

CHAPTER II

THE ECONOMIC DIFFICULTIES OF GREAT BRITAIN IN TIME OF WAR

A GREAT European war must react disastrously on the economic condition of Great Britain even in the event of her taking no part in that war. The interruption of maritime communications will affect disastrously, it may be even fatally, the industries of the country and the feeding of her population. The immense development of British industry is calculated upon access to the markets of the whole world, and relies upon the uninterrupted export of products. In England every cessation of export means a stoppage of work, involving the withdrawal of the means of subsistence from the greater part of her population. The production of wheat in that country, notwithstanding the increase in the population, has steadily diminished, diminished to such an extent that the stoppage of the import of wheat into England would threaten the whole population with famine.

I.—DEFICIENCY OF PRODUCTION.

The diminution in the area devoted to the raising of grain in England may be illustrated by the following figures:

Year.	In Thousands of Hectares. (English Equivalents, in Parentheses, in Thousands of Acres.)		
	Area devoted to Raising Grain.	Under Meadow.	Total.
1875	7330 (18,325)	5389 (13,473)	12,719 (31,798)
1880	7156 (17,890)	5841 (14,603)	12,997 (32,493)
1885	6964 (17,410)	6211 (15,528)	13,175 (32,938)
1890	6782 (16,955)	6485 (16,213)	13,267 (33,168)
1895	6464 (16,160)	6725 (16,813)	13,189 (32,973)

Thus the area of land devoted to agriculture in twenty years increased to the insignificant amount of 1175 thousands of acres. And not only does all this increase come under meadow, but under meadow we also find 2250 thousands of acres, that is, almost one-eighth part of the land formerly devoted to tillage.

The average harvests of the United Kingdom in recent years are shown in thousands of quarters in the following table :

Crop.	1893.	1894.	1895.	Average 1893-95.
Oats	21,074	23,858	21,810	22,247
Barley	8,218	9,825	9,378	9,140
Wheat	6,364	7,588	4,786	6,246
Beans	608	900	703	737
Peas	594	779	591	655

The average yearly harvest, expressed in kilogrammes is shown by the following figures :

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Oats . . .	282,537	thousand kilos.
Barley . . .	116,078	"
Wheat . . .	79,324	"
Beans . . .	9,360	"
Peas . . .	8,319	"

The import into England of bread stuffs is shown in thousands of kilogrammes in the following table :

	1890.	1893.	1894.	Average.
<i>Grain—</i>				
Wheat .	768,020	831,367	890,600	829,996
Barley .	211,811	290,119	396,761	299,563
Oats .	161,633	177,228	190,233	176,365
Maize .	551,662	417,855	449,136	472,884
Others .	74,511	89,954	110,198	91,554
<i>Flour—</i>				
Wheaten	200,317	259,182	243,014	234,171
Others .	8,420	8,395	9,830	8,882
Total .	1,976,374	2,074,100	2,289,772	2,113,415

This table, in thousands of English quarters (reckoning 1 kilogramme as equal to 22 lbs.), would be as follows :

	1890.	1893.	1894.	Average.
<i>Grain—</i>				
Wheat .	60,344.4	65,321.70	69,976	65,214
Barley .	16,642.2	22,795.07	31,174.1	23,537.13
Oats .	12,699.7	13,925.06	14,946.9	13,857.22
Maize .	43,345.1	32,831.50	35,289.3	37,155.3
Others .	5,854.6	7,067.90	8,658.4	7,193.7
<i>Flour—</i>				
Wheaten	15,739.2	20,364.30	19,094	18,399.2
Others .	662.0	659.00	772.3	697.8
Total .	155,287.2	162,964.53	179,911	166,054.35

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From this table it is seen that the import of bread stuffs to satisfy the requirements of the population continually grows. The import of wheat is more than ten times greater than the home growth: of oats alone the home production exceeds the import in the proportion of three to two. If we calculate the number of days on which bread would be lacking in England if she were forced to rely alone upon her own harvests, it will appear that England would be without wheat for 333 days, without barley for 263 days, and without oats for 140 days.

