

Any reasoning, thinking German admits that there was no course other than the one they have taken, open to the English; that they themselves would have acted in the same manner, had they been placed in similar circumstances. The truth is, that the Germans are bitterly jealous of the English, of England in the sense of *greater* Britain.

Germany has grown remarkably rapidly from an insignificant state to a leading nation. She is now, by the very rapidity of her growth, carried on to strive for first place, and her jealousy can be explained when she sees that place, for the present at least, hopelessly occupied by England. But Germany is working grimly and patiently to make England's position untenable. One can see it in many ways—notably in the wildly enthusiastic manner in which the Kaiser's late naval appropriations were backed by the entire nation.

I was talking the other day to one of the Judges of the Supreme Court of Germany—surely a man whose words ought to carry some weight. I found him as bitter against England as the many of lowlier station had been. "England," he said (and these are almost his exact words), "hates us and does all she can to harm us, and we are but biding our time to do the same thing to England. That time will come in about forty years. The struggle for supremacy will be between the fleets on the channel, and the whole thing will be over in forty-eight hours." So much from a thinking man.

Surely this is surprising. The feeling in England certainly does not warrant it. Tell an Englishman this, and he will laugh at you, and yet it is undeniably the state of German feeling at the present. The one thing that the Germans cannot understand, and it seems to act as a dampener of their malicious joy at English disasters, is the magnificent way in which the Colonies have responded to the call of the mother country. The Germans (and others) cannot but recognize the fact, that in any big struggle these same colonies will claim their share of attention. And the fact does not please them.

J. C. F.

LEIPZIG, Aug. 15, 1900.

LONDON LETTER:
FINANCE.

Aug 16, 1900.

Even the worst financial periods come to an end eventually. It now looks as though we were going to have rather a better time. The settlement which we have just got through on the London Stock Exchange has been emphatically an easy one although also a small one. The improvement in the monetary outlook is the chief predisposing cause towards relief. The Bank of England is not in the habit of

making sudden changes in its policy, but last week we witnessed a few.

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They were chiefly in the direction of giving greater facilities for the attraction of gold. Not only have free advances against gold shipped for periods covering the time of transit been made, but its purchasing price for bag gold, American eagles and French and German gold coin has been raised. And further, it has borrowed largely from the outside—a proceeding which has raised the rate of interest to an attractive figure.

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Turning to the industrial position, which is bound to have a considerable effect on the especially financial position, one does not find prospects very promising. The regular occurrence of periods of depression is one of those things which everybody from the Man in the Street to the Cabinet Minister believes in. The general opinion is that they are getting more frequent. They are practically contemporaneous in England, the United States, France, Germany and Belgium, and we have every indication that we are on the verge of one now.

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Business generally is reaching a lower ebb and unemployment is increasing. Capital is becoming more timid, and only first class offers are accepted for investment. The railways, practically the greatest fields for private investment in the whole country, are in a condition of financial melancholia, induced by already diminished dividends and the chance of still further diminution. Out of the nineteen leading companies, no fewer than fifteen have declared a dividend at a lower rate than in the first half of 1899. The other four have just managed by a supreme effort to maintain the previous level of distribution.

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The old order changeth and giveth place to the new. The tug-of-war has come between the omnibuses and the new underground electric railway along the central London route, and the omnibuses are in a hot state. Between them the two omnibus companies whose vehicles ply along the route tapped also by the "Twopenny Tube" (as we call the new electric line) lost \$15,000 in receipts last week, and the loss looks like increasing. The 'busses cannot reduce fares to the level of the electric tariff, and they will thus probably be almost entirely driven off the most lucrative route in the metropolis—the seven miles from Shepherd's Bush to the Bank of England. Poor shareholders!

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What a time the bears have been having lately, first in one section and then in another. Over-selling has been the evil thing, and a good many operators are now staunch supporters of the policy of "Never again." The bear gamble which was attempted in *Le Roi 2* was a conspicuous example of the disasters the ursine party has landed itself in. Much of the present easiness is owing to forced bear closings more than to anything else.