

BRITAIN'S FINANCIAL EFFORT.

THE MEANS OF VICTORY.

IF this war has brought no other compensations for the terrible losses it involves, there will at least be agreement that it has added materially to the average man's stock of information. The ordinary stay-at-home American or Briton has been turned by the war, for instance, into a geographical expert familiar with the lie of the land, the contours, the rivers, and the woods of areas the very existence of which was probably unknown to him three years ago. So it is also in the world of economics. We all of us know now that the wealth of a nation lies in the brain and muscle of its inhabitants, coupled with any natural advantages they may enjoy for controlling the material of industry and agriculture. Thus no one is likely to fall now into the old error of confounding that part of a nation's income which is annexed by its Government for public ends with the income itself. The present article, stimulated by the speech delivered on 2nd May, 1917, by the British Chancellor of the Exchequer, is here concerned with some aspects of the financial effort made by Great Britain as expressed in the revenue from taxation and the expenditure on war of the British Government.