

Journal of Commerce

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The Banks and the Public

Banks must at all times expect to be the objects of criticism, some of it unfriendly character. The banks are, on one side of their business, money lenders. Would-be borrowers are usually more numerous than willing lenders.

Adverse criticism of this character is much in evidence now, when financial difficulties are, on account of the war, greater than usual. It is pointed out that under legislation of the recent session of Parliament the banks have the power to make exceptionally large issues of their notes, and also to obtain funds from the Government; and it is suggested that—in some way not explained—the banks are using these privileges for their own advantage, without serving the public in the way contemplated by Parliament when it enacted its legislation.

While not doubting that bankers are as patriotic and public spirited as other citizens, we are ready to believe that in the ordinary course of their business they are not in the same considerations that influence other business men—that is, by the desire to make profits for themselves and their partners; and if we could see how the banks are able to serve this legitimately selfish end by hoarding their currency, we might be willing to believe that they are guilty of what is charged against them.

Let us take first the case of the circulation of the bank's own notes. Under the General Bank Act, a bank is allowed to issue its notes up to the amount of its paid-up capital. Under what may be called the Emergency Currency Act of 1908, provision was made for the lawful issue of an excess circulation during the crop moving period, equal to fifteen per cent. of the bank's paid-up capital, and reserve or rest. But it is to be noted that for this excess circulation the bank had to pay interest at five per cent. per annum to the Government.

Turn now to the question of loans that may be made by the Government to the banks under the new law. In the financial crisis of 1907, the Government of the day arranged to advance money in the form of Dominion notes to the banks, upon the deposit of approved securities. This policy has been adopted by the present Government as a part of the means to meet financial difficulties created by the war. Before the banks can get money from the Government under this arrangement they must surrender approved securities equal in value to the amount of the loan, and the moment a bank receives a dollar of the Government's money, that dollar begins to bear interest.

Thus it will be seen that for the two forms of assistance that the Government have placed at the disposal of the banks, interest at five per cent. must be paid. Now, if a bank avails itself of this privilege, and obtains a large amount of currency—either its own notes or the Government's notes—and hoards this money in the vaults, where is the bank's gain? Can the bank profit in any way by borrowing money at five per cent., and then locking it up? Is it not clear that if a bank gets additional money under these arrangements it must, for its own profit, indeed for its own protection against loss, use the money in its business, that is, lend the money to its customers?

In the lending process the bank, as a matter of course, is obliged to discriminate between those whom it thinks may properly be aided, and those to whom, for whatever reason, it is not satisfied to make advances. That the money provided by the Government for the use of the banks cannot be hoarded, but must be loaned to the bank's customers, seems clear beyond question. This being a fact, much of the adverse criticism of the banks on this subject necessarily falls to the ground.

The Germans Failure to Govern

It seems somewhat incongruous that the Germans, who excel in art, science, literature and industry, should so completely fall when it comes to the matter of government. It is universally admitted that the Germans have accomplished wonders in the past quarter of a century. She has become one of the world's great trading nations with an overseas commerce second only to that of

Great Britain. Her manufactured goods are known in every country in the world, while her progress in certain lines of industry is little short of phenomenal. It is only necessary to mention the progress she has made in connection with analine dyes, chemicals, etc., to indicate her advancement. In music, art and literature she has also made phenomenal advances, and has contributed a great deal to the world's progress.

These things we all admit, but we must also acknowledge the fact that Germany has failed in the matter of colonization, and as an exponent of representative government. Despite the growth of the Social-democratic party, the Kaiser still stands supreme. His word is law. His is the making of war or peace. It is hard to understand why a people who have shown themselves to be progressive and enterprising in industry and art, should be so backward in the matter of government. It is probably explained by the fact that the Kaiser and his war lords have thoroughly coerced the public and the ordinary German citizen is afraid to voice his sentiments. Perhaps when a crushing defeat is administered to the Germans and the Kaiser's much vaunted army bubble is pricked, the common people will rise in revolt and take a more active part in the management of the affairs of state.

