

WINGS IN THE WORLD OF SPORT

Beat Leafs and Still Cling Place in the International League Standing

SLIMS WAS THE HERO

Slits Banged Out Three-bagger With and Won Game in Spite of Great Sallee.

Levels of the International season is the which the Baltimore club hangs on to horn of much of their strength and club which should be in second division on winning games. Yesterday they won 4 in a fast contest.

eters are not beaten because the other better ball, some individual on the slip up and hand the victory over. ay was ill-luck's agent yesterday, the up five runs in the first inning which which in which they scored.

and the Bisons made it a fifty-fifty

with three men on won the game for day in spite of the great pitching of ved but four hits. The trouble was four came in a row. "Slims" team his fine pitching with enough hits to game, but while the Giants' three runs, the Cards' eight safe- two tallies. This victory gave even break of the series.

Club of the Canadian League beat the day in an exhibition game, 5 to 4.

Police Athletic Association cham- in Toronto yesterday, the Montreal made a particularly good showing, champion of the meet at Montreal, three events, while Lefebvre won

ing over the Glen Oak golf course for on tournament, which begins there up till Friday, Fred McLeod, of the ab, of Washington, D.C. made the le in one shot with a mashie. The five feet of the cup and rolled in.

more followers of the Braves will be and to-day to see the first game of York series which is looked upon of the Boston Club.

anded catch was the feature of the game yesterday. Ray's work at the field has been outclassing the some of the high-priced men this got him for the draft price.

ords were broken at Kalamazoo r Volo, driven by Tom Murphy, in man and Spirit of the Times Fur- trollers at the Grand Circuit meet. 2.06%, and 2.06% make them the is ever trotted by a stallion, the 2.07%, 2.08 and 2.02, made in ester.

onachie, both wing players with ders during the past few seasons, in the Royal Highlanders and are arrier in a few days. This will as a hard blow, as they expected to ar's material as well as some pros-

match will start to-day, when Wil- will meet in the first of the con- in and Brooks will conclude the on. McLaughlin is looked upon as the basis of recent play, Williams even chance with Willids.

LARGE PAPER MILL

Conn., August 13.—J. P. O'Brien, ent of the Windsor Paper Com- the American Writing Paper Com- the Anchor Mills Paper Company, ediate to rebuild the machinery

ufacture light weight tissue pa- weight specialties. A new four- ill replace the Fourdrier machine, at one of these machines will er. Immediate improvements will ent of from \$20,000 to \$30,000.



nations. Italy's next move is et yet given up hope of lining

WEATHER: SHOWERY.

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MORGAN CONSULTS McADOO REGARDING FRENCH LOAN Loan Not One of Actual Cash, But of Credit Balances, and Would Not Contravene United States Neutrality, Authorities Say.

Washington, August 14.—J. P. Morgan is here to-day, ostensibly to attend a conference of bankers and commercial interests with Secretary McAdoo at the Treasury Department, but his visit is believed to possess additional significance. There is a well-defined report that France has approached Washington and New York bankers on the question of a substantial war loan, and it is believed that Mr. Morgan's visit to Washington is also for the purpose of sounding the attitude of the administration toward loan. It is believed that the French Government has approached the Morgan house, though members of the firm refuse to confirm this.

Washington, August 14.—Notwithstanding traditional friendship of United States for France, it was overshadowed in administration circles to-day that the government will not encourage a loan by J. P. Morgan and Company to France. It is believed by officials that the request of bankers will not be answered at all. There are two reasons why President Wilson will adopt this position, it was stated. One is that sanction of loan might be construed as an unfriendly attitude toward Germany and Austria. Other is that it would throw part of resources of United States, which desires to remain strictly neutral, and to discourage war in every way, into European conflict.

Administration officials believe that Morgan Banking House has offered to make loan to French Government if it so desire, and there is no reason why the American Government should take part in it, in any form.

Valley Railway Charges Inquiry Re-opened To-day, but Little Progress Made.—Mr. Carvell Threatens Officials. (Special Correspondence.)

