THE WAR.

When the war between the United States and Spain was beginning to be talked about seriously, there was a great deal of sneering at what was called the Wall Street influence being exercised in favour of peace. Every newspaper which counselled prudence was accused of subserviency to the sordid interests of capital. Yet all modern warfare is largely a question of finances; and the financial interests are not always, although generally, on the side of peace. The British occupation of Egypt was denounced as being in the interests of the bond-holders. The issues of modern war appear to depend more upon money than upon anything else. Personal and national characteristics such as courage, endurance and military skill have less to do with the results of war than they used to have. Now-a-days, we fight as we manufacture, by machinery and the longest purse generally determines the question who has the best and most modern fighting plant and the most fighting capital. Given the relative financial standing of two contending nations, and it is not difficult to tell which will conquor. Great Britain and the United States combined could defy any possible combination against them, simply by the force of their available capital.

A war between the United States and Spain is like a competition between some big commercial "trust" and a small struggling firm. Uncle Sam is so rich that he can afford to spend and does spend a million dollars a day on government. He is a big fellow, and likes to do everything on a big scale. Consequently when he makes a fool of himself, which is not often, he makes a particularly big fool of himself. The present war will not redound to the sagacity of the nation, however much it may do credit to other national qualities. Looking at the matter from the point of view of a friendly outsider, it is difficult to see any sufficient cause for the war. It would be a reflection on the American diplomatic service to say that the war was not preventible. The deliberate choice, we will not say of the nation, but of the people, who for the time being dominate the nation, was for war. It was entered upon like certain popular athletic contests of the thousand miles in a thousand hours' order, not with any particularly useful purpose in view but just to show that the thing can be done. That the United States will whip Spain is about as certain as that the financial resources of the one country are almost exhausted and the financial resources of the other country are practically inexhaustible. What seems equally certain is that under no conceivable circumstances can the United States get anything out of the struggle worth one per cent. of what it is going to cost. The sovereignty of all the Spanish possessions with Spain thrown in would be a liability rather than an asset for the United States. To extract from the Spanish tax-payer a sufficient indemnity would necessitate a system of oppression from Washington worse than that in Cuba from Madrid. The United States stands as little in need of military glory or prestige as any nation on earth. It has lavished enough blood and treasure in war to establish its military character and capacity. A nation with such "butchers' bills" as those of Gettysburg and Spottsylvania on its records does not need bloodless victories such as Manilla Harbour to establish its fighting character. It has spent billions and is still annually spending millions on the wars of the past. Up to 1897 the United States is credited with spending on its War Department $5,080,554,448, and on its Navy Department, $1,389,116,767; on Pensions, $2,230,890,-229. How much of the interest on its public debt amounting to (the interest) $2,864,713,853 was due to war we cannot say. Last year on pensions alone the United States spent $141,053,164. Nor do these vast sums represent but a fraction of the cost to the nation of the harvest of military glory it has already reaped.

One of the first things when the present war fever took a virulent form was for both Houses of Congress to pass a Naval Bill appropriating $46,277,558, and the next day the House of Assembly passed a war revenue bill cheerfully providing for a popular bond issue of five hundred million dollars.

Whatever else the war may be, we doubt if it is a good business investment. This is true of most wars, and probably of all avoidable wars.

The confidence on the one side, begotten of financial strength and the despair on the other begotten of financial weakness was strikingly illustrated by the first effect of the opening of hostilities on the two nations respectively. The American people of all races, classes, creeds and sections and of all shades of opinion about the wisdom of the war became at once united. The Spaniards just as promptly took up arms, but it was to kill each other.

LONDON AND LANCASHIRE LIFE ASSURANCE COMPANY.

The Annual Report of this old established and well-conducted Company, will be found in another part of this paper. The report is for the closing year of the seventh Quinquennium, and exhibits a condition of affairs which should be very gratifying to all who are interested in the Company.

The Company under review presents features of solidity in an eminent degree, as will be seen from the following facts.

During the year the assets were increased by the large sum of $490,000, and now stand at $6,280,000. Only the small sum of $2,005, was overdue for interest—a record which reflects great credit upon those to whom is entrusted the investing of its funds.

The Company is among the leaders in the safeguards which it adopts for the security of its Policy-holders. On this occasion, a strict standard has been adopted in arriving at the reserve liability—namely, the Actuaries' Table of Mortality, and four per cent. interest for the Canadian business, and three and one-half per cent. interest for the business elsewhere,