

Journal of Commerce

Published Daily by The Journal of Commerce Publishing Company, Limited, 35-45 St. Alexander Street, Montreal.

Journal of Commerce Offices: Toronto—O. A. Harper, 44-46 Lombard Street.

Subscription price, \$3.00 per annum. Single Copies, One Cent.

MONTREAL, AUGUST 15, 1914.

The Two Germanies.

It is important that in these days of excitement care be taken to discriminate between the Germany that has set the world ablaze and the Germany which we are persuaded is in the background of the scene.

What the Fat Men Saw.

The fat men of New England, finding business lean in their own part of the country, came to Montreal to spy out this land.

It might be amiss for us to take stock and just run over a few of the things which would impress visitors from outside cities.

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men have bent every effort in deepening and strengthening their canal and river routes. The mouth of the city of Hamburg is a case in point.

In Canada, we have been provided by nature with the most magnificent inland water system in the world. The mighty St. Lawrence caters such rivers as the Elbe, the Weser and the Rhine to sink into insignificance.

Will This be the Last Great War?

While men laughed at Norman Angell's book, "The Great Illusion," and generally ridiculed peace advocates, the present war is likely to be the last great struggle.

IN THE LIMELIGHT

Experience and training count! If a man will but train himself for a certain position in life, there will come a time when his experience and training will prove of value.

THE CANADIAN BANKING SYSTEM

The leading banking systems of the world have been obliged by law to adopt the principle of compulsory reserves. In Canada, however, the banks are permitted to use their own judgment as to the amount of legal tender money which they shall hold by way of reserves in their vaults.

THE SONG OF THE SEA CHILDREN.

Where the world's highway is narrow and the sea gulls wheel and cry, You shall see the children flocking in a long procession by.

THE OCEAN TRAMPS.

We have ploughed the hidden highways from the Horn to Singapore, We have borne the dear old Ensign from Bahia to the Nile.

THE WARSHIPS.

Oh Mother we have served you full and well from day to day, There are none who dared dispute us, there are none to say us nay.

EXPEDIENTS.

In such a time of enforced and rapid readjustment as this, there is bound to be suggested the recourse to variety of expedients. And these are bound to vary in wisdom.

A PLEASING PICTURE.

The happiest man in the land to-day is the successful farmer. He sits under his own vine and fig tree, undisturbed by the maddening noise of the great city.

THE CANADIAN BANKING SYSTEM

Articles on Business Economics. Number Twenty-three of a Series of Short

(By Professor W. W. Swanson.)

The leading banking systems of the world have been obliged by law to adopt the principle of compulsory reserves. In Canada, however, the banks are permitted to use their own judgment as to the amount of legal tender money which they shall hold by way of reserves in their vaults.

This regulation was established at a time when the Government felt it needed to find an outlet for its own currency. That time has long gone by and there appears at present to be no particular reason for enforcing this section of the law.

It is perfectly plain that when that ratio has been reached, the demand obligations can not be increased without increasing the reserves. But in a time of crisis that is exactly what cannot be done.

But if, as in the Canadian system, the banks can lend without regard to a fixed reserve, the situation lends itself to easier control. When it is found that loans can be secured on good collateral, confidence is restored; and the banks can gradually replenish their reserves as business conditions become easier.

It has already been explained that ordinarily the note issues of Canadian banks are limited to the amount of the paid-up capital stock, except from September to the end of the following February, when they may be increased by an amount equal to 15 per cent. of the combined paid-up capital and surplus, or reserve.

When all the provisions with respect to note issues are considered, it will be found that Canadian banks are in a peculiarly fortunate position as compared with the banks of other countries. No special security is demanded by the law as a basis for the notes being based upon the general assets of the bank.

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Trading during the last two days the New York Stock Exchange was opened and the unfilled orders for odd lots that still stand on the books of the commission houses prove beyond all doubt that a vast amount of money is awaiting investment in the hands of people of moderate means.

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THE SONG OF THE SEA CHILDREN.

