

WEATHER:
FINE AND WARM
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The Journal of Commerce

THE BUSINESS
MAN'S DAILY
ONE CENT

THE MOLSONS BANK
Incorporated 1855
Capital Paid Up \$4,000,000
Reserve Fund \$4,800,000
Head Office: MONTREAL
22 Branches in Canada
Branches in all Parts of the World.
Savings Department at all Branches.
LETTERS OF CREDIT ISSUED
TRAVELLERS' CHEQUES ISSUED
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General Banking Business Transacted

THE DOMINION SAVINGS AND INVESTMENT SOCIETY
DOMINION SAVINGS BUILDING
LONDON, CANADA
Capital \$1,000,000.00
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GEN. VON KLUCK WOULD BREAK RATHER THAN EVADE ALLIES NET
German Leader's Retreat Is Narrow, and Dangerous Aiming to Break Through at Angle of River Aisne.

Paris, October 3.—Little by little the battlefield again approaches the frontier, as the war is being carried back to the devastated fields of Belgium. Such an extended line of operations is just as embarrassing to the Germans now as it was in their favor in August. General Von Kluck himself is in the meshes of the same net he set for France, but the French thought their movements had to be swift and made a broad, open retreat, while that of Von Kluck is narrow and dangerous. General Von Kluck, therefore, is not trying to elude the meshes of this net, but is attempting to break through them in the angle of the River Aisne and Somme.

Every day the Allies' net grows stronger and spreads further and further down the enemy's flank. So far as strategy is concerned, secrecy has not been possible or attempted. Only the tactical movements of units have been hidden. What we see now is a combination, the outcome of which apparently will not be decisive.

If the Germans lose they will simply retire on another line of communication. If the Allies lose they will retreat again beyond the Marne. Neither army can be destroyed nor even crippled by this unprecedented battle.

The adding up of small advantages will settle the war in the last stages. The prediction is made that Germany will resign the game when the ordinary observer will not guess that the Kaiser is beaten. For, like a great chess master, Germany will be quick to realize a position which cannot be saved.

It is upon operations like those upon the Aisne, in decisive as they may appear, that the ultimate result may hang.

THE GERMAN STATEMENT.
Berlin, via Amsterdam, October 3.—"German troops have taken the offensive in both the eastern and western theatres of war after checking attacks by Russians in Poland and Allied Franco-British armies in France. It was announced to-day.

"No decisive result has been arrived at in the conflict raging in France for 3 weeks," said the statement, "but at the western end of the battle line we have gained ground. This is due to the offensive we have taken after repulsing the attacks of the enemy which seem to be of diminishing strength despite reinforcements that gave them temporary advantage in the flanking movement being attempted by their left wing.

"Our reinforcements have now offset the weight they threw against our lines on the west. "In the region of the Meuse fighting continues night and day. Here the enemy appears to have brought up new troops also but his attempts to take our positions have been repulsed and he is now on defensive against our constant attacks.

"The situation in the centre is practically unchanged. "In the East the Russians have made attacks with superior forces, but we have regained the ground. "In the East the Russians have made attacks with superior forces but we have regained the ground that we lost under the impetus of their first assaults and are ourselves on the offensive. Enemy seems unable to withstand bayonet charges.

"It is apparent that the Antwerp forts will be unable to escape the fate of those at Liege and Namur. Our artillery is extending its operations and the city is being invested."

FOUR SHIPS CAPTURED.
New York, October 3.—The capture of four merchantmen by the French cruiser Conde and the British cruiser Berwick was reported by the steamer Krona on its arrival here to-day. The Conde took the Norwegian steamer Heina, while the Berwick captured the American steamer Lorenzo, the Norwegian steamer Theodor and the German liner Spro-wald. The Lorenzo was charged with furnishing coal to German cruisers.

POSITION OF ALLIES IS STILL FAVORABLE

French War Office Announces That Forces are now Northeast of Arras and Lille
WHOLE LINE MENACED

Whole Line from Valenciennes to Mons Occupied by Germans is Now Menaced by Allied Forces —Reports from Berlin are Directly Contradictory.

