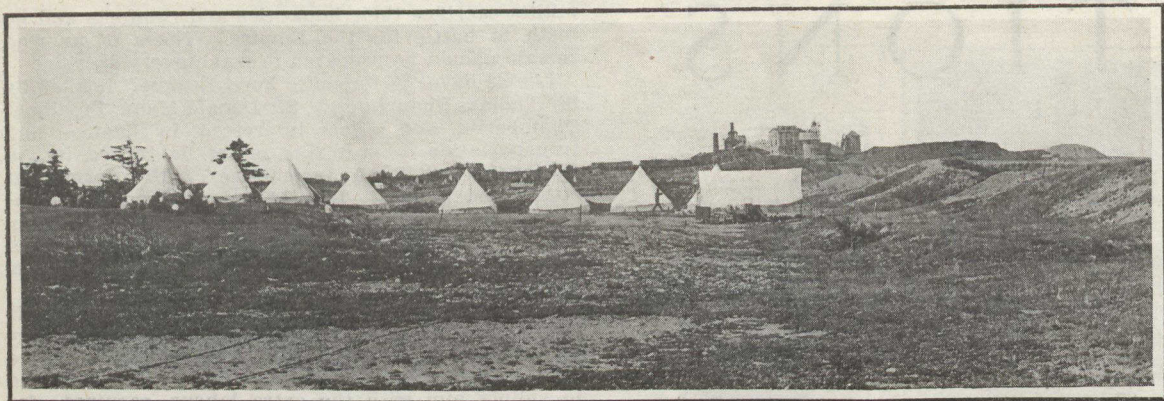




GUARDING COAL MINES AT SYDNEY, N.S.

Old French fortifications on the right, and in the background the Steel and Coal Company's buildings.

rumours as to those who have volunteered and those who have been chosen. The Minister of Militia has selected a place for mobilization and troops are being concentrated, at a point where it will be easy to send them across the Atlantic. All of this is splendidly patriotic and exceedingly creditable.

Nevertheless, it would have been much better for Canada had she exhibited her ardent patriotism in the piping times of peace. If all the people who are now grasping the Union Jack with both hands had exercised a little judgment they would have lent stronger support to the Canadian militia and the Canadian navy during the past five years. There is a lot of patriotism in this country which was born too late to have much value in this struggle.

Moreover, had Canada shown a proper appreciation for the Canadian militia and the Canadian navy the country's reputation would have been at a higher mark in Westminster. Indeed, if Lord Kitchener, the new British Secretary of War, takes a Canadian contingent for service abroad, it will be very much against his will. He may be forced to do it for political purposes, but it will be decidedly reluctant. Of course Lord Kitchener is wrong, but his error in judgment is to some extent palliated by the crass stupidity of those who cry, "toy soldier" and "tin-pot navy" in times of peace.

Free Wheat and Flour

DURING the recent session of Parliament there was considerable agitation to put wheat and flour on the free list. The object of this movement was to set up reciprocity in wheat and flour between Canada and the United States on the basis set forth by the Wilson Tariff Bill of 1913. The Government considered it seriously and decided that while they would like to give the Canadian farmer a chance to send his wheat into the United States free of duty, they could not see their way clear to subject the Canadian miller to free competition from the United States. Thus the question stood at the opening of the war period.

Now there is an agitation to take off the Canadian duty on wheat and flour in order that the Canadian supply may be increased. Our crop this year is not as large as usual and prices are likely to be higher. There are some people who think that free wheat and free flour would relieve our situation to some extent.

Free wheat and free flour may be advisable, but such a policy would have no effect whatever upon the price. The price of wheat has always been made in Liverpool, and both the Chicago and Winnipeg markets are ruled by these quotations. The tariff between the two countries has no effect on the price in either, except when the United States is in need of wheat from this side or when there are certain grades of Canadian wheat for sale for which the only market is in the United States. It is just possible that the price of Canadian flour might rise more than United States flour, but this is not likely. The duty on flour coming into this country is so small as to be almost negligible in war time.

Big Trade in Sight

WITHIN a week, insurance rates should be on a basis where it will be possible to resume shipping across the Atlantic. During the past fortnight, the insurance rate at Lloyds has risen from 17 cents a hundred dollars to \$21. The British Government stepped in and offered to insure cargoes of foodstuffs going to Great Britain at five guineas per cent. or a little over \$5 per hundred. Later it undertook to insure the hulls of all vessels engaged in this trade. This enables Canadian vessels to sail for England, but does not help them on the return trip.

However, another week or two should see a more normal state of affairs. As soon as the German Fleet is safely locked up under the guns of Wilhelmshaven, the British cruisers will be free to patrol the Atlantic and ensure the safety of all shipping going and coming. By that time, all loose German cruisers will have been chased off the Atlantic.

