

of other countries as above. or by comparison of present expenditure with that of former times:

"At one time, for instance, during the great wars at the beginning of the 19th century it was calculated that the British government expenditure, and the corresponding revenue, mostly raised by taxation, were each equal to about one-third of the aggregate of individual incomes—that is as £90,000,000 to about £270,000,000. Proportions even higher have not been unknown in history, and it is probable that in Russia, India, Egypt and in other countries at this moment, in time of peace, the proportion may amount to one-fourth or one-fifth. On the other hand, some years ago in the United Kingdom before the high expenditure on army and navy began, and before the South African war of 1899-1902, it is probable that with an outlay of less than £100,000,000 by the central government, the proportion of this outlay to the aggregate income of the people was not higher than one-fourteenth. At the beginning of 1902, when the South African war was closing, the normal peace expenditure, even reckoned at £160,000,000, did not exceed one-tenth, while even peace and war expenditure together in 1901, taking them as close on £200,000,000, did not exceed one-eighth" (a).

Compare these figures with those of the present day or under the headings total expenditure; total national income; proportion of one of these to the other; and surplus of national income over total expenditure. (All the figures represent millions of pounds):—

Period	Expenditure	Income	Proportion	Surplus
About 1900 (during war).....	90.	270.	one-third	180.
Before S.A. war (peace)	100.	1,400.	one-fourteenth	1,300.
1902 (peace)	160.	1,600.	one-tenth	1,440.
1911-12 (peace)	180.	2,000.	one-eleventh	1,819.

So far, therefore, from being more and more heavily burdened in proportion to his strength, the Titan is actually carrying less to-day than ten years ago; and his surplus for the year is greater by the magnificent sum of £379,000,000, (b).

If the United Kingdom thinks that four more battle-ships should be provided at a cost of say ten millions, her total war expenditure would only be about one-fifth-part of the national income.

Indeed the extra ten millions could be paid out of the year's increase in wealth (£246,000,000) without making much impression upon it.

(a) *Encyclopedia Britannica*, Vol. 26, p. 464.

(b) That, of course, does not mean a budget surplus. The comparison of the budget expenditure is not with the budget revenue, but with the gross (not the net) national revenue.