St. John, N.B., August 14.—The Royal Commission to inquire into the Valley Railway charges met again this morning, but adjourned until August 25 without taking any evidence. The morning was spent in argument over various phases of the matter. One of the most interesting matters argued was the necessity of Premier Flemming's appearance. Mr. Carvell said that he was prepared to show the item, the places and the amount of payment by James H. Corbett to the Premier. Mr. Corbett, he said, was being kept in Pennsylvania and so it became necessary to examine Mr. Flemming to secure this evidence. The Commission decided that the Premier must appear. Mr. Teed said Mr. Flemming would be willing. Mr. Carvell still held out for the production of the St. John and Quebec Railway Company books from the New York office and gave notice that if the books were not on hand when the court resumed, he would move for the commitment of the officers of the company for contempt.

The Journal of Commerce

MONTREAL, FRIDAY, AUGUST 14, 1914

THE BUSINESS MAN'S DAILY

ONE CENT

FIELD OF WATERLOO SCENE OF ENGAGEMENT

Allied Forces are Perfecting Their Plans While Belgians Hold off German Attacks

MADE GRAVE MISTAKE

Sowing of Mines in North Sea by Germans Will Make It Impossible for Them to Get Supplies Through Antwerp Should They Succeed in Capturing the Sea Port.

(Special to The Journal of Commerce.) London, August 14.—The German "war machine" is moving slowly but surely into what is believed will be greatest battle of the world's history.

The opening skirmishes have been fought between the Belgians and Germans, but the main conflict will be fought with the allied armies of France and England opposed to the massive German forces. It is probable that before the main conflict takes place, the Belgian army will be practically obliterated. It is bearing the brunt of the fighting now, while its allies are perfecting their disposition.

The censorship of Paris and Brussels prevents the disposition of the French and British forces from becoming known. It is believed, however, that they are in the vicinity of Waterloo, south of Brussels and that the great clash will come on the very field where 99 years ago Napoleon Bonaparte was crushed.

Reports of heavy skirmishing on the Rhine-German and Austro-frontiers indicate that the huge eastern armies of Austria and Germany will soon be at death grips with Russia's mighty forces. The quicker this conflict begins the better it will be for the allies in the west, where the main German attack is developing into a great flanking movement in Belgium, which despite repeated repulses by the heroic defenders seems to threaten Antwerp and Brussels.

The Germans believe they can take the latter en route and have given up the attempt to take Liege by storm. It is believed here, however, that before the German armies sight Brussels, they will be engaged in the most tremendous battle ever fought.

Military and naval experts of Great Britain are agreed that the Germans committed a grave error by indiscriminately sowing the North Sea with mines. They have hampered their own shipping and checked the food supply that they might have obtained through Antwerp after taking that port.

Realization of the error they have committed is expected to cause a sudden and fierce attack on the British naval forces waiting in the North Sea. These are waiting in complete readiness for any desperate tactics by the enemy.

GERMAN LOSS AGAIN HEAVY. Brussels, August 14.—Following up their victory at Diest and Haelen, Belgian troops to-day recaptured ancient fortress near former town, which had fallen into hands of Germans yesterday.

According to Belgian War Office, German casualties in battle at Haelen were 3,000 dead and wounded.

German officers sacrificed their men without scruple to prevent right wing of German army from being beaten back.

Most of Germans fell while crossing two bridges over Geethe and Volpe rivers. Belgian gunners had exact range of both structures and swept them with deadly fire.

Terrible carnage took place on road from Threck to Haelen. There was further slaughter of Germans at Colfaek, officials of war ministry say.

War Office statement says that the Belgian casualties were light, owing to entrenchments, which gave defenders excellent protection.

DYKES HAVE BEEN CUT. Amsterdam, August 14.—Although Holland has again given official notice that she will remain neutral, war preparations are going forward, especially along western and southern frontiers, on a large scale. A number of dykes have been cut flooding large areas, as precautionary measure, and more than 60,000 troops have been thrown along south-western border.

Chief fear is that Germany will invade Provinces of Limburg and North Brabant, where they join Belgium; but it is not considered likely that Germans will do so unless it becomes absolutely necessary. With Holland neutral grains and other commodities necessary for life of German nation can be shipped to Rotterdam and transported thence up the Rhine into Germany.

If Holland should become involved in war this trade route would be closed to Germany.

