

friendship of Germany would England abandon the *Entente*. It seemed impossible, however, to make my German friends realize that a nation which proposed to have both the strongest army and the strongest navy in the world was not going the best way to work to promote a peaceable temper either in itself or in others, and that, great as were the virtues of Germany, it was not obviously more lovable to the British public than its neighbour across the Rhine.

The word for it all, I am afraid I must say, is simply 'conceit'. But then I have reflected that there have been times when we ourselves were similarly difficult to get on with. I suppose nobody, at this time of day, would say that Palmerston was positively ingratiating in his dealings with other countries, and if we want to see how confined was the outlook of the middle-Victorian Englishman we have but to go back to Matthew Arnold's criticisms or Thackeray's unconscious exemplifications. And as I believed England had become a little more tolerant, a little less self-pleased, a little less heavy-handed than in Palmerston's time, so I hoped that the German phase of self-glorification and disregard for the feelings of others would also pass away, without a great cataclysm. I was mistaken; but I am not ashamed of having ascribed to Germany a reserve of statesmanship and cool sense which it is now apparent it did not possess.

It is with the economic aspects of the war that I purpose especially to deal. Their importance must not be exaggerated. If the naval forces of the enemy and of the Allies were equal, Germany would be in a far safer position than this country; for Germany has not sacrificed its agriculture to its manufactures to anything like the same extent as Great Britain, and it is