Amalgamation and Assimilation

Assimilation of the diverse elements of the population of a nation should not be confused with assimilation. Amalgamation comes through intermarriage. It is a result of breeding. It is worked out through successive generations. It may level up, or down, or leave the cultural attitudes unchanged. It is quite possible to mingle races without affecting standards of knowledge, skill, comfort or wealth. Amalgamation may accompany without inflecting the volcanic forces which threaten every society. New mountains may be thrown up. New abysses may be created. Knowledge, intellectual power, artistic culture, luxurious habits of living may rise to greater heights; the gloomy valleys where life is sordid, wretched and base may be enlarged; while all the time the population, both of the heights and the depths, is becoming increasingly homogeneous. Whitechapel is racially the counterpart of Belgravia. The rich may become richer, and the poor become poorer, while each becomes more like the other.

Assimilation, on the other hand, is a psychic phenomenon. It means the bringing up of the low-cultured elements of the population to a certain wholesome standard. It is the expulsion of morbid habits, customs, affections and ideals by beautiful habits, customs, affections and ideals. It represents the victorious contagion of high conceptions of citizenship and life. A nation has assimilated its children when it has transformed their ignorance and immaturity into the knowledge and competence of the adult portion of the nation, so that they mingle with their elders on even terms. Similarly, a nation has assimilated its immigrants when they have adopted the customs and standard of that nation, so that they mingle with the body of earlier citizens on even terms.

It is well to keep this distinction in mind because of the prevailing tendency to identify assimilation and amalgamation. Many of the utterances, by voices or pen, now current in regard to the enormous task laid on the Canadian people by recent immigration speak of assimilation, but really mean amalgamation. The hope which these writers and speakers cherish, so far as they have defined it to themselves, appears to be that after a few generations, as the result of vigorous inter-breeding of the many races now on our soil, one resultant type shall emerge. This will be the Canadian of the future. His appearance and character depend thus partly on the working of the obscure laws of heredity and partly on the training he and his progenitors receive.

Doubtless there will be much marrying and giving in marriage between the several races. But the real problem lies elsewhere. It is the problem of assimilation. England, for example, has during nine hundred years been subject to both processes. Neither of them is yet finished. There has been much inter-breeding between all the races which were thrown together in that narrow arena. Certain small bodies, such as Flemish weavers and the Huguenot refugees, have disappeared. They have been amalgamated. Their blood has been distributed throughout the general body of the population, to its undoubted enrichment. But not so the Welsh, nor the Cornish, nor the North Country man. These still preserve their identity and individuality. Perhaps a few more centuries will see them disappear as the Flemings and the Huguenots have disappeared. But it is a slow process, and one not under the control of government. It is as unconscious as it is inevitable. Any attempt either to hasten or to delay it would probably defeat its own end by awakening racial loyalties now slumbering.

And it does not much matter. An England with a Wales and a Cornwall in it is just as much and as good an England as if the individuality of these regions had been destroyed. And when the day comes in which the individuality shall have perished there will be no evident loss. The vitality of these peoples will have become the possession of all. The whole of England will be the racial heir-at-law of Wales and Cornwall.

What does matter is the condition of portions of the people of England, which are unassimilated. England is in no danger from Wales or Cornwall. But she is in danger from classes which are ignorant, vicious, overworked and underfed. There degeneracy increases. There crime is nourished. There restiveness always abides, liable to blaze out into revolt. And these conditions yield to treatment. The pauper and submerged classes are capable of being schooled, fed, calmed, and morally improved. It is possible for England, by sagacious legislation, by the development of healthful habits, by sanctioning sane customs, to lift all her population to a level safe for the State and to maintain it there. This has been the object of her Common School laws, and of the recent advanced programme of National Insurance.

