

WEATHER: FAIR AND MILD.

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# The Journal of Commerce

THE BUSINESS MAN'S DAILY

MONTREAL, WEDNESDAY, APRIL 7, 1915

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## AUSTRIA MAY SUE FOR PEACE WITH CONSENT OF GERMANY

Rome, April 7.—Information has reached Rome from a reliable source that Austria is now ready to sue for peace. Germany, realizing the impossibility of averting Italian and possibly Balkan intervention in the war, tacitly consents to Austria concluding a separate peace which naturally portends to the end of the war. There is a suspicion based upon confidential information that Germany will be powerless to assist Austria in the event of the Russians crossing the Carpathians, since the Kaiser needs his entire army to defend his own frontier. Austria abandoned by Germany is powerless to resist the Russian invasion, and therefore she is ready to sue for peace in order to escape annihilation. Germany, left to battle single-handed yet undefeated, will continue the resistance alone if compelled to do so, and if so compelled, she will accept peace with honor, although the latter eventually is highly improbable. Still, it is not considered impossible by those close to diplomatic sources here.

## BERLIN SENDS CAUSTIC NOTE TO THE UNITED STATES GOV.

Washington, D.C., April 7.—Germany, in a note delivered at the State Department with another, criticizing in strong terms the firing upon the German steamship Odenwald, when she attempted to run out of San Juan Harbor, Puerto Rico, without proper clearance, disclaims blame for the death of Leon Chester Thresher, the American killed when a German submarine sank the British steamship Palabala, and repeats her statement that Americans must keep off passenger ships of her antagonists or else take their chance.

The Thresher case is regarded as one which is filled with grave possibilities.

## FRENCH CONTINUE FIERCE ATTACKS.

Berlin, April 7.—The official statement says: "We have abandoned Die Grachten which we had taken on Monday. Fierce French attacks were made in the Argonne Forest southeast of Verdun, at Comme, Alilly, Apremont, Flirey and in the forest of Le Prieur. Northwest of Verdun the French advanced as far as our outer trenches and fighting continues at Hartmannswillerkopf in Upper Alsace.

"In the eastern theatre of war we have annihilated a Russian battalion of Andrzejew. 120 Russians were killed, 150 were wounded and 360 taken prisoners. The Russian attacks at Calaria and Augustowo were repulsed."

## ADMITS RE-OPENING OF BOMBARDMENT.

Constantinople, April 7. (via Berlin).—The official announcement of the Turkish War Office follows: "On April 4, two enemy cruisers unsuccessfully bombarded Turkish batteries at the western entrance to the Dardanelles. One cruiser was struck by the fort's fire."

Regarding operations in Trans-Caucasian arena, the following statement was given out: "The enemy attacked our advance guards north of Ishkan. After violent fighting for eight hours the Russians were driven across the frontier. We occupied Russian villages south of Tauskert."

## CARPATHIAN FIGHT AT CRUCIAL PERIOD

Mountains Swarming With Enemy and Russian Hordes -- Latter Hold Many Important Passes

**REPORTED ALLIED VESSELS SUNK**

French Artillery Pounding Away at German Positions and Have Maintained all Recent Advances Despite Spirited Counter-attacks.

(Special Cable to The Journal of Commerce.)  
London, April 7.—East and west the Germans and Austrians have suffered reverses. While the Kaiser has diverted a great number of troops to the Carpathians to aid the Austrians against the Russian steam roller which is crushing down opposition in the mountain passes, the French have hurled themselves against the German wedge resting on the Meuse at St. Mihiel and have made progress in their task of forcing its withdrawal. Russian progress has been especially marked in the region of Rostok Pass, through which their troops have penetrated to the southern side, occupying two villages there. The enemy's troops in this region are destroying bridges and their military stores.

## French Artillery Pounding Away.

From St. Mihiel eastward to the Moselle the French are hurling strong forces against the enemy and are hammering the Germans with a great amount of artillery.

