

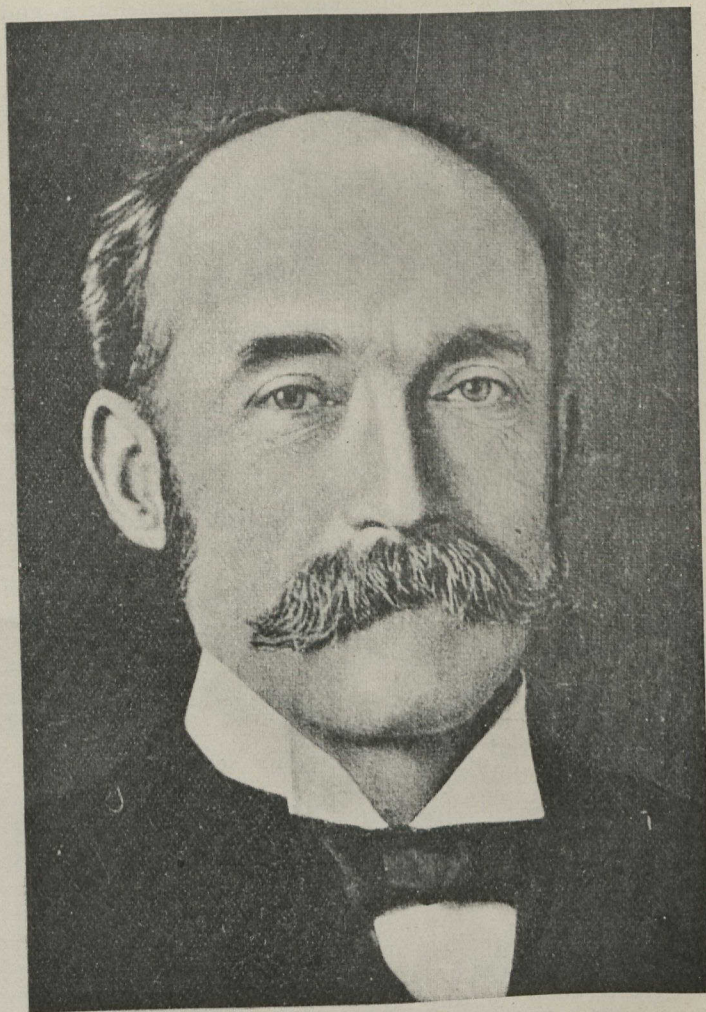
WORLD AFFAIRS

THIS is an age of exposure. A literature has sprung into being around the exposure of graft: civic graft, national graft, and corporation graft. And of these three the greatest is the corporation. The revelations, which are daily becoming more startling, of the utter lack of business morals in the conduct of the great American insurance companies are more than Tom Lawson ever hinted. Legislatures have been bought as one buys a ton of coal; donations in lumps of \$50,000 have been made to political parties for campaign expenses; salaries three times that of President Roosevelt have been paid to presidents of the insurance companies; half a million dollars a year found its way into the pockets of the McCurdy family from the treasury of the Mutual Life of New York; huge expenditures for which no accounting was ever made were authorized by the Executive without the knowledge of the Directors. And the money for it all came from the pockets of the policyholders, who vainly supposed they were paying premiums to make provision for their families. The investigation now under way in New York should lead to radical changes in the insurance laws under which such things were possible. Government supervision, with strict inspection and full publicity, is not unlikely as the result of this explosion. It is difficult to make a nation realize the necessity for a change in this respect. But once aroused they will attend to the remedy in an effectual, possibly in a drastic manner.

BRITAINS OF THE EAST AND WEST

THE Anglo-Japanese alliance, which we outlined last month, is of such tremendous importance, that we give a short history of the events which led to it. The alliance may be said to have been the outcome of a series of influences which had been at work in the Far East for some time, and which more and more tended to bring the two countries in closer sympathy with each other. For one thing, the occupation of Manchuria by the Russians could not be regarded with complacency. Again, it could not be forgotten how Russia, France and Germany had intervened at the close of Japan's struggle with China and prevented her from possessing herself of the Liao-Tung Peninsula, which afterwards passed under the control of the first-named nation. Further, there was always the fear that Russia's next step would be to attempt to obtain possession of Korea, a course which could not but fail to be regarded by Japan as a distinct menace to her existence. Such an eventuality Japan was determined to prevent at all hazards. Diplomacy was tried with respect to Manchuria, and mainly owing to pressure from the Mikado's Government, China declined to sign the treaty which would have given Manchuria to Russia.

In this diplomatic struggle Japan was actively assisted by England and the United States, both of whom saw that their interests and that of Japan were identical. For Japan to follow this up with a definite treaty of alliance with England was a natural outcome, and there can be but little doubt that an exchange of views as to the possibility of such a step took place between Marquis Ito and Lord Lansdowne on the occasion of the former's memorable visit to London. Although the rapprochement was precipitated by the immediate events in the Far East, the beginnings of the friendly feelings between Japan and England may be said to have dated from 1894. In that year Lord Rosebery officially recognized the Japanese as a civilized and progressive Power by entering into an



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agreement with them to abolish the extra-territorial jurisdiction of the British Consular Courts. The good understanding then established was afterwards strikingly exemplified when Great Britain refused to join the European coalition which intervened in the settlement of terms at the close of the Chino-Japanese war.

CAN ENGLAND BE INVADED?

THE speech delivered by Mr. Balfour, British Prime Minister, in the House of Commons, on Imperial Defence, has attracted much attention, not only in Great Britain, but on the Continent. The scheme of invading England has always been a favorite with Continental Governments. The old German strategist, Von Moltke, said that, while he had thought out eleven ways to invade England, none of them left open any avenue of return or retreat for a single German soldier. In his speech Mr. Balfour took a supposed French army of invasion of 70,000 men, attempting to disembark on the south coast of England between Dover and Portsmouth. Naval authorities estimate that such an operation in calm weather would need 48 hours, or two days and two nights. In rough weather (and the sea is usually rough on that coast) the feat would be impossible in that time. The shorter period would leave two nights for the operation of British sub-