

sistence disappear. Suspension of work would be forced even on those who were not included in the general mobilization, since whom would there be to work for? To whom would they sell their products? How could they be exchanged or transported? All the large works and factories where the division of labor is completed would have to be shut. Even agriculture would be impossible.

"No more purchases or sales, either the economic or the financial death of labor, an abrupt stoppage of the heart's action in the national organism of all the nations at war, with profound reaction on all others—such would be the consequences of a general con-

flagration in the present conditions of European civilization."

Mr. Alfred Neymarck, vice-president of the Society of Political Economy, in Paris, after pointing out the huge magnitude of commercial, industrial and financial interests, as well as the enormous expansion in credit and business generally among the some six nations engaged, asserted also, in 1912, that the consequences of an abrupt cessation of all this activity through a general war would be incalculable in its vastness.

The tremendous price of the present war may make another such impossible. That would be at least one consolation of practical value.

## Securities and the Wealth Behind

WHEN the Balkan war broke out in 1912 it was a severe blow to the market in \$600,000,000 worth of government securities. That was the total amount then on the market of the loans of the five Balkan powers. Those figures give an idea of the enormous volume of securities which will be affected by the present struggle.

M. E. Terry, a well-known French economist, estimates that Europe possesses about \$150,000,000,000 nominal capital in public securities, representing together the producing plant, the working capital of trade, commerce, and agriculture, reserves for the future, etc. These securities increase annually by four or five thousand millions; and from the ease with which they can be converted into money, they circulate from hand to hand just like coinage. The same thing applies to bank notes, cheques, and bills of exchange. In ordinary times, he says, that organization works well, but calamity was predicted by him in case of a general European war.

Since that prediction we have seen, during the past few weeks, the actual effect upon the securities of the world of international warfare in Europe. Emphasis is usually placed upon the aggregate securities dealt in on the world's stock exchanges. That there is great wealth behind these securities must not be overlooked. That wealth is always ready to support them. Not long ago it was thought it would be powerful enough and willing to prevent war, but in 1914 only its willingness is in evidence.

In Mr. Terry's estimate, it is not clear if the term "Europe" includes the United States or not; but, judging from the solidarity of all commercial bourses, it is a fair presumption that it does. Therefore, these \$150,000,000,000 substantially measure the "securities" of the

commercial world. What lies behind them is shown in the Wall Street Journal's estimate of the wealth of the commercial world:—

Country.	Population, millions.	Wealth, millions.
United States, 1912, computed ....	95.3	\$130,000
Great Britain, 1909, computed ....	45.0	88,725
France, 1909, computed .....	40.1	83,000
Germany, 1909, computed .....	64.0	63,500
Russia, 1910, computed .....	146.8	60,000
Austro-Hungary, 1910, estimated..	51.3	46,170
Italy, 1908, estimated .....	34.0	30,600
Spain, 1912, estimated .....	20.0	14,000
Turkey, 1910,* estimated .....	24.0	9,600
Belgium, 1907, estimated .....	7.3	10,950
Holland, 1909, estimated .....	6.0	9,000
Balkan States, 1910, estimated ....	14.0	7,000
Switzerland, 1910, estimated .....	3.5	3,030
Sweden, 1908, computed .....	5.4	2,197
Portugal, 1910, estimated .....	5.4	2,700
Denmark, 1906, estimated .....	2.6	2,340
Norway, 1910, estimated .....	2.4	1,400
Greece, 1907, estimated .....	2.6	1,300
North and South America, except United States, estimated .....	70.3	34,448
Total .....	640.0	\$600,000

\* Egypt and Tripoli both excluded.

The securities are \$150,000,000,000, while the wealth is \$600,000,000,000, or four times as much.

There are reasonable grounds for hoping that in the future this enormous wealth may be used to prevent such a destruction of capital as is proceeding to-day.

An official cable has been received from the Belgian minister of foreign affairs by Clarence I. de Sola, Belgian consul in Montreal, requesting him to inform Canadian grain exporters that the Belgian government has decided to cover all risks of war on wheat or any other grain shipped to Belgian ports. The Belgian consul has given out the following cablegram in New York, received from the Belgian minister of war at Brussels:—"Let American exporters of wheat know that Belgian credit remains unimpaired, and that England has advised that all boats with wheat come direct to Antwerp without stop, all payments being assured as in time of peace."

The New York Journal of Commerce says:—Great Britain, as a preliminary step for financing a war but a week old, has authorized £1,000,000,000 in new consols which must immediately be sold. Other countries will necessarily take similar action. Thus the world's markets are confronted with a huge issue of securities that from patriotic motives in their respective countries, banks and individuals will feel impelled to fully subscribe. The funds for these national securities must be obtained in large measure by the sale of securities that are foreign to the markets of the various countries. In this way it is obvious that New York will be impelled to meet competition of outside securities.