

The Journal of Commerce

THE BUSINESS MAN'S DAILY

MONTREAL, SATURDAY, MAY 15, 1915

ONE CENT

VOL. XXX, No. 11
CHANGES IN THE WORLD OF SPORT

Changes are Expected in International League's Circuit

AL STAKES CLOSE

Richmond yesterday by a score was no other game played in the

to be run at the spring meeting of the Jockey Club during the meeting

and Buffalo Internationals fighting season, changes in the make-up of

to suspend judgment on the case in their action with their

has put over his first win, but he did not win for eleven hits, he does

manager of the Browns, refuses to

uses to discuss his little bit of Providence, Shean ought to

race at the Woodbine only more definite line on the

Robert Smith, pitchers, and

at down it took with it one

QUOTATIONS.

36 1/2	Up 1/4
31 1/2	Off 1/4
49 1/2	Off 1/4
6 1/2	Off 1/4
77	Off 1/4
59	Off 1/4
61 1/2	Off 1/4
56 1/2	Off 1/4
18 1/2	Off 1/4
48 1/2	Off 1/4
11 1/2	Off 1/4
10	Up 1/4
77 1/2	Off 1/4
29	Off 1/4
26	Off 1/4
11	Off 1/4
24 1/2	Off 1/4
68	Off 1/4
40	Off 1/4
79	Off 1/4
14 1/2	Off 1/4
61	Off 1/4
30	Off 1/4
25	Off 1/4
75	Off 1/4
8 1/2	Off 1/4
33	Off 1/4
130	Off 1/4
56 1/2	Off 1/4
32	Off 1/4
53	Off 1/4

WEATHER: SHOWERY

VOL. XXX, No. 11

THE MOLSONS BANK
Incorporated by Act of Parliament, 1852
Paid-up Capital \$4,000,000
Reserve Fund \$4,900,000
HEAD OFFICE, MONTREAL

Head Office—TORONTO

THE DOMINION SAVINGS AND INVESTMENT SOCIETY
DOMINION SAVINGS BUILDING
LONDON, CANADA

Capital \$1,000,000.00
Reserve 225,000.00

T. H. PURDOM, K.C. President
NATHANIEL MILLS Managing Director

WAR ORDERS ARE STIMULATING NUMEROUS CANADIAN INDUSTRIES

New York, May 15.—Bradstreet's reports Canadian merchants are optimistic even though trade on domestic account is quiet. Of course war orders, which are of exceptional proportions, stimulate numerous industries. Crop conditions in the Northwest are excellent. Collections in the east are fair, but in the Prairie Provinces payments are slow. In Ontario brass manufacturers are busy on orders from France and Great Britain.

The Federal Government has bought 60,000 pairs of shoes for the army, and the Russian Government is distributing orders throughout Ontario for 2,000,000 pairs. Because of the heavy demand for shoes, dealers are seeking leather in the United States.

Vessel tonnage available at Montreal is insufficient to carry the export freight being offered. Trade in shobers with France being cut off, the market is suffering from an over supply and low prices. The order of the Canadian Government placing an embargo on shipments of wool except to England has resulted in lower prices.

Bank clearings at sixteen cities for the week ending with Thursday last aggregate \$194,747,000, a loss of 10 per cent. from last week, and 15.7 per cent. from this week last year.

Business failures for the week terminating with Thursday last number 48, against 40 last week and 49 in the like week of last year.

PRZEMYSL APPEARS SECURE, NOTWITHSTANDING ENEMY'S ADVANCE.

Petrograd, May 15.—Although General Von Mackensen's Austro-German army has come to grips with the Russian centre on a line paralleling the San River in Galicia, no fears are felt here over the possible loss of Przemysl. Both in Galicia and southern Poland, where the Russians retired to strategic territory east of Kielce, the Russian lines are being stiffened with reinforcements.