The lesson for Canada is plain. It is futile to talk of amalgamation. It is equally futile to talk of assimilation when we mean amalgamation. Let nature take care of marriage, and its issue of children. We will do harm if we interfere. The obvious duty of the hour is to attack the problem of Canadianizing the immigrant by educating him and his children, and by provoking him to desire and then providing ways by which he can shake his desire for the liberties, comforts and privileges in which Canada is richer than the land he left. It was the ambition, more or less obscure and confessed, for these things which brought him hither. It is an excellent quality in him which we should turn to account.

Assimilation differs from amalgamation in the variety of type it presents. It is a leveling up process and makes for individuality. It allows for differences of language and creed, occupation and talent. Prussia has tried to destroy the Polish language in that portion of Poland which is in Ger-

many, with the result that she has made the people love their language and hate the Prussians with a similar intensity. A nation is richer for numerous types if only they be types of sanity and health. It will pay us as citizens of Canada to conserve the distinctive racial values which amalgamation would destroy. Canada need not, indeed, there are obvious and mandatory reasons why she cannot, be a "melting-pot."

If Andrew Carnegie is really desirous of dying poor, he should turn to war instead of peace. As the present conflict is costing in the neighborhood of \$50,000,000 a day, it would not take very long to put him in the bread line.

We still think it is too bad that the Kaiser was not allowed to dine in Paris on August 12th, as he had planned. Probably the junior partner in the firm of "Me and Gott" failed to do his part, or allowed the Allies to accomplish more than the Kaiser thought them capable of doing.

The Peace Palace at the Hague has apparently closed its doors for the time being. It has been suggested that the warring nations knocked the "H" out of Hague, and left it with the ague.

From all reports, the situation is most favorable for the Allies. The whole German line, with the exception of a small portion on the left, is in retreat. In some quarters it is feared that the Germans may do as the Allies did, viz. take a stand and commence an offensive movement. This is extremely doubtful. The Germans won and then lost, and are now worn out and spent with their long marches and hard fighting that their recovery is extremely unlikely. They act like a beaten army.

Some of our ministers have evidently not taken the trouble to thoroughly inform themselves in regard to the events leading up to the present war, or to admit that the Canadian and British press is partisan and biased, and that it is only natural that we should blame the Germans for the outbreak of hostilities. Any person, however, who thinks that the world takes the side of the Germans is not well informed. Apart from Turkey, there is not a nation in the world but what has shown its sympathy for Great Britain and taken her side in the quarrel. In the United States, there is a very large German population, every paper, except those owned by Hearst, has come out in the strongest possible language in favor of Great Britain, and in condemnation of the Germans. The United States is a jury, and they have given their verdict in favor of Great Britain.

"A LITTLE NONSENSE NOW AND THEN"

The wife of a Gordon Highlander received an invitation to visit him at the barracks in Scotland, and took with her her six-year-old daughter. When they arrived the husband was on sentry duty, so he could not be approached. The child eyed her daddy with a rather sorrowful but amused expression as he passed up and down the square, shouldering his rifle and wearing a kilt. She had never before seen him thus arrayed. Presently with a solemn look on her face, the child loudly exclaimed: "Mamma, when daddy finds the man who stole his breeks, will he give me the little frock?"

Is the devil the silent partner in that "Me and Gott" firm?—Wall Street Journal.

Sacking a city and then levying a war indemnity on its inhabitants, reminds us of a Connecticut plumber that we once called in. He broke \$30 worth of sound pipe, and then sent in his bill of \$12.—Chicago Tribune.

M. Schneider of the Crucet Works, who has made a gift of £600,000's worth of new artillery to the French Government, tells a story of a French peasant who was on his first visit to a town. He went into a cafe and ordered a glass of beer. The waiter brought the beer, together with, as usual in good cafes, a small round piece of felt, on which he placed the glass. The countryman looked at the felt doubtfully. He lifted it and tried to bite it. Glancing round to make sure that nobody was watching him, he took out his knife, and cut the felt into small pieces. These he gulped down one by one, and finally washed them down with his beer. Rather exhausted by his efforts, he called the waiter again. "Another beer," he said, "but no biscuits this time."—Mail and Empire.