A more favourable result is obtained by a comparison of the growth and import of potatoes. The growth approximately expressed in thousands of tons amounts to

1893	. . . . .	6541
1894	: : : . . .	4662
1895	. . . . .	7065
	Average	6089

The import of potatoes is shown by the following figures :

In 1893	. . . . .	142 thousand tons.
In 1894	. . . . .	135 " "

As concerns meat, England is still less dependent on products from abroad. The number of head of cattle and sheep imported into England is shown by the following table :

	Cattle.	Sheep.
1880	389,724	941,121
1885	373,078	750,886
1890	642,596	358,458
1893	340,045	62,682
1894	475,440	484,597

In addition to this, England imports a quantity of carcasses here set out in thousands of hundredweights :

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	1891.	1893.	1894.	Average.
Bacon	5000	4187	4819	4669
Beef	2129	2008	2346	2161
Salt, and other sorts of fresh meat	1760	2149	2484	2131
Meat dried and in pre- serve	735	561	554	627
Fresh pork	300	369	405	358

In order to illustrate the relation between the import and production of meat in England, we give the following totals, it being understood that, following the general principle, ten sheep or pigs or fifteen hundredweight of meat are considered as a head of cattle.

The number of cattle held in England are presented by the following tables :

	In Thousands.		Horned Cattle. In Thousands.
Cows	2,486		
Horned cattle of two years and over	1,432		
" " from one to two	1,190		
" " years	1,247		
" " less than one year	<u>6,355</u>	=	6,355
Sheep and rams one year old and over	15,997		
Lambs	9,795		
	<u>25,792</u>	=	2,579
Pigs	2,884	=	<u>288</u>
			9,222

By this process of reducing all stock to units we find that England possessed in 1895, 9222 thousand head of native cattle. The import into England in 1894 was 523 thousand head of living cattle, and 10,608 thousand hundredweight of meat of different sorts, representing

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707 thousand head of cattle. That is to say, the import into England amounted to 1230 thousand head of cattle, or 13 per cent. of the number in the country.

Number of Native and Imported Cattle in England in Thousands of Heads.



From this it appears that as far as the supply of meat is concerned England would be guaranteed, even in the event of import being interrupted; but prices would rise immensely, as English cattle is very valuable, and meat in that country is dear even at the present day.

Of other products for which the raising of cattle is necessary, England requires yearly:

	In Thousands of Hundredweights.			Average.
	1890.	1893.	1894.	
Butter	2028	2327	2595	2310
Margarine	1080	1300	1109	1163
Cheese	2144	2077	2266	2162
Tallow	1273	1118	1401	1264

With such an immense demand it will be no easy task to supply the interrupted import by increased internal output. In these respects there would undoubtedly arise great difficulty in the supply of the population. A similar deficiency would exist in the supply of various colonial products. England imports:

	1890.	1893.	1894.	Average.
Rice, in 1000's of cwts.	5,957	5,449	5,194	5,523
Cocoa „ lbs.	28,112	32,982	39,116	33,403
Coffee „ cwts.	864	827	731	807
Tea „ lbs.	223,494	249,546	244,311	239,117
Sugar „ cwts.	9,977	11,550	13,945	11,824
Rawsilk „ „	15,717	16,032	14,306	15,352
Molasses, „ „	563	585	853	667
Glucose „ „	737	1,236	1,062	1,012
Rum „ gals.	6,238	5,942	6,123	6,101
Cognac „ „	3,100	2,739	3,402	3,080
Other spirituous drinks (colonial and foreign), in thousands of gals.	3,375	2,182	2,495	2,684
Wine (in ditto)	16,194	14,675	14,369	15,079

A clearer picture is presented by the following table, which shows the average consumption per inhabitant of the United Kingdom of imported articles of food and drink :

