

War Committee consist of only four members" and that this small body should be given "independent control of the war in all its aspects, from the control of operations to such semi-domestic questions as supplies, blockade, food control and man power."

Such were the evils said to have arisen from the existence of a large War Committee of seven members, and such was the new order of things which Mr. Asquith was informed was necessary to meet the requirement of the time. And when, on these grounds, a change of Government was brought about and a new Cabinet formed for this concentration of war affairs in the hands of "only four members," one of the first things announced, after the formation of a War Committee of five, is that a number of gentlemen from the four quarters of the world are to come and join the said Committee. The Premiers of the four great Dominions—Canada, Australia, New Zealand and South Africa—are invited. India, which has been giving such splendid service to the Empire, will doubtless have to be represented, and some official may have to be designated to give a nominal representation to the Crown Colonies. Thus, almost at the very moment when the public has been told that a War Committee of seven was helplessly unwieldy and that the committee should not exceed four, the war business is to be intrusted to a body which will probably number ten or eleven. If the claim for concentration of war authority in a very small War Council was well founded the claim on which the change of Government was brought about—it must be evident that the calling of this Imperial Conference is a matter of sentiment and of form, and that little if any real service is expected of it.

The calling of the Conference is probably, in a considerable degree, to the agitation of a number of well meaning men in England who, ever since the war began, have been demanding such a meeting, for the direction of the war and for the management of the affairs of the Empire after the war. They have usually based their request for a Conference on the assumption that the people of the Dominions have been chafing under the existing conditions and claiming a share in the making of the war policy, an assumption entirely unfounded so far as Canada is concerned. Nearly everybody here who has given any attention to the subject has felt that this is no time for constitution mongering, and that until a new order of things is created, the management of the war and of all Imperial affairs must of necessity remain practically in the hands of the British Cabinet in London. With the full knowledge of that fact, and without a word of complaint against it from any responsible authority, Canada has resolved to do her utmost to co-operate with the Mother Country, the sister Dominions and the Empire's Allies in resisting the German attack. She has done much already; she stands ready to do everything within her power. How the manhood of our country can best be made available for the purpose of the war must necessarily be left to the judgment of the experienced naval and military commanders of the Mother Country. There may be questions upon which Canadians could venture to advise the old land; but the methods of making war are certainly not among them. What military knowledge then can an Imperial Conference furnish, to add to the stock possessed by the experienced commanders of Great Britain and her Allies? What service, as respects prosecution of the war, can be rendered now by the Conference that could not as well be rendered by the use of post and cable and the occasional visits of Ministers to London? Apart from

the purely sentimental side of the question, what real good will be accomplished at this time by taking the Prime Ministers of the Dominions away from their home duties, now more arduous than usual, to travel thousands of miles to London to attend a Conference which apparently, under present circumstances, can be little more than a matter of form?

The calling of the Conference at this time is a more popular than practical movement. So far as the prosecution of the war is concerned the Conference can do nothing. There are after-the-war problems of importance to the whole Empire, as respects which it is desirable that the representatives of the Overseas Dominions should be consulted. Whether these problems can be intelligently and effectively dealt with in the midst of the war is far from certain.

Financing in New York and at Home

THE recent action of the Federal Reserve Board of the United States—the high court of the American national bank system—in advising the banks against locking up their resources in foreign securities will undoubtedly make the further financing of the belligerent nations (including Canada) in New York more difficult than it has been in the past couple of years. The warning was issued at a moment when an issue of short term British treasury bills was about to be made. The British Government, in view of the Reserve Board's action, immediately withdrew the treasury bills from the market. For this there were some who criticized in England.

It is a doubtful thing to say that the States that were financing in New York were wise in the action of the Reserve Board. The treasury bills might have been readily taken; probably they would have been taken by a few of the large banking houses, notwithstanding the Board's disapproval. But an effort to market securities against the wish of the Board would have provoked controversy that would have militated against operations that might be needed later. By some writers the Reserve Board's action was regarded as an unfriendly act towards Great Britain. This view, however, is not taken by the London Economist. The Board advised caution as to the character of securities in which the funds of the banks were to be invested, particularly in the case of long term loans and securities nominally of short terms but of such a class as to probably call for renewal. The Economist says:

"It has been somewhat hastily assumed in many quarters in the city that this pronouncement has been produced by German-American influence; but in view of the inflation and speculation now rampant in the United States, the Federal Reserve Board has plenty of reason to tell the banks there to restrict their investments, concentrate their gold in its hands, and generally keep their powder dry. Whether the Board's advice is wholly sound, time will show. It might have been thought that, with a view to control of foreign exchange after the war, a mass of European obligations falling due would have been a good asset. America could have called for their repayment at face value, but if she buys back her own securities, she will have an asset saleable only at a market price. Perhaps the Board thinks that America already has enough control of this kind, and perhaps it is right. But whatever the cause of this manifesto, and whether it be

well advised or no, it will undoubtedly make our financing in New York more difficult, and we must at once set about meeting this difficulty." Since America wants gold we and our Allies must find it and ship it, and we must also prepare to ship securities of the kind that the Federal Reserve Board recommends to investors. Above all, we must increase production and reduce consumption, so that we have to import less from America, and may be able to pay for more of what we import by shipping goods. If we set about these things seriously, and make full use of our productive power for war, instead of frittering it away on unpatriotic self-indulgence, the Federal Reserve Board's action may have a salutary effect on our financial position."

The difficulty pointed out by the Economist will meet Canada, as well as the European nations, in the New York money market, though as a matter of fact, owing to Canada's proximity and to the better understanding of our affairs, Canadian securities are more in favor in the United States than those of any of the European countries. The first effects of the Reserve Board's warning may pass away, and Canada's loans may still be welcomed. But it will be wisdom on the part of all concerned in Canadian finance not to count too much on the New York market. There is more need than ever for the cultivation of thrift at home, accompanied by renewed effort for the production of things that Canada needs, or for which there are available markets abroad. We shall ere long have new calls from the Dominion Government for money to meet the many requirements of the war. There

Ships for Foreigners

AN amusing example of the many foolish things that are said in the British House of Commons by those who are on the look-out for grievances is the complaint lately made by a member who drew the attention of the Government to the fact that several vessels were being built in British Columbia for Norwegian owners. The worthy member thought it most extraordinary that this kind of thing should be permitted at a time when Britain was so much in need of ships. It did not seem to have occurred to the member to ascertain whether any British owners had offered the British Columbians orders for ships. If John Bull wants us to build ships in Canada, and is ready to pay the price, there will be no question as to the willingness of Canadians to give a preference to his orders. But if he has no such business to offer, is it reasonable for him to adopt a dog-in-the-manger policy? Fortunately these fool questions when touched by the light of cold facts are only laughed at in the House of Commons.

The work on the Welland Canal has been suspended for the season and announcement is made that further operations will be postponed until after the war. The decision is a wise one. But why is not similar action taken in relation to the work on the new Parliament Buildings at Ottawa? Hundreds of able-bodied men are still working on that structure, while the Ottawa recruiting officers vainly appeal for men to fill the local battalions.