CAUSED SENSATION IN VIENNA. Vienna, via London, August 14.—News of the British declaration of state of war with Austria caused great sensation here. Warships blockading Montenegrin coast were immediately withdrawn and ordered to join main fleet in anticipation of an attack by English warships.

GERMAN FLEET CORNERED IN EAST. London, August 14.—The British fleet in the Far East has cornered German fleet there, according to a despatch received from Hong Kong.

MAY BE BOOM FOR RUSSIA AND ITALY. London, August 14.—Exchange Telegraph Company says: "Highest government, commercial and financial circles here Italy will remain neutral. It is believed success of Triple Entente, a big commercial field will be opened in Russia for Italy."

WAR TO LAST 18 MONTHS. London, August 14.—"Eighteen months," was the laconic reply of Lord Kitchener, when asked to name the duration of the war at a dinner given at the mansion in Belgrave square of Pandell Ralli last night.

ITALY MAY DEMAND EXPLANATION. Rome, August 14.—Purchase of the German warships Goeben and Breslau by Turkey, which appears to be an accomplished fact, despite denials, has created a deeply unfavorable impression here. Italy is expected to demand an explanation of Turkey's intentions, and to warn Porte that this country will not allow present naval equilibrium of Mediterranean to be threatened.

THE WAR TO-DAY.

While the Belgians are still holding the Germans back at Liege, it is reported that one fort has fallen.

Belgian war office states that situation is satisfactory.

Insurgents reported in several Austrian regiments.

Herzegovinians reported to be taking up arms to aid Servians against Austrians.

Earl Kitchener warns London newspapers to confine themselves to publication of official war news on pain of suspension.

Tokio dispatch says Japan is preparing to declare war.

The Germans have reached Winghe, only 10 miles from Louvain, and 26 miles from Brussels.

Following victory of Belgians at Diest and Haelen, they recaptured fortress near former town to-day. Accord-Belgian war office German loss at Haelen was 3,000 dead and wounded.

Official advices from St. Petersburg confirm reports of disastrous defeat suffered by Austrians at hands of Russians at Tsumora on River Dniester. Four regiments of Infantry and one of cavalry were cut to pieces.

DREDGE SKIPPER'S HUMOR SUBJECT OF INVESTIGATION

Told Artillery Men There Were Couple of German Cruisers Outside Harbour, and New Must Explain That It Was a Joke.

(Special Correspondence.) St. John, N.B., August 14.—That what might pass as a joke in time of peace may be regarded as serious war preparations for war are in progress, is demonstrated in the fact that yesterday afternoon was begun an inquiry into a brief comment intended in fun, but which was taken from another viewpoint by officers of the local militia.

The men of the 3rd Regiment F. A. were moving their battery to Partridge Island to entrench themselves last week, and plading their guns on a scow in Lower Cove, the dredge Fielding steamed by. Seeing the cannon being placed aboard and the arms for the defence of the post being made, Captain Lewis of the dredge, is reported to have shouted "two German cruisers outside in the bay." The artillerymen paid little attention, but the matter was taken up by Colonel B. R. Armstrong, commanding officer, and departmental report was received for the holding of an investigation.

E. T. C. Knowles, K.C., presided as commissioner, and the evidence of several witnesses was taken. A report on the matter will be forwarded to Ottawa, and no further announcement will be possible until a reply has been received.

Lieut. Col. J. L. McAvity, of 62nd Fusiliers, has received orders from Ottawa to recruit to war strength for home defence. This means about 1,000 volunteers needed. Third regiment artillery is calling for one hundred volunteers for home service. The women's subscriptions for St. John and vicinity for hospital ship are \$1,132 in sums of 25 cents or less.

REVOLUTION IN HERZEGOVINA. Rome, August 14.—Revolution has broken out in Herzegovina. Herzegovinians have secured large supplies of arms that were smuggled across the border and numbers of them are joining Montenegrin forces that are successfully invading Austria in co-operation with Servians.

ARRESTED GERMAN HAD CHOLERA BACILLI. London, August 14.—The authorities to-day arrested a man in Aldershot on the suspicion that he was a German. In his room they found tubes containing millions of cholera bacilli.

