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JAS. J. SALMOND

President and General Manager

A. E. JENNINGS

Assistant General Manager

Power of International Finance

Fallacy of a "Rich Man's War" Has Been Exploded—Interests of Capital Are Invariably in the Direction of Peace—Common Interests Are the Surest Guarantee of Permanent Peace—Importance of Supplies of Raw Materials.

By W. W. SWANSON

THE Bolsheviks in all countries have seen in the present struggle only a "rich man's war," and behind it merely the grasping greed of the capitalist class. To them the war, reduced to its simplest terms, is only a struggle for markets and economic advantage. That these are important factors in the situation no one conversant with the facts will deny. To assert, however, that capital stands to gain by the havoc and ruin and disruption of trade and commerce occasioned by the present conflict, displays not only ignorance of history but inability to understand elementary economic principles.

Before the war, the United Kingdom had invested in every quarter of the world not less than \$26,000,000,000, of which about \$3,000,000,000 was placed in Canada, a like sum in the Argentine and approximately \$4,500,000,000 in the United States. The remainder was invested in Mexico, Chile and Brazil, in China, Australasia, Africa, India, Asia Minor—in almost every civilized as well as barbarous country in the world. And wherever British capital went, there went also British power to maintain good government and order. It never was in the interest of British capitalists to provoke revolution or to disturb the peace. On the contrary, British capital was one of the most potent and effective forces making for peace and order everywhere throughout the world. It remained for a predatory power dominated and controlled by a military oligarchy to disturb the peace, for only such a power had anything thereby to gain. And in that fact is found the only semblance of truth for Bolshevik and socialistic indictments.

Far from being a class war, as far as the Allies are concerned, it is becoming more and more one in which the masses will benefit most. Not only from the political, but from the economic standpoint as well, the war is being waged in behalf of democracy—and by democracy. Witness the recent Liberty Loan drive in the United States, with its 17,000,000 separate subscriptions. That is democracy waging war with a vengeance. Witness the improved economic status of artisans, farmers and laborers in the United Kingdom, the United States and Canada. That is war waged in behalf of democracy. Whoever raises the "class" cry is a traitor to his country as well as to the hope of democracy in the world.

This great struggle is breaking down class barriers not only within the nation itself, but barriers that have hitherto separated liberty-loving peoples. In the United States it is estimated that in the next fiscal year beginning July 1st, 1918, the government will spend not less than \$20,000,000,000, of which \$8,000,000,000 will be provided by taxation. In Great Britain the policy has been adopted of paying the entire interest upon the national debt by current receipts from taxation. That debt now stands at \$31,000,000,000, and requires heavy taxation for its support, national income being considered. Before the war the income of the United Kingdom was estimated by Sir George Paish at \$12,000,000,000, and it has been largely increased by high wages and active trade since 1914. So tremendous a national effort as this war demands has rallied all classes to its support. In common efforts and sacrifices, the old class prejudices are rapidly disappearing, especially in view of the fact that the rich are bearing every whit as much of the burden as other elements in the population, measured by the principle of ability to pay.

It is our firm conviction that the power of finance will in the future be the most powerful force making for world peace. It is both foolish and idle to attack the present capitalistic system on the score of provoking war, when one reflects upon the fact that, in the long run, capital can be increased only by peace and security. A League of Nations, whatever form it may assume, superimposed upon the nations can never maintain peace. Peace must be founded upon common interests and common benefits if it is to be lasting.

It is in this direction that the capitalistic system has made its power felt in the years gone by. France, for example, had heavy investments in Russian bonds and other government securities—aside from Germany—throughout Europe. While it is true that French financiers stipulated that part of the loans advanced to Russia should be used in equipping the Russian army, it was done to make peace secure and not to provoke war. At the same time French investments gave the Republic power in the political sphere wherever these were placed. That investment and political influence are inseparable is made clear by the relations of Germany to Turkey and the Balkan States. In South America, Mexico, Morocco