London, October 3.—The latest information from the French War Office indicates that the movement on the left wing has developed to the extent that the French forces are now northeast of Arras and Lille. A detachment, which was sent out from Arras, had to fall back before the Germans, but is still to the northeast of the city. This movement as it is pushed forward menaces the line from Valenciennes to Mons, and the Germans have previously been reported as withdrawing their troops from the north of France to hold this line.

At Albert, where the fighting has been furious, the Allies have gained ground and the situation north of the Somme is most favorable, although the struggle still continues there. At Roye, the centre of the conflict in the last fighting, and between Roye and Lassigny, the violent assaults of the Germans have been hurled back and their force spent.

The Germans appear to have concentrated all their available strength to meet the steady forward movement of the Allies left for on the rest of the line little fighting is reported.

In the neighborhood of St. Mihiel twenty miles southeast of Verdun, the enemy has been cleared from the left bank of the Meuse. A gigantic battle is opening on the Silesian front. The Germans occupy strong positions, which they are fortifying between Kallise and Cracow. The Russians are in touch with the Austro-German forces at two points on this line—at Cracow and at Andrieff, in the Kielce Government. The German right flank rests on Cracow and the left on the fortress of Posen. From the disposition of the enemy's forces it is inferred he will strike toward the upper reaches of the Vistula.

Berlin, via Amsterdam, October 3.—An official report from the German Staff, stated that the German troops in France have dislodged the French from their positions south of Roye, and declares the German right wing has defeated the efforts of the Allied troops to outflank it.

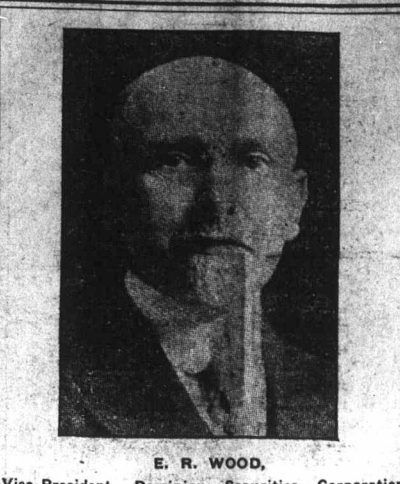
The statement continues: "Condition in the centre is unchanged. German troops advancing in the Argonne region have made substantial progress in southerly direction east of the Meuse, attacks by French troops from Toul have been repulsed.

"Antwerp forts Wavre, St. Catherine, and the redoubt of De Boerpevelt, with their immediate works were assaulted yesterday afternoon at 5 o'clock. Fort Waelhem has been invested. The western epaulement of Termonde has been captured."

VON KLUCK HEAVILY REINFORCED.
Bordeaux, October 3.—Minister of War Millerand declared to-day that only the steady arrival of heavy reinforcements had averted disaster for the army of General Von Kluck and the entire right wing of the German army.

He said that early in the week the forces of General Von Kluck were in desperate straits and some had been forced to withdraw from their advanced position by raid of the French cavalry to a point northeast of St. Quentin.

Von Kluck, he said, had called for reinforcements but their arrival was delayed only in time to prevent the general withdrawal of the German troops. "Violent fighting continues about Roye," said the Minister of War, "and the Germans are attacking fiercely. They are making desperate efforts to capture Roye, which they consider a pivotal point. "The German War Office Thursday night announced the capture of the heights of Roye, but made no mention of the town itself. "They are steadily being reinforced. This is necessary for them. They must stem the movement against them or retreat. The menace of steady pressure against their lines is becoming terrible."



E. R. WOOD, Vice-President Dominion Securities Corporation, who is optimistic regarding the future.

LONDON REPORTS LLOYDS IN TROUBLE

Loss of Diplomat Amounting to \$1,000,000 Was Only One of Several Severe Blows
REPORT NOT CONFIRMED

Should Great Insurance Corporation be in Difficulties Insurance Men Throughout World Were Affected—Local Underwriters Sceptical.

