

## Forecasts

1<sup>st</sup> September 1931

After the replacement prosperity of the war England found itself in a world where new competitors having learned independence or new dependences during the war could live without English goods and sometimes underbid it in mfg. Before the war the heavy investment of money and brains in backward countries counterbalanced for England the irritation of white "supremacy" and political control. England was a good banker because free trade, its climate, position and industrial population enabled it to use what the borrowing countries could produce and therefore ~~was~~<sup>accept</sup> as interest payment. Cost of the war ~~to~~ in terms of a non-debased currency is too heavy: respect and ~~gr.~~ by the heathen half lost: class conflict and self-satisfaction in England. England will not reorganize and re-equip her industries in time to save herself from great losses. Population will outnumber its resources. Schools will be better staffed and more poorly equipped; there will be in this decade '30-40 an exportation of trained brains. The countries like Denmark that now export on free trade to England will suffer very great losses in commerce.

France In the next decade will maintain her agricultural tariffs thus hindering the development of her colonies and her knowledge of agricultural countries. She will remain isolated and thus continue preeminently her finishing industries which will not pay so well until the rest of the world recuperates. It will be a decade of much intellectual activity - new theories and isolated individual reflection but not for those subjects like the natural sciences, <sup>(except math.)</sup> and <sup>and medicine</sup> engineering, which require prolonged training, complicated equipment and close cooperation.

Germany The alleviation of war payments must come but the release of national energies will be slow but intensive - particularly shipping, <sup>aviation</sup> metallurgy and chemistry will advance. The development of Russia as a market is probable.

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Russia

Not likely to go far industrially for years, but will export timber, grain and oil for another four years extensively in order to establish industries to satisfy local demands. By this exportation Russia will postpone the advance of S. America, Australia, Finland, Canada and the western U.S.

America

There will be numerous defaults on foreign bonds held in America.

Reinvestment in America, the Caribbean + S. America will revive in this order. Industry will thus pick up quickly (by end of '33) but not go far, and I'd expect agricultural tariffs before a reduction in the manufacturing tariff wall. The educational system will be sharply criticized but I do not think improvement in personnel will be marked before 1937-9.

Sept 1931

In R.F. Mason will be criticized for doing nothing for humanities but this will be in private on account of the depression. There will be less pressure for relief work than last year since increases in taxation will both be required by individual reluctance to pay, and at the same time dampen the enthusiasm of the giver. He will reluctantly turn over divisional responsibility to directors about Feb '32, summon Trustee brakes on EED and give AG + LWS an opportunity to go on with their recommendations. He will break his lance on the N.S. if he doesn't turn over most of the responsibility to LWS. Probably sick again by February.

E.E.D. will bring in extensive programs in the SS. and until he is given autonomy be irritated with M.M. Possibly he will get R.F. as a whole into a position of public criticism he towards which M.M. will be careless of public and critical of Day, while being under fire himself from Trustees. Result will be or would be in that case more conservative programs and less SS. expenditures.

F.F.R. will stay about the same. He will advocate WAS or 9KS as his successor.

WAS more likely if FFR is ill before he retires.

A9 will have a good winter and get much closer to MM. No repetition of last year's nervousness. ~~MM~~ A9 will either be in or out of the 9EB at the end of 1932. Nothing will be done on moving offices.