The two sides of the German wedge from Cussainville, east of Verdun, southward to the apex at St. Mihiel and the wood of Alilly and then eastward to Pont a Mousson are being attacked. The village of Cussainville, which has been long held by the Germans, has been occupied by the French. The ridges about it, which dominated the Orne River, have also been taken. Some progress toward Mazeray, a short distance to the south, has been accomplished.

## All Recent Gains Maintained.

In the woods of Alilly and Brule, the gains made in the last few days have been maintained in the face of the German counter-attacks and new trenches have been carried. In the southern Woerze district, the French official report says six German battalions were destroyed in succession by the recent French attacks.

## Carpathian Battle Crucial.

On the eastern front the Russian and the Austro-German forces are concentrating all their attention on the Carpathians, the only other fighting reported being isolated engagements in Northern Poland. The Russian report success in their operations from the direction of Bartfeld to the region of the Uzsook Pass. The Austrian counter-attacks, it is asserted, have all been repulsed with heavy losses to the enemy. The Austrian communication, however, asserts the Russian advance through the Laborca Valley has been checked and the positions established by the Russians on the east side of the valley have been taken.

## Allied Vessels Sunk?

It was officially announced in Constantinople to-day that a cruiser and a torpedo boat in the Allied fleet had been hit by Turkish shells while bombarding the batteries at the entrance to the Dardanelles.

The press bureau of the French War Office in giving out a list of German officers lost, compiled from official German sources says that out of a total of 480 generals in times of peace 43 have been killed and 57 are wounded or missing. The total of German officers at the beginning of the war, it says, was 52,805. Up to March 15, it is stated 9,925 of this number had been killed and 21,351 are wounded or missing.

## MEETING OF BRAZILIAN TRACTION DIRECTORS TO-DAY

Toronto, Ont., April 7.—The arrival of Dr. H. S. Pearson in the city was presumably the stimulus for the strength shown by Brazilian Traction in the local market to-day. A meeting of the directors, it was said, would probably be held this afternoon.

Sir Wm. Mackenzie is home from Ottawa and Mr. E. R. Wood, a director, who has been holidaying down South is also back, presumably for the meeting.

Officials of the company refused to-day to discuss the probability of a statement being sent out following the meeting.

One interest closely connected with the company said, however, that no statement would be made immediately at any rate but intimated that one might accompany the dividend cheques. What the size of these would be he did not state.

## SHARES SOLD AT AUCTION.

New York, April 7.—At the auction sale of securities to-day 276 shares of E. W. Bliss Co. common stock for \$211 a share. The bid for Bliss common in the market is 26c, with no stock offering.

## ANOTHER SEAT SOLD.

New York, April 7.—Another seat on the New York Stock Exchange has been sold for \$49,500.



**WOODROW WILSON,**  
President of the United States, who has received a note from the Germans saying that Americans must keep off ships of her antagonists, or else take their chances.

## BRITISH CAPTURED SUPPLIES.

Athens, April 7.—News was received here that a British squadron in the Aegean Sea captured a steamship bearing a big cargo of supplies that had put out from Dedeagatch under the Persian flag. The ship has been taken to Alexandria.

## Men in the Day's News

Lieut.-Colonel E. W. Alexander, of the 119th Battery Royal Field Artillery, has just been granted the Victoria Cross for conspicuous gallantry. During the retreat from Mons, the British flank was attacked at Elouges by a German corps. Alexander handled his battery against overwhelming odds with such conspicuous success that all his guns were saved, although he and three other men had to withdraw them by hand. He was then Major Alexander, but received a well-earned promotion. Later he rescued a wounded man under heavy fire.