(Special to Journal of Commerce.)
London, October 3.—According to advices received here yesterday, Lloyds are on the brink of disaster. The loss of 75 British steamships off the Brazilian coast and in the Bay of Bengal have hit the underwriters hard.

It is understood that the loss of the steamer Diplomat was covered by war risk insurance placed with Lloyds, the loss on cargo amounting to \$1,000,000. What is taken as a good indication of the weakness of quite a few of Lloyds' insurers is the difficulty in securing the payment of re-insured risks. Several of the American companies who held war risks on the Indian Prince re-insured their lines at 50 to 70 guineas, and efforts to secure payment on these lines have not been successful.

The Lloyds insurers, it is understood, have called that the difficulty is mainly due to the inability to secure exchange but war received here yesterday by mail has caused underwriters here to believe that the heavy losses since the beginning of the war have weakened most of the Lloyds insurers.

Should the reports that several Lloyd members are in difficult straits be confirmed the effect on the insurance business here would be important. Many of the lines placed with Lloyds would have to be replaced.

Details of the work of the cruiser Emden in sinking the steamers Diplomat, Traboch Lovat, Killin and Indus, were received here yesterday. The Indus was hauled by the Emden at 9 o'clock on the morning of September 10. The crew was transferred shortly after noon, and at 3 o'clock in the afternoon the Emden fired ten shots at the Indus, which went under an hour later.

The Emden was accompanied by the Hamburg American Liner Markomannia, which was acting as a collier. After sinking the Indus the Emden steamed up the Bay of Bengal and on the following day, September 11, at 3 p.m., sighted the Markomannia and the vessel was captured, sinking at 6.30 p.m. At 11 p.m. on the 12th the Kabinga was sighted, and an armed crew was put aboard, and two hours later the Killin was captured, an armed crew being placed aboard her also.

On the morning of the 13th, the Emden fired several shells at the Killin, after removing the crew. Shortly before noon of the 13th the Diplomat hove into view, and her crew was placed aboard the Kabinga, and while on the wayward several other steamers of the Emden's presence, enabling them to put back to Calcutta in safety.

Late in the afternoon on the 13th, a mine was placed under the bow of the Diplomat, and after five shots were fired she sank bow first. The night of the 13th was rainy, and the Emden lost her bearings, steaming toward shore, so that at 9 a.m. on the 14th the Pagodas at Kao Pun were sighted. The Emden immediately put about for deep water. At five o'clock on the afternoon of the 14th the captured crews on the Markomannia were placed aboard the Kabinga, and an hour later the Traboch was captured, but she was not sunk until 10 o'clock that night, when a powerful mine was exploded under her, causing her to sink immediately.

The Germans aboard the Kabinga then left that vessel which was ordered to proceed to Calcutta, two German steamers accompanying her to within 75 miles of Sandheads at the south of the Hooghly. Liverpool owners come out rather badly in the damage done by the German cruiser Emden, for the Diplomat and Traboch were both registered at Liverpool. The Diplomat had a cargo estimated to be worth about £200,000, shipped at Calcutta for London. The Traboch was bound up the coast from Nezapatam to Calcutta. Of the other steamers the Lovat is insured on a value of £60,000, and is owned by Messrs. J. Warrack and Company of Leith. The Indus, owned by James Nourse, Limited, is understood to have been chartered on government account, while the Killin had a cargo of coals loaded at Calcutta for Colombo. She is insured on a value of £38,000.

The rumor that Lloyds was in a bad way and that the losses sustained during the last few days had been more than was at first thought, received little credence in the offices of local marine underwriters. The report that something was wrong on the other side had been received, but to believe that Lloyds was in a bad way was not credited, as one well-known underwriter said, "one might as well say the Montreal Stock Exchange had failed as to say that Lloyds had failed." It was quite possible that certain individual underwriters in Lloyds were in a bad way owing to recent heavy losses, but this was about all that was probable.

