WORLD AT AN END AND CHAOS REIGNS

If German Idea Obtains That Neutral States Have no Rights on Protection

GREAT BRITAIN'S ATTITUDE

Kaiser and His Minions Had Too Much Information and Too Little Capacity to Adjust the Facts Secured by Spies.

(Third in a series of articles on "The Audacious War," by C. W. Barron, president of the Wall Street Journal, New York.)

(Exclusive Leased Wire to Journal of Commerce.)

New York, January 4.—When the Kaiser sent his little expedition to China, he said, "When you encounter the enemy you will defeat him; no quarter shall be given, no prisoners shall be taken. Let all who fall into your hands be at your mercy. Just as the Huns one thousand years ago under the leadership of Attila, gained a reputation in virtue in which they still live in historical tradition, so may the name of Germany become known in such a manner in China that no Chinaman will ever again dare to look askance at a German."

Belgium was made an example of. According to the German idea she should have accepted money and not stood in the way of German progress.

German military progress is allied with German commercial progress. It is a mistake in the conception of Germany that she wars for the purpose of war or for the development and training of her men.

A State With No Morals

The first principle of German "kultur" as respects the state is that the sole business of the government is to advance the interests of the state and no laws having been formulated in respect to the business of a state the government is without moral responsibility; that the laws applicable to individual action do not apply to the state. Individuals may do wrong but the state connot do wrong. Individuals may steal and be punished therefor but the state can not steal. It is its business to expand and to appropriate. Individuals may murder and be punished for the crime but it is the business of the state to kill for state development or progress.

The English speaking conception of morality is that that which applies to an individual in a community applies to the aggregate of the individuals, that the state is only the aggregate of the individuals exercising the natural human functions of government for law and order.

This is entirely outside the German conception. In the German conception a government comes down from above and not up from the people. It is not the people who rule or govern but the government from above rules the people and the people must implicitly follow and obey; thus is national progress and human progress.

The whole of Germany believes in the government of the Kaiser; that law and war flows down through him and that neither can be questioned by the individual. Obedience, union, efficiency, progress and progress through war, if necessary, are cardinal virtues.

Germany does not desire war with Russia but German progress requires the continuance of present tariff relations and if war is a means to that desirable end, war is divine.

The murder of the crown prince of Austria was an incident furnishing Germany and Austria the opportunity to carry out their long conceived programme for the extension of their influence through the growing state of Servia.

A Peace Treaty Sundered.

A treaty had been arranged between Greece and Turkey and was to have been signed in July, which would have settled many things in respect to Turkey and the Balkan States. Roumania and Servia were in agreement concerning this great measure for peace in southeastern Europe.

When all was ready for the final conference and the signatures, Austria intervened and announced her opposition. Then suddenly followed the bomb shell of the ultimatum to Servia timed at the precise moment to stop the signing of this Turkish treaty.

Ausrian officials admitted privately as follows, and I have it directly from parties to the negotiations:

"We are satisfied that Servia would punish the murderers of Prince Ferdinand if we so requested. We are satisfied she would apologize to Austria if we requested it. But our aims go beyond. We demand that instead of the proposed Turkish treaty the Balkan States shall come into union with Turkey under the influence of Austria. To accomplish this we must accept no apology, but must punish Servia. We are satisfied that Russia is in no financial or military position to interfere."

Russia Without Gold or Guns.

Germany, with its enormous spy system had secured copies of the confidential state papers of the Czar and transmitted them to Vienna. In these were warnings, statistics and compilations showing all the financial and military weaknesses of Russia; that her great gold reserve had ben loaned out and was not available cash on hand, as the world had been led to believe, that it would take eighteen months more of preparation to place her military forces in position to successfully defend the country that her arms and the factories to build them were not ready.

The plans of Austria and Germany were to line up the Balkan states, under German political and trade influence, then within two years have it out with Russia and again impose her tariffs upon her. If France dared to come in it would certainly be an attack, and Italy would under the triple alliance, assist and defend Austria and Germany. Defeating Russia, Germany could at that time or later crush France in the manner Bismarck had said she must eventually be crushed by Germany for Germany's progress.

Then, having made, more onerous tariff treaties with France than she exacted from her in 1870, and having extended German trade and military influence over Russia, she would be in a position with her navy to try out the long desired issue with Great Britain for the control of the seas.

Admiral Von Tirpitz told the Emperor that it must be at least two years more before the German navy would be able to try conclusions with England.

The German plan was to take the European countries one at a time. The German information was that every country except herself was unprepared, and the German information was true. Germany was fully prepared except in her navy.

Where Germany Fails.

One of the leaders among those gerat business Lords of England, who sit with the Commoners in business, but in the House of Lords as respects legislation, shid to me when I spoke of the wonderfu lintelligence of Germany in research and data, scientific and political, "But, dont' you think that the Germans had too much information and too little judgment?"

