

The New Era in Great Britain

Government's programme and past achievements—Election Forecasts
—The Labor party

By W. W. SWANSON.

Premier Lloyd George, in his recent pronouncement to the British electorate, outlined a broad programme of social and economic reform which cuts the ground from beneath the feet of his adversaries. Mr. Lloyd George also uttered a warning against Bolshevism, and arraigned those who seek to set class against class. A certain group of reformers in Great Britain maintain that this is a sudden conversion on the part of the Premier; and that, using his well-known political strategy and adroitness, he is merely seeking to save the situation for the Coalition. Those who have studied the social history of the United Kingdom in recent years, however, are aware that as long ago as 1909 Mr. Lloyd George stood sponsor for legislation that was more radical in its implications than anything hitherto seen on the Continent or in America. Notwithstanding the bitter criticisms of the Radicals on the Left, Mr. Lloyd George has certainly not sold himself to the Grand Dukes. The experience of the past four years has broadened and deepened his knowledge of men and events; and has taught him, to use his own words, to fear "vested prejudices more than vested interests."

It seems clear that the special Committees working on problems of reconstruction in Great Britain, and gathering data to be used as a basis of a far-reaching social programme, have done more substantial work in these particulars than has been accomplished elsewhere. Premier Lloyd George lays emphasis upon the need of cutting out the slums in urban centres, and in country districts as well; stating that slum conditions are more deadly to national welfare, and contain within themselves a greater menace to social progress, than many other plagues that society has set itself to overcome. His building programme, which comprehends the construction of thousands of cottages for farm workers and city labourers will do more to raise the standard of living, by replacing squalid conditions by a wholesome environment, than almost any other enterprise undertaken by the State could have effected. The Premier makes good his title to "Tribune of the people," when he centres his attention upon the lot of the common working man, rather than upon grandiose schemes of political power. His acceptance of President Wilson's League of Nations idea removes all suspicion that may have been entertained by France, Italy or the United States, that the United Kingdom went into the war for hope of economic or political aggrandizement.

The programme outlined by the present British Administration is so comprehensive, and will entail the expenditure of such a vast sum of money, that some are inclined to consider it visionary. At the end of the four years of war, according to the figures presented by Mr. Bonar Law, the United Kingdom had spent 7,130 million pounds, sterling; of which approximately 1,800 millions were "recoverable"—that is, might be repaid to the Treasury by sale of stocks of food and other supplies on hand, and the liquidation of debts by the Allies. During these four years of war the British people raised by taxation 1,221 millions of pounds, or about 23.04 per cent. of the entire war costs. The loans to the Allies and Dominions amounted to 1,610 millions; including 568,000 millions in Russia, one half of which Mr. Law announced might be classed as a bad debt. Up to the present time the United Kingdom has financed credits, for the carrying on of hostilities, amounting to somewhat more than \$40,000,000,000. This is a huge sum which baffles the imagination, and might seem sufficiently great to cripple the financial power of even the greatest nation in the world. Nevertheless, it is well to recall that the income of the British people has, during the war, increased from \$12,000,000,000 to \$15,000,000,000; and that their foreign investments, changed as to location in part, remain unimpaired at \$26,000,000,000. Great Britain has, moreover a productive plant unequalled in its history, with more than 6,000 new factories in which the most modern machinery is installed. While the losses in man power are staggering—650,000 men having been killed alone—one must not forget that the new Labour forces mobilized during the war will be available in the period of reconstruction. Its shipbuilding plants are better organized and have been extended; many new

yards having been constructed; and London has never in its experience had control of a larger volume of credit and of capital. What is no less important, Great Britain is in a strategic position with reference to Continental markets, and will certainly be a formidable competitor to the greatest industrial nations of the world in securing contracts for the reconstruction of France, Belgium, Poland and Russia.

The contest culminating in the voting of December 15, will be bitter, as experience has shown that any Coalition Government formed to carry on war has always antagonized important elements in the nation. The election will be unique in view of the fact that, if the soldiers and sailors cast their votes, 20,000,000 electors will go to the polls—one half probably for the first time. It is important to realize that at least one half of these voters are still receiving pay from the Government, and that munition workers will look to the Administration to find them new employment. From the Canadian point of view we are intensely concerned in the outcome of the elections, because the British Premier is virtually the Prime Minister of the Empire. Moreover, the War Cabinet in which representatives from the Dominions have played a prominent role, will be continued, in some form or other, after the signing of peace; and it is important that the Premier of the United Kingdom, who presides, shall have a full knowledge of political and social affairs in the component parts of the Empire.