Field Marshal von Hindenburg is reported to be hurrying German troops to Bukovina, where the Austrians are in retreat from the Bistritza River to the Rumanian frontier, over a line nearly 100 miles long. The battle at Shavil in Courland, Russia, continues without any cessation.

BANK OF ENGLAND INCREASED ITS SEMI-ANNUAL DIVIDEND.

The staid Bank of England, the "Old Lady of Threadneedle Street," makes changes from time to time, although, for the most part, the institution goes on the even tenor of its way. A change was made a short time ago when the semi-annual dividend was increased from 4 1/2 p.c. to 5 p.c. This was the first increase in eleven years.

ITALY IN A STATE OF SIEGE.

Rome, May 15.—War preparations in Italy have reached the final stage. Following an urgent council of the government, orders were telegraphed to all prefects throughout Italy to hand over their powers to military authorities if deemed necessary and in most instances it was done. This puts the kingdom in a state of siege.

AUTOMOBILE SMASHED IN ENCOUNTER WITH STREET CAR.

A seven-passenger touring automobile was badly smashed in a collision with a Windsor street car, No. 2453, at the corner of St. Antoine and Windsor Sts., this morning. The two occupants of the auto sustained injuries that were treated at the outdoor department of the General Hospital.

ALLIES PUSH ON OVER DEAD STREWN PLAINS

Offensive Movement Brings More Gains And Germans Admit Suffering Frightful Losses

RE-TOOK LOST TRENCHES

Enemy's Success Was Short Lived—Russians Develop New Movement and Again Control the Situation in Galicia.

(Special Cable to The Journal of Commerce.)

London, May 15.—Despite heavy rains which have greatly hampered military operations on a large scale, the Allies' offensive between Arras and La Bassée is continued. Important gains are reported to-day from the western theatre of war, and the plains before Xpres are littered with dead.

Germans falling into the hands of the Allies report that the Kaiser's losses are frightful, especially around Notre Dame de Lorette, where the French and British gunners are exacting a heavy toll of lives with their crack shooting.

An unusually strong counter-attack was launched in the wood of Ally by the Germans. The Allies were thrown back and the Germans gained a foothold on the first line of trenches. Their victory was, however, short lived for the Allies charged with such ferocity that the invaders were forced to flee to their original positions.

Checking the German drive eastward through Galicia by the concentration of their troops on a shorter and well fortified line along the River San the Russians have developed an offensive movement of great importance against the Austrians from the Bistritza River to the Rumanian frontier.

On this front ninety-four miles long the Russians pierced the Austrian line at several points and drove the enemy in confusion beyond the River Pruth. The pursuit, it is stated, continues. The Austrian and Hungarian cavalry suffered heavily in the rearguard action during the retreat.

In Galicia the Russian attacks on the wings of the enemy's forces have given the Russians control of the situation again. The German official communication says the Austro-German forces are before Przemysl but at the same time admits that they are still on the left bank of the River San. From Kielce to the Pilica and to Inowloz, Berlin asserts the Russians are retreating.

MAJOR McCUAIG IS A PRISONER.

Major D. Rycker McCuaig was not killed in the battle of Langemarck, but is wounded in the knee, and now a prisoner at some hospital in Germany. A cable message has been received by Mr. Clarence J. McCuaig, his father, sent by the American Ambassador at Berlin, Mr. Gerard, through the American consul-general here, Mr. William Harrison Bradley, which says:

"Located Major D. Rycker McCuaig in hospital in Germany. Wounded in knee." So far Mr. McCuaig has not been able to secure the name of the hospital in which Major McCuaig is confined.

SOUTH AMERICA WITH WILSON.

Chicago, Ill., May 15.—President Bassano of Associated Commerce Clubs of Argentina, in an interview here declared that all South American countries will strongly support President Wilson's attitude. He said "Germany's habit of thought is like that of a New York gunman. The German mind has never grasped the real geographical or political meaning of America, despite its thoroughness in most matters."