Mr. W. H. Snell, who has been appointed to succeed the late Mr. Stitt as General Passenger Agent of the Eastern Lines of the Canadian Pacific Railway of Montreal, is a native of this city. For the past few years he has been stationed at New York, where he did effective work for the company as their Passenger Agent. Mr. Snell first joined the C. P. R. as a clerk in the Treasurer's Department in 1890. Twelve years later he became chief clerk to the District Passenger Agent at Boston, and two years afterwards was appointed Travelling Passenger Agent of the same office. Mr. Snell takes over Mr. Stitt's work at once.

Mr. E. A. Hardy, B.A., who has been re-elected Secretary-Treasurer of the Ontario Library Association, is a well-known educationalist. He was born in New Hampshire, but came as a child to Canada, and was educated at Uxbridge High School and at the University of Toronto. For some years he taught school, being best known through his work as English Master at Lindsay Collegiate Institute. Later he became Principal of Moulton College, Toronto. He is a frequent contributor to educational and religious papers, but finds his chief pleasure in life in connection with books. He has been an efficient Secretary-Treasurer of the Ontario Library Association.

Sir Robert Hadfield, who has been selected by the British Government to take charge of the Engineering Works which they have taken over for the manufacture of war material, is one of the world's greatest authorities on the production of steel. Sir Robert was awarded the Bessemer Medal, which is the blue ribbon of the Iron and Steel Institute of Great Britain, and has received similar awards from almost every country in the world. He is the inventor of Manganese steel, and is head of the great Hadfield Steel Foundry Company of Sheffield, the biggest Ordnance and projectile concern in the world. All the big thirteen and fifteen inch shells now used in the British Navy are the product of his factories. Under his management it is expected that there will be an immense increase in the production of shells and other munitions of war.

Sir David de Villiers Graaff, who was recently appointed Minister of Finance in General Botha's Cabinet, began life as an errand boy in the employ of his uncle, a Cape Town butcher. As a boy, one of his principal duties was to drive his uncle's delivery cart, later becoming a full-fledged butcher. On the death of his uncle, he succeeded to the business. His great opportunity in life came with the outbreak of the South African War. He founded the Imperial Cold Storage Company, the largest concern of its kind in South Africa, and which supplied the British Government with much of the meat required by the soldiers. He came out of the war a multimillionaire, and one of the strongest personalities in the country. He is a close personal friend of General Botha, and has unbounded influence over the South African Premier.

Captain Edward Montgomery Philipotts, who, up to a few weeks ago, was Naval Assistant to the Second Sea Lord, has been given command of the "Warspite," one of the five new battleships of the Queen Elizabeth class to be in commission within the next few weeks, and which will form the most powerful fighting unit in the world. Captain Philipotts is a son of the Rev. Henry Philipotts, M.A., formerly rector of Tavington, and a great grandson of Henry Philipotts, Lord Bishop of Exeter. He is also a great grand nephew of the Earl of Eidon, the famous Lord Chancellor of England, who received the Great Seal in 1801, and, with the exception of the secession of the Whig Government in 1896-7, held the office for nearly twenty-five years. Captain Philipotts is a cousin of Mr. W. G. Philipotts, of Ottawa, Canada, and of the late Colonel Philipotts, R.E., who was Military Secretary to Sir John Colborne (afterwards Lord Seton), when Governor-General of Canada. He is also a near relative of the late General Sir Redvers Buller, and a cousin of Captain H. C. Buller, formerly A.D.C. to H.R.H. The Duke of Connaught, and now adjutant of the Princess Patricia's Light Infantry.

## HOUSE OF BROWNE'S BOND ISSUE QUESTIONED

Designs to Establish a 25c. 50c. and \$1. Departmental Store in Montreal

**PUBLIC ASKED FOR \$350,000**

Store is to be Established in the Old Ogilvie Building at the Corner of St. Catherine and Mountain Streets.