Where the world's highway is narrow and the sea gulls wheel and cry, You shall see the children flocking in a long procession by.

Battered by the good salt billows? thrashing thro' the cold grey seas, They are flocking, flocking homeward to their Mother England's knees.

The liner from Australia, and the trader from Cathay, The grimy, blunt-nosed collier, and the mailboat from the Bay, And trooper from the Indies, rolling thro' the Channel seas, They are flocking, flocking homeward to their Mother England's knees.

To and fro in ceaseless vigil prow the watchers grim and grey That guard their mother's ranges and patrol the world's highway.

In the name of Drake, and Jervis, Hawke, and Nelson, hold the sway, And they keep their watch for England and who shall say them nay?

You far flung wand'ring children you are speeding home once more, You have roamed the world and back again to Mother England's shore, The winds have beat you sorely, and you know of angry seas, But you're flocking, flocking homeward to your Mother England's knees.

See, the ocean highway narrows, you are thronging England's gates, You are weary, you are homesick, Mother England's welcome waits, 'Tis the long, long wished home coming, and the way was rough and long, Sing you, then, you wand'ring children, sing you then the homing song!

THE OCEAN TRAMPS. We have ploughed the hidden highways from the Horn to Singapore, We have borne the dear old Ensign from Bahia to the Nile, From China to Jamaica, from the Cape to Sydney town, We have tramped and tramped the highways of the ocean up and down.

Wherever we have wandered, Mother England's sign we saw, From the ice-clad cliffs of Greenland to New Zealand's Southern shore, And no man has bade us tarry and no foe has said us nay, For our Mother, Mother England, she has cleared for us the way!

And some of us are broken now and some of us are old, We're battered and we're rusty and the worm has got its hold, We are weary, aye and heart-sick, hear our song upon the breeze, We're limping, limping homeward, to our Mother England's knees.

THE LINERS. We have done your bidding Mother, we have sought the long sea trail, We have braved the hidden icebergs, we have ridden out the gale, To the ends of all the earth, aye, to and fro and back once more, We have trafficked as you told us every coast and every shore, No man has dared molest us and no foe has barred the way, For your flag has cleared a pathway thro' the sunset to the day, And o'er all the ocean ranges, sternly silent, broad awake, The strong war guards of England their defiant vigils make.

THE WARSHIPS. Oh Mother we have served you full and well from day to day, There are none who dared dispute us, there are none to say us nay, We are warders of the ranges, we patrol the living seas, That your tired wand'ring children may creep home to England's knees.

Watch and watch, with tireless vision, for your honor we have kept, Where'er the winds have howled and where'er the waves have swept, Ours the duty, ours the honor, we have watched with tireless eyes, And o'er the world's wide oceans the peace of England lies!

EPICLOGUE. 'Tis well, 'tis well, my children, come you home again once more, Let the brood of Mother England flock home to England's shore, Come you home you tired children, weary waifs of seven seas, Come you home at last dear children to your Mother England's knees. —L. C. Shadwell, in The Navy.

EXPEDIENTS. In such a time of enforced and rapid readjustment as this, there is bound to be suggested the recourse to variety of expedients. And these are bound to vary in wisdom.

The efforts to attain some workable or partial restoration of foreign exchange functioning, as by the establishment of a British gold credit at Ottawa, and the plan for setting up mutual gold deposit funds in London and New York against which payments due might be made at agreed exchange rates without actual transfer of gold, constitute expedients that commend themselves for both ingenuity and integrity. Their contributory effects toward letting us pay our just debts and also sell our goods abroad are just now invaluable.

So also with the concerted effort to pave the way for hastily providing us with the ships to carry the commodities that, it is to be hoped, will go far toward discharging whatever part of our floating indebtedness held by it that Europe may be minded now to collect. The purpose, if belated, is admirable. —Boston News Bureau.

A PLEASING PICTURE. The happiest man in the land to-day is the successful farmer. He sits under his own vine and fig tree, undisturbed by the maddening noise of the great city. Banks fail, railroads go into the hands of receivers, booming towns collapse, business stagnates, but the wise farmer can snap his fingers at these things. He is the monarch of all he surveys at his broad acre. —Listowel Banner.