"It has never realized that countries of South America in a crisis will stand absolutely behind the United States in all that is for the interest and permanency of American institutions and theories of government, irrespective of any minor disagreement in times of peace."

BUSINESS SITUATION AFFECTED BY THE INTERNATIONAL CRISIS

Boston, May 15.—The crisis between this country and Germany which resulted from the Lusitania incident has naturally made for conservatism in business circles during the past week. At the moment no one knows, of course, what will be the outcome of the President's masterly note to the German Government. Until the crisis is passed it is only to be expected that the country in business and finance shall adopt a waiting attitude. Passing over for a moment, however, the Lusitania incident, the country is still working under the stimulus of war orders, and business is better to-day than for many months past. And there are many favorable factors at work which make for the belief that the improvement is likely to continue.

The report of the Steel Corporation this week showed, it is true, a decrease in unfilled orders as of April 30th, but incoming business held up well with an increase expected later in the month. The Government Crop Report, also, showed an extremely satisfactory state of affairs with winter wheat condition 82.8 per cent. compared with the 10-year average of 87.4, and so on through the list of increasing railroad net earnings, the growing balance of trade in favor of the United States; easy money, and low stocks of goods in the hands of merchants—are all fundamental facts upon which to base a healthy expansion in business.

CRUSHING HOLLINGER ORE.

Cobalt, Ont., May 14.—Contrary to the first intention the ten of the last 40 stamps added to the mill at the Hollinger are being used to crush Hollinger ore and 39 only are falling on Acme ore. Since the new power plant at the Canadian Mining & Finance has been working such good headway has been made with the breaking of ore ready for the mill that it was felt necessary to at once provide further facilities for increasing tonnage to be crushed.

CANADIAN STANKS IN NEW YORK.

New York, May 15.—Granby, 78 1/2; British Columbia, 7 1/2.



GRAND DUKE NICHOLAS. Who has succeeded in stopping the German-Austrian advance in Galicia.

Men in the Day's News

Mr. Purvis McDougall, the new chairman of the Montreal Stock Exchange, is senior member of the firm of McDougall and Cowan, stockbrokers of this city. He is one of the best known financial men on the "Street," while his firm is one of the largest brokerage houses in the country. Mr. McDougall has been vice-chairman of the Stock Exchange for some time, and succeeds to the chairmanship on the retirement of Mr. H. B. MacDougall, who resigned to go to the front. These two names are suggestive of the hold men of Scottish ancestry have on the financial affairs of Canada's Metropolitan.

Honorable Simeon Pagnuelo, Judge of the Superior Court, died yesterday after a short illness. He was born at Lapradrie in 1840, called to the Bar in 1861, and appointed to the Bench in 1889. The late Judge Pagnuelo was of Portuguese descent. He took an active part in the political and religious controversies of his day, and in the celebrated case between Bishop Bourget and the Seminary of St. Sulpice, he wrote an article on "Religious Liberty in Canada," which created a furor. This was only one of many interesting controversies in which he took a prominent part. He retired from the Bench a few years ago.

Mr. E. R. Wood, the well known financier of Toronto, was born in Peterborough, Ont., on May 14, 1866. He began his business life as a telegraph operator, later going into the Central Canada Loan & Savings Company, one of the companies promoted by the late Senator Cox. Mr. Wood is today one of the biggest business men in Canada, a director of more than a score of companies, as well as being interested in many philanthropic, educational and religious enterprises. He is probably best known as president of the Dominion Securities Corporation, but is a director of the Canadian Bank of Commerce, of the Grand Trunk Pacific and other large corporations. He has made a special study of our borrowings abroad.

Hall Caine, the famous novelist and dramatist, has just reached his sixty-second milestone. He is a Maxman and has done much to make the life of Max known of the outside world. Hall Caine was educated as an architect, but never practised his profession except to write articles for architectural papers. He became a journalist, and for a number of years was leader writer on the Liverpool Mercury, later went to London, where he began his career as a novelist. Some of his best known books are "The Deemster," "The Bondman," "The Maxman," "The Christian," "The Eternal City," and his latest "The Woman Thou Gavest me." Many of these books have been dramatized.