A country schoolmaster in the neighborhood of Manchester, says Th-Bits, after giving one of his pupils a sound scolding for speaking ungrammatically, sent him to the other end of the room to inform another boy that he wished to speak to him, at the same time promising to repeat the dose if he spoke to him ungrammatically. The youngster, being quite satisfied with what he had got, determined to be exact, and thus addressed his fellow pupil: "There is a common substantive, of masculine gender, singular number, nominative case, and in an angry mood, that sits perched upon the eminence at the other end of the room, who wishes to articulate a few sentences to you in the present tense."

SHIP SUBSIDIES. Ship subsidy interests are again at work with the purpose of attaining a double object—the defeat of the Administration's plans for the purchase of construction of ships and the extension of Government aid through protective duties or subsidies to domestic shipbuilders. The time is undoubtedly more opportune for such agitation owing to the current difficulties caused by the European struggle than any that has presented itself for a long while past. On the other hand, nothing in the European situation in any way alters the argument against such aid to domestic ship-builders and operators. In fact, the very enlightening discussion that has been in progress for some time past shows that mere payments or even the relaxation of hampering legislative conditions will not altogether insure the growth of a marine, but that such a change in our economic organization calls for a much more fundamental and far-reaching alteration of underlying conditions.—New York Journal of Commerce.

TO HELP THE WHITE MAN. Regiments of dark-skinned soldiers from India will soon be in France helping to "bear the white man's burden."—Hamilton Herald.

A MOUNTAIN NOTABLE INN.

The very name "Inn" bears historic interest. The Inns of old England fit across one's memory. Comfort, rest, peacefulness all flood the mind. So then when the Gray Rocks Inn in the Laurentians is mentioned these thoughts are especially suitable. Here is a spot where business men and their families may enjoy, at exceedingly small cost, a real old-fashioned Inn. The Inn itself is located two and a half miles from Ste. Jovite Station on the Mont Laurier branch of the C. P. R. And where is Ste. Jovite? Well it is only 85 miles from Montreal, right through scenery unequalled in the world. Some of the features about it outside the environment with big mountains on every side and Lac Ouimet in front, there are beautiful walks, drives, canoe trips, mountain climbing, tennis, bathing, etc., in season, of course. Then careful attention is paid to hunting and fishing parties; boats, guides, camping outfits and livery all furnished at reasonable prices.

Is the place a sanatorium? In no sense whatever and this is where Mr. G. E. Wheeler, the proprietor, has made his strongest bid for success in that while he has 10,000 cubic feet of screened glass and enclosed gallery it is not the glass front so notable in the mountains as the sign of the white plague, consumption.

Then aside from all this there is an atmosphere of home pervading the house. Mr. Wheeler has a happy knack of making his guests feel at ease. It is always a kindly word here and a thoughtful act there which wins and soothes and comforts everyone. There is always music, a fine dance hall and the boss himself is a raconteur, a diplomat and a gentleman whose purpose is not to get your money but to make you enjoy every minute of the stay. The beautiful story has been told you and the meaning has been felt. People come to the Inn from all parts of the world, Americans coming year after year, thousands of miles.

George Wheeler, as the host is known, is a part of the hotel and he gives it life, character, civilization all its own and it's the combination of all these elements which give it what is called a "tone." The Inn is the one tonic that will really make you say: "This is the life."

AN IMPERIAL ANTHEM.

(From The London Daily Chronicle.) (By the Hon. W. S. Fielding, late Minister of Finance in the Dominion of Canada.)

Mr. Fielding, who is one of the leading public men in Canada, has written the following striking and beautiful new version of the National Anthem, and sends it to "The Daily Chronicle" for publication:

"God save our gracious King, Long live our noble King, God save the King." From Thee all blessings flow On him Thy grace bestow, Guard him from every foe, God save the King.

