foreign trade was overseas, and the proportion to-day is even greater. Accordingly, so long as Germany is unable to command the seas, every single German cargo, inwards or outwards, is a fresh hostage to the fortune of war.

This is not the mere optimism of an English enemy: it is what the economists of Germany have long ago quite clearly recognized. The representatives of German high finance may talk as they please about the vast accumulation of wealth in Germany, and suggest that it can bear with ease even the enormous burdens of a war like this. But the economist knows that the only form of wealth on which a nation can rely in times like these are forms which can feed and clothe it, and that to distribute these means of life they must either be doled out by the State or earned by employment.

Fourteen years ago the leading economists of the German Empire combined to publish a series of lectures in support of the Navy Bill. They were issued, in a handsome but cheap form, under the significant title *Handels- und Machtpolitik*—'the politics of trade and power'. The recurrent refrain in one after the other of these lectures was always this: that unless the sea could be kept open the wellbeing of the German nation was insecure. As one of them said—a leader in social reform and in international co-operation for industrial betterment, whom it is grief even to think of as an enemy—'In one way or another, from 24 to 26 millions of Germans', out of a population, at the time, of some 55, 'are dependent for their livelihood and work upon unrestricted import and export by water. The freedom of the sea and vigorous competition in the world's markets are therefore questions of life and death for the nation, and questions in which the working classes are most deeply concerned.'