

entiating between them and the Kaiser and his military party, has any prospect of success.

Mr. Gerard: Yes, I do, but the situation is extraordinary. You have in Germany today no great Liberal party. In the first place, remember, that the Reichstag is nothing but a debating society, because over the Reichstag is the second chamber, called the Bundesrath, composed of twenty-five ruling princes of Germany, and the Reichstag vote as they are told by these ruling princes. Therefore the Reichstag itself has no power which is not referred to it by the twenty-five ruling princes of Germany. In the Reichstag, and it has no more force than that, you have three parties: the Conservatives, who stand for the rights of the Crown, the caste system and the present system of government over the country, without practically the election of any officials who amount to anything in the country. Then you have the Social Democrats, who compose one-third of the Reichstag and are elected by the industrial population of the great cities; and because the Social Democrats have declared themselves against the monarchy, and because they are also against religion and in favour of free love, they are regarded as an outcast caste in Germany. No Social Democrat is ever given any office or can become an officer in the army, and you remember before the War, when they had that trouble in Zebern, when an officer killed a civilian, that this officer said to his men that he would give a reward of 100 marks to the first man to bring down one of those damned Socialist Democrats.

And in the centre of the Reichstag sits the Roman Catholic party, or Centrum, which grew up through Bismarck, because Bismarck, after the Franco-Prussian War, and after he had created the German Empire, did not want to have in the German Empire any force which he thought would be powerful enough to make any stand in the Empire, or have any influence. So he himself commenced what he himself called the "Kultur Kampf." The Roman Catholics were driven out, civil marriages ordered, and so on, and then the Roman Catholics had to organize in a political party, and have remained organized in that party until today, and the

members of that party, composing about one-third of the Reichstag between the Social Democratic party and the Conservative party, sit there and vote as Roman Catholics, and Roman Catholics alone. And, therefore, it is a matter of the greatest surprise to me that any Roman Catholic anywhere in the world should be in favour of Prussian autocracy.

Now, you have that situation in the Reichstag in the political parties, and no matter how much the people may wish to rise against system, because all of them from 18 to 45 are in the ranks, and because of this political system, it is very hard for them to do anything, because they cannot meet in order to make any advance in arousing the populace.

But the thing that is pressing upon Germany more than the food question, more than the prospect of revolution, is the economic situation. The Germans, after all, must have some reasoning faculty, and they have not tried to pay for this War as they go. They have not even increased their Income Tax. The only war tax they have put on has been a 50 per cent. on war profits. They have raised the money by loans, and today these loans amount to about 80 billions of marks. Now, the Germans themselves say, "It does not matter what we do, because we are only paying the money to each other; it does not leave Germany." But, as Mark Twain said of the people of the Island of Bermuda, he said that as far as he could see they lived by taking in each other's washing. But this is not an economic way of carrying on the War. These loans have been forced, practically, not only from the richer people, but from all the large banks, and other corporations of the country, and every corporation which has the savings of the people. Now, you are getting to a point—because a country can only raise a certain amount every year. The sum is hard to fix and hard to determine—but the Germans are getting to the point when the interest on these war loans, of five per cent., plus their previous indebtedness, will amount to more than the increment of the country, and so the savings banks and insurance companies will fail and the people will find nothing, and then you will have all the people giving one-third of