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PRINCIPAL CONTENTS OF THIS ISSUE.

FINANCE AND PEACE.

Early this year, some one predicted the end of warfare through the medium of national interdependence in trade and finance. It was contended that a shell fired by any one nation upon another, would scatter the value of international investments to the four winds. This is largely true. British money, for instance, as we know, is invested in every part of the world. Canada and Newfoundland have had £372,000,000; Australia and New Zealand, £380,000,000; South and West Africa, £380,000,000; the United States, £688,000,000. France and Germany, who have been sparring over Morocco difficulties, have had between them £13,000,000. Fifty-three millions sterling have gone to Japan, and £26,000,000 to China. The Argentine Republic has had £270,000,000. Mexico, Brazil, Peru, Russia, Turkey, Egypt, nearly every important country has had its share of British capital on which to develop national undertakings. Of the total amount invested, 53 per cent. has come to America, 16 per cent. went to Asia, 14 per cent. to Africa, 12 per cent. to Australasia, and 5 per cent. to Europe. From these few figures, one may gather an idea of the supreme importance of diplomacy when war clouds loom above the horizon.

Parisians claim that, in relation to the Morocco dispute, the French Premier is the first to apply finance to diplomacy with success. He is said to have eliminated all sentimental elements from the question and reduced it to a purely business matter. This theory of the power of finance as a peacemaker is propounded, too, in a book by Norman Angell, published a year or two ago. In an interview the other day he asked: "If the mere rumours of war caused runs on banks and cost finance and industry several millions, what would war itself do?" and continued:—

"The crisis was really caused by the failure of Germany's foreign creditors to renew loans. Now Germany might be the most powerful country in Europe, but she could not compel European bankers to lend her money unless they wanted to. That is, unless they thought the security good, and unless they had funds available.

"France holds the purse-strings, and Germany cannot open them by cannon. German financiers, merchants and manufacturers would not get their loans renewed by having their Government declare war on France, and, even if they were made a free present of Morocco, German industry as a whole could not make from that country what it would lose by having its credit facilities stiffen for it in the great economic centres of Europe." Whether or not Mr. Angell's explanation is strictly