

malty. The German newspapers are speaking out with considerable frankness, and they show that something much like starvation is prevailing among the masses of the people. Some of these newspapers have already been quoted, and now we find Die Woche saying "it is true that the people must do without food, but what are our deeds of abstinence and renunciation compared with the deeds and sacrifices of our heroes?" The officials of Dusseldorf warn the people not to complain of hunger, since such complaints have a discouraging effect. And even Herr von Batoeki says "food scarcity undoubtedly exists, but it can not be overcome by abuse and scolding." Maximilien Harden is of course the most outspoken of the critics, and it is not a little significant that he should speak so boldly and with such impunity. Referring to the outburst of indignation that followed the publication of the Allies' terms, he says that he finds in those terms a basis for an understanding, and he then goes on to say that the terms of the Allies are small "as compared with those of the people who want to eat up Belgium, southern France, Belfort, Poland, Courland, Serbia, Roumania, and even Venetia and Egypt." Harden does not think that even Alsace and Lorraine should prove an insuperable difficulty. He has reason to believe, he says, "that the peace possibilities will not be smashed on the walls of Strassburg." And then he adds with

surprising candour that "it is a pity that the heads of the Central Powers failed to say on what reasonable terms they were ready to end the war and arrange to live at peace with the rest of humanity." Harden's voice is one of great influence, and he would certainly not have been allowed to speak so freely if his utterances were considered to be against the public interest or the imperial policy.

THE German terms, we are told, will surprise the world by their moderation. Personally, I am disposed to believe that this is true, so far as that part of the world is concerned that knows little of the great territorial ambitions that have swayed German policy during the last half-century. It is only when we look a little way below the surface that we realize how much Germany could afford to give and still emerge from the war with a substantial profit. She could easily afford to declare a "drawn game" and to restore all the frontiers as they existed before the outbreak of war and she would still be well rewarded for her efforts. She could return Alsace and Lorraine and the balance would still be on the right side of her ledgers. She could even abandon the whole of the left bank of the Rhine, including Rhenish-Prussia and Rhenish-Bavaria, and her empire would none the less be increased and its power would be still more formidable than it is now.

The explanation of the riddle is to be found in the fact that Germany and Austria have now been drawn so close together, and Austria has been so weakened, that a practical absorption of Austria by Germany, at least the domination of Austria by Germany, is among the certainties of the near future. And Austria, in her turn, must necessarily dominate the Balkans if only by her size and her contiguity. If we can imagine the Allies consenting to a drawn game with a restoration of frontiers we might then consider that Germany's ancient dream had been realized and that German control from "Hamburg to the Persian Gulf" was an accomplished fact. Even if Germany should abandon the left bank of the Rhine, she would still be much more powerful than she was before. There would be a practical amalgamation between herself and Austria; Bosnia and Herzegovina would be in the Bund; Bulgaria would be her friend; and Turkey would be her vassal. She would have gained immeasurably by the deal. She would be on the high road to a new strength that would enable her to take back whatever it had cost her to gain it. Austria, drilled and directed by Germany, would be able to place ten million soldiers in the field from her population of over one hundred million. Austrian railroads would be brought to the acme of German military efficiency, while the Balkans, Turkey, and Asia Minor could be relied on for food contributions.

WILL MEXICO AID BERNSTORFF?

And if the United States Declares War—What Effect Upon Canada?

By BRITTON B. COOKE

IMAGINATIVE Americans have raised the question: Will Mexico align herself on the side of the Teutons in case of war between the United States and Germany? In Mexico alone does it seem possible that the ubiquitous Hun might stir up trouble for the President of the United States. Here is a long frontier, difficult to patrol, over which Mexican raids have already taken place and might take place again. It is conceivable that a great part of the United States war energies—if it should come to war—may be absorbed to the advantage of the Germans by warfare of one sort or another along this border. And yet there are many excellent reasons for doubting the likelihood of German success in stirring up such trouble. Though the Mexican hates the United States he would display no squeamishness over the killing of Americans, he is likely, officially at all events, to be very slow to accept the wishes of the Germans as their own wishes.