The Journal of Commerce warns the public against the purchase of the 8 per cent. ten-year bonds which the House of Browne, Limited, is offering. For a variety of reasons, some of which follow, the proposition is one which should be avoided. In the prospectus which we have received, the House of Browne, Limited, offers for sale \$350,000 8 per cent. Ten-Year Bonds fully secured, in denominations of \$100, interest payable half-yearly. Then follows a long series of eulogies referring to the wonders accomplished by the president, Mr. Fitz-James E. Browne, in connection with real estate in this city. Mr. Browne apparently believes that there is some magic connection between real estate and the management of a departmental store. The store they have selected for the inauguration of their scheme is the old Ogilvie Building, situated at the corner of Mountain and St. Catherine streets. This store is situated in the heart of Montreal's best shopping district, and is totally unsuitable for an establishment catering to the cheaper trade such as is planned by Mr. Browne.

Anyone familiar with the store situation in Montreal will at once recognize the fact that there are scores of empty stores along St. Catherine street, while many of those now in business along this thoroughfare are unable to make profits. Especially is it true that there is an overplus of stores catering to the cheaper trade. From a business standpoint, there does not seem to be any call, nor is there any room, for a 25c, 50c and \$1.00 store such as is proposed to be carried on by the House of Browne.

The chief objection, however, to the proposed scheme is found in connection with the security for the bonds. In the first place, an 8 per cent. bond does not exist in the minds of good financial men. Any institution possessing an 8 per cent. bond is at once put down in the speculative class, or worse. The House of Browne gives the following security for the bonds:

- "The titles to the following properties have been vested with the House of Browne Limited, absolutely and solely in trust to secure the bondholders.
- (1) The property above referred to on the corner of St. Catherine and Mountain streets, containing 8,927 square feet with a solid cut stone building, and having a conservative equity value of \$200,000.00.
- (2) The property at 1240-1246 St. Catherine street east, containing 20,000 square feet with theatre and other buildings thereon, and having an equity value of at least \$50,000.00.
- (3) Six hundred shares of Standard Realty stock, of a par value of \$60,000.00, and which has sold as high as \$200.00 per share, of a value of at least \$90,000.
- (4) \$100,000.00 of preferred stock of The Browne Stores Limited, of par value of that amount.

The total value of the foregoing securities amounts to \$540,000, or over \$150.00 of security for every \$100.00 of liability.

In addition there will be the entire assets and credit of the House of Browne, Limited, which are unreservedly placed behind the bonds.

The first property mentioned is one on the corner of St. Catherine and Mountain Streets. This store has been empty for a number of years, despite the frantic efforts made by Mr. Fitz-James E. Browne to sell the property, and also in spite of his failure to lease the store for a kind of co-operative system which had his active support. Mr. Browne places an equity value of \$200,000 on this property. The way real estate is selling in Montreal at the present time, or rather the impossibility to sell real estate of any kind, makes any valuation put on the property owned by Mr. Browne open to question. The other property at 1240-1246 St. Catherine Street East is open to the same question regarding the value placed upon it.

The third security, viz., six hundred shares of Standard Realty stock, of a par value of \$60,000, and which Mr. Browne says has sold as high as \$200 per share, is put down at \$90,000. He does not state what this stock would sell for at the present time. A lot of real estate stocks cannot be given away to-day, which sold at above par a few years ago.

The fourth security ventures the proposition as worse than a speculative venture. Mr. Browne must think the public are very gullible if they will accept \$100,000 of preferred stock in a proposition which has not yet commenced operation as security for 8 per cent. bonds. Mr. Browne is counting his chickens before they are hatched, or even before the eggs have been laid.

He concluded with the remark that the total value of the foregoing securities amount to \$540,000, or over \$150 of security for every \$100 of liability.

We consider the estimates by Mr. Browne to be much too high. We take this occasion to remind him of the number times in the past few years he has tried to sell the Mountain Street property, and also remind him it must be costing him around \$30,000 a year to carry it.