Share in Prize Money. The case of joint capture by the army and navy, was judged that no prize money should be awarded unless a vessel made a capture in company with the ships, the crews of the entire squadron shared the prize money. Finally, in 1899, it was enacted that all provisions of law authorizing the distribution of prize money, or any property hereafter captured, condemned as prize, or providing for the payment of bounty for the sinking or destruction of the enemy hereafter occurring in time of war, should be repealed.

Prize Was Awarded. Under the law of the United States, the whole value of a prize was awarded to the captors when the prize was of equal or superior force to the vessel captured; but if the prize was of inferior force to the United States and the captors. Thus men awarded all of the prize money and bounty for the destruction of the Spanish fleet at Manila, in 1898, because the Spanish fleet, taking into account the guns of the forts and shore batteries and the torpedoes fields, under whose protection it lay, but the courts held that the law applied strictly to the prize itself, and that the Spanish fleet, when they received from the shore; and that, fleet for fleet, the Spaniards had been at a disadvantage. Consequently, the crews of Dewey's ships received only one-half of the bounty money and proceeds from the sale of the wrecked Spanish warships.

Commander of a vessel was entitled to one-third of the prize money, the officers under him received shares in proportion to their pay, and a residual proportion was allotted to seamen.

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BACK TARS CONTEND FOR GREAT PRIZES Money Proceeds Will Be Distributed According to a Prearranged Schedule

MANY SHIPS SEIZED

Prize-money Has Been Abolished By All the Great Powers—Course of Events in the War in the United States With Spain.

New York, August 15.—Unless all signs err, the prize-jackets of the contending European fleets will make the biggest hauls of prize-money since the old days of privateering.

Very little is known here of the rules governing the distribution of prize-money in foreign navies. The British Consulate it was stated that, following the definite information, it was understood that the prize money would be sold until after the war, and then the money accruing from such prizes would be distributed, according to a prearranged schedule among the captors of the several vessels so sold.

It is interesting to note here that all of the capturing Powers were signatories of the Hague Convention of 1907 for the establishment of an International Prize Court, to which appeals may be taken from the decisions of the prize courts of the capturing nations. This convention prescribed that the court should consist of fifteen members, eight of whom should always be delegates of the United States, Great Britain, France, Germany, Austria-Hungary, Italy, Japan, and the other seven to be chosen, turn by turn, from a list of other nations. Appeals to this tribunal from the decisions of the national courts may be based upon the ground that the judgment was wrong in fact or in law.

An appeal may be taken by a neutral Power, the judgment of the prize court injures its property or the property of its nationals or if the capture of an enemy's vessel has taken place in its waters by a neutral individual, if the judgment of the prize court has injured his property—with the proviso, however, that his government may forbid him to make an appeal or else may take the appeal, itself and by an individual subject or citizen of an enemy Power, if the prize court's decision has injured his property consisted of cargo carried in violation of the provisions of a convention of force between the belligerent Powers, or of an enactment issued by the belligerent captor.

Declaration of Hostilities. The importance of this last clause may be understood when it is considered that the British and German Governments were signatories to an agreement to permit enemy ships in their ports a certain time in which to leave after a declaration of hostilities. Neither of these Powers has yet observed this agreement, although it is understood that negotiations are in progress between them, through the intermediary of the American Ambassadors at Berlin and London, for arranging a stated time in which all such captures may be made over, if it is certain, of course, that, if this is not done, the other war is over the owners of vessels so seized may carry appeals to the International Prize Court under the terms of the agreement which both Germany and Great Britain were parties.

Other rules governing appeal to the International Prize Court were established by the Conference of 1864. The municipal law of the belligerent captor shall decide whether the case may be brought before the International Court before or after trial by the captor's Prize Court. But if the national courts fail to give judgment within two years, the case may be carried direct to the International Court. The International Court demands that a capture was made by a vessel or cargo, in addition to ordering the return of the property.

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