

family clung to the idea of personal authority. No monarch in recent years asserted more vehemently than William of Hohenollern the divine right of kings and emperors. If he had not autocratic power he claimed it and pretended to have it. He asked the world to look upon him as the all powerful one in his country. It is not unreasonable, then, for the world to hold him personally responsible for the dreadful conflict that took place. British people particularly have deeply regretted that, through his flight to Holland and the action of the Dutch Government in giving him asylum, he has been able to avoid trial and punishment for what the world regards as his stupendous crime. The promise of British statesmen to bring him to trial was received with much satisfaction and there is still bitter disappointment at the failure to implement the promise.

Nevertheless there are times when doubt arises as to the fulness of the Emperor's responsibility. Occasionally incidents come to light suggesting that, whatever may be said of his earlier action, the Emperor at the last stage of the question of war or peace shrank from war with Great Britain and would have avoided it if he could.

One of the interesting books of the day is the story of "The First World War," by Lieut. Col. Repington, who was for many years the writer of the military articles in the London Times. The book abounds in indiscreet reports of conversations respecting men still living, which were certainly never intended for the public eye, and it contains also much small gossip which serves no better purpose than to display the author's vanity. Nevertheless there is much in the volumes which will be helpful to the student who desires to understand the course of events in Great Britain during the great war. One incident respecting the beginning of the war is deserving of special notice.

The murder of the Austrian Archduke Franz Ferdinand at Sarajevo on June 28, 1914, was the ostensible cause of the war. The Austrian Government, holding Serbia responsible for the event, delivered an ultimatum to Serbia of a most severe and exacting character, and although the Serbians yielded to nearly all the demands, Austria declared war. That Germany was behind Austria in this, and was resolved to use the occasion as an excuse for war, is evident enough. Germany and Austria apparently were willing to bully Serbia and, if necessary, as a consequence, fight Russia and France, but it is not likely that at the beginning they counted on having to fight the British Empire. It is Col. Repington's opinion that the Emperor did not desire war, but "was carried along by the tumult of events". When there were indications that Britain would be drawn into the conflict the Emperor seems to have become alarmed. He dispatched an agent to England at the eleventh hour—in the last

days of July—to make an effort to avert war. This agent, Col. Repington tells us, an old friend of his, Colonel Von Leipzig, went to see him immediately on his arrival in London. Von Leipzig, we are told, was utterly opposed to war and tried to concert means for stopping it even at that late hour. He proposed that nations concerned should allow the occupation of Belgrade by Austria as a satisfaction to her, and that operations should then cease, pending an arrangement. Col. Repington says he passed this proposal on to the Cabinet, and some attempt was made to act in this sense, but it was too late: "measure was followed by counter measure, the German military party were in control, and all the efforts of Sir Edward Grey to avert the greatest catastrophe in history were rendered fruitless."

### The Sovereign Unshamed

The exchange situation in most countries is unsatisfactory, and where the currency is depreciated there is naturally much discussion as to the cause of the trouble. In this discussion confusion sometimes occurs through a looseness of expression. In a report of a recent speech by Mr. Lloyd George, in support of a bill to stimulate agricultural production in England, he is represented as saying that special measures such as he proposed would be necessary until "the British sovereign could look the American dollar squarely in the face without shame."

If the British Premier used such language he did so without due thought. Perhaps the confusion was in the mind of the reporter, not that of the Premier. There is nothing wrong with the British sovereign. Its purchasing power is reduced, owing to the high prices prevailing, but that is not the sovereign's fault. The mistake arises from treating the words "sovereign" and "pound" as meaning the same thing. In normal times they mean the same thing, but not in the present time. If the exchange situation is unsatisfactory the sovereign is not to be blamed. The sovereign is not responsible for the balance of trade. If there were an abundance of sovereigns or other gold coins, there would be no exchange trouble, no matter how the balance of trade might stand. As between Montreal and New York there is to-day a very substantial exchange rate against us. But if we had the gold to pay out, the exchange rate could be no larger than the cost of transferring the gold to New York. The only trouble about the British sovereign and the gold coins of other countries is that there is not enough of them to go round in the handling of the world's business. Except as to purchasing power, the sovereign's position is unchanged. It was worth \$4.86.66 in New York before the war, and it is worth exactly the same to-day. It is the pound note, not the sovereign, that has

a diminished value.

We have a gold currency in Canada, though it is but little used. The five and ten dollar gold coins of Canada are still worth five and ten dollars in New York, just as the American gold coins of the same denominations are. It is our Canadian paper currency that has suffered a sharp discount in New York. So long as our note currency was redeemable in gold there was no large exchange trouble. Large as is the balance of trade against us, as between the United States and Canada, there would be no unfavorable exchange situation if our notes were redeemable in gold. Before the war the note currency of Canada was backed by a sufficient quantity of gold to warrant an undertaking to redeem in gold, and then the note and the gold coin were of the same value. To-day there is a considerable gold reserve, which compares favorably with that of most countries. But it is not sufficient to enable us to redeem in gold. The notes therefore suffer in value. The gold does not. The only misfortune is that there is not enough of it and that consequently we have an inflated paper currency.

The sovereign remains staunch and unashamed. It can "look the American dollar in the face" as honestly now as in the past. So with the Canadian gold coins. The British Government's pound note and our Canadian Government's paper currency may require explanation. But the gold coins—British and Canadian—can stand unashamed. They need no apology.

### An Irish Disappointment

In the deplorable condition of affairs in Ireland the smallest hope of peace must be grasped. Hence it was well that the message of Father Flanagan to Mr. Lloyd George, asking him what he would propose as a first step toward peace, received due consideration. The British Premier's idea of what could be done as a first step was already before the world in the form of a Home Rule Bill then passing through its various stages in Parliament. That being the situation, the first step would appear to be for Father Flanagan to indicate what changes would make the bill acceptable to the Irish people. Unhappily, Father Flanagan was not prepared to make any suggestion of the kind. It is to be noted that immediately after his first message was sent to Mr. Lloyd George, some of the Sinn Fein leaders strongly attacked him, denying his right to propose any conciliation and declaring that he represented nobody. Perhaps that fact has something to do with Father Flanagan's later action, and caused him to abandon the effort for peace. When he told the Premier that there could be no negotiation except on the basis of allowing Ireland to become a Republic he must have known that there was no olive branch in such a proposal.