a rumour of the most startling character which, if proved to have any basis in fact, not only reflected gravely on the War Office and the way in which it kept, or rather did not keep, its secrets, but suggested that our national security might be jeopardised.

The rumour in question was to the effect that in some manner at present unknown the German Army Staff had sained recognize of some drawings of unknown the German Army Staff had sained possession of some drawings of the new kind of cannon with which the British Army and Navy were to be equipped as speedily as possible, the new species of artillery that was declared to be as superior to that in use as the latter was to the best weapons of, say, a hundred years ago. It had been announced some time back, when the new gun was first heard of, that its secret mechanism was only known to the inventor and certain officers of the Army and the Army Council, and that the gun had not been offered to the Government of any other country; armed with this tremendous weapon, it was maintained, the British Empire could bid defiance to any enemy pire could bid defiance to any enemy however powerful.

"We have caused inquiries to be made in Berlin," said the third paragraph of the article in "The Day," and we gather from a source generally provided by that and we gather from a source generally particularly well-informed that there is reason to believe that the rumour is not without foundation. What appears to be uncertain is the exact nature of the drawings which the German Army Staff have obtained—whether they give full particulars or only partial. In either case, however, it would be idle to pretend that we can expect to derive that decisive advantage from the new cannon which can expect to derive that decisive advantage from the new cannon which has been so confidently predicted. The probability is that the essential feature or features, with which we ourselves do not profess to be acquainted, of the gun are now no longer a secret to the German Army authorities, and that they will lose no time in applying it or them to the manufacture of their own artillery. facture of their own artillery

"A LL this is serious enough," the article concluded, in a fourth paragraph, "but hardly less serious is the question. How has the leakage taken place? The drawings must have been stolen from the War Office or have been betrayed by some one who had access to them there—which is merely another way of saying they were stolen by him, and handed which is merely another way of saying they were stolen by him, and handed over to Germany. We demand the most searching investigation into this matter which is of imperial importance. As the number of the men who have seen or know of these drawings must be very small, it should not be difficult to fix the guilt of this heinous act of treachery in the right quarter."

From its characteristic phrasing

From its characteristic phrasing Max saw that the article had been written by the editor himself; though it contained little or nothing more than the substance of the conversation that had passed between them a few hours before, the subject appeared to gain in point and in impressiveness now that it was set forth in print. From its

Brint.

How had the leakage taken place? Who was the traitor? Was he in the camp? Or had the theft been done by some outside person, some unusually clever and capable spy?—it might be so, thought Max, for like most Englishmen who have given the matter their attention he was in no doubt of the ability, resource, daring and, above all, success of the German spy in almost every part of the world. On the other hand, it was possible that the traitor might be in the camp, might, incredible as it seemed, be an English. Englishman. incredible as it seemed, be an

While he dressed and breakfasted, Max pondered these problems, and they were still active in his brain, influencing his thoughts, when he met Miss Peggy Willoughby at the Stores, but he forgot them the instant he set eyes upon her, and his mind, for the nonce at any rate, became like a page, or rather a sensitive plate, on which as printed nothing save the most vivid impression of her. This was an effect which Peggy had a way of making upon not a few of her admirers. mirers.

Certainly she was a radiant figure

that morning! She was dressed in a long coat of seal-black fur, patent leather shoes with lavender gaiter tops, and a large black hat, banded with gold, which set off her fair hair and the pretty colour in her cheeks. And there was such an entrancing air of health, of vitality, of the sheer joy of life about her! It did one good just to look at her unless one had a

of life about her! It did one good just to look at her, unless one had a perversely envious nature.

There was perchance a trace of shyness in her greeting of Max when they shook hands, but he did not observe it; he was all love and worship, both eloquently in evidence on the instant, and she would not have been a woman if she had not seen them; seeing them, she glowed with pleasure, and said to herself deep down in her soul that she could love him well.

well.

They left the Stores and struck across to Buckingham Gate, passed the Palace and walked up Constitution Hill to Hyde Park Corner. At first they talked on things indifferent, but after they had left the streets and Buckingham Palace behind, Peggy turned the conversation to what had been published in the morning papers respecting Sylvia Chase; it now was evident that she was troubled by what she had read in them, and hardly knew what to believe about her old schoolmate. schoolmate.

knew what to believe about her our schoolmate.

This was probably why it was she did not ask Max what he wished to speak to her specially about. But had he not said that to some extent it was connected with Sylvia Chase? Yet she was curious and even anxious to know. There must be some particular reason for his desiring to see her; she noticed he did not immediately broach the subject, and she left it to him to begin, when he was ready. Besides, she was perplexed and in a measure distressed by what she had seen in the papers.

"I don't understand," she said, in rather a hushed, uncertain, puzzled voice, "how Sylvia came to get that money—it is very strange. I racked my brains about it, Max, until my head ached. I can't understand it at all."

"Nor can I," said Max; "it's quite heyond me."

"Of course, she received the fifty sovereigns, which she got, at the be-

beyond me."

"Of course, she received the fifty sovereigns which she got at the beginning of each month from some one; it looks as if it were a regular fixed payment for something she was doing or something she had done" remarked Peggy, thoughtfully, "for that unknown person."

"Yet while these payments were being made to her—at all events, when she was paying these fifty sovereigns monthly into the Mayfield Bank she appears to have been doing nothing but her literary work," said Max. "There's no sign whatever of her doing anything else since her return to England."

H," said Peggy, "she might have done something to earn that money while she was living in Germany—I had that idea, or something like it, before, Max. But if so, why all this mystery about it?—why should Villiers Chase have thought it was an annuity? And it came to such a lot of money altogether! What she was doing, or what she had done, to get such a lot must have been a big thing too. The more one thinks about it all, the more befogged one becomes. What do the police think now? What does that nice man, your friend, the superintendent at Scotland Yard, think?"

"He's just as much in the dark as is everybody else," Max replied. "I'm afraid the police are not hopeful of success now, for all the clues so far have failed; of course, they are not dreaming of giving up the case, but

dreaming of giving up the case, but they are not sanguine."

"And you, yourself?" Peggy asked.
"Oh, I am not giving it up, Peggy, you may be sure!" said Max.

"You will succeed," prophesied Peggy; "you—you are so clever; everybody says so."

"You know, Peggy, how much I wish to succeed," said Max earnestly.
"You can't think I've forgotten that kiss you gave me, and what I promkiss you gave me, and what I promised. Why, Peggy, there's nothing in the world that I would not be glad and proud to do for you if it was in





