

**Sober-Minded Patriotism.** In Great Britain, as in Canada, Dreadnoughtitis has apparently abated some of its acute symptoms.

Not that the resolve for greater naval preparedness has weakened. But the situation is being discussed more sanely—alike as to Britain's weakness and strength. As the Saturday Review soberly puts it to the Empire at large: "It is not necessary for us to hate the Germans; they have simply made it necessary to learn from them and to review our own position in relation to them." Not merely as to programmes for naval construction; there are the all-important matters, too, of efficiency in the functions of citizenship and of industry.

Opinions differ widely, as to the real extent of Germany's planning for naval construction. That its activity is concentrated so largely upon the Dreadnought class has been the chief occasion for alarm. There are naval experts, however, who doubt the wisdom of Great Britain acting blindly upon any assumption that the Dreadnought is the "last word" in naval engineering.

**The Dreadnought and the Monitor.** The Monitor type of armoured turret-ship was years ago heralded as the "finally final" in fighting efficiency. But after a while it came to be seen that, though promising to be useful in special circumstances, it had but limited value for the general purposes of war. And it was abandoned universally.

In his imaginary "Ballad of the Clamperdown," Kipling tells of the fate of a cumbersome British warship—with one "bow-gun of a hundred ton, and a great stern-gun beside." It was quickly disabled by a "cruiser light that carried the dainty Hotchkiss gun." By all the rules of modern naval warfare, the fray should have ended there. But, as "she ground the cruiser's side," the sinking mass of steel "spewed up four hundred men," who fought as they fought in Nelson's day—and won.

"It was not meet for English stock  
To bide in the heart of an eight-day clock,  
The death they could not see."

And, like Kipling, Lord Charles Beresford doubts whether future naval battles, after all, will always be settled at a four-mile range.

Size is not everything. A writer whom The Economist refers to as "A very distinguished Admiral," urges that a very searching investigation into the real utility of the Dreadnought type be made. The substance of a nation, he complains, may be largely wasted in providing that which cannot be utilized to its full capacity. "At present this at least may be said with confidence"—so he concludes—"there is no proof that the group of which the type is composed is at all

more capable of defeating the battleships of a hostile fleet than a group of far less costly individuals."

After all, Great Britain may prefer some other naval co-operation from Canada, in place of those five Dreadnoughts which Colonel Sam Hughes bade us order from the builders the other day.

**British Budget and Investments Abroad.**

Even yet it is a little difficult to see the British Budget for the trees that stand therein, so vast and amorphous was Mr. Lloyd-George's speech. From the financial, as distinct from the commercial and landed points of view, one or two considerations, however, readily suggest themselves. It is thought by many that the new super-income-tax will be met by a big movement of capital abroad. Prior to the appearance of the Budget the suggestion was made in many quarters that any increased direct taxation upon those who are happily blessed with a large share of this world's goods could be countered by a move of this kind, the interest coupons being collected abroad in order to avoid the delicate attentions of Inland Revenue authorities.

French investors, who have lately been disturbed by the advent of an income tax, have been doing this—sending their capital to Great Britain—for some time past. As the primary motive in any action of this kind is the avoiding of taxation—and not, as has consistently been the case with Britain's large exports of capital in the past, the earning of a higher rate of interest—European countries may be the recipients of a considerable proportion of such funds. But with the burden placed upon capital in France, Germany and other continental countries, the prospects are that Canada, South America, South Africa and the "utmost parts of the earth" will share largely in receiving exiled funds.

The increase in the stamp duty on transfers and bonds to bearer—the bonds issued by Colonial Governments excepted—is, of course, a matter that comes home very closely to the London Stock Exchange and has particular interest, too, for Canada. There appears to be a good deal of exaggeration in the views expressed by anonymous "leading city men" to halfpenny newspapers, that this tax will have the effect of driving business to Paris, and that foreign governments may find it advisable to make the whole of their issues in Paris instead of sharing them between Paris and London. As there has lately been more than one instance of London taking eagerly a foreign state loan which Paris has refused to look at, the idea that a hard-up foreign state will refuse to come to London (where it can always raise funds on terms) because of the extra expense is not altogether credible.