Mr. Browne estimates the following income:

To meet the annual interest charge upon the bonds of \$28,000.00, the following resources will be available:

Surplus rental of St. Catherine and Mountain Street property	\$12,000.00
Surplus rental of 1240-1246 St. Catherine Street East property	\$ 3,000.00
Minimum estimated earnings of The Browne Stores, Limited	\$20,000.00
Profits of The House of Browne, Limited, taking the minimum for the last five years	\$25,000.00
	\$60,000.00

The bonds will be issued at par, and to every purchaser of \$500.00 of bonds will be issued one share of common stock of The Browne Stores, Limited, of a par value of \$100.00, fully paid, or \$70,000.00 in

(Continued on page 5.)

## The Canadian Bank of Commerce

Head Office--TORONTO

Paid Up Capital - - - \$15,000,000  
Rest - - - - - 13,500,000

**Board of Directors:**  
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## BELGIANS CAPTURE GERMANS AND THREE MACHINE GUNS

Paris, April 7.—The official communique follows:— "A German detachment with 3 machine guns had succeeded in crossing to the left bank of the Yser to south of Drie Crooten, but was attacked and captured by the Belgian troops on Tuesday.

"To east of Verdun an attack in the direction of Etain made us masters of hills Nos. 219 and 221 and of farms of Haut Bois and L'Hospital. At Eparges we have gained ground and maintained our advanced positions as well as taking sixty prisoners, among whom were officers.

"In the Woods of Alilly and Brule we repulsed all counter attacks and scored fresh progress. The situation in the forest of Le Prieur remains favorable to the French.

"At Bin De Sept and La Fontanelle we blew up with a mine one of the enemy's earthworks."

## N. Y. CITY MAY EXTEND ITS RAPID TRANSIT SYSTEM.

New York, April 7.—President Peters addressed a communication to the Public Service Commission, stating the terms upon which the city of New York may obtain a joint use of the tracks of Long Island for extension of the city's rapid transit system under the trackage agreement.

"Putting this matter in concrete shape," says Mr. Peters, "I would suggest that the agreement provide for trackage arrangement to cover a period of ten years, either party to have the right to terminate the agreement upon three years' notice. Predicated on facilities in existence at present time the Long Island R. R. would exact a rental charge for the use of tracks of \$250,000 per annum."

## GERMAN CRUISER BEING WATCHED.

Newport News, Va., April 7.—The Navy Department has established a strict guard over the German auxiliary cruiser Prinz Eitel Friedrich, and no ship is allowed to approach within 200 yards of the German cruiser.

British merchant ships are being detained here despite efforts of their owners to secure their release.

## ORDERS PLACED FOR \$20,000,000 SHRAPNEL IN UNITED STATES

Pittsburgh, Pa., April 7.—Conditions in the steel trade are fairly satisfactory, particularly in export lines. It was reported during the week that the American Locomotive Company has practically closed contracts with the Allies for supplying large quantities of ammunition, chiefly shrapnel. It was stated that the contract involves about \$20,000,000 worth of business, and that more orders may be forthcoming.

The heavy demand for shrapnel and wire products from abroad has offset the poor buying of other products. Contracts for about 1,000,000 tons of steel have been booked with foreigners since the first of the year.

Production has been fully maintained and further increases have been noted in some quarters. For the first time in nearly a year every department in every steel mill in the Mahoning Valley is in operation this week. There are several other plants operating as much as 95 per cent of their productive capacity.

Very little has been done in steel rolls and although some work has been placed it has all been for comparatively small tonnages. Plate mills are all operating to nearly full capacity, mostly on pipe and ship orders taken recently. Work on car plates continues slow. However, there has been an increase in inquiry for cars. The Minneapolis and St. Louis Railroad is in the market for 300 box cars and 100 coal cars and the International and Great Northern is inquiring for 500 box, 300 gondola and 200 stock cars.

**"BEST I HAVE EVER SEEN."**

This morning's mail brought the following tribute from a Montreal financial man:

"Enclosed please find my cheque for \$3.00, one year's subscription to your paper. It is the best of the kind I have ever seen."

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