The chief opposition to the Coalition Government will come from the Liberals, led by Mr. Asquith, and Labour led by Mr. Henderson. The policies of the Liberals and the capacity of their leader are well known; but no one as yet is in a position to evaluate the constructive ability of Mr. Henderson nor the worth to the State of the programme of the held in the last week of June of the present year, Labour Party. At the Conference of this Party, 1,000 delegates were present and the social programme of reconstruction prepared by Mr. Sidney Webb, Mr. Henderson, Mr. Ramsay Macdonald and others, discussed and adopted. No hostility was openly expressed to Mr. Lloyd George and his Administration, but definite notice was given that the political truce was at an end. This is significant in view of the fact that Mr. J. E. Clynes, a strong supporter of Lloyd George, was elected by the delegates to a position upon their executive, at the head of the poll. One might reasonably draw the conclusion that Labour was sincere in its expression of determination to carry on the war to a successful finish, although its solution of peace terms was radically different from that advocated by the Curzon-Northcliffe group. Nevertheless, no vote was taken on international politics, and no disposition was shown to complicate the diplomatic difficulties of the Allies. The Conference passed a vote of censure upon the Government for admitting French, Belgian and American delegates, and refusing permission to the Dutch Socialist, Mr. Troelstra, and his Swedish confrere, Mr. Branting, to enter the United Kingdom.

The programme of the British Labour Party comprises the application of the minimum wage in every industry; the appropriation of the surplus wealth of natural resources "for the common good"; democratic control of industry; the nationalization of the railroads and other great public utilities; the payment of the war debt by a direct levy upon wealth, rather than reliance upon indirect taxation; the introduction of social insurance on a comprehensive scale against sickness and unemployment; the payment of liberal old-age pensions; and the inauguration of a national educational system. It is not necessary to go into details with respect to this programme at the present time; nor is it worth while to designate it as "Socialistic." Mr. Lloyd George has exhibited his political sagacity and strategy, of which we may pardon him for boasting, by seizing upon some of the more important planks in the Labour programme and working them into his own platform. Certain it is that the economic world, like the political world, can never again be what it was in August, 1914; but at the same time Lloyd George did well to warn the nation that no-

thing could be accomplished without consolidating the interests of labour and capital and applying the whole productive power of the nation to the increase of wealth. Wages cannot be determined by Acts of Parliament, nor by Committees of Workmen and Soldiers; their level depends upon the value of the product which labour and capital jointly place upon the market.

It is dangerous to predict how elections will go at any time; but it appears, at present writing, that Premier Lloyd George's Administration will be returned to power. Certain enthusiastic members of the Labour Party assert that there will be 304 candidates representing Labour in the field, and that perhaps one-half of them will be elected. Ireland will go, roughly, in the proportion of 4 to 1 against the Government; while Mr. Asquith will have a considerable following. Nevertheless, such strong men as Mr. Ben Tillett, Mr. George Barnes and other labour leaders have pledged their support to the Premier; and it is safe to say that the aristocracy of Labour, the trades unionists, will stand by the present Administration. The Irish question must be dealt with in the immediate future, and, that out of the way, problems of reconstruction can receive full consideration. And one may affirm that economic questions will be investigated, and methods applied, in a way that was not possible during that year of ferment, 1909. Those who have given close consideration to the Budget of 1909 are aware that it was loosely drawn up and imperfectly applied. Mr. Lloyd George has now, however, grouped around him a body of experts whose services will be available in the difficult period of rehabilitation.

And it is just here that one gains confidence for the economic future of the United Kingdom, and hence for that of the Empire. As in the United States, the Government has made use of business experts and trained economists, to a degree never approached in the past.

Sir Eric Geddes is perhaps the biggest "find" of the war; for although his administrative capacity in railway work was appreciated to the full in peace times, it was not expected that he would work such wonders in the Navy. If the services of men of high calibre in the business world can be assured to the Government for a year or two following the signing of peace, it should be possible to rapidly readjust war activities to a peace basis, and to prevent unemployment developing on any considerable scale.

There is little danger of an outbreak of Bolshevism in the United Kingdom. The nation as a whole has had its heart in the war, and all classes believed in the justice of Britain's cause. There was nothing of a predatory nature, from the British standpoint, in the war; and there was no bitterness engendered, as in Germany, as between class and class. The United Kingdom has the resources and the determination to use those resources, for the common good. The Government realizes that the men who risked their lives to preserve the State merit the protection of the State. In that sense, we may say that individualism in Great Britain has had its day. Nevertheless, we do not look for any fundamental change in the fiscal policy of the country. Great economic and social transformations will take place; but the fiscal system that scored a triumph, in four years and more of the most costly war known to history, will not lightly be discarded in the days of reconstruction to come.

BRITAIN'S REVENUE.

The Revenue for the second quarter of the current year reached a total of £187,667,338 or a net increase of £48,404,584 over the £139,262,754 for the corresponding quarter of the previous year. The chief increase occurred in the yield of the Excess Profit Duties, which amounted to £24,475,000 in excess of the corresponding figure. Property and Income Tax advanced £7,991,000, while Customs were £7,954,000 higher, and Excise showed an increase of £6,009,000. For the six months to 30th September there was an increase of £88,198,617 in the Revenue, the total being £343,420,657 as compared with £255,222,040. Of the increase, Excess Profit Duties contributed £46,344,000.

The total Expenditure chargeable against Revenue was £1,356,342,055 as compared with £1,328,052,389. Thus while the revenue showed an increase of £88,000,000, the Expenditure was only £28,000,000 higher.