In spite of her internal troubles, in spite of her ignorance and superstition, and her unstable government, Mexico is to-day one of the world's rich countries. The Carranza Government may be no better than it ought to be. Villa may still cause trouble here and there along the American border, but the fact remains that Mexico is on the up-grade for the present at least, and knows it—and doesn't intend to drop back if she can help it. In recent years the branches of American and Canadian banks in Mexico have barely been able to earn their running expenses. But on a recent mail to the head office of a certain Canadian bank came a request from its Mexican branch for authority to do business with a long list of Mexicans WHO WANTED TO PUT THROUGH DRAFTS AGAINST GOLD IN NEW YORK. In other words, Mexicans are beginning once more to have confidence in their own country and are bringing back the money they had sent out of the country in troublous times. The paper money with which Carranza flooded the country has gone the way of all paper money issued without proper collateral in reserve. In spite of government enactments making such money "legal tender" traders have refused to take it. Popular disapproval has made it worthless. It has been driven out of the country.

Now a country which has commenced to win back its own prosperity and some measure of self-respect is not likely to throw it away by making an unfortunate alliance against nations to whom it is already in debt. Mexico, allied with Germany against the United States (and of course that means against the Allies, for the United States must sooner or later become an ally once she declares war on Germany)

could have little hope of mercy from her creditor-enemies when the war comes to an end and the Teutonic influence lies shattered. And Mexico knows well that that influence will, sooner or later, be shattered. There may be bandit raids across the American border, and Mr. Carranza may find himself far from able to cope with them. But Mexico, as a state, will not court damnation merely to help a strangling nation in Europe to put off its final agony.

Of course the advent of the United States as a belligerent has many angles of interest aside from Mexico. One of these other angles is the question: How will American participation affect the industries of Canada? Another is: How will it affect the financing of Canadian enterprises? A third is: How can the Americans get a chance at the enemy? This last question is still a matter for debate among military experts. The obvious facts are, of course, that the United States still lacks a serious army and has by no means a dependable navy. Many years ago an American gentleman, having been appointed to represent his country at an important international function, requested that his government send him to the affair on a warship. He was told that the Government of the United States would indeed be glad to supply the warship but—it was really very sorry—the U.S.S.—was ashore off Nantucket, the U.S.S.—was in the Pacific and couldn't be got round in time, the U.S.S.—was being refitted at Brooklyn and —. But the United States representative waited for no more. He was carried to the great conclave on a British war vessel.

THAT story may illustrate the condition which to some extent prevails in the American navy to-day. There are no doubt some available units, but far too many of Mr. Wilson's ships are "otherwise engaged," or, as the Toronto Star aptly put it in a heading (referring to another vessel ashore) "American cruiser disports herself on the beach at —."

The one positive service to be seen for the American nation in helping prosecute the war—if they decide they are not after all as proud as they thought they were—will be in helping to convoy shipping. The negative services they would render would lie in cutting off such exports as may now be reaching Germany from that country, and in dealing more effectively with German-American plots against the Allies. As for invasions of Canada from American soil—that is no longer good enough even to frighten children.

In the matter of raw material supplies for our

Canadian factories, the advent of the Americans as belligerents might have very serious effects. At present we are importing a great deal of steel for munition and other work. The already-failing demand for steel for munitions in the United States would then be increased and an additional strain be placed upon the steel resources of this continent. Whether the consumption of coal would be so affected as to injure Canada's coal supply is a debatable question. There would be an increased demand for navy and munition work, but there might be a decreased demand for ordinary American industrial work. On the other hand, if the Americans were to mobilize, say, a million men, we should soon see a further advance in the price of foodstuffs. Everybody knows that as a civilian an ordinary man eats much less than he eats as a soldier. There might be comfort in this for Canada in the fact that the demand for Canadian agricultural products would increase and we might find ourselves offered tariff concessions for which our western farmers in particular have long been clamouring. Of course the comfort in this applies only to the Canadian as a producer of goods for sale. The Canadian father-of-a-family would find little to whistle about in the probably enhanced food prices.

All raw materials used in the making of army supplies would be increased in price and reduced in quantity available. Leather, brass, lead, the elements of high explosive, and cloth for uniforms would all be affected.

But what about the Canadian money supply?

We are assured that the prosperity of the Americans would not be immediately affected, and we know that they have, as the small boy would say, oodles and oodles of pelf. Last year we Canadians borrowed something like two hundred million dollars in American financial quarters. This year we might like to borrow even more. The American is not an international dealer in money. He is not like the Englishman, or the Scotchman, or the French or German; he distrusts investments away from home. And yet Canada does not seem away from home for him. Perhaps for that reason Canadian securities are the most favoured of all securities in New York, save only American. The Podunk, N.J., widow with ten thousand dollars to invest has a sort of feeling that if anything happened her investment in Canada she would only have to speak to the President to have him send a sheriff to foreclose the mortgage, as it were. She does not realize—nor do many Americans—that Canada has more armed men and more munitions than the United States, and that if we

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