In other words, they had a stomach full of facts but no capacity to adjust them. They knew as much about Ulster and perhaps more than London as respects facts and information, but they were in no position to pass judgment upon Ulster or the unity of the British Empire the moment there was an attack from the outside. The Germans have healt in materialistic facts. But with thes pirit that molds and makes History, they are all awry. With the Germans, individuals are units and are counted from the outside, never from the inside. That is why her Diplomacy is not only a failure, but offensive. It never differentiates among Nations and peoples according to that which is within the mind and the heart of the people.

The German Emperor directed the Austrian ultimatum to Servia, insisting upon stronger demands than were at first proposed. Then, turning his back upon the scene, he was able to protest that he was not responsible. Yet the published correspondence from every capital in Europe now shows that the German Emperor fenced off every attempt to get Austria to modify or postpone or discuss her demands. Germany was ready for everything except the interference of Great Britain.

A Thunder Bolt.

A private telephone rung at five a.m. one morning in Berlin, and an American lady was informed from a social quarter that "Something dreadful has happened." "Something awful; something undreamed of." The American lady quickly asked, "Has the Kaiser been assassinated?" as the tone over the telephone indicated nothing less.

The response was, "England has declared war."

That was the most unlooked for step in all the German calculations.

Every spy report, every diplomatic agency, military and civil, had reported that England was out of the running, Ireland in revolution, India in sedition, Canada, Australia and South Africa just ready to break away from the British yoke.

The conception of the British Empire as a federation of free peoples governing themselves under a constitutional monarchy is something incomprehensible in the German idea of government.

The German idea is of colonies attached to and paying tribute to the crown, something to be ruled over, governed, taxed and made to serve. Russia might go to war exposing her weakness in the field, which was already spread out on paper by Russian authorities with copies in Vienna and Berlin; but that England or Great Britain could or would fight at this time was an impossibility, although later England was to become "The vassal of Germany."

The Wonderment.

And the wonderment of Germany has become the wonderment of the world. "Roll up," said Kitchener, and 2,000,000 men sprang to arms. Three hundred thousand of them are on the continent; 1,700,000 of them are in training.

"Roll up," said Lloyd George, the Chancellor of the British Exchequer, and $1,700,000,000 in war loan subscription is rolling into the British Treasury, a sum one-half the national debt of England, and nearly twice the national debt of the United States.

If necessary the number of men in arms will be doubled to 4,000,000, and the enormous subscription just made to England's war loan will be doubled and quadrupled.

The life of the empire both as respects money and men is at stake, and no sacrifice is too great. If treaties are "scraps of paper," and neutral states are to have no rights or protection, there is no safety in the world, no sacredness of contracts; the world is at an end and chaos reigns.

SIR CLIFFORD SIFTON,
Chairman of the Commission of Conservation, who was Knighted on January 1.

INVEST IN SECURITIES OF UNDOUBTED SAFETY

Messrs. Wood, Gundy and Company, of Toronto, say that since the commencement of hostilities, municipalities throughout Canada have effected a material curtailment in their expenditures, and during the coming year an even more stringent policy of retrenchment may be expected.

The investor on his part has recognized that, during a disturbed period such as the last few months, the most advisable course is to invest his money in securities of undoubted safety, and as a result a marked and growing demand has been experienced for issues of our leading municipalities which have been obtainable at prices to oyield a higher interesto return than ever before.

The continuance of these two factors, namely, the diminishing supply of new issues resulting from the decreased expenditure on the part of the municipalities, and the increasing demand for absolutely safe securities on the part of the investing public, should assure a gradual improvement in prices of this grade of security. In fact a slight advancement has already been recorded.

CURB MARKET IRREGULAR.

New York, January 4.—Curb market opened irregular.

	Bid.	Asked.
Ohio Oil	142	145
Anglo	14½	15½
United Cigar Stores	9½	⅞
Profit Sharing	16½	17

NEW YORK STOCKS.

New York, January 4.—Stock market opening:—

American Beet Sugar	34	up ¼
U. S. Steel	49¼	off ⅛
Missouri Pacific	8¼	up ¼
Reading	143½	up ⅛
Bethlehem Steel	46¾	up 1
Alaska Gold	26⅝	off ⅛

WILL NOW PURCHASE MACHINE CO. STOCK

Move Will do Much to Eliminate Friction but Will Not be Profitable for Time

EXCHANGE AT 3 IN 1

Machine Stock is Turbine End of Business, and Two Plants Directly Adjoin One Another—Westinghouse Estate Holds Most Stock.

(Exclusive Leased Wire to Journal of Commerce.)

