

its own ships (except perhaps in the Western Baltic), because all its ships that have not been captured are now confined to the ports. It can dispense with its own vessels and do its business by means of neutral shipping, or through neutral countries, only for a small and decreasing part of its trade; and this for several reasons. In the first place, the neutral shipping available is very limited. The shipping of the neutral countries is only about one-fourth that of the world, and only a portion of this fourth can be spared for German cargoes. Next, a large part of what Germany might import is absolute or conditional contraband, and will be avoided by neutral ship-owners. Then again, the Allies have put an embargo on the export from their shores of certain indispensable materials for which they are the chief sources of supply, e. g. wool; and England has prohibited the import of an important product, sugar, of which it was Germany's one considerable customer. Indirect trade, through neutral lands, between residents in the allied States and in enemy countries is being stopped by certificates of origin and declarations of destination. The neighbouring neutral countries, moreover, especially Denmark and the Scandinavian kingdoms, partly for their own sake, in order to ensure their own supplies of food, partly to avoid undesirable complication with the Allies, are now prohibiting the export of food-stuffs and of a long list of commodities capable of being used for war purposes. And finally, the proclamation of the North Sea as a military area, and still more, the fact that, owing to Germany's initiative in the laying of mines, it is exceedingly dangerous to shipping, with freight and insurance rates on cargoes sent north Sea to prohibitive figures.