Imported Products.	1892.	1893.	1894.
Bacon (in lbs.)	14.10	11.73	13.29
Beef, fresh and salted „	6.70	5.68	6.59
Smoked and preserved meat „	2.10	1.55	1.49
Mutton, fresh . . . „	4.99	5.74	6.62
Pork, fresh and salt . „	0.98	1.03	1.12
Butter and margarine . „	6.23	6.59	7.27
Margarine „	3.80	3.75	3.17
Cheese „	6.39	5.87	6.38
Cocoa „	0.55	0.54	0.58
Coffee „	0.74	0.69	0.69
Wheat in grain . . . „	180.40	188.82	201.48
Wheaten flour . . . „	64.36	58.83	54.71
Currants and raisins . „	4.58	5.02	4.90
Eggs (number)	35.03	34.39	36.68
Potatoes (in lbs.)	8.71	8.14	7.68
Rice „	8.91	8.54	7.26
Sugar, raw „	47.22	45.68	40.17

Imported Products.	1892.	1893.	1894.
Sugar, refined . . . (in lbs.)	30.62	33.17	39.89
Tea "	5.43	5.41	5.52
Tobacco "	1.64	1.63	1.66
Wine (in gallons)	0.38	0.37	0.36
Spirituous liquors . . . "	0.21	0.20	0.20
Wine and strong drinks together (imported) . . . "	1.04	0.98	0.97

II.—FALL OF WAGES AND INCOMES.

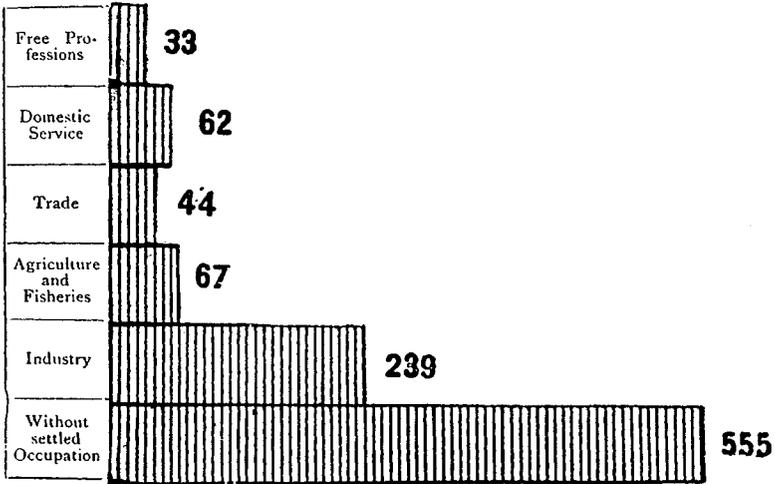
In England the cost of the first necessities of life is high, and the means for obtaining them constantly diminish.

The population of the United Kingdom is engaged in the following occupations, per thousand of the population of all ages :

—	England and Wales.	Scotland.	Ireland.	United Kingdom.
Liberal professions . . .	32	28	44	33
Domestic service . . .	66	50	51	62
Trade	48	45	20	44
Agriculture and fish- eries	46	62	200	67
Industry	253	256	140	239
Without settled occu- pation	555	559	545	555
	1000	1000	1000	1000

In view of the importance of the question we will present these figures graphically.

Classification by Occupation of 1000 of the Population of Great Britain.

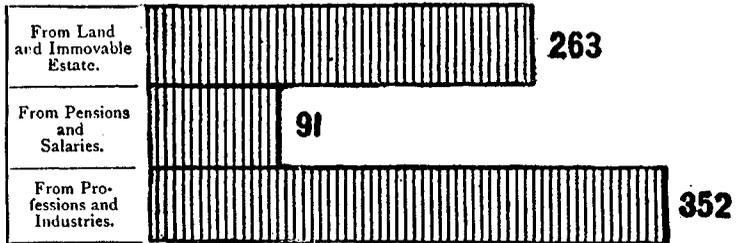


The existence of an income tax in England has resulted in the compiling of precise statistics which give some idea of the perturbation which war would cause. We quote here some of the more apposite figures. The yearly value of the real estate, capital and earnings subject to this tax is shown in pounds sterling in the following table:

England	£602,388,699
Scotland	65,188,840
Ireland	38,553,336
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United Kingdom	£706,130,875

Out of this total of 706 millions sterling, 263 millions arise from the possession or lease of land and immovable property, 91 millions from pensions and salaries, and the remaining 352 millions from industrial and professional occupations.

