

## ECONOMICS, TRADE, AND FINANCE

### THE CONDITION OF ENGLAND

It is now five months since the armistice was signed. There has been time to look round — time, one would say, for some of that reconstruction of which we heard so much while the war was going on. How, then, do we actually stand? We do not for the moment speak of peace, as to which the one thing that we all know is that we know nothing. Nor do we speak of the condition of Europe, of which what we all know is that it is bad, has been growing rapidly worse, and if peace is not rapidly settled will soon reach the worst that can well be imagined. We ask attention for the moment to the condition of our own victorious and relatively secure country. Here, after five months of the armistice which put an end to active operations in the war to end war, a Conscription Bill has just passed the House of Commons. The revenue returns for the year have been issued, and show that £889,000,000 were raised in taxation, against an expenditure of £2,579,000,000, or a little more than one third of the whole. This expenditure, though hostilities ended in November, came within £120,000,000 of the total expenditure for the previous twelve months. Nor is much respite from taxation promised in the near future. Completeness of victory has so far done nothing to reduce Army Estimates or Navy Estimates or Air Force Estimates. The Air Force alone is to account for an expenditure comparable with that of army and navy together in old days. Taxation must continue, in the aggregate at least, at its present height. If the excess profits tax is reduced, so much the more must

go on to incomes, and still we shall have to borrow. There can be no talk of making ends meet until politicians are compelled to learn the rudiments of economy. The visitor to any of the older Government offices observes above the chimney-piece a pathetic printed notice requesting the occupant not to make up the fire after 3 P.M. unless he intends to stay beyond 5 P.M. Pathetic in its haunting reminiscence of the careful soul of Gladstone and the days when men saved the pence of the public and counted it a gain. We wonder if that notice has found its way into any of the bungalows that now cover the precincts of Whitehall. Such is not the spirit of these times.

When all is said, taxation is far from the worst of evils. The nation could bear it if employment were good and money were being earned. But over 900,000 persons are officially recorded as unemployed, and yet on all sides work is stopped for want of skilled or even unskilled hands. A great section of the cotton trade has just decided on a fortnight's stoppage in the interest of the industry and at the expense of the public. At the same time the householder, having read the figures of unemployment, wants a job done about his house and finds it impossible for lack of labor. Even when the labor is available prices are so high that he cuts his requirements to the minimum. The professional man with a stationary income finds himself paying away, say, a fourth part in taxation, while the remaining three fourths are halved in value. Meanwhile, he is contributing to a subsidy of £60,000,000 to farmers and landlords at home and abroad, while cheaper wheat is stocked in the

Argentine or being sent to more fortunate countries. In fine, the burden of taxation, while not less heavy this year, will press on a relatively impoverished people, and will be borne the less cheerfully, first, because the effort that necessitated it is over and, secondly, because it is seen to be due in large part to waste and to the mismanagement of public affairs. It is time that a remedy be found. As things are we go from bad to worse. The high prices are stereotyping themselves by causing proportional increases of wages, and the agitation by which these increases are secured keeps the industrial world in permanent unrest and maintains a feeling of insecurity which is fatal to enterprise. We move in a vicious circle — political unsettlement, continued military preparations, with much administrative waste, swollen taxation, continued borrowing, inflated prices, industrial stagnation, and labor unrest bringing us back to the political trouble again. What can be done here and now to break the circle and restore the normal working of social life?

The first thing that might be done, without waiting on the endless delays of Paris, would be to give us back a taste of freedom. Officialism has got so firmly into the saddle that it sincerely believes itself to be a capable rider. People in Whitehall, just as in the days of Cobden, suppose themselves to know better than we do ourselves what it is good for us to export and import, to whom we ought to sell and from whom we ought to buy. It should be at once laid down that there should be no more restrictions except for saving of tonnage, the original cause of the restrictive machinery. The shortage of tonnage must, in point of fact, have been very largely relieved since the armistice by the continued delivery of new ships, by the cessation of all the

loss of time due to the convoy system, and now by the addition of the German mercantile fleet. Still, it would be fair to make a list of superfluities, such as touring cars, for continued exclusion for the time being, while apart from this list, which should be short, the oversea trade, export and import, should be set free without more ado. The dislocation of prices must come, and the sooner it is faced the sooner it will be over. As a part of the same process the blockade should be raised. It is monstrous that not only enemy countries, but neutrals contiguous to them should still be prohibited from buying and selling five months after hostilities have ceased, and we are suffering from the prohibition only one degree less than they. The next step is to face the question of governmental waste. What is being done as to running contracts? Is it true, for instance, that coal, metals, and other materials, things for which the industrialist and the householder are alike crying out, are being used in the production of aeroplanes which our pilots would have been only too glad to have had last October, but which are now stacked in sheds which will barely hold them? There should be independent House of Commons Committees to go separately into the working of each department and test the allegations which are freely made of superfluous and useless expenditure, industrial or administrative. These are things that could be done without waiting upon Versailles. But behind it all lies the problem of peace. The fundamental trouble is unsettlement and insecurity, and there will be no return of security till peace is settled on a fair basis which will give all the nations room to live, turn their minds away alike from aggressions and revenge, and dispose them to co-operate in a genuine league. The raising of the blockade would be an

earnest of such a peace as well as a partial relief, but the peace itself is what the world wants; and it must be a peace which will include Russia as well as Germany. We know the difficulties, and we would rather our statesmen should fight a bad peace at the cost of the delays which we deplore than give way to conditions which would spell the permanence of European militarism. But we would have them use internal conditions, economic and political, as their clinching argument for doing the right thing now. Let them describe how things are going here, and let them ask the representatives of other countries if things are any better with them and if they expect things to get better by delay. Everyone knows that what is a question of months with us is a question of weeks on the Continent, and, in some parts, perhaps a question of days. It is time for the statesmen to make an end—that end which allows the peaceful citizen to make a beginning.

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## THE RECONSTRUCTION OF FRANCE

BY ROBERT LE SAGE

AMONG the urgent and diverse tasks with which we are face to face at the present hour, that one which towers above all, is the industrial reconstruction of the regions devastated by the invasion. Neither in the high places of the government nor among the public at large, is sufficient attention being paid this matter. One hears the devastations committed in the north of France spoken of as one of the many events of the war,—as a mere incident,—disastrous and formidable, without doubt, but after all only an incident. When the question of reparation is in the air, hearers appear to

believe that it is a matter of giving help to the unfortunate, a matter for fraternal charity. And since charity begins at home only too often, help is brought but listlessly.

This fact must be thoroughly understood; the industrial reconstruction of the north of France is not only an imperative duty, it is also, for the entire country, a vital necessity. The future prosperity of France chiefly depends upon this very matter. If this reconstruction is not carried out rapidly; if we do not put to its service all our energy; if we allow weeks, months, or even years to pass in inertia, before the invaded regions shall have become what they were in 1914, we shall not be the winners of the war, but rather the conquered and the victims: France of the future will be but a little agricultural power crushed with debts which it has no means of paying and having neither industry, exportations, nor means of economic exchange.

If, on the contrary, we hasten our reconstruction in the north, our return to economic health will be hastened and we shall even be able to take a greater place in the world. We shall have again methods of production, we shall be able to sell within the country, to export, and to struggle on an equal footing with other nations for the markets of the world.

We must choose: Is it to be anæmia and ruin? Or prosperity and expansion, which is the legitimate right of a conqueror?

And having thus chosen, it is necessary to act and to act swiftly. A programme is ready for us.

Germany must restore everything and pay.

First of all, she must restore all that material which she requisitioned, and she must replace that material by a like material, whenever she can.