

## THE WAR AND FINANCE

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By Finance, I do not mean the finance of the war, but the science of monetary affairs generally. A better title might be "The Effect of the War upon Credit," because in the main all finance depends upon credit.

Credit is one of the very greatest accomplishments of civilization—not merely because of its amazing effect upon the material prosperity of those who have fully developed it, as compared with those who have not, but in its uplifting effect upon society.

This willingness to put such trust in another that we part with enormous sums of money or of merchandise even when the scrap of paper received in exchange is only a telegraphic message in code words, and is consequently without the signature of the party we trust, demonstrates such an advanced state of civilization that it seems to be at the furthest possible extremity from War, and so it actually is. When we consider the progress made in the western world, both in our social conditions and in our material prosperity, we are apt to be satisfied by recognizing political and physical reasons alone for this vast change. The growth of personal liberty, the use of steam and electricity, the protection of inventions by patents, the development of transportation on land and sea, and many other reasons, at once arise in our minds to account for the change, but all these would have been of little avail if they had not been accompanied by a corresponding growth in those relations between man which render possible the power of Credit. As society evolved from simple to complex conditions the interdependencies of small communities became interdependencies of a nation, and finally of the world as a whole, and of all the interdependencies existing among the nations of the world, none is so complex, so vital, and formed of such delicate machinery, as credit.