

### WILL GREAT BRITAIN BE FINANCIALLY EMBARRASSED BY THE WAR?

Forty-five years have elapsed since Great Britain was engaged in a war of the first magnitude. An entire generation has come and gone since the old land was pouring out its treasures like a flood in maintaining the Crimean war. Naturally, therefore, there are misgivings in the minds of some as to the financial results of the conflict in South Africa. The financial embarrassment, or at least serious distress of Great Britain, has been predicted as the result of the enormous expenditures which are certain to be incurred ere the crown of victory is won, as won it will be, whatever may be the cost. To enable a sound judgment to be formed on this financial question, we propose, as briefly as possible, to consider what strain the old country has borne in the past without national monetary distress, and in what position Great Britain now stands financially, relatively to the position she occupied when her war outlays were so enormous. Leaving earlier days out of the narrative, we find that from 1702 to 1815, 113 years, Great Britain was continuously engaged in war at sea or on land, or both simultaneously with France, Spain, Holland, Russia, Prussia, Denmark or Turkey. The extent of the national debt, its annual cost, the percentage of the debt and cost per head during that prolonged war time were as follows; the sterling being changed into currency at par:—

	Total debt.	Annual cost.	Debt. per head.	Cost yearly per head.
	\$	\$	\$	\$
1702.....	62,176,280	5,918,510	4.97	0.47½ cts.
1802.....	2,618,369,110	98,707,830	164.60	6.20
1815.....	4,193,259,800	158,894,070	232.96	8.27
Increase debt. of in 113 yrs.	4,131,083,520	152,975,560	227.99	7.79½

Since 1815, when the Napoleonic wars ended, there has been a gradual reduction of Great Britain's national debt, the amount in 1854 and 1899 and annual cost being as below:—

	\$	\$	\$	\$
1854.....	3,916,660,600	135,119,700	145.00	5.00
1899.....	2,916,964,400	122,740,000	72.90	3.07
Decrease of debt since 1815.....	1,276,295,400	36,154,070	160.06	5.20
Decrease since 1854.....	999,696,200	12,379,700	72.10	1.93

In 1815, when the population of the United Kingdom was about 18 millions, the national debt was \$1,276,295,400, or \$160.06 per head greater than it was last year, when the population was over 40 millions. If the debt this year were enlarged to bear the same percentage per head of the population as on the breaking out of the Crimean war, there would have to be added to the national debt of Great Britain no less than \$2,883,035,600, or, in sterling, £599,000,000; that is, the debt would have to be raised to about double the amount at which it stood last year. If it were to be increased so as to be the same amount per head of population as it stood in 1815, the debt of Great Britain would have to be increased \$6,403,035,-

600, or, about, in sterling, an increase of £880,000,000. The prospect of the cost of the present war reaching \$250,000,000, or £50,000,000 sterling, is quite remote, and the probability of its raising the debt to the figures of 1854 is so unlikely as to be not worth considering.

But, how does the financial condition of Great Britain stand as compared with the time when the national debt was so enormously in excess of its present amount? In 1815, when the debt was \$233 per head, the imports and exports of Great Britain amounted to \$418,100,000, or \$23.20 per head. In 1854, when the debt was \$145 per head, the imports and exports aggregated an average of \$67.60 per head. Last year, when the debt was only \$72.90 per head, the imports and exports averaged \$101.00 per head. In tabular form the contrasts will be probably clearer:—

	1899.	1854.	1815.
	\$	\$	\$
Debt. per head.....	72.90	145.00	232.96
Annual cost per head.....	3.07	5.00	8.27
Imports and exports per head.....	101.00	57.60	23.20

So that, while in 1815 the British foreign trade averaged only one-tenth per head of the national debt, and in 1854 was 47 per cent. of the debt per head, last year the foreign trade of Great Britain per head was 38 per cent. greater than the average amount of the debt per head. The above comparisons afford one striking illustration of the enormously increased capacity of the old country to stand a financial strain, as the profits from the British foreign trade are now as much larger than they were some years as the debt is smaller. Take another illustration. In the last 42 years Great Britain has devoted \$9,928,810,000, about £203,877,400 sterling, towards reducing the debt and enlarging the sinking fund. Since 1888 these appropriations have amounted to \$536,900,000. The extent to which the resources of the people of Great Britain have increased is well illustrated by the accumulation of deposits in the Government Post Office Savings' Banks. They were established in 1861; in 10 years the deposits reached \$33,315,000, they now amount to about \$600,000,000. In Trustee Savings' Banks the deposits amount to about \$580,000,000, and in the ordinary banks there are \$4,300,000,000 of these funds. In 1815 the deposits in the Bank of England amounted to \$63,000,000; they now stand at \$265,000,000. The Bank of England alone holds \$176,000,000 more deposits than it did at the close of the Crimean war. The public revenue in 1854 was \$272,140,000; last year it was \$587,070,000, and we have no hesitation in declaring that the taxation from which the revenue was derived in 1854 bore more heavily on the financial capacity of the people of Great Britain than did the taxation imposed last year, although the amount in 1899 was \$314,830,000 more than 45 years ago. As to the aggregate value of the property in the United Kingdom, there is no recent estimate, but one of the most reliable statisticians speaks of it being so vast as to make the national debt "a mere flea bite."

We could extend these comparisons between the re-