RUSSIAN INHABITANTS LEAVE. London, August 12.—It is reported that the Russian Commander of the fortress of Sveaborg, Finland, has instructed all the inhabitants of that city and also of Helsingfors to leave. He evidently believes a battle or bombardment to be imminent.

EARL KITCHENER WARNS PRESS. Earl Kitchener, Secretary of State for War, has warned the British press against the publication of naval and military news, other than official, infringement of which order will mean suspension.

ITALY'S PRECAUTIONARY MOVE. New York, August 14.—Italy is reported to have mobilized about 250,000 troops on the Swiss and Austrian frontiers as a precautionary measure. All the passes over the Alps are strongly held. At the same time the Italian Foreign Office has summoned home for a conference on the war situation its ambassadors at Paris, St. Petersburg, London and Berlin.

LORD ROBERTS APPOINTED. London, August 14.—The King has appointed Lord Roberts Colonel-in-Chief of such overseas forces as may come over to England.

FRENCH ARTILLERY SUPERIOR. Paris, August 14.—After five days' battle between French and Germans in Vosages Mountains, German forces that have been trying to retake Bonhomme and Saint Marie passes west of Colmar in upper Alsace, have been compelled to retire. It was announced at War Office.

During the five days of fighting German soldiers fought gallantly, but their desperate charges were futile.

Although the Germans were superior in numbers, the French had most advantageous positions. French artillery also proved superior to gunnery of Germans. The War Office announced that beginning Monday, Council of War will hold sittings to inquire into acts of pillage, and to judge espionage cases.

THE FINANCIAL SYSTEM OF GERMAN EMPIRE

Individual States Retain Certain Fiscal Independence--Method of Contribution to Imperial Needs

MATRICULAR CONTRIBUTION

Revenue From Tobacco and Customs Tax Over \$32,500,000, is Returned to the Individual States--Faults of This System Evident.

(Sixth in a Series of Short Articles on the German Empire.)

Owing to the fact that the individual German States did not lose their identity when the Empire was founded in 1870, but were left to a great extent self-administrative, independent principalities, they had also to be left a certain fiscal independence. The spheres within which the Empire could collect its revenues was, therefore, limited. The basis at first of the Imperial fiscal theory was a system of annual contributions from the individual States, on the basis of population. The amount of this contribution per head of population was, and is, usually fixed in November, at the time when the Imperial budget is made up for the coming year. It has to be fixed early in order that the individual States may have time to arrange their own budgets according to the amount that they have to contribute to the Imperial Treasury.

There were, however, certain duties upon articles of consumption earmarked for Imperial purposes. These were the customs duties, less the cost of collection, which is repaid to the individual frontier States that collect them, and also the excise duties on tobacco, salt, sugar, beers, brandies and by-products of the beet-sugar industry. It was arranged, however, that the Empire should only receive the amounts proceeding from the tobacco and customs duties up to the annual value of \$32,500,000. Any surplus was to be repaid to the individual States in proportion to their assessments on a population basis—called "matricular" contributions. In some years the amount thus repaid to the individual States in proportion to their 1859 contributions received back nearly \$35,000,000 more than they paid in contributions. There was a plus repayment in all years from 1883 to 1892, and again from 1895 to 1897. In 1901 the matricular contributions and the repayments exactly balanced.

Disadvantages of System. This system, however, prevented two evils. The individual States had great difficulty in making up their budgets, because they never could be sure whether they would have a favorable balance on the total transaction. In the second place, although the Imperial Treasury was making these repayments, they did not represent, as they were intended to do, the actual amount collected by the Empire over and above its own requirements. On the contrary, the Empire only succeeded in dispensing with loans, thanks to the millions paid by France as war-indemnity up to 1875. Soon the Empire was obliged to issue bonds owing to the increase of the army and navy, and because of conventions to the contributory old-age, invalid and other social insurance schemes.

By 1891 the Imperial debt had risen to \$375,000,000, and in 1911 it was approximately \$1,250,000,000. Most of these expenditures were unproductive, except for the railways taken over from France in Alsace-Lorraine, and some lines in the Duchy of Luxembourg. The State loans are not unproductive; for instance, the Prussian State loans have been largely employed in extending canals and railways.