SHOULD BE CAUTIOUS BUT COURAGEOUS

Mr. E. R. Wood Sees in This a Time For Careful Consideration on the Part of Canada and Canadians
THE MORATORIUM

Head of Dominion Securities Corporation Says Declaration of Moratorium in Canada Would Be Foolish and Absolutely Unjustified.

(By Professor W. W. Swanson.)
Mr. E. R. Wood, of the Dominion Securities Corporation, surveyed the financial field, especially that section of it which concerns the bond and securities market, for the Journal of Commerce when seen by a representative a short time ago in Toronto.

"The present is a time to act sanely, carefully but courageously," said Mr. Wood. "There are a number of our people who have allowed themselves to become stampeded where there is no necessity. They imagine that what is good for Europe is good for Canada; whereas the facts are that there is no real analogy between conditions here and abroad.

"In the first place we are far removed from the actual scene of conflict and are subject to none of the actual hazards of war. No great armies are holding up trade and transport; our fields and our homes are safe and secure. That means that much of our business can be carried on as usual. In the second place, we are a borrowing nation and have no vast capital funds to lend as have the nations directly engaged in the conflict.

"For these, and other reasons that might be mentioned we have certain obvious duties to perform. The first is to bend every energy toward increasing our productive output, whether of primary or secondary products from field and farm or from factories. The second great duty that rests upon us as a people, in this crisis, is to be true to our obligations.

"Many eminent Canadian men of affairs have questioned the wisdom of establishing the moratorium promiscuously in the several provinces. And with good reason. To an extent which the average citizen scarcely realizes our prosperity in the past has been due to the enormous capital funds that have flowed in from abroad—especially from England, France, Holland, and Germany—and to our immigration. It is vital that, as soon as possible, we should take steps to maintain this flow of men and money to our shores.

"But that capital, without which an increased labor supply will not be of much avail in developing our matchless resources, will not come to Canada in the years to come, or at least will come in greatly diminished supplies, unless it is fairly treated now. Last year we received about \$400,000,000 of capital from abroad. We have, during the past decade, secured over a billion dollars from England alone. Our interest payments on these vast sums range from \$10,000,000 to \$12,000,000 a month. That interest must be met promptly and without cavil.

"It is foolish and shortsighted to repudiate our obligations to England and our friends in Europe, to the slightest degree. Honor in a borrowing nation, which Canada must be for years to come—is as essential as honor in the individual, if the nation's credit is to be kept good. And it is useless to point to European precedents as a pretext for declaring any moratorium here. Europe is composed of creditor nations. We are a debtor nation. Moreover, in England, the moratorium merely meant the extending of "days of grace" between debtors and creditors within the nation itself. For Canada, such a policy would mean the defaulting of interest or principal payments which we owe abroad.

"Keep in mind, too, that Canada is as yet an essentially agricultural nation. Now, our farmers are better off than they have ever been in the history of agriculture in this country. The harvest is smaller than it was last year, but to be sure, but enhanced prices will more than make good the diminution in the output. With the exception of the apple crop—serious enough for the farmers along the lake shores from the Bay of Quinte to Toronto and elsewhere—the farmer's position is exceptionally strong everywhere. There is no reason, therefore, as far as I can see, why we should injure our financial standing for the future by declaring a moratorium now, and especially when there are other and better expedients.

"I submit that it would be far better to leave the question of granting some measure of relief to any debtor who may be unable to meet his obligations, to an impartial arbitrator, or to the judge in any Canadian court. If it is proven that the debtor's hardships arise because of the war, by all means let relief be granted. I am fully persuaded that such a course would meet with the approval of our great lending corporations. The trust and loan and the insurance companies. But I fail to see why the whole community should be embarrassed, and the nation suffer loss, because of the claims of speculators and gamblers who have got themselves into a tight corner through their own plunging, and not at all because of the war. As everyone knows, these men were hard pushed long before the war broke out; and they have been only too glad to seize upon the outbreak of hostilities to extricate themselves from difficulties into which their own practices have plunged them.

