

### THE FUTURE OF SOVIET RULE

THE announcement that the British government was the first to suggest to M. Pichon, the French minister of foreign affairs, that the Allies should attempt to get the leaders of all the Russian factions to meet them in conference at Princes Island caused something more than surprise, even consternation, in France and the United States. Yet, notwithstanding the general indictment of British statesmanship that it has been uniformly imperialistic and self-seeking, quite the contrary is true. The liberal and generous treatment of the Boers after the South African War, by the Campbell-Bannerman government, has been matched in recent diplomacy by the carrying of the South African Nationalist envoys on a British cruiser to the Paris peace conference. The irreconcilables among the Sinn Feiners have been given latitude that certainly, as events during the war have proved, would never have been vouchsafed even in the United States. The Lord Mayor of Dublin has been permitted to proceed to Paris, and the Sinn Fein leaders to communicate freely with President Wilson—with the result that they proclaim him a 'humbug.' The truth is that both the British people and British diplomacy have been fundamentally democratic; and this is sufficient explanation of the attitude of the United Kingdom to Russia and especially to the Russian Soviets.

Nevertheless, there are other and more immediately practical and pressing reasons. It would be superfluous to recapitulate present economic and social conditions in that vast country of illiterate and ignorant peasants and vain visionaries. These conditions, in a general way at least, are known to all. The Russian exchequer is bankrupt; the border provinces laid waste by war; the workmen unemployed; the peasants without the tools and machinery of production; the whole nation on the brink of starvation; and the leaders, even Lenine and Trotsky, fully aware that these conditions, if perpetuated, mean the end of the Bolshevik regime. It would be useless, of course, to deny that the Bolsheviks have the largest measure of control in the country, a control gained by ruthless terrorism and class war. There are powerful elements within the Russian nation, however, waiting only for the favorable moment to free themselves from tyranny. Even the peasants and the working class in the cities will not continue to tolerate a rule that has landed them in economic depression, misery and universal want.

A few weeks since Lenine announced that the Soviets would pay in full all of Russia's obligations to the Allies, ultimately, if given immediate financial aid now. The Council of Soviets has asked for capitalistic aid from abroad, particularly from the United Kingdom and the United States. If that aid be not granted by the Allies it will finally be found in Germany. Russia is in dire need of supplies of all kinds—of foodstuffs, horses, cattle, textiles, boots and shoes, and agricultural machinery. The nation has, at present, neither the gold nor the credit wherewith to procure them. Russian exports have been cut off entirely; and the people cannot pay for foreign commodities by the exportation of the products of their own industry. Hence, Russia must be financed and equipped with the machinery of production. Before the war Germany was in practical control of the Russian market, and is but waiting the opportunity to regain its former strategic position there. British finance and industry may have a wonderful market in a rehabilitated Russia, one that is bound to become more valuable as the years go by. It is absurd to assert that the Anglo-Saxon nations wish to foist their political ideals upon what remains of the empire of the Czar: they took military action in Russia merely because the Bolsheviks had betrayed the cause of the Allies and were openly assisting the Central Powers.

Whether the Soviets endure or not, therefore, is a question that solely concerns the Russians themselves. It would appear, however, that the Bolsheviks have witnessed the beginning of the end of their rule. Without the aid of external loans Russia's economic life is doomed. Such capital can be secured only by granting guarantees—by giving oil, timber,

mineral, railway and other concessions. The extreme Bolsheviks in the Soviets have declared that they will have nothing to do with capitalistic enterprise; but unless Russian industry and agriculture receive capital from abroad the country will sink into stagnation and decay. Internal dissensions will break up the Bolshevik group, whatever may ultimately befall the Soviet form of government. It may be added that, under the right conditions, the Russian market should prove a very valuable one to Canadian manufacturers of agricultural machinery, of textiles, boots and shoes, and the like; and to the Canadian live stock industry. New methods of finance may have to be followed, however, and it remains for our business men and financiers to be on the alert to take advantage of the prospective markets in Great Russia and the Ukraine.

### INVESTMENTS IN REFORESTATION

WHILE large sums have been sunk in railway and other enterprises in Canada our timber resources have been allowed to be depleted. The term "development of resources" has frequently been applied in Canada to what is really the depletion of resources. As a nation we are shortsighted, and this is no better illustrated than in the lateness with which the conservation movement was adopted here.

Canada includes thousands of square miles of lands which are useful principally for forestry; that is they can be more profitably utilized in this than in any other way. As part of a programme of reconstruction, therefore, reforestation should be carefully considered. A delegation recently waited upon the Canadian government to emphasize this view; it included Brig.-Gen. J. B. White, A. J. Bothwell, president of the Canadian Pulp and Paper Association; Gerald Power, president of the Canadian Lumbermen's Association; Sir William Price, of Price Brothers and Company, Limited, Quebec; F. J. Campbell, of the Canada Paper Company, Limited; the Hon. Smeaton White, Senator, of Montreal, and a number of others. These delegates represented the Canadian Pulp and Paper Association and the Canadian Lumbermen's Association.

Reforestation, it has been frequently urged, should be undertaken by the government as the time during which the investor must wait for a return on his capital is too long. This tendency, however, is undesirable, and it would be preferable to have work of this kind financed by private companies on such terms as would insure them an equitable return upon their investment; they could be at the same time subject to the supervision of the government.

The possession of the bank book is the test of the right to draw on a joint bank account, according to a decision given in Toronto on March 26th.

The application for the incorporation of a Ukrainian Bank of Canada is deserving of careful consideration. Such an organization might be the means of bringing large quantities of European capital to Canada.

The number of institutions, including bond houses, who are ready to bid for original issues of bonds is rapidly increasing in Canada. Provinces and municipalities, who do not make it a rule to sell by public tender, frequently lose money by stimulating competition among buyers.

The British Columbia Government is to be congratulated upon the excellent form in which its estimates are presented. The comptroller, Mr. A. N. Mouat, who has had special charge of this work, commenced last year a new method of arranging the items. This is continued this year, and he is now able to give in parallel columns comparative figures showing the estimates for the two years. This comparison is carried into detailed items so that changes are easily apparent.