The late Lord Rothschild left practically his entire fortune to his younger son, Charles, giving the elder son, now Lord Rothschild, an income of but twenty-five thousand dollars a year, which is scarcely pocket money for a Rothschild. This discrimination has excited a great deal of comment in Great Britain, but apparently there were reasons for the procedure. The elder son has always shown a dislike for finance and banking and devoted his time and fortune to scientific research, showing a particular fondness for zoology. On the other hand, the younger son inherits the family taste for financial matters and as a result was given his father's interest in the banking house of N. M. Rothschild & Son.

Some interesting stories are told in regard to the late Earl of Galloway, brother-in-law of former Prime Minister, Lord Salisbury. The Earl was not only an odd looking individual, but adopted peculiar styles of dress, wearing thick knitted white gloves, winter and summer, large blue goggles, a shabby high white hat and possessed a high pitched shrill voice. According to La Marquise de Fontenoy in the Chicago Tribune, he was chiefly noted for "the picturesque profanity of his language." On one occasion he applied to Lord Beaconsfield, who was then Premier, for the mastership of the Royal Hunt and was given the following answer: "I am sorry I cannot recommend you for the office, as the Queen dislikes having anybody connected with the Royal Household who is addicted to strong language. But I will gladly recommend you for the Lord High Commissionership to the general assembly of the Church of Scotland." Beaconsfield meant this latter offer by way of a joke, never dreaming that Lord Galloway would accept it. But the Earl received it in all seriousness and accepted. Accordingly Lord Beaconsfield, having pledged himself in writing to get the office for him, had no alternative but to fulfill his promise, and in 1877 the assembly of the Church of Scotland at Edinburgh was presided over by Lord Galloway with due solemnity and decorum. The Earl of Galloway was a nephew, Lord Garlies, a prisoner in Germany. He is one of the thirty-nine British officers subjected to close confinement by the Germans as retaliation for the special treatment given crews of German submarines captured by Britain.

AN INCOME TAX OR DOMESTIC WAR LOAN

If Dominion Levied Direct Tax It Would Encroach Upon Field Hitherto Withheld For Provinces

AN IMPORTANT POINT

Revenues of Provinces Affected by Trade Depression and Expenses Are Increasing—Gifts to Motherland Also Need Financing—Income Tax Would Be Embarrassing.

(By H. M. P. Eckhardt.)

In his budget speech, discussing the objections to a Dominion income tax, the Finance Minister mentioned that several of the provinces have been obliged to institute the income tax and suggested that others may be obliged to resort to it. Thus if the Dominion put in force a direct tax of this nature it would be encroaching, perhaps to a serious extent, upon a field of revenue hitherto reserved for the provinces and municipalities. Another point was that difficulties would probably arise out of the fact that the taxable incomes in Canada are not derived so largely from investments as in Great Britain, they have not so settled and permanent a character, and are not ascertainable so easily.

Parties who advocated a Dominion income tax must admit that these points have considerable weight. Most of the provinces have found their revenues affected by the trade depression following our recent boom, and at the same time expenses have been tending upwards. There was also the necessity of financing the special contributions or gifts to the Mother Country made by the several provincial governments at the outbreak of the war. So the treasurers have been obliged to increase the taxes in various ways and it could not but be embarrassing to them if the Dominion were to step in and call for a substantial percentage from the people in the form of an income tax.

Also it is very true that a Dominion income tax could not be worked with the facility with which the British tax is operated. Many incomes in the Dominion fluctuate very extensively. During such periods as that from 1910 to 1913 earnings and incomes of all classes would be high, but the change of circumstances in 1914-1915, would cut down the incomes of most people very severely indeed. In case of the provincial levies probably a considerable number of persons will be this year paying tax on say \$5,000, while actual income may have dropped to \$2,500 or \$3,000. In the United Kingdom, on the other hand, a large part of the taxable incomes are derived from bond interest and stock dividends which have a greater element of stability or permanence. In bad years there would of course be reductions, but unless gross mistakes were made in investing, these would not represent a large percentage of the total.

