

GERMAN CRUISERS AND BRITISH SHIPPING.

The activities in the East of the "Emden," together with this week's news of the overwhelming of several British cruisers by a greatly superior German fleet in the Southern Pacific have proved a sad blow to the arm-chair critics whose idea of "command of the seas" is that no enemy's ship shall dare to show its nose outside its own or neutral ports, while British ships come and go their ways just as they please. This idea is merely unreasonable. The German idea of challenging the British "command of the sea," as evidenced by the policy it has so far followed, was to keep its main fleet intact behind the defences of Heligoland and to scatter over the face of the seas a number of fast powerful cruisers and commerce destroyers which could keep out of the way of British cruisers and harry British shipping to an extent that would make general trade impossible. They were to establish a reign of terror on the seas, and frighten British ships into staying at home in port. In that object they have certainly not succeeded. As the London Economist points out, Great Britain has in the past two months done millions of trade, and transported very large numbers of troops from Great Britain and from India to the Continent, and from the ports of Canada to the United Kingdom. The Army has been constantly reinforced with men and fed with supplies of stores and ammunition, and the dangerous voyage from India to Marseilles has been achieved without the loss of a single transport or convoying warship. A nation that is capable of carrying out that feat may well claim to have "command of the seas."

EFFECT OF GERMAN RAIDS.

At the same time, as was inevitable, the Germans have been able to place a certain number of successful raids to their credit, of which the "Emden's" feats in destroying more than a dozen British steamers with exceedingly valuable cargoes have been the most notable. But has even the "Emden" in fact fulfilled its object? So far from having paralysed trade, the only effect of her raids has been to add 2 per cent. to the cost of shipment. That is, the British Government and British marine underwriters are prepared to run the risk on the assumption that not more than one vessel in fifty can be destroyed. Of the risks written in August, probably by this time 80 per cent. have arrived and both Government and underwriters have in hand reserves of premiums large enough to meet the expected losses of the future, whatever the various stray German cruisers now wandering about the seas may subsequently achieve in their respective spheres. A fortnight ago rates in the London-marine market were as in the subjoined table:—

India and the East.....	2 per cent.
South Africa.....	2 per cent.
South America.....	2 per cent.
North America.....	7s. 6d. per cent.
Central America.....	25s. per cent.
Mediterranean.....	10s. to 15s. per cent.
Norway and Gothenburg.....	30s. per cent.
Stockholm.....	50s. per cent.

These figures do not suggest any paralysis of ocean trade as the result of the activities of German cruisers. The low rate for the North American trade will be particularly noted as an indication of the safety of the North Atlantic. At the time these figures ruled the financial position was stated to be sound, war premiums being well in excess of losses.

While it would, no doubt, be satisfactory to have the stray German cruisers rounded up, getting hold of a fast cruiser which has all the seas of the world to roam in, is no easy task. Nor need it be a matter of surprise or depression if those engaged in this task occasionally have a set-back as has happened this week. Is it common sense to suppose that Great Britain will continue to keep "command of the sea" without continuing to pay in full "the price of Admiralty?"

CAN THE WAR LAST LONG?

As throwing some light on this problem, the London Economist prints a summary of an address recently given by M. Leroy Beaulieu, the veteran editor of *L'Economiste Français* and an economist of world-wide reputation. M. Leroy Beaulieu thinks that with Germany's commerce more or less in a state of blockade she may experience a good deal of difficulty in obtaining from abroad, materials which are urgently needed for guns, munitions, accoutrements, etc. However, with a number of neutral kingdoms on the frontier and the Baltic Sea more or less controlled by the German Fleet, he thinks that these difficulties and the problem of obtaining additional food supplies from abroad may easily be exaggerated. He argues, therefore, that so long as the population of Germany is united by military ardour and national sentiment, regarding the war as just and holy, it is not likely to be reduced by starvation; and he sums up: "There is no economic or physical impossibility in a prolonged duration of the war. If there are no decisive military events, one may very well look forward to a war lasting six months, perhaps longer."

The Economist itself seems inclined to think that Germany's economic position is more desperate than M. Leroy Beaulieu will allow. It draws attention to the admittedly enormous losses which the Germans have suffered in men, and expresses the opinion that while Great Britain is at present spending only about 7 millions sterling a week in excess of peace expenditure on her army and navy that Germany is spending at least 17 millions sterling a week additional, so that the new war loan which Germany itself says is sufficient to last the country nearly eight months, will be exhausted in about three weeks—long before it has all been gathered in. Moreover, the German imperial revenue, largely dependent on customs, must have shrunk enormously.

LONDON'S APPROVAL OF CANADIAN BANKS' POSITION.

"We are still in the early stages of the war, and it would be unwise to assume that the storm has already been weathered. But it may at any rate be claimed that in resisting the great strain that has up to now been imposed upon it, the Canadian banking system has justified those who placed their trust in its soundness and strength."

The London Economist thus sums up an appreciative review of the Canadian banks in its new half-yearly banking supplement. It is pointed out that during recent years Canadian banking policy has been marked by circumspection and credit has been freely given only where the borrower could give assurance of the legitimate use of the advance for purposes of profitable trade and industry.