

The Struggle for Eastern Supremacy

On the Eastern front Germany merely means to hold her own while provoking dissension between the United States and Japan

By W. W. SWANSON.

Since the great Allied offensive was launched on the western front a notable change has come over the attitude of the German press toward the political and economic outcome of the war. The National-Zeitung of Berlin leads the new chorus and expresses views that less than a year ago caused the suspension of the Socialistic organ, Vorwärts. Reduced to its simplest terms the official view at present prevailing in the Fatherland is that each German victory on the Western front—even the notable victories of the spring and summer offensive—but hardens the resolution of the Allies. As every one known the furious onslaught launched against the French in the opening weeks of the war; the struggle for the Channel ports checked by the first and second battle of Ypres; the fight for Verdun; the drive against Amiens; and the last push toward Paris were one and all designed to break French morale. It may now be admitted that Premier Clemenceau doubly deserved the sobriquet "Tiger," in view of the fierce fight that he carried on in the Chamber of Deputies to curb the Socialists of the Left. In reply to his assurance that the Americans were coming these extremists shouted that the Boche was at the gates of Paris. For a time anything might have happened; but the rapid transportation of American troops in growing volume to France restored the courage of the people, and made submission to the will of Germany forever impossible.

It must be admitted that the German High Command has exhibited from the first one supreme virtue—the virtue of facing with candour undeniable military facts. Hence the new programme which shifts emphasis to the Eastern front. In characteristically German fashion this change of attitude is explained to the Fatherland as being a strategical move to wear out the Americans in the West while German diplomacy embroils the United States in the East with Japan and Russia. To that end, as recent advices by way of Switzerland and Holland show, Ludendorff has convinced the Kaiser and his Staff that the Western front must be made "active," and the Eastern "passive." In other words, Foch must attack or be attacked, the object being to slaughter American troops, to wear them out, and to prevent the formation of a great reserve force to be used in the campaign of 1919. On the Eastern front Germany merely means to hold her own, while provoking dissension between the United States and Japan. This appears to be, in rough outline, the general design of German strategy for the ensuing year; but we may be assured that it is a strategy that will be definitely checked and adapted to their own ends by the Allies.

Nevertheless, once more it must be admitted that German leaders have visualized the situation with perspicacity. Much was heard at the time of Mr. Churchill's administration of the Admiralty concerning the conflicting views of "Westerners" and "Easterners." After the failure of the expedition against Constantinople it was assumed that nothing more would be heard of the waging of war on a big scale in the East; that the war would be won or lost on the fields of France. While it may be true that the final issue will be determined there it, nevertheless, becomes increasingly clear that the reconciliation or adjustment of conflicting claims in the East will make for the greatest consequences.

It is not surprising that the United States, a great Pacific Power, should have ambitions to play a great role in the East. Even against the will of the extreme democratic elements in the Republic, the United States, by force of circumstances, seized the Hawaiian Islands and the Philippines. Australia looks anxiously across the Pacific for the support of Anglo-Saxons in the New World; and to secure these ends has even created a precedent by sending its own representatives to Washington. From time immemorial the Far East has captured the imagination of the Western World. It is safe to say that the commerce of the Pacific in the twentieth century will be scarcely less important than that between Europe and the Americas. That fact alone explains why the United States has interests of fundamental importance which must be safeguarded in the Far East.

It is Germany's hope that Japan and America will come into conflict over the economic development of the countries bordering upon the Pacific. It cannot be denied that the alliance between the United Kingdom and Japan proved a stumbling block in the way of Anglo-Saxon reconciliation, until Great Britain persuaded Japan to so alter the terms of the agreement as to exclude the possibility of that alliance coming into conflict with the Republic. At the same time the Chauvinists in the United States, typified by the Hearst interests, have never forgiven the United Kingdom for its re-insurance policy covering India taken out with Japan. It is more than possible that the hostility of Hearst and his group, so manifest toward the British Empire up to 1917, was occasioned by the hatred of these jingoes for Japan. Whether that be true or not, it is clear that Germany is building high hopes upon the formerly existing rancour between the Japanese and a certain element in America. These hopes are due to be dashed to the ground; for one of the most unexpected and far-reaching results of the present struggle is the reconciliation and good understanding which have been effected between the Flowery Kingdom and the United States.

All through European history the Near and Far East have acted as a magnet upon Europe. Notwithstanding the low level of comfort in Asia Minor, Persia, India and China, the potential and actually developed wealth of these countries is marvellously great. From the days of Clive and Hastings, India has provoked the imagination of every English schoolboy. India explains England's attitude and interest in Persia, in Mesopotamia and Egypt. The alliance with Japan was hammered out mainly because of British apprehensions with respect to Russian penetration of Persia. In the treaties published by the Bolsheviks it was agreed that the United Kingdom should receive Mesopotamia; France, Syria; and Russia, Constantinople, under the terms to be imposed upon the Central Powers. It is plain that while victory was to be achieved in the West, the real settlement of the war could only be made in the East.

