

smaller amount will probably be undertaken, if the war continues and if 'inquiries' from customers accumulate to a stimulating extent, without waiting for a formal guarantee; in the confidence, which I cannot doubt is, a reasonable one, that when peace returns they will not be left in the lurch. Great stocks of German manufactures will, of course, have accumulated, by the time peace is made, and these will be thrown upon the market at almost any price. Somehow or other, and there are more ways than one, means will assuredly have to be found to prevent the sudden extinction of the newly created English business.

If I could hope that anything I could say would reach German ears, I should remark that the longer the war lasts the worse it will be for Germany, economically as well as politically. The longer it goes on, the more it will be straitened in its economic activity when peace returns. England has hitherto afforded Germany an elbow-room which has been highly convenient to it in the alternating expansion and contraction which form the cyclical movement of trade. This is very apparent to any one who looks into its industrial history and learns how it was it escaped so lightly from the great depression of 1901-2. That elbow-room is going to be restricted, and the more completely the longer it waits. It is not that the English people has been converted to a new economic creed; it is that the English people will come out of this war with a new attitude towards fellow Britishers and allies, and a new attitude towards enemies; and with new interests also to which its honour will be pledged.