

important element in the Royal Naval Reserve will before the end of the year have passed under the control of a foreigner. When this happens it is part, and no mean part, of our national life that has passed. Whether it be for good or evil, we cannot deny the loss. We are by that amount weaker, unless, as it may be, we gain a compensation that is greater than the loss. It is not the mere fact that we lose the complete control of a few subsidised cruisers, though it was natural enough that it should be on this obvious note that the first alarm was sounded. These can easily be replaced. The gravity of the case lies in what it threatens to our general maritime position and still more in the fact that the operation was inevitable. Under present conditions there is no defence in our armoury by which it could have been resisted, and there is equally no reason why its arena should not be widely expanded. It behoves us then to sit down quickly and balance the loss and the gain, and if the loss be found greater than the gain then to seek the remedy, which we may be certain, as we look back upon our history, is lying somewhere within our grasp.

The factors out of which the present situation has arisen are clear and undisputed. Owing mainly to the alertness with which Great Britain took advantage of the Civil War in America, she had, until recently, a practical monopoly of the North American carrying trade. It was a position of pre-dominance that the fundamental condition of Atlantic commerce in no way justified. It was, therefore, not to be expected that such a state of things should continue indefinitely. The wonder, indeed, is that it has endured so long. We should, at least, give our shipowners credit for the tenacity with which they have kept their hold, before we blame them now that they are being forced to let go. Brilliantly, and with no extraneous aid, they maintained their monopoly till long after the reasons for its existence had disappeared. They maintained it till Americans awoke to the fact that four-fifths of the freight, three-quarters of the first-class passenger fares, and more than half the emigrant money that the British shipowners were