

A German Programme of Economic War

If the Under Secretary of the German War Food Bureau correctly interprets the economic policy of Germany, its Government has still a great deal to learn. Dr. Mueller approves the plan for the formation of a Central European economic league as a counterweight to the proposed business war of the Entente Allies, and believes that such a coalition, including Russia in its business scope, could defy the Entente's economic war and lay the basis of a continental European combination which would insure Germany's political and economic independence in the future. The inclusion of Russia in the Middle Europe economic league is a new idea, and obviously takes too much for granted. In fact, the real author of the conception of Mitteleuropa based his whole argument on the idea that the world contest of the future would lie between a very few great empires, such as those of Britain, Russia and the United States. In such a contest he held it to be impossible for Germany to hold its own, Prussia being too small, Germany too small and Austria and Hungary equally incapable of meeting a world war in the economic field single-handed. Dr. Naumann did not place any hard and fast limits to the combination which he thought essential for the economic future of Central Europe, but he thought it should include not only Germany, Austria and Hungary, but Denmark, Holland, Belgium, Switzerland and at least some of the Balkan States. Russia was grouped with the unfriendly powers, and it was the suggested commercial league of the Central States which prompted the conference out of which grew the pact of Paris to which Russia was a party. The declared purpose of the signatories of that instrument was to defend their commerce, their industry, their agriculture and their navigation against economic aggression resulting from dumping or any other mode of unfair competition. In pursuit of that end they decided to submit the commerce of the enemy powers to special treatment for a specified time after the conclusion of peace.

The Paris resolutions when they were adopted seemed at the worst to divide the world into two great economic groups, for, outside the Allied combination there stood the two Americas and China. As has already been shown in these columns, the entrance of the United States into the war added enormously to the power of the economic war against Germany. Only less important is the admission of Brazil — the chief alternative source to Africa for the raw materials of the tropics — and the economic significance of the entrance of China into the Allied camp ought to be fairly well understood in Germany. In fact, it needs only a limited endowment of common sense on the part of German manufacturers and merchants to perceive that an economic boycott by common resolution of the nations now opposed to Germany would, for them, mean ruin. Manifestly, the control by the Entente of such raw materials as cotton, copper, rubber and vegetable oils would be fatal to the recovery of German industry, if it were exerted to prevent the entrance into the Central States of these indispensable elements of manufacture. To the Mueller school of economic thinkers, none of this seems to be evident, and if they are to be allowed to have their way, the recovery of Germany after the war must be indefinitely delayed. The possibility of an after-war boycott will be, at the moment of settlement, what the blockade itself has been during the war. It is conceded that an effective use of this weapon must depend on the readiness of the Allies to give it up; that is, Germany must be compelled to exchange her system of militarism allied with commerce for access to the free use of the primary raw materials of industry controlled by her present enemies. The threat of an after-war boycott must, in short, carry economic peace in one hand and economic war in the other. To a sincerely pacific German nation, ready to abandon her militarism, it must offer economic peace, against a Germany which hesitates to join a general pact of disarmament and conciliation, it must be ready to impose a boycott so stiff, so united, so effective, that these hesitations will disappear.

There are, it is true, publicists on the Allied side whose estimates of the economic strength of Germany tend to make the Mueller programme appear a reasonable one. Among these is the well-known and influential writer Andre Cheradame, who, writing in a current number of the "Atlantic Monthly," insists that Germany has made a great deal more out of the war than she has expended on it, and that, given the possibility of an after-war economic organization like Middle Europe, her recovery of the hegemony of the continent would be rapid and complete. Mr.

Cheradame puts the matter in this way: "The organization of Pan-Germany is only in its first stages; nevertheless, the concentrated military, economic and strategic strength which it has already put at the disposal of Berlin is so great that it permits Germany to baffle her far more numerous, but widely scattered, adversaries." He goes on to argue that in the face of economic Pan-Germany's overwhelming methods any economic revival on the part of the European nations now allied would be impossible, and their economic ruin would be the nature of things bring about their political subjection to Berlin. It is curious that so competent an authority should have failed to see what the shipping interests of Germany readily perceived after the publication of Naumann's book, Mitteleuropa, namely that the world market is far more important to Germany than the Balkan and Near Eastern market, that with the command of Asia Minor, not even cotton could be produced in sufficient quantities for the needs of German industry for many years to come, and that so far as the raw materials of tropical origin were concerned, Germany would be left entirely destitute. The conclusions reached by M. Cheradame do, indeed, help to make intelligible the policy proposed by Dr. Mueller, but both labor under the serious disqualification of arguing in the teeth of facts which the events of each succeeding week render more stubborn. In fact, these hesitations will disappear. — The New York Journal of Commerce.

BEEF AND BACON SAVING.

By Order-in-Council, the Food Controller for Canada, on August 17, 1917, instituted two "beefless and baconless" days per week. The observance of these days, which was made compulsory in the case of public eating places, has resulted in a very large saving of both meats, while a very considerable saving of white flour has also been effected.