In this country and in the United States too, it is a difficult matter for the taxing authorities to get full or accurate information as to the parties who should pay income tax, and the amounts for which they are really liable. To illustrate this point one needs only to refer to the experience of the United States. The Government of that country inaugurated an income tax in 1913. It was estimated that \$45,000,000 would be received in this form. Actually something like \$28,000,000 resulted from the imposition of the tax. The Government officials stated that the tax dodgers numbered 148,000—this notwithstanding that special efforts were made to get them all into the net, the severe penalties being fixed for evasion or concealment.

Hon. Mr. White also intimated that the probable returns from an income tax as applied to Canada would not be very large. His estimate was that Canada could hardly expect to derive more than \$2,600,000 from a tax similar to that in force in the

SUBMARINE SIGNAL GRANTS INITIAL DIVIDEND OF 2 P.C.

Boston, Mass., May 15.—Directors of Submarine Signal Co. have declared an initial dividend of 2 p.c. or 50 cents per share payable July 1 to stock of record May 12.

This is the first distribution the company has ever made and is based upon the steadily improving financial position of the company during the past two years and particularly upon the splendid run of business since Jan. 1.

Submarine Signal does an international business and its sales have been greatly stimulated by the submarine warfare being waged in Europe, and by the need of securing every means of protection known in entering the mined areas of European waters.

This declaration is simply designated as "a dividend" and directors are not yet prepared publicly to announce the dividend policy of the company. If the war lasts and present earnings hold, it is not unlikely that directors will treat stockholders liberally. Declaration of this dividend is something of a surprise, as Submarine Signal has long been regarded as a "dead one." The proposition has always been recognized as possessing great mechanical merit, but the difficulty has been to get adequate earnings.

There is \$1,579,000 stock outstanding, par of shares \$25 and the price has recently advanced to \$18, which compares with a low last winter of about \$16 per share.

FREE CHECK COLLECTION PLAN.

Chicago, May 15.—The proposed free check collection plan has fallen flat here for the present. Less than fifty banks have expressed approval of it. The general attitude of the 150 representatives from the eight larger cities in this Federal Reserve District in conference here on Friday, ranged from indifference to flat opposition. The conferees, however, were pleased with the Federal Reserve Bank as an institution and expect big results from it in time.

WHITE STAR ARRIVALS.

The White Star S.S. Norseman arrived at Montreal at 10:40 a.m. to-day. The S.S. Arabic is due to dock at New York at 2 p.m. to-day.

The Canadian Bank of Commerce

Head Office—TORONTO

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

Board of Directors: Sir Edmund Walker, C.V.O., LL.D., D.C.L., President. Z. A. Lash, Esq., K.C., LL.D., Vice-President. John Hoskin, Esq., K.C., LL.D., D.C.L. Sir Lyman M. Jones, Esq., K.C.M.G., K.C., LL.D. Frank P. Jones, Esq. William Farwell, Esq., D.C.L. Charles Colby, Esq., M.A., Ph.D.

J. W. Flavell, Esq., LL.D. A. Kingman, Esq. Hon. W. C. Edwards. F. R. Wood, Esq. G. F. Galt, Esq. Robert Stuart, Esq. Gardner Stevens, Esq. Alexander Laird, Esq. A. C. Flumerfelt, Esq. G. G. Foster, Esq., K.C. H. J. Fuller, Esq. George W. Allan, Esq.

Alexander Laird, General Manager. John Aird, Assistant General Manager.

