Journal of Commerce

Vol. XLIII., No. 6

MONTREAL, TUESDAY, FEBRUARY 6, 1917

Price, 10 Cents

Journal of Commerce

Devoted to

CANADIAN INDUSTRY, COMMERCE AND FINANCE.

Published every Tuesday Morning by

The Journal of Commerce Publishing Company,
Limited.

Head Office: 35-45 St. Alexander Street, Montreal.Telephone: Main 2662.Toronto Office: 263 Adelaide St. West, Toronto.

Telephone: Adelaide 917.

HON. W. S. FIELDING,

President and Editor-in-Chief.

Subscription price, \$3.00 a year.
Advertising rates on application.

TUESDAY, MONTREAL, FEB 6, 1917.

Special Articles

Our Racial Curse.

By J. W. MacMillan.

Some Standards in the Retail Trade.

By W. W. Swanson.

Banking and Business Affairs in the U.S.

By Elmer H. Youngman.

Extravagance a Cause of the High Cost of Living.

By E. S. Bates.

Editorials:	Pa	ge
The Break		
An Overzealous Friend		:
The German Threat		
Mr. Roosevelt Again		
Our Racial Curse		:
Some Standards in the Retail Trade	٠.	
Banking and Business Affairs in the U.S	<i>′</i>	
Extravagance a Cause of the High Cost of Livin	ng.	
Mentioned in Despatches		
Public Opinion	4-6	
Comments on Current Commerce	,9	
Among the Companies		
British Columbia Mines		1
Rural Credits in Manitoba		1
Montreal Board of Trade Elections		1
Montreal Stock Exchange		1
Bank Clearings		1
Bank of England Statement		1
Statement of Bank of France		1
Munition Company Disasters in the Sattes Co	ost	
\$100,000,000		1
"A Little Nonsense Now and Then"		1
The Exporter's Field		1
What are you Worth?		1
News of the Week		
Quality of the Lower Grades of Wheat	• • •	2
Commodity Markets23	-22	-2
Text of President Wilson's Announcement to		
Congress	, .23	-2

The Break

F HIS previous message to Congress seemed to be largely that of a dreamer, no such criticism can be offered upon the address which President Wilson delivered in the House at Washington on Saturday last. In clear and forcible and closely reasoned passages he recounted the main features of his previous negotiations with the German Government on the subject of submarine operations. On April 8 last, in view of the sinking of the cross-channel steamer Sussex without warning, and the consequent loss of the lives of several American passengers, he addressed to the German Government a note stating that, unless the Germans were prepared to declare an abandonment of such attacks, the United States would be obliged to sever diplomatic relations with the German Empire. The German Government, in reply, gave an assurance that ships would not be sunk without warning and without saving lives, but adding that "neutrals cannot expect that Germany, forced to fight for her existence, shall, for the sake of neutral interest, restrict the use of an effective weapon if her enemy is permitted to continue to apply at will methods of warfare violating the rules of international law." On May 8 the United States Government accepted the assurance so given, taking care, however, to state clearly that the concluding words of the German note must not be understood to imply that the rights of American citizens on the high seas could in any way become contingent upon the action of any other Government. To this note the German Government made no reply. On January 31 came the German note, practically withdrawing the assurance of good conduct previously given, and notifying the world that Germany intended to ruthlessly pursue her submarine warfare regardless of neutrals' claims or interests. Under such circumstances, the President pointed out, no other honorable course was open to the United States than to declare that severance of diplomatic relations of which Germany was so plainly warned in the American note of April 8. Therefore the German Ambassador at Washington would be given his passports and the Ambassador of the United States at Berlin had been instructed to demand his passports. No statement could be clearer, no argument more convincing, as to the course that was required by the dignity and honor of the United States.

The breaking off of diplomatic relations between the two countries does not necessarily mean war. There have been cases in which such suspension of official intercourse between nations has not been followed by war. But in the case of two countries like the United States and Germany the maintenance of such a position for any considerable time without

actual war is almost impossible. If Germany carries out any part of the threat she has made, and as a consequence the life of any citizen of the United States is sacrificed, a declaration of war will almost certainly be made. What may follow that tremendous event is a large question, full of interest to all the world.

There was some impatience in British countries, and some even in the United States, at the position of President Wilson in not taking more vigorous steps than the writing of notes to protest against the German policy. In the light of events to-day there is much room for the belief that the President long ago foresaw that in all probability the evil spirit manifested by Germany in the war would ultimately lead to what has now occurred, and that he was resolved to make certain that every possible allowance be made for Germany, that every possible consideration be shown to her, that every possible favorable interpretation be placed on her notes and her acts, realizing that such a policy of patient effort to maintain peace would give him immense strength whenever the break might come. Certainly that has been the result of his policy. There will be few of his fellow countrymen who will not now rally to his support. Even the so-called German-Americans who have any real Americanism in their hearts. must admit that the time has now come for the abolition of the hyphen, and for the uniting of all American citizens for the defence of the nation's honor.

An Overzealous Friend

HERE are many questions upon which Canadians entertain widely different opinions. The privilege of free discussion and plain speaking is valued and exercised. Wide latitude is allowed, without any question as to its propriety. All this, however, applies to the discussion of affairs at home. If a Canadian citizen should go over the border and, from a platform in an American city, make an attack on our country, its institutions, its general character, or even on its Government, he would be regarded as, to say the least, indiscreet. If it would be deemed unwise and perhaps unpatriotic for a Canadian citizen to so act in a foreign country, what should be said of an American citizen who comes over to Canada and, from a Toronto platform, tells his hearers what a miserable Government the Americans have and what a miserable people they are in respect of their management of foreign affairs. Mr. Poulteney Bigelow, himself a distinguished American writer and the son of a distinguished American, the late venerable John Bigelow, has just delivered an address in Toronto which, if it had been given at home, even though somewhat harsh in its language,