Returns have now been received at the Food Controller's office from twenty Canadian cities. These returns embrace the monthly consumption of beef, bacon and flour for the month preceding (July 17 to August 17), and the month succeeding (August 17 to September 17), the promulgating of the Order-in-Council. The daily per capita consumption is determined by dividing the number of meals served into the number of pounds of beef, bacon and flour used, and multiplying the result by three, so that one day of three meals is represented. The percentage of saving in each of the foodstuffs is found by working out the amount that would have been consumed during the second month at the rate obtaining before August 17, subtracting the amount actually used from the former amount and expressing this in percentages. For instance, suppose that at an hotel 42,000 meals were served during the month July 17-August 17, and that the beef consumed was 8,000 lbs. This means a daily per capita consumption of 0.571 lb. During the succeeding month, August 17-September 17, the number of meals served was 48,000, while the beef consumption was only 6,000 lbs., or a per capita daily consumption of 0.375 lb. Had the same rate of consumption held for the second month as obtained during the former month the total beef consumed would have been 8,222 lbs. But only 6,000 lbs. were used. Therefore, the saving is 2,222 lbs., or 27.02 per cent of the quantity that would have been used had beefless days not been instituted. The same method, of course, is applied to find the bacon and flour savings.

Herewith is shown the percentage saving in beef and bacon reported from various Canadian cities. In several cases a number of establishments in the same city are represented, each set of figures being for one large hotel or restaurant:—

	Percentage saving of beef, of bacon.	
Quebec	29.82	29.61
Montreal—		
Establishment No. 1	25.30	26.12
Establishment No. 2	49.43	78.84
Establishment No. 3	30.70	30.25
Toronto—		
Establishment No. 1	47.03	30.87
Establishment No. 2	63.04	75.62
Establishment No. 3	28.35	65.00
Establishment No. 4	28.47	84.86
Ottawa	73.64	75.18
Hamilton	40.85	46.28
Winnipeg	44.81	34.10
Calgary	53.67	40.93
Regina	51.17	10.02

A FIRE INSURANCE GAMBLE.

(New York Commercial.)

Montreal, Canada, is one of those debt-ridden cities whose officials are tempted to resort to dangerous expedients for raising money instead of facing the music. The mayor of Canada's commercial metropolis favors the creation of a municipal fire insurance organization for rehabilitating the city's finances. His plan appears to consist of the levying of a special tax on property owners to cover the cost of maintaining the water service, the fire brigade and an insurance department which would guarantee them against loss by fire.

Montreal contains a great number of old buildings, many of its streets are crooked, narrow and hilly, and it is as subject to a great conflagration risk as any other large city that can be named. Sound fire insurance depends on scattering the risks. No well managed company will accept a superabundance of fire risks in any one community, and companies that have done so in the past have often been bankrupted by conflagrations such as the San Francisco, Chicago and Boston fires. Some Canadian fire insurance companies have been among the heaviest losers through taking too many risks, and none know this better than the bankers of Montreal.

Conservative property owners would be forced to pay this special insurance tax and the usual premiums for real fire insurance as well. If a great conflagration swept a city that carried its own insurance it would be hopelessly bankrupt and its property owners would be ruined. If Montreal wishes to gamble it would better run a municipal lottery than such a crazy insurance scheme. It would be sure to make something out of the lottery and it might lose everything in the insurance gamble. The municipal and the individual spendthrift have to travel the same hard road and gambling is no way to get out of a hole.

SAFEGUARD FOODSTUFFS IN TRANSIT, IS APPEAL MADE TO RAILWAY MEN.

President Howard G. Kelley has issued to all Grand Trunk men in Canada, and in the United States, the following message:

"In the interest of conserving the foodstuffs of the country by the elimination of waste, it is urgently requested that employees of the carriers engaged in the transportation of foodstuffs, exercise such care and diligence as will minimize the damage to this class of freight when in carrier's custody for transportation and lessen the economic loss. I appeal to all Grand Trunk employees, particularly those engaged in station, yard and train service, as a patriotic duty to the Dominion to exercise such precaution in providing proper refrigeration, ventilation, protection from the weather, and care in loading, switch and train handling of carload and less than carload shipments of food products, as will eliminate waste. Observe the slogan, Efficient, Maximum Service, and in so doing you will render an enduring service to your country. The Dominion is counting on you."

Edmonton	23.13	39.37
Banff	24.01	41.77
Vancouver	46.13	
Victoria	41.00	33.60

The reports from which the figures are taken cover the serving of about 2,700,000 meals per month, in only 25 large establishments, or the equivalent of food for 30,000 people. The indicated saving in beef and bacon in pounds approximates the following figures:

Monthly saving of beef, 200,000 lbs. or 100 tons.

Monthly saving of bacon, 66,000 lbs. or 33 tons.

The beef thus saved would feed ten army divisions for one day, or one division for ten days, on the generous daily ration of one pound. The bacon would furnish rations, on the Canadian schedule, for very considerably more than half of all the Canadian Army for one day, the actual number being 352,000 men and the daily ration being 3 ounces.

The saving in white flour is still indeterminate, though it appears to average from 15 to 25 per cent. As there are about 16,500 public eating places in Canada it will be seen that, since only a relatively small number of the larger establishments is included in the above results, the tonnage of beef, bacon and flour saved monthly throughout the country will run into a good number of tons and into thousands within the course of a year.

Incidentally, it may be noted that one large hotel has given up altogether the use of white flour. In the main the Food Controller's regulations have been carried out thoroughly and loyally. — Canadian Food Bulletin