

1907. Immigration continues to show weekly increases over last year. The bears have been driven off the stock exchanges and the pessimists have gone into hiding.

THE LION AND THE BEAR

THE whirligig of Time has brought about a change of startling colour when a German semi-official organ reports that Great Britain and Russia have assumed joint suzerainty over Persia. For so long has Russia been considered the sworn foe of Britain in all the latter's Asiatic ambitions, that it requires a distinct effort to rid oneself of the conviction that the Russian Bear, prowling about north of the Indian frontier, is only waiting for Britain's unwary moment. The war between Japan and Russia appears to have worked Great Britain a double benefit. It made the Empire of the Mikado a tacit ally of the Empire of Edward VII, while it reduced Russia from the rank of a first-class enemy. Then the Balkans, those States of everlasting turmoil, have once more been disturbed by Austrian ambition, which is a thin disguise for German schemes. St. Petersburg straightway took alarm at the understanding which placed Vienna and Berlin on a confidential footing and stood ready to guard Russian interests in the vicinity of the Danube. The Kaiser's delicate toying with Turkish bonds, and Germany's vital interest in the new railway to Bagdad have doubtless created in the British breast a desire to check the Teutonic advance in the East. Then, on a peaceful Sunday afternoon it is announced that the Shah is henceforth to take his orders from London and St. Petersburg, and that Persia is to be reduced or reformed into Egypt's condition. This is a state of affairs difficult for the old school to grasp, since a whole generation has listened to warnings against Russian guile, prophecies of what Russia will do in India, and has been inspired by a proper dread of "The Truce of the Bear."

One of the most interesting features in the modern game of nations, as played in the Asiatic or African arena, is the part assumed by railways. The locomotive of the Twentieth Century is hardly inferior to the *Dreadnought* and the aeroplane in the calculations of those who would guard the colonial interests of the great European Powers. He who "gets there first" has an advantage over late-comers which astute diplomatists are not slow to grasp, and the railway to Bagdad has unquestionably disturbed the dreams of Great Britain's Foreign Minister far more than the Kaiser's interviews with aspiring journalists. Transportation is a new development of the East and a railway in Arabia or Persia is disturbing to all traditional notions of those lands of the caravan. Commerce is not the only consideration when a railway is sent on its shining way through countries which have a certain strategic importance. The Persian Gulf has an interest entirely apart from aesthetic charms and the "Arabian Nights" are not the only Oriental stories which make diverting entertainment. In the meantime the Shah may be considering the restored Constitution of his beloved kingdom and may be grateful for the alleged assurance that Great Britain and Russia will protect him against all acts of violence on the part of his not-always-appreciative subjects.

FRITH.

THE INEVITABLE NAVY

COUNT VON BERNSTOFF, German ambassador to the United States, has declared that Great Britain has no need to worry about an impending or probable war with Germany. He claims that between the two governments there is neither misunderstanding nor enmity, that the sentiment of the two peoples toward each other is only a healthy, temperate and good-natured rivalry. This is a pleasant assurance, and one which the whole British Empire will be glad to have. Even if the Count is too optimistic, or even if he is mistaken, we are glad to have his opinion.

There is no doubt much misapprehension in both Britain and Germany as to each other's feelings and intentions. Each is filled with ambition, the one to maintain its world-supremacy, the other to widen its sphere of influence. It is a physical impossibility for both to attain or retain world-supremacy. One must be greater than the other, whether that greatness is measured by an invincible navy or by a superior commercial importance. As Britishers we do not feel that Britain's supremacy has ever meant or will ever mean disaster to weaker peoples. If Germany aims to attain supremacy by crushing British power, then Germany is a greater world-danger than Great Britain.

If Great Britain and Germany were concerned only in a healthy, good-natured rivalry such as Count Von Bernstoff indicates, it seems strange that there should be such great naval activity on the part of each. Trade rivalry may be friendly even though keen. Naval rivalry which includes more battleships, forts, military docks, and war-like airships, cannot be either healthy or good-natured. The householder who buys half a dozen revolvers for fear his neighbour may attack

him cannot be said to be engaged in a healthy, good-natured rivalry. If both countries were to cease straining every nerve in their efforts to increase their military and naval resources, the Count's statement would be more readily accepted.

