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Special Articles

Bank Holdings of Government Securities.

By H. M. P. Eckardt.

The Causes of Failures in the Retail Trade.

By W. W. Swanson, Ph.D.

Banking and Business Affairs in the United States.

By Elmer H. Youngman.

Conditions in the West.

By E. Cora Hind.

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Insolvency

PROFESSOR SWANSON, in the interesting article which we publish to-day on the causes of failures in the retail trade, strongly advocates the enactment of a Dominion insolvency law. Many of our business men and commercial bodies have expressed similar opinions. There is in most of our Provinces legislation which the advocates of a Dominion law sometimes overlook. In all the Provinces, we think, certainly in most of them, there is now provision for the equitable distribution of insolvent estates, this part of the subject coming within the jurisdiction of the Provincial Legislatures. Before the passing of such laws great injustice was done to many creditors, particularly those at a distance. An insolvent could give a preferential assignment which protected certain creditors and left all others to suffer. This position was more than usually hard on the distant creditor, who, being so far away, had no opportunity of observing the affairs of his debtor. English creditors who suffered in this way complained bitterly and urged that unless they could be protected against such injustice Canadian credit generally in the mother country would be destroyed. The Provincial Legislatures, where they had not already dealt with the matter, met this demand by enacting laws for the prevention of preferential assignments and for the fair distribution of the estates of insolvents. Consequently the grave abuses of former times are not now possible. To some extent the need of an insolvency law has been met by such legislation.

There are other reasons, however, that still operate in favor of the enactment of a Dominion law. The absence of uniformity of the Provincial laws on the subject—the necessity for watching the legislation of so many Provinces—is a substantial disadvantage to the creditor. A Dominion Act governing the distribution of estates in all parts of Canada would have many advantages, especially in the mind of the creditor abroad. Then, on the other side of the question, the present position of the debtor is unfortunate and in many cases he suffers unjustly. The Provincial law can take possession of all his property and dispose of it for the benefit of his creditors, but, after he has honestly given up everything that he possesses, the law cannot discharge him and allow him to make a fresh start. Unless every one of his creditors is broad-minded enough to grant him a discharge he remains a debtor and is practically precluded from engaging again in business. Only an Act of the Dominion Parliament can provide for his discharge in such circumstances. No doubt there are cases in which, failure having been caused by incompetence or worse, it is as well that the debtor be not permitted to repeat his

operations. But on the other hand there certainly are cases in which a man's failure has been caused by circumstances quite beyond his control and not reflecting on his integrity or capacity. It is in such cases that a Dominion law would supply relief by providing for the discharge of the debtor when he has satisfied the proper tribunal that he is worthy of it.

Fruits of the Revolution

IT is too early, perhaps, to count very strongly on the permanence of the favorable conditions which appear to have been brought about by the extraordinary revolution that has taken place in Russia. Usually such an overturn as has occurred brings to the front some elements that are not the best for the establishing of good government. The extreme of autoeracy when pulled down is apt to give place to the extreme of democracy, and a period of disquiet, if not of disorder, follows. In the present case it is fortunate that, when the moment came for the dethronement of the Czar, the people found leaders of ability and of moderation, who desired to give the Empire, under one form or another, a really constitutional system of government. Close students of Russia are less surprised than others by the change that has taken place. While there always was autoeracy at the top of the Russian organization, there has for some years been a considerable measure of popular government in the management of local affairs. Through the communal assemblies of the villages, the Zemstvos of the districts and the municipal councils of the cities—and later in a broader way through the Duma—the Russians have been receiving much education in the science of government, which has made them better fitted than many have supposed them to be for the new responsibilities that are now coming upon them. If the strong men who have assumed control of affairs at Petrograd can hold their position, suppressing all reactionary movements on the one side, and all extremes of democracy on the other, Russia will be stronger than ever, stronger in her internal policy, and stronger in her ability and determination to co-operate with her Allies in the great work of the war.

Several good results are already noticeable. In Great Britain, while there was no disposition to question the sincerity of the Czar, it was inevitable that, in the light of history, there should be some uneasiness concerning Russia's relations with the British. Englishmen who had for many years been taught that Russia, under the Romanoffs, was England's enemy, found it not easy to accept unreservedly the idea that the Russia of to-day was worthy of admiration and love. The passing of the Czar and the creation of a sane and orderly democratic government at Petrograd make it