Boston, Mass., January 4.—Decision of Westinghouse Electric to purchase the majority stock of the Westinghouse Machine Co. owned by the George Westinghouse estate is a step which is bound in the long run to remove considerable cause for friction and possibly in years to come be a contributor to the net profits of the Electric Co. But its immediate effect will not be that of a profit maker.

The exchange, on the basis of three shares of Machine stock for each one share of Electric, applied to the entire Machine Co. stock issue of $7,505,900 would mean the issuance of $2,500,000 additional Westinghouse Electric common stock and would impose an addition of $100,000 per year in dividends. Probably the joint economies of operating the two companies as one will amount to $100,000 through saving of duplicate salaries and maintenance of separate branch offices. But the Machine Co. is not a money maker and under existing conditions its future prospects are not bright.

The Machine Co. has been the weak sister in the Westinghouse galaxy for years. It is a producer of heavy machinery. It has a business which varies tremendously and upon which it is hard to count upon any stable profit for the reason that so much of the work is occasional in its nature.

The value of the Machine Co. to the Electric Co. is that it is the turbine end of the business and that the two plants directly adjoin each other.

It is understood that the Westinghouse estate contains considerably more than 50 per cent. of the Machine Co. stock, all of which will, of course, be immediately exchanged. The minority stockholders will probably straggle along and some time when things are ripe the Machine Co. will probably lose its corporate personality in the Electric Co.

Ever since George Westinghouse died last year negotiations have been on and off for the sale of this Machine Co. stock, but it has required the prostration of the European war to get both sides into a frame of mind where they were willing to close the bargain.

MERCHANTS SATISFIED WITH END OF BUSINESS YEAR

Conditions Might Easily be Worse and People Are Convinced That East is Better Off Than Other Sections of Country.

(Special to the Journal of Commerce.)

Halifax, January 4.—On the whole the business interests of Nova Scotia are satisfied with conditions as they found them at the end of 1914. Not that everything is at it would be liked, but things might be worse, and people here are convinced that the east is better off, after all, than some other parts of Canada, and comparatively speaking, at least, they are satisfied. The steel business and car buildings were dull, the latter almost reduced to zero. Coal mining has yielded an output of about a quarter million tons less than the year before, and bringing the shipments a little over the six million mark. Hiram Donkin, deputy Commissioner of Works and Mines, gives the official figures for 1914 as 6,250,000 tons of coal sold, as compared with 6,478,709 in 1913, and the total output of the mines as 7,005,000, compared with 7,203,913 in the year before. The difference between sales and output is the coal required to work the collieries, the coal used by employer and that stored on the bank.

The staple industries of the fisheries and agriculture have not been materially affected by the war, except in the case of lobsters, which is hard hit by the war.

In the latter half of the year the lumber industry has been exceedingly remunerative to those with stocks of deals on hand. Premier Mathieson of Prince Edward Island, says there is no sign of bad times in that province, but more prosperity than in any year since Confederation.

Thomas Cantley, general manager of the Nova Scotia Steel and Coal Company, is of the opinion that the two greatest resources of Nova Scotia—her leading industries—are coal and the fisheries. In the former the shipments from Nova Scotia are ten per cent. down from 6,510,000 tons to about 5,935,000 tons, according to the Hon. Robert Drummond, who is the chief statistical authority on the coal industry, but Mr. Donkin puts the figures higher. Both say that the lessened output of coal was due solely to the reduced demand from the steel works.

The branch of the Nova Scotia fishery hurt by the war is that of the lobster pack, the outbreak of hostilities having destroyed the export market of Europe, as the Journal of Commerce has previously shown. The exporters are kept with half their pack on hand, tying up over one million dollars and not only spoiling this year's business but imperilling next year's, for the lobsters on hand are estimated to be more than sufficient for next year's requirements, while there is a new pack that will come unless everyone shouts down, which is unlikely.

The lumber export of Nova Scotia in 1914 was 200,000,000 feet, about 25,000,000 feet less than the normal cut. The markets were weak in the first half of the year, as they still are, except in Great Britain. These the war changed the lumber trade of Nova Scotia from loss into gain, because of enhanced prices in the United Kingdom for spruce deals. The supply of spruce for Great Britain comes from Baltic ports. This was cut off and the Maritime Provinces got the trade at an advance of $4.00 to $5.00 per thousand feet.

Nova Scotia farmers had a good year. Professor M. Cumming, secretary for agriculture, puts the total production of the farms of this province in 1914 at $33,705,319, of which $7,612,500 was in live stock products, the farms yielding, he says, $2,570,854 more than in 1913.

The gold mines of Nova Scotia have been showing a continuously loosened yield for some years, but in 1914 there has been an increase, and it looks as though, with newer methods and a more scientific system the industry might in a measure be restored.

The outlook in Nova Scotia is not bad and calculating on the law that seems to prevail in the east, that there are no great fluctuations of good or bad times, the people go forward with a measure of hopefulness.

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