Shortly before the outbreak of hostilities a heated controversy was carried on in the "Prussian Year Book" between German and Russian intellectuals, in which Professor Hans Delbrueck played a prominent part. This discussion centred around the Berlin to Baghdad Railway, which Russian publicists clearly foresaw was a direct menace to the control of Constantinople. Professor Delbrueck strenuously argued that the development of Armenia, Syria and Mesopotamia was imperative to the economic well-being of Germany; and carried with it no threat of German domination of the Dardanelles and Constantinople. But it was plain then, as now, that Germany stood behind Austrian ambition to carry political and economic control as far as Salonika; and that Germany plainly intended to assume actual power in Constantinople under the camouflage of Turkish rule. What Russia feared almost became an accomplished fact during the course of the war, Germany only now having lost complete control of the corridor leading through Serbia and Bulgaria to Constantinople and the Near East.

It has been assumed in some quarters that liberal Russia never lent its support to aggrandizement in the Balkans and in Turkey. It was supposed that autocratic government, the support of the Orthodox Church, and the maintenance of a purely agricultural economy were the ideals of the reactionaries; and that the Liberals regarded with abhorrence the extension of the autocratic regime and the rule of the Orthodox Church beyond the confines of Russia. Nevertheless, from the time of Peter the Great the imagination not only of Russian intellectuals, but of the Russian masses has been kindled at the thought of replacing the Crescent with the Cross on the dome of St. Sophia. Religious fanaticism, imperial ambitions, as well as the necessities of Russian trade and commerce seemed to make the seizure of Constantinople imperative. It should be recalled that men of the calibre of Lvov, Milukoff and other leaders of the Kerensky regime were just as ardent supporters of Russian penetration to the Dardanelles

as Tzardoff had ever been. Leaders of Russian finance and commerce could not forget that in the Turco-Italian war and in the later Balkan wars the Straits were closed by Turkey to the passage of Russian grain ships from the Black Sea to the Mediterranean. And while, for the moment, the Bolsheviks have utterly repudiated the centuries long political and economic programme, it should not be thought that the real Russia has abandoned the project.

Sufficient has been said to indicate the nature of the problem that confronts the Allies. It is a problem, indeed, that bristles with formidable difficulties. For the future peace of the world, German ambitions in the Near East must be checked once and for all. This can only be done by reconstituting Serbia as a strong and independent nation in close alliance with Roumania, while Bulgaria must be kept detached from the Central Powers. It would be fatal to permit Germany, even after she has relinquished aggressive designs upon Belgium and Northern France, to secure control of European Turkey and thus to maintain and even increase her prestige in the Mohammedan world. If it were possible to realize her present ambitions, Germany would be quite content to remain "passive" on the Eastern front, and merely hold her gains. For the conquests of the Central Powers in the Ukraine, their control of Turkey, and the latter's penetration of Persia and Trans-Caucasian would give Germany not only an open road to the Persian Gulf, but a new overland route to India. The defection of Bulgaria and the victories in Palestine, are, however, rapidly altering this situation.

Great Britain cannot loosen her hold upon Mesopotamia, if she seeks to retain possession of India. Both on economic and political grounds it is fundamental that the United Kingdom maintain its position in the Dependency. Of course, there are visionaries and vacuous dreamers—Mr. Bryan among them—who imagine that India is ready and able to go its own way. Those who have given any study to the question realize best that that is a sheer impossibility. Thousands of millions of pounds of British capital have been invested in the Peninsula; the peace, liberty and good government of 300,000,000 souls there depend upon British power; and it is futile to say that this capital with its consequent commerce, and present peace and security would be safeguarded from predatory attack if the British withdrew. They cannot withdraw; and that makes it all the more incumbent upon the United Kingdom to keep the road to India—Egypt, Mesopotamia, and Southern Persia—under its control.

In conclusion it may be said that a real settlement of the Eastern problem must recognize French, Italian and Grecian rights in Asia Minor; and guarantee to all nations the right to share in the trade that will arise from the development of the natural resources of Mesopotamia and Persia. Under a League of Nations, a demonstration of its real validity might be found in internationalizing the control of Constantinople and the Straits. It is to be hoped that it will not be necessary to penalize German trade; but the war cannot end before a chastened Germany gives proof to its right to be included in such a League. In any event, unless there be perfect freedom in the economic exploitation, and participation in the commercial development, of the Near and Far East, granted to all nations on a basis of equality, it may be expected, that the future offers no secure hope for permanent peace.

FIRE INSURANCE LOSS IN 1917.

Ottawa, September 26.

The report of the superintendent of insurance on fire insurance companies just issued states that during the year 1917 the amount paid out for fire losses in Canada was \$16,379,102, which is an increase over the amount paid in the previous year of \$1,265,039. Cash received for premiums by the sixty-nine insurance companies doing business in Canada amounted to \$31,246,530, an increase of \$3,462,678 over the previous year.

British companies paid out over eight million dollars, which was slightly over fifty-one per cent. of the losses. Of the other eight millions paid out in losses foreign companies had to pay \$5,643,987 and the remainder was paid by Canadian companies.

The gross amount of policies, new and renewed, taken during the year by five companies was \$4,049,059,999, which was greater by \$630,821,319 than the amount taken in 1916.