Remedies Adopted. To remedy these conditions the law of May, 1904, repealed the arrangement for the return to the individual States of part of the proceeds from customs and tobacco duties. The same law, however, provided that the proceeds of certain other taxes (mash-wine and brandy materials) should be handed over to the individual States; should these payments not cover the matricular contributions, the contributions were to be repaid only in such additional measure as the Imperial surplus would allow. Numerous writers then and since have pointed out that the Empire suffers from the great disability of being unable to raise a direct tax based on income, for its own purposes, as can be done in England.

The opposition to the direct imperial tax comes from the particular tendencies still strong in the German States, and also from the fact that both the municipalities, and the several States receive a large part of their revenues from direct taxation of incomes. These considerations will serve to show the financial strain under which the imperial finances of Germany labor. The glamour of "patriotic" sacrifice had to be known over the revolutionary proposal to raise \$250,000,000 for the Government's military programme of 1913, by means of what is in reality a property tax. In order to cover the additional annual recurring expense of the increased army bill resort had to be made to an increase of the matricular payments—that is, State contributions. It has been provided, however, that the additional sum produced each year by matricular contributions must be raised by each State, not in any way it pleases, as heretofore, but by a tax on "incomes, property or capital." That is how the Government proposes to avoid the odium of breaking with the tradition of forty years.

The War Treasure. The famous war treasure in the Julius Tower at Spandau, near Berlin, has been raised from \$30,000,000 in gold to \$50,000,000 in gold, and \$30,000,000 in silver. This treasure has now been used by the German Government for mobilization purposes. It has not been paid out in gold or silver, but has in all likelihood been made the basis for an enormous issue of notes of the Imperial Bank. Probably a part has been paid out in coin, to put an end to any incipient panic that may have arisen. The demands of the army in the first six weeks of the present campaign will easily reach \$300,000,000; and the demand of industry, in the hurried preparation of war material, will need \$250,000,000 more. Thus the requirements of the first six weeks of the campaign will be met by additional issues of the notes of the Imperial Bank. It became clear during the panic months of 1912-1913 that the demand for gold will be greater than the authorities previously estimated; and this explains the feverish haste with which the

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COASTWISE TRAFFIC BEING STEADILY RESUMED

Steamers with Provisions and Passengers Continue to Arrive at English Ports from Scandinavian and North Sea Ports.

London, August 14.—Steamers with passengers and provisions continue to arrive from Scandinavian North Sea ports; coastwise traffic is being steadily resumed, and travelers are going about their business. Two cargoes of wheat from the River Plate, and provision steamers from Rotterdam and Copenhagen arrived yesterday. Among the passengers from Copenhagen was Jules Cambon, the former French Ambassador at Berlin.

The British Government having successfully coped with the attempt to raise the price of food, announces that certain drugs, the supply of which is limited and the price of which has been raised in some instances 50 per cent, by the wholesalers, will be taken possession of if exorbitant prices are charged.

A Lloyd's despatch from Sydney, N.S.W., says the following German vessels are detained there: Steamers Melbourne, Osnabruck, Germania, Sumatra, Stolzenfels, and Tiberius, and the sailing vessel Athens.

CONSTITUTIONALISTS ENTER CAPITAL. Mexico City, August 14.—Constitutionalist troops approached the capital in skirmish formation to-day, and are expected to occupy it in force before night. There has been no disorder, but banks and more pretentious shops have been given special guards, placed to prevent looting.

gold reserves of the Imperial Bank have been built up during the past six months.

In comparison with Germany, France, Russia and England are better able to meet the financial strain of this war. The Bank of France has about \$900,000,000 in gold; Russia, \$885,000,000; the Bank of England about \$200,000,000. The Imperial Bank of Germany has about \$320,000,000 in gold; but it must not be forgotten that Germany's finances have in recent years been strained to the limit, whereas Great Britain was never in a sounder or stronger position. Russia is as yet mainly an agricultural country; France holds the greatest stock of gold in her history. Therefore, all things considered, the Triple Entente is immeasurably better prepared, from a financial point of view, to carry on war than its opponents Germany and Austria.