Britain After the Peace

A Review of Brougham Villiers' New Book on Reconstruction in Great Britain---By J. W. Macmillan

ONE of the most notable contributions to the literature of reconstruction after the war is the book by Brougham Villiers, "Britain After the Peace." Mr. Villiers is the author of a number of books dealing with the practical problems of social science and shows throughout this latest volume his mastery of not only the lore of political economy, but also of the actual conditions of human life in Britain.

The war, he holds, means an inevitable transformation of the social order in Britain. Old things have passed away, new things are coming to take their place. Gone is the steadfastness of life in Britain. Nearly every individual has been, as it were, plucked up by the roots and planted in another spot. The social niche in which he had found or was finding his abiding home and occupation has been demolished in the universal rending of the fabric of society. Everybody is busy in a strange place, doing some strange and unaccustomed thing.

This revolution in the habits of life has inevitably been accompanied by a revolution in ideas. He has found a new prospect and outlook. He is prepared for a fresh start. "The strong conservative instinct of the British people, the power of use and wont, which has carried the nation over so many difficulties in the past, is now faced with a crisis which cannot conceivably be dealt with on conservative lines. One half of the revolution is already accomplished. The old world, the old dependence on the thing established has been broken to pieces. The task, therefore, of reconstructing society is thrust upon us whether we will or no. The destructive side of the revolution has been carried out by the war itself; the constructive revolution is the first problem of peace."

Thousands of British Women have been Engaged in War-time Agriculture. Shall they Remain so Engaged after Peace?

The Peril of Violence

Britain is in real and deadly peril of violence. It is little wonder that the obsession of the war, with its tragedy and horror, involving the life or death of the participants therein, and the foreboding or grief of their relatives and friends, as well as the fate of the country itself, should have interfered with a vivid realization of the later danger within the country itself when peace shall have been declared and the exhausted country sets itself to restore an orderly course of industry and life. When the vast munition plants are closed and their enormous labor forces cease to earn wages, when the huge wave of women which has invaded industrial life is checked and thrown back, when millions of men return from France and Mesopotamia, from Bagdad and East Africa, from all the vessels pursuing the war upon the sea, and mingle with the idle and destitute throngs already in the streets, then, under the pressure of starvation, anything is possible.

Besides, a large proportion of the suffering populace will consist of men trained to arms, accustomed to see life taken violently, and capable, under leadership, of fighting intelligently. There has always been a sharp difference between the street riots of Britain and of France. In Britain they are easily handled by a few squads of police. But in France they produce a state of war. The reason of this contrast may lie partially in differences of national temperament, but they also lie in the fact that the average Britisher has had no military training and is unaccustomed to the use of arms. In France, where conscription has been the rule, a mob knows how to organize itself into a fighting force. It erects barricades. It ranges itself under leaders. It puts one force into co-operation with another. It is thus able to oppose to the squadrons of police a system of warfare as efficient as their own. So may it become in London and in Glasgow if the mass of the people be goaded by hunger and want to desperate measures.

This has been dimly foreseen, and no one expects that the whole army will be demobilized suddenly or at one time. But even a gradual release into civilian life of the men in arms will not destroy the peril. No one can guess how fast, if ever, the normal industries of the country will revive. No-one can tell which industry will first gather strength. If demobilization be carried out from the war office standpoint, however gradually the scheme may be carried through, it is impossible to avoid a glut of unemployment. "Suppose on a given day we demobilize ten battalions of men. Among these may be 1,000 engineers, 1,000 textile workers and 1,000 coal miners. It may very readily happen that on that day there is a demand for 2,000 engineers, 500 textile workers, and for no coal miners at all." That would leave the engineering trade undermanned, while turning 1,500 men into the streets. To carry on such a process could lead to nothing but anarchy and civil war.

Soundness of Britain's Free Trade Policy

Fortunately, Britain is in a sound financial condition. She is the only European country involved in the war which finds herself so happily situated. The reason lies in the free trade system of finance which has been adopted by the country. Considered as a fiscal device, without reference to its effect on trades and laborers in particular, direct taxation upon the members of the nation, as contrasted with indirect taxation levied at the frontiers, has not only served as a preventive of the economic causes of war, but has provided such a revenue-raising machinery as has kept up the income of the government through the vicissitudes of the world-struggle.

