

The Manitoba Legislature has no power to pass a divorce law. Divorce is one of the subjects which, by Section 91 of the British North America Act—the constitution of Canada—are assigned exclusively to the Parliament of Canada.

How comes it, then, that the Province of British Columbia has its divorce law? British Columbia, Nova Scotia, New Brunswick, and Prince Edward Island were Provinces before the Dominion existed. They had their divorce laws. These laws were not repealed by the British North America Act. Therefore they remain in force. The Provincial Legislatures have no power to repeal them. The Dominion Parliament has such power, but has not seen fit to exercise it. While it shrinks from giving the rest of Canada such good laws, Parliament has not interfered with the divorce system as it existed in those Provinces at the time of the union. The extension of that system to the other parts of Canada would be a very sensible thing. But the Parliament of Canada has not thought so.

A divorce case in British Columbia or the Maritime Provinces is handled by a high court, judicially, inexpensively, and with no undue publicity. A similar case in any other part of the Dominion would require all the publicity and controversy attending a contentious measure in Parliament at Ottawa, an expense that would be to most people a prohibition, and the case if carried to the end would result, not in the calm judgment of a high court, but in the decision of majorities in Parliamentary committees. It is a preposterous system, but there is small chance of any change.

Money for Farmers

THE desirability of some system under which the farmers can obtain money on easier terms than those that have hitherto prevailed has been one of the uppermost questions in our Western country for several years. So far as it related to loans on mortgages efforts are being made by the Western Provincial Governments to meet the demand. Legislation has been enacted for the purpose of borrowing money on Provincial credit, to be loaned to the farmers at an advanced rate. It had been assumed that the Provinces could borrow at from four to five per cent and that the Governments, after paying all expenses of the operation, could supply money to the farmers on mortgage security at rates not exceeding six per cent, which was lower than the rates hitherto current. In pre-war days these expectations might have been largely realized. But the well meant operations of the Provincial Governments in this line have been checked by the increased value of money in war-time everywhere. The English money market, which was at first relied on to supply the funds, has been closed. The New York market was to some extent available, but not at low rates. If any extensive lending operations are carried on by the Provincial Governments under these conditions they will almost necessarily be conducted at a loss to the Governments. We note that the Saskatchewan Government announces its intention to issue a domestic five per cent loan, of two million dollars, the terms of which it is hoped can be made satisfactory to investors.

It is sometimes assumed in the discussion of these questions that the American farmers have been better off as respects money rates than those on the Canadian side. There does not seem to be ground for this belief. The American commissioners who investigated the cost of fertilizers made some observations on

the money question which will apply as well to the cost of other commodities. "Present conditions," the report said, "affecting farm mortgages and short time loans, particularly in the South, are exceptionally burdensome. Many small land owners and most tenants cannot borrow money at all, or only at extortionately high rates of interest. . . . The adoption of a rural credit system which would reduce the interest rate on personal credit, and at the same time reduce the risks to the lender, would undoubtedly enable the tenant farmer to obtain his fertilizers, either in mixed form or in the form of materials, at considerable reduction from the prices prevailing in recent years. Federal legislation to enable credit to be furnished at reasonable rates on land mortgages such as has recently been enacted by the Congress will tend to improve the situation as respects the small landowner, but can have little, if any, effect on the personal credit problem and consequently little effect upon fertilizer prices for the large tenant class."

These observations will apply to what is going on in Canada. The problem of cheaper money on mortgage is being dealt with by several of the Provincial Governments in a manner that promises ere long to remove any grievance on that score. The Government, whether they can afford to do so or not, will lend at moderate rates; the ordinary money lender will have to lend at similar rates or turn to other fields of investment.

The problem of personal credit for the Canadian farmer remains and is not so easily solved. Something has, however, been done, and a considerable improvement is to be looked for. By amendments to the Bank Act the banks have been authorized to take prior liens on livestock and growing crops. This gives the banks an additional security, which should induce them to be more liberal in their loans to farmers. But there is another element of security which should have more consideration than it sometimes receives. One of the most successful of American financiers has said that he always considers the character of the man with whom he is dealing as one of the most important securities for a loan. Perhaps our Canadian system of branch banks, excellent as it is in most respects, does not lend itself readily to the utilizing of this character asset in the farming communities. On that particular point the American system of small local banks has some advantages. The small bank concentrates its operations within a small area over which its permanent officials exercise a constant supervision which enables them to obtain an intimate knowledge of the affairs of the bank's customers. There is thus a large opportunity of studying the element of character that time builds up and of giving it its true value in business transactions. Many a farmer who may have no property that he can offer as security has this character asset which is of real value if the banker only knew it. Under our branch bank system the banker in the rural district is in most cases a young man who has been but a little while in the place and is not likely to remain long. Before he has had time to thoroughly know his customers he is ordered off to another district, and is succeeded by another youthful manager who will in turn soon move on. There are advantages to the bank in this adoption of what we may call the Methodist system, otherwise it would not be employed. But there can be no doubt that it fails to establish that close relation between the bank and the bank's customers which is desirable and which would enable the banker to make a larger use of character as a security. How to meet this difficulty and enable them to give due value to

character in the case of the modest money needs of the struggling farmer is one of the problems which should engage the attention of our leading bankers.

The Elevator Strike

ANY obstacle to the operations of the grain elevators at the head of the Great Lakes—at Fort William and Port Arthur—would at any time be a particularly regrettable matter, because under the most favorable circumstances the elevators have only a short season in which to work. But a continued strike now would be disastrous because the season of lake navigation is far advanced and, with a heavy crop to handle, every hour of the elevator services is needed. At such a time, and in the midst of war conditions which require the prompt transportation of grain, one might have expected that on all sides there would be a desire to avoid friction and keep the elevators at work. Unfortunately this expectation was not realized. The irrepressible conflict between workmen and employers broke out. Efforts to bring about an amicable adjustment of the difficulty were of no avail. How far this situation might have been avoided by earlier Government action will, doubtless, be a point of controversy.

At an earlier part of the season, or in another branch of industry, conditions might have permitted further delay and the exercise of patience which is often rewarded with success. But the exceptional conditions at Fort William and Port Arthur would not admit of delay. Under these circumstances the Government were well advised to pass an Order-in-Council, under the wide powers possessed through the War Acts, authorizing the appointment of a Director of Elevators, with power to deal with the case and, if necessary, take over and operate the elevators as Government works. We may reasonably hope that arrangements will be made at once for the full operation of the elevators.

Patience with Russia

THE Russian situation continues to be perplexing and in some respects alarming. Where there are so many conflicting elements in the various organizations claiming a right to be heard in the direction of the affairs of the new Republic, strange things must be expected to happen. Never in the world's history was there such a revolution as that which occurred in Russia. Never before were there so many people with good grounds for desiring some change and with so little qualification for setting up a new system instead of the one which they wished to destroy. When the condition of the mass of the Russian people is remembered, the wonder is, not that so many troubles have occurred, but that greater evils have not sprung from the revolution. The conflict between Kerensky and Korniloff is particularly to be regretted, for both are strong men who, acting together, should be able to do much to bring order out of the chaos that has prevailed. Unfortunately the two men seem to have distrusted each other. Each, probably, was moved by patriotism; each desired the welfare of his country. But Korniloff has the soldier's idea of government; Kerensky saw things through Socialist eyes and thought the soldier idea could easily be subdued. The truth is that both these ideas, qualified in both cases, are necessary for the restoration of order in Russia.