

palling amount. Second, Britain still has an enormous military expenditure. The British Government increased the pay of the soldiers and sailors; they have large military forces on the Rhine; they had armies in Russia and Messopotamia; they had an expensive programme for air fleets, and their pension scheme meant an expenditure of ninety-six million pounds sterling. Third, after the war broke out the British Government adopted a policy of subsidizing, and the subsidies paid have run into enormous figures. The railways were not paying, so the Government subsidized them. The canals were not paying, so the Government subsidized them. The telephone system was not paying, so the Government subsidized it. They subsidized the farmers for growing wheat and the millers for cheap flour. They subsidized the coal miners; they subsidized the unemployed munition workers. Fourth, in addition to paying the ordinary expenditure the Government has entered upon an advanced programme of legislation which also called for considerable sums of money. The net result is that the British Government is spending about four million pounds sterling a day in comparison with less than half a million pounds a day in 1913. And the Government has now to raise each year a larger sum of money than the whole of the national debt of the United Kingdom in 1913.

What is the other side of the story? It is this in a word, that their exports are crippled. They cannot or will not get the output, and in many lines they can no longer compete in cost of production with countries like the United States and Japan. This crippling of their exports is the worst feature of the picture, and the finishing touch is this, that they have flooded the country with paper money and that the people are spending it with an extravagance not exceeded in New York or Chicago. What is the result? It is this from a financial point of view, that revolution has reached England. It is not waiting to get there; it is there, and the only question is how it will end. Men who subscribed to the war loans—manufac-