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Rightly or wrongly, the British people have imbibed a strong feeling that the day of universal peace has not yet arrived, and that the freedom and glory which have been won by the sword, must be so maintained. No doubt, the jingoists have accentuated this feeling. No doubt, the political situation in Great Britain has assisted in its expression. Yet, making allowances for these occasional influences, there is no possibility of denying the existence of a national fear of a future war which will test British resource and British power. The bright light of royal favour rests on those who are doing most to bring Britishers to a fuller realisation that every citizen must be more or less a soldier, and that every citizen must be a generous supporter of a greater navy. Formerly, royal favour was divided between philanthropy and military excellence; now we have swerved to the German position and have put military leadership ahead of philanthropy in the race for royal honour. It has become "fashionable" to help the army and the navy—rich men, politicians, statesmen, diplomats, and all other ambitious people are hurrying to help in the military and naval development.

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Canada is vitally interested in this situation. Willingly or unwillingly we shall be drawn into the scramble. Indeed, we are already in it. We have recently developed a fair army; we are about to begin the construction of a navy. French-Canadian influence in former times retarded this military development but to-day French-Canadian feeling is much more tolerant of military and naval expenditures. Already, French-Canadian leaders are talking freely of the debt which their race owes to the British flag, and of their manifest duty and interest to come to the assistance of Great Britain, if British institutions are ever endangered. For the first time in its history Canada is solidly imperial. The only anti-imperialists are a few isolated iconoclasts and a score or so of selfish manufacturers.

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The Imperial Conference in July, though not a full conference, will be important. The Motherland thinks the defence of the Empire should have its great nerve-centre in London, and that the Imperial forces shall be directed from that point. They have not hitherto been anxious to see local colonial fleets. On the other hand, the colonies have been loath to admit that the thought and brains of the Empire are centred in London. They have been loath to put their military forces at the free and absolute disposal of the monocled and frock-coated administrators of the War Office. They prefer that colonial armies and colonial fleets be directed in time of peace by the local authorities and in time of war by an Imperial Staff on which they would be represented. At first, the Imperial Staff idea did not find many supporters in London, but apparently it is to be the feature of the future. Just what authority this body will have remains to be seen. It cannot be authoritative in the fullest sense; it must be mainly advisory and consultative.

The despatch sent out from Montreal on Saturday last saying that Canada would place orders for eight first-class cruisers, ten torpedo boat destroyers and ten torpedo boats is premature, to say the least. It is to be hoped that the report that the whole order will go to British firms is equally premature.

It is quite evident, however, that a Canadian fleet is in sight. The pressure on the Government to begin construction has been tremendous. The leaders of every shade of public opinion are in favour of definite action. Before the year is out, perhaps at an early date, there will be a definite announcement. Only some unforeseen disagreement at the July conference can cause further delay.

The vessels will undoubtedly be built partly in Great Britain and partly in Canada. The better ships could most economically be built in Great Britain; the lesser will be built here. This will mean the establishment of a new shipyard in Canada which will sooner or later be able to repair or to construct almost any size of war-vessel. The first yard will probably be at Halifax, the only place on the Atlantic coast which already has the necessary dry-dock.

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This Canadian navy will add to the "superb sense of nationality" which has been growing steadily in Canada of recent years. With her rapid growth in population and her still more rapid growth in wealth, she has become ambitious. Her people believe that the greatest development in America in the first half of the twentieth century will be the development of the Dominion. French and British critics to the contrary notwithstanding, the possibilities of rapid expansion are tremendous. Timber, manufactures of wood, paper, minerals of all kinds, and agricultural products will be sent in increasing quantities to all the large markets of the world. In natural wealth and agricultural potentialities, Canada is unequalled by any country in the world, with perhaps two exceptions. It is these possibilities and potentialities which have made Canadians an ambitious and somewhat bombastic people. To defend these possibilities and to bear her share of the burden of Empire, she has practically made up her mind to build a navy, which will be auxiliary to that which has hitherto been the Mistress of the Sea.