His world-wide power bless, May he always possess, Wisdom as wide; Judgment, with clear insight, Vision to see the light, Courage to do the right, Whate'er betide.

Send to his Council board Statesmen in true accord, Scene and strong, Give them with sacred zeal, Fill them with sacred zeal, To serve the Empire's weal, Keep them from wrong.

Grant us sweet peace, O Lord; The ploughshare, not the sword, We fain would wield, If, through man's lust for power, Dark war clouds o'er us lower, Be with us in that hour, A strength and shield.

Not Motherland alone, Loyal to King and Throne, Thy blessing craves, Vest lands beyond the seas Repeat the earnest pleas, Where proudly in the breeze His banner waves.

Great hosts of faithful ones, Fair daughters and true sons, Join in our prayer, From centre to earth's end, At many shrines they bend, In varied tongues commend Him to Thy care.

In the broad world's affairs, Through all the fleeting years, Since early time, Though 'gainst strong foes arrayed, Our England, undismayed, A gallant part has played In every clime.

O God! before Thee now, With humble faith we bow, And grateful heart, Grant that until the last, As in thy glorious past, This British Empire vaunt Play well its part:

Not with a selfish aim, Not to desire acclaim Throughout the world, But that its ensign bright May ever, in Thy sight, Speak freedom, truth and right Where'er unfurled.

THE Royal Bank of Canada Incorporated 1869. Capital Authorized - \$25,000,000. Capital Paid up - \$11,500,000. Reserve Funds - \$13,500,000. Total Assets - \$180,000,000. HEAD OFFICE: MONTREAL. H. S. HOLT, President. F. L. FEASE, Vice-President and General Manager.

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AUTOCRACY. (The World, New York.) When autocracy makes war it hesitates at nothing. Who could conceive of an American army officer murdering women and mangling children by bombs hurled from an airship at night into a sleeping city? Who could imagine an American soldier's raising death from the sky upon unsuspecting and helpless non-combatants, and upon wounded prisoners in hospitals flying the Red Cross flag? Who could picture an American admiral's ruthlessly sowing the deep sea with mines to destroy the ships and sailors of neutral nations engaged in the pursuits of a peaceful commerce? Who could think of American troops grimly engaged in shooting down disarmed peasants who had tried to defend their little possessions? It is all unthinkable. No American officer who did what the Germans have done at Antwerp, who did what the Germans have done in the North Sea, who did what the Germans have done in Belgium, could withstand for a single day the avalanche of American criticism. His own people would instantly repudiate him as a barbarian, and no excuse of military advantage over the enemy would be accepted or tolerated. The Nation would declare with one voice that the American people did not make war that way, and wanted no victories won in that manner. Even Germans in the United States, who are eager to defend everything that German autocracy has done in Antwerp, and in Belgium and on the North Sea would be quick to protest against such inhuman massacre if the blood of the innocents stained the hands of American democracy. Autocracy offers in its own defense the excuse that the practices complained of are not expressly forbidden in the articles of war. But the articles of war, like the treaty that guaranteed the neutrality of Belgium, are "a mere scrap of paper. They, too, can be enforced only with fire and sword." The German autocracy makes war in the way that autocracy has always chosen to make war. If this autocracy wins the conflict it he begun it will be hardly worth while for civilization to deceive itself longer with prattle about the rights of neutrals and the protection of non-combatants and the safety of women and children. The Duke of Alva will have been vindicated.

CENSUS OF BELLIGERENTS. Manchester Guardian—The population of the nations involved in the war are as follows:—Britain, 45,870,530; France, 39,601,609; Belgium, 7,571,000; Russia, 111,029,900; Germany, 64,928,993; Austria, 28,895,844; Hungary, 20,886,487; Serbia, 2,911,701; Montenegro, 516,000.

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