Protective taxes have proven themselves a precarious source of revenue. Even in times of peace they have failed, while during the war they have failed most disastrously. In France, between 1876, when the war indemnity to Germany had been paid off, and 1913, during which period no great war had intervened, the interest-bearing debt had increased from £800,000,000 to £1,000,000,000. In Germany there was no debt in 1876. On the contrary, a large part of the indemnity from France must have existed unspent. Yet after 40 years of unbroken peace the debt of the German Empire amounted to £242,743,000. Similar increases had characterized the national financing of Austria-Hungary and Russia. On the other hand, the national debt of Britain had been steadily decreased except for the war periods. Between the Crimean war and that of South Africa it fell from £836,000,000 to £635,000,000. Between the Boer war and the present war it had been reduced by £90,000,000.

Such a comparison of peace financing is impressive enough, but when we come to the years of war the difference is startling. In Britain the revenue has risen to meet each contingency. The ordinary operations of government have been paid for. Each new loan, and they have been numerous and heavy, has been met by increased taxation to the extent that all its interest has been provided for and a surplus provided to serve as the nucleus of a sinking fund with which to pay off the principal itself. It has been far otherwise on the continent. The first effect of the war was to ruin the national revenues. Imports largely ceased, or, as in the case of Germany, ceased altogether, and the customs officers did not even collect their own salaries. Further, the pressure of war prices forced the governments to suspend the taxes on foodstuffs and on certain manufactures. Thus the income of protectionist states was immensely reduced at the very time when it was vital that it should expand. It is only by a system of direct taxation that the income of a nation can be suddenly and largely increased in time of war.

Dark Outlook on the Continent

The outlook for the continental nations is dark indeed. Europe, which could barely finance its governments before the war, will find itself with impoverished peoples faced with claims for interest which in some cases exceed the total amount raised by taxation before the war. So long as the war continues it is possible to borrow, for interest can be paid out of new borrowings, which the patriotism of the people, stimulated by the war, ensures them lending. But when peace begins its audit what is to happen? Britain has this superior position that if it is disposed to face its after-war obligations honestly and fairly it possesses the means to do so. The foreign governments of Europe do not possess such means, and must improvise them in a time of tumult and destitution. Bankruptcy sits just outside their doors.

Demobilization on a Voluntary Basis

Mr. Villiers' proposal for demobilization is that the soldiers should be continued in the military organization until they leave it of their own choice. He would have the country frankly recognize their right to work or maintenance, and save itself from all the horrors and dangers of masses of embittered and reckless men by leaving to them the time and the way in which they shall quit the economic security of army pay and allowances for civilian jobs. Thus the expansion of the labor market would determine the rate of replacement in industry of the returned soldiers. No one can foretell whether the recovery of industry will be fast or slow. If the convenience of the war office, or of the

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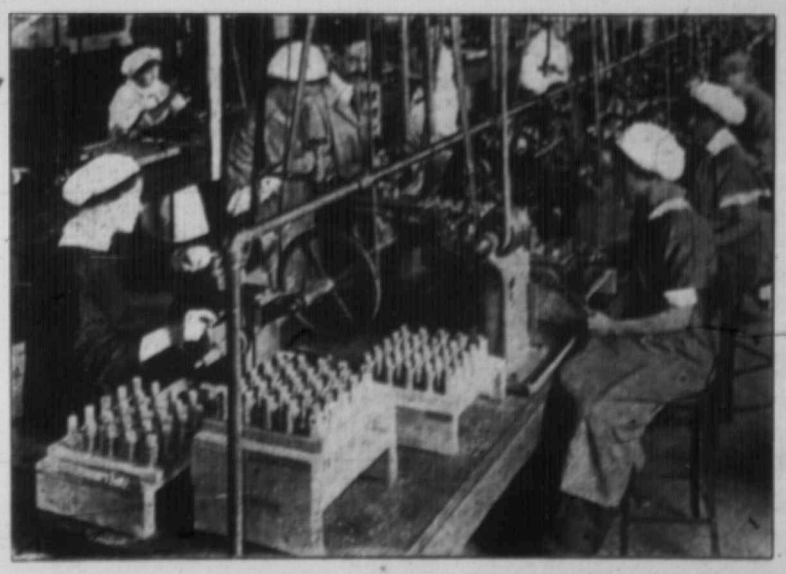
The Industry of War, with its Colossal Effort is but Temporary.



Hundreds of Thousands of Women are Engaged in Supplying the Munitions of War.

Reconstruction involves the absorption of millions of men back into civil life, the release of millions of war workers, both men and women, and the re-establishment of industry on a peace basis with the minimum of suffering. The task will test the capacity of statesmen as much as the war has done.