State of Security Market.
"You ask what is the condition of the bond and security market. There is no market—the bottom has dropped out of it. Where it was a matter of ordinary business for a security house to sell \$200,000 or more of bonds and other securities a day, before the war broke out, it is now difficult to dispose of five or six thousand dollars' worth. What that change means for many corporations and municipalities I need not dwell upon. The most useful and necessary public works have been held up, creating hardship not only for the corporations concerned but for the working classes as well. No doubt the banks will come to the aid of many municipalities and advance them funds for public works, either upon the pledge of debentures as collateral or upon uncollected taxes. In any event, it is highly desirable that public works be carried on, to take up the slack of labor and to get the wheels of the great national industrial machine revolving at normal speed once more.

The English Situation.
"What the closing down of the English money market has meant to Canada all have experienced, but few understand. As I have said we have secured tens (Continued on page 5.)

The Canadian Bank of Commerce

Head Office—TORONTO
Paid Up Capital - - - \$15,000,000
Rest - - - - - 13,500,000

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Collections Effected Promptly and at Reasonable Rates

721,189 POUNDS SHIPPED FROM COBALT CAMP THIS WEEK

The Only Bullion Shipment Was From the O'Brien Mine to London. It Was Valued at \$14,000. High Percentage of Cobalt in Nipissing Ore.

(Special Correspondence.)
Cobalt, October 3.—Shipments from the Cobalt camp in ore and bullion for the week ending October 2nd were: McKinley Darrach Shovage, 87,570 pounds; La Roca, 156,970; Nipissing, 84,830; Townsite, 87,700; Coniac, 145,010; City of Cobalt, 87,730; Casey Cobalt, 49,529; total, 721,189 pounds.

The only bullion shipment was from O'Brien to London and amounted to 26 bars, 26,614 ounces \$14,000. There was a shipment of gold ore from Tough Oaks Mine at Swastika weighing 60,500 ounces despatched from the sampling plant at Cobalt to the Chrome smelter. The only ore not high grade was that of Nipissing, which consists of residue from Nipissing high grade mill valuable chiefly for its high percentage of cobalt.

WAR SUMMARY.

German reinforcements have checked the advance of the Allies' left wing at Arras.

At Albert, the French War Office announces an advance.

It is reported that at St. Mihiel there remains no German force on the left bank of the Meuse.

Wireless from Berlin says that the French have suffered heaviest losses in Argonne region and that the Allies attacks have been repulsed all along the line.

A report from Rome says the Italian Foreign Minister has resigned owing to preparations being made by the government for war.

The Allies' left wing is reported to be within 25 miles of the Belgian border, and German reinforcements which are attempting to check the enveloping movement have apparently come down from north-western Belgium.

Austrian officials want capital changed to Prague or Salesburg, but Emperor Francis Joseph objects because of the effect on the population.

Reuter despatch says Bulgaria has refused to permit Russia to transport ammunition and stores, destined for Serbia over Bulgarian railroads.

Bulgaria wants to be strictly neutral.

The Bank of England will receive tenders on October 7th for \$75,000,000 treasury bills dated October, and payable in six months.

English merchantman, Japanese Prince arrived from South America with the story that the German cruiser Dresden had been sunk by English cruisers Glasgow and Good Hope.

The French Government will create four marshals of France and those who will probably be selected for the honor are Generals Joffre, Pau, Gallieni and De Castelnau.

Two thousand horses for the British army have been selected by representatives of the British Government at National Stock Yards in East St. Louis.

Russian official reports say the German plan of invasion of Russia from East Prussia has failed and that the Germans are retreating from the battleground along the River Niemen.

POWDER MAGAZINE EXPLODES.
New York, October 3.—The powder magazine of the Fire Works Manufacturing plant of Detweiler and Street Company on Hackensack River front, near West Side and McAdoo Avenues, exploded shortly before eleven o'clock. Six men are reported killed and a score injured.