This will mean much to Canada, as well as to Great Britain. Canadian wheat, flour, beef and bacon will go forward rapidly, and this will bring much gold into the country. Only an unthinkable disaster to the British fleet will prevent our having a tremendous

movement in all the supplies that Great Britain needs. In this respect, Canada will be in a much better position than Australia, the Argentine and India, and thus our products will have a real preference in the British market. This should make Canada cheerful and optimistic.

Austria's Attitude

AUSTRIA does not seem anxious to declare war against Great Britain and her fervour for the general struggle is not great. There has long been a party in Austria looking to a political fusion with Germany. Bismarck dreamed of it, and so did



GUARDING EUROPEAN CABLES.

Guard at Western Union Cable Station at North Sydney, N.S., where most of the cables from Europe reach America. This old office has not had a door locked for over fifty years, and now, within a few months of its being abandoned for new offices, it is disgraced by being placed under military guard.

Count Julius Andrássy, the Hungarian statesman of that day. Count Karl Sturgkh, the present premier of Austria-Hungary, is also supposed to be favourable.

Archduke Franz Ferdinand, who was assassinated recently, was opposed to "Germanostria," but his successor as heir-apparent and commander of the Austrian naval and military forces, Archduke Friedrich, is pro-German. The accession to power of the latter seemed to fire the Kaiser's ambition to bring the two nations together, and hence his belligerent activity.

Such a union would give Germanostria a population of 120,000,000, of whom two-thirds would be purely German. With such a nation behind him, Kaiser William II. could dominate Europe, over-awe the Balkan States and dictate terms to the other powers. Such a state would have three outlets, the Baltic, the North Sea and the Adriatic. Then the Kaiser would be greater than Napoleon dreamed of being.

But the Hungarians and the Slavs are not favourable. Hence Austria-Hungary is not a unit in favour of the Kaiser's insolent war on France and Russia. It may be that they will find it necessary

to back up the German struggle for the dominance of Europe, and it may equally be that they will remain fairly inactive. Austria's only hope as an independent monarchy is the defeat of the Kaiser, but Austria is not in a position to take that attitude. The Kaiser has a tremendous hold upon that country, and so far has been able to make it tolerably subservient.

There is a bare possibility that Austria will choose the lesser of two evils, and hang back in the hope that Germany will be crushed by the ever-widening circle of enemies. Whatever happens, Austria loses by this struggle which was launched by the announcement of her intention to chastise Serbia. When Austria lost Franz Ferdinand, she lost the only man who stood between her and disaster, the one leader who believed firmly in Austrian independence. Her other statesmen have toyed with Pan-Germanism so long that it is difficult to see how they could abandon the Kaiser now. With him Pan-Germanism is the summum bonum.

Dodging the Kiel Canal

AT present the most notable canal in the world is not the Suez, nor the Soo; not even Panama, about which the world has been talking for years. It is the Kiel Canal, which, with the naval arsenal and war port of Kiel, is headquarters for the German navy. For war purposes this is the most strategic canal ever built. Kiel City is the chief naval port of Germany in the Baltic. Kiel Harbour is the one spot on the map that supremely makes Germany a naval power. The Kiel Canal, connecting Kiel on the Baltic with Brunsbüttel at the mouth of the Elbe in the North Sea is the strategic base of the German fleet. When the newspapers state that the German fleet is bottled up in Kiel, what they really mean is that for as long as it suits Germany's purpose, the German fleet is bottled up there on purpose to keep the British fleet guessing as to which route it intends to take to get to the open sea. The distance from one mouth of the canal to the other round by the Cattegat on the north end of Denmark is a good day's run for a warship. By the shortcut of the canal, with its huge locks, 1,082 feet long, with a mean depth of 45 feet, the distance for the German fleet is only a few miles. Any fleet of an enemy must make sure whether the German fleet intends to emerge by the North Sea or by the Baltic. This necessitates having two fleets to watch the exits. With the enemy's fleet massed to cover the North Sea exit while the German fleet slips out by the Baltic mouth, it would be possible for at least part of the German fleet to make for the open sea and to harass British shipping before they could be corraled by the enemy.

The Kiel Canal is an essential part of the German navy. For a waiting game it is worth as much to Germany as the preponderance of British warships is worth to England. So long as the German fleet is bottled up in Kiel it is safe. If by means of the two-mouthed canal part of it manages to escape while the British fleet is hovering near the other exit, the waiting game will be over and there will be enough of the German ships on the high seas to menace our shipping.

At present the Admiralty is hoping for an open-sea engagement as soon as possible. When it comes, if it comes big enough, there will not be enough of the German fleet left to pay for the cost of the Kiel Canal.

Kiel is the most dangerous spot in Europe at the present time. It is all the more dangerous because Heligoland, the island ceded by Lord Salisbury to Germany in 1890, forms with its fortification and its coaling station a third angle to the astute naval triangle in the Baltic and the North Sea.



THE KIEL CANAL.

Which connects the North Sea with the Baltic, is 60 miles in length. Kiel is a fortified naval station at the Baltic end, and Wilhelmshaven does similar duty on the North Sea. It enables the German fleet to dodge from one sea to the other, and to keep the enemy guessing.