be. There is no other institution known so vital to the nation as the railroad. Without railroads large inland cities would be impossible. The railroads can survive only by raising rates. The 1 1/2 inch rails have higher rates. I know of one rail road running into Pittsburg which right now does not have in stock a single extra rail. That road is certainly in dire straits."

### BETTER COPPER DEMAND.

New York, September 19.—There is a slightly better demand for copper on the basis of 12 1/2 cents per pound, although the volume of new business continues exceptionally small.

Any pronounced buying movement would bring about improved prices, but no large orders seem to be in sight.

Some large dealers continue to quote 12 1/2 cent, not being disposed to accept lower quotation. So far this month exports are equal to about 50 per cent of shipments in the corresponding period of last year.

### SHAWINIGAN RETURNS.

Shawinigan Water and Power earnings for the month of August again equalled those of June and July, amounting to \$141,992. The month's earnings compared with the corresponding period of 1913 show a gain of \$6,102.

### U. S. DYE INDUSTRY PRODUCES TWO-

New York, September 18.—The absolute dependence of the textile industry of the United States on Germany for artificial dyes, which the war has brought into prominence, is contradicted in figures as the results achieved in this country in the few years published in yesterday's issue of the Daily Consular and Trade reports.

The textile and other industries in the United States have been steadily increasing their consumption of synthetic dyes, but the large increase has been supplied from the new and large chemical works in the United States, the value of whose output was \$7,350,748 in 1909, \$10,912,224 in 1910, and \$14,428,676 in 1911.

This ratio of progress indicates that the American

Alizarin and alizarin colors:	Pounds
From Germany	1912
From all other countries	5,373,087
Aliline salts:	75,666
From Germany	4,252,141
From all other countries	548,271
Indigo:	7,032,022
From Germany	526,040
From all other countries	6,505,982
Coal-tar colors, all other:	...
From Germany	...
From all other countries	...

Total values:

From Germany

From all other countries

Note—The statistics for indigo include imports

\$100,000 worth annually.



# Canadian Patriotic Fund



## SPECIAL CAMPAIGN WEEK

### "Bear Your Share of the Empire's Burden"

You intend some time to aid the helpless families of our reservists and volunteers.

## DO IT NOW!

Give as promptly and generously as your circumstances will permit.

The standing of the men associated with the Canadian Patriotic Fund is a guarantee that every cent contributed will be carefully administered.

Many families are already being aided. Numerous reports are received daily showing critical cases. These women and children need instant help. A dollar to-day means food to-day.

Collectors are now covering the city. Make sure that you are not overlooked. If by any chance you are missed, send your contribution to the

# Canadian Patriotic Fund

Montreal Headquarters: 112 St. James Street  
J. W. ROSS, Honorary Treasurer