WITH BRANCHES THROUGHOUT CANADA AND IN THE UNITED STATES, ENGLAND AND MEXICO, AND AGENTS AND CORRESPONDENTS THROUGHOUT THE WORLD, THIS BANK OFFERS UNSURPASSED FACILITIES FOR THE TRANSACTION OF EVERY KIND OF BANKING BUSINESS IN CANADA OR IN FOREIGN COUNTRIES.

RAILROAD COMPANIES MUST SELL GREAT LAKES STEAM BOAT LINES

Washington, May 15.—Inter-State Commerce Commission has decided that steam boat lines on the Great Lakes must be sold by the railroad companies which own them on or before December 1st. The application of the Pennsylvania Railroad, New York Central and other important railroads to continue the operation of steamship lines which they operate on the Great Lakes under the Panama Canal Act was denied by the Commission, on the ground that the ports of call of the steamers are reached by rail lines and that, therefore, a condition of competition between the carriers controlled by the same interests exist. This means that on or before December 1st, 1915, the railroads must divest themselves of all interest in the boat lines, which must either go out of existence or be operated by independent companies. The lines affected are the Pennsylvania, Lehigh Valley, Northern Central, New York Central, Rutland, Erie, Grand Trunk of Canada and Lackawanna.

MONTREAL STOCK EXCHANGE ELECTS SOME NEW OFFICIALS.

A number of new officers were elected at the annual meeting of the Montreal Stock Exchange yesterday. The complete slate is as follows: Chairman—Purvis McDougall. Vice-chairman—Edgar M. Smith. Secretary—Malcolm C. Oswald. Assistant Secretary—John M. Miller. Managers—A. Brunet, Hope Scott, F. C. Fairbanks, C. S. Garland, T. W. McNulty and C. E. Gault.

Manager of Stock Exchange Clearing House—J. D. Crawford. Mr. Purvis McDougall, of McDougall and Cowan, takes the position of chairman in succession to Mr. H. B. MacDougall, of Meredith and Co., who is going to the front.

The other changes in the executive positions are in the nature of promotions. Mr. Edgar M. Smith, of Edgar Smith and Company, a member of the committee of some years' standing, assumes the position of vice-chairman, vacated by the elevation of Mr. Purvis McDougall, while Mr. Malcolm C. Oswald, of Oswald Bros., also a member of the outgoing committee becomes secretary-treasurer. The three new "managers" are Messrs. F. C. Fairbanks, of Fairbanks, Bros.; C. S. Garland, of C. S. Garland and Co.; and T. W. McNulty, of L. J. Forget and Co.

GROUND FOR TESTING OF SHRAPNEL IS VERY DIFFICULT TO SECURE.

New York, May 15.—Some difficulty is being experienced by the American Locomotive Company, and its associates in locating suitable proving grounds for the shrapnel, which they have contracted to manufacture.

A tract of land at least four miles in length and perhaps half a mile in width is desired, but so far they have been unsuccessful in discovering desirable areas of that size, and a smaller tract may have to be accepted. When located, it will be necessary to construct a number of buildings in connection with the tests to be made. To date the coast has been secured as far as including Delaware Bay, and also a large part of Long Island.

BUSINESS OF STANDARD OIL CO. OF NEW JERSEY IS IMPROVING.

New York, May 15.—It is understood that the Standard Oil Company of New Jersey's trade in South America is now more satisfactory than at any time since the beginning of the war in Europe. At the outset of the war the New Jersey Company's South American business suffered considerably along with other lines but as financial conditions have shown a tendency to improve Standard Oil's trade has benefited and prospects are that the improvement will continue.

AMERICAN NOTE WAS DELAYED.

Washington, May 15.—Ambassador Page has cabled from Rome that the President's note to Germany did not reach Rome until 2 o'clock in the afternoon on Friday and was forwarded to Berlin at 2:40 that afternoon. From this it is feared that Ambassador Gerard at Berlin did not receive the note in time to present it at the Foreign Office on Friday, thus defeating the unusual precautions taken to prevent the note from appearing in the United States before it reached Germany.