as the money market of London, the world will continue to use it as a matter of convenience irrespective of the possibly superior facilities of New York. The financial roads to London are well defined by much travel, and business tradition will favor the old stand; it is human nature the world over to follow the cow track across a pasture no matter how oblique its direction.

One of the main foundations upon which London's position rests is the world's estimation of its credit. This credit is tried and sound, backed by great resources, and has been reared upon the trust and confidence in the honorable tradition of British business ethics and it is unlikely that the world will have cause to revise its opinion after the war is over.

The principal economic factors which tend to enhance London's position as a financial centre may be considered under the following heads: Free gold market; liquid discount market; stability of money rates; immense mercantile navy; great foreign export and import trade; tariff; excellent banking system at home and abroad; the numerous branches of foreign and colonial banks established in London; freedom from panics and financial disturbance; free navigation laws; marine insurance, etc., and reliable ship registration.

Of the four great exchange centres of the world, London, New York, Paris and Berlin, London is the only one that can always be depended upon to meet every legitimate trade demand for gold, which means that there is no delay or premium entailed in realizing gold on a bill expressed in English money. It is payable in pounds sterling which represent a definite and immutable weight of fine gold. Great Britain adopted the gold standard unequivocally in 1816, over one hundred years ago, and has not departed from it since, even to the extent of charging a fractional premium on gold or by restricting its export by legal or sentimental embargoes. Even war conditions did not deprive the Englishman of the privilege of converting Bank of England notes into gold and, if he were willing to take the risk of shipping it, he could pay a debt in Europe or America without let or hindrance.

Since the war commenced the United States has gradually changed from a debtor to a creditor nation, principally owing to the fact that vast exports of munitions, etc., have been made to belligerent countries, thus creating an abnormal trade balance in her favor. With this shifting of international balances, large amounts of gold have been received from debtor nations, a considerable volume of American securities held abroad have been absorbed by the New York market and large loans made to the belligerent nations, as well as to Canada and other countries of the American continents.

Owing to the position of the United States as a wealthy neutral nation, for removed from the scene of conflict, a wide demand has also developed for dollar exchange and dollar credits, not only in the United States but in foreign countries. In other words, the abnormal conditions induced by the war called upon New York to take the position of international bankers heretofore played almost exclusively by London. This rôle was assumed by New York, not so much of her own volition as by force of circumstances. Will these war time opportunities, when peace is declared, be sufficient to retain for New York the position which London with all her advantages took centuries to acquire? Before New York can do this to any great extent the United States must learn to think internationally and not provincially. It must increase its foreign trade tremendously and revise its navigation and alien labor laws and its tariff, all with a due regard to the comity of nations; sound, permanent banking and currency systems, removed from legislative tinkering must also be established, and finally, foreign banks should be encouraged to establish branches in New York and other centres without unnecessary restrictions as to the business they may undertake.

I am of the opinion that the financial centre of the world will always remain in Europe, if only for geographical and national reasons, but there is need and room for another strong financial centre in addition to London and it would always be desirable that such an alternative centre should not be located in Europe, as the present European crisis has amply demonstrated.

New York is already the financial centre of the new world; she should strengthen and broaden her claim to this position and, as a coadjutor, relieve and assist London in her great responsibility as the world centre. In the reconstruction that must follow the close of the war, Great Britain and the United States will undoubtedly play a great part and London and New York will find it more and more necessary to co-operate in the performance of their several functions. London is ready now. When the time comes will New York be equally prepared and able to do her share?

New York will doubtless benefit permanently from the advantages and experience gained during the war. Great Britain will profit also from the intimate intercourse with France, Italy and Russia, likely to result from the war which will undoubtedly tend to re-establish, if not strengthen London in her former position. Great Britain has financed her Allies generously through the war and will not only have these large amounts refunded to her in due course but will receive collateral advantages which should more than offset the business lost to New York.

The conditions, however, that will obtain after the war are too much a matter of conjecture at the present stage of the conflict to warrant an opinion of any value. No one knows how or when the war will end and the whole world, including the United States, may yet be involved.

CANADA'S ADVISERS IN RESEARCH WORK

The following have been appointed as an advisory council of the Dominion government in regard to industrial research:—

Frank D. Adams, Sc.D., LL.D., F.R.S., formerly president of the Royal Society of Canada, dean of the faculty of applied science, McGill University, Montreal; A. B. Macallum, Sc.D., LL.D., F.R.S., president of the Royal Society of Canada, secretary-treasurer of the Biological Board of Canada, professor of physiology and biochemistry in the University of Toronto; J. C. McLennan, Ph.D., F.R.S., president of the Royal Canadian Institute, professor of physics and director of the physics laboratory in the University of Toronto; A. S. Mackenzie, Ph.D., LL.D., formerly professor of physics in and now principal of Dalhousie University, Halifax, N.S.; Walter C. Murray, M.A., LL.D., principal of the University of Saskatchewan; R. F. Ruttan, M.A., M.D., Sc.D., professor of chemistry and director of the chemical laboratories in McGill University; R. Hobson, manager of the Steel Company of Canada, Hamilton, Ont.; R. A. Ross, E.E., Sc.D., consulting electrical engineer, consulting engineer to the Hydro-Electric and to a number of electric power developments throughout Canada, Montreal, Que.; Tancrede Bienvenue, general manager of La Banque Provinciale, Montreal.