Distribution of the Income of the Population of England in Millions of Pounds Sterling.



These figures bear eloquent testimony to the tremendous economic earthquake which war and the resulting decrease and even stoppage of industrial activity would create in England. On the other hand it must be borne in mind that the reserves of money are greater in England than anywhere else; the whole public debt is placed inside the country, and an immense total of foreign values is held.

But a very grave circumstance presents itself in the fact that these resources are in the hands of a very small number of persons. Precise statistics as to the distribution of the public debt of Great Britain are available only up to 1880. But these statistics show that the number of persons who receive interest on the public debt are :

	£	In 1855.		In 1880.
Up to	5	83,877	...	71,756
"	10	38,129	...	32,662
"	50	82,426	...	67,068
"	100	21,978	...	17,456
"	200	12,418	...	9,439
"	300	3,501	...	2,655
"	500	2,342	...	1,966
"	1000	1,051	...	990
"	2000	299	...	356
Over	2000	145	...	217
		246,166	...	204,575

Thus we find that the number of proprietors of consols

has increased only in the two highest categories, and in all the lower has decreased. It may be assumed that this phenomenon continues the same to-day.

The sums deposited in the Post Office Savings Bank amounted to	£89,266,066
In Savings Banks	43,474,904
Total	£132,740,904

The number of depositors is:

In the Post Office Savings Bank	6,108,763
In Savings Banks	1,470,946
Total	7,579,709

State of Savings in Great Britain in 1895.

DEPOSITORS IN MILLIONS.

DEPOSITS IN MILLIONS OF POUNDS STERLING.



However it may be, the distribution of riches in England is more unequal than in any other country. Even in time of peace, with normal conditions, the state, various philanthropic institutions and societies are forced to give monetary assistance to a considerable part of the population to an extent unheard of among the peoples of the Continent. The following figures relating to January 1895 show the number of poor receiving help (with the exception of tramps) from the Boards of Guardians:

England and Wales	817,431
Scotland	126,918
Ireland	101,071
Total	1,045,420

The danger in the event of a great economic upheaval is all the greater since the unquiet elements crowd into

the cities, and the population of the towns in Great Britain exceeds the population of the country, at the expense of which they constantly grow, as is shown by the statistics relating to Scotland, where in the decade 1881-91 the urban population increased by 324,446, and the village population by 17,952, while the country population decreased by 52,324.

It is impossible owing to the absence of statistics to show in similar form the change in the distribution of the population of the entire United Kingdom. But there is sufficient indication that the position there is similar to that of Scotland. In England and Wales in 1891 the country population consisted of 8,198,248 souls, that is to say, only 28.3 per cent. of the whole, while the urban population consisted of 71.7 per cent. Thus two-thirds of the population of Great Britain resides within towns. In addition to that it must be noted that the proportion of women to men in towns is 7 per cent. greater than in the country, and it is well known that in times of crises women constitute the least tranquil element.

Statistics show that in the towns of England is crowded an immense number who do not wish to work, and a still greater number who cannot find work. To this idle crowd will join the workers discharged from factories and workshops on the shortening of work. An approximate idea may be formed of their number by the fact that in the weaving industry alone 1,084,000 persons are employed, in the number being 428,000 men and 656,000 women.

The majority of this working class is engaged in factories, of which the largest group constitutes cotton-spinning, weaving, and printing. It is this work which must cease in the event of the interruption of the import of material by sea. Bankruptcy in industrial circles will inevitably appear, as such factories are not guaranteed by sufficient reserves of capital.

The system of joint-stock companies in recent times has made possible an immense development of trade and industry. In the report of the Commission appointed by

the Board of Trade the number of joint-stock companies on the 1st of April, 1894, is given as 18,361, with a total capital of £1,035,029,835, while in France the total capital of such companies is £420,000,000 only, and in Germany from £200,000,000 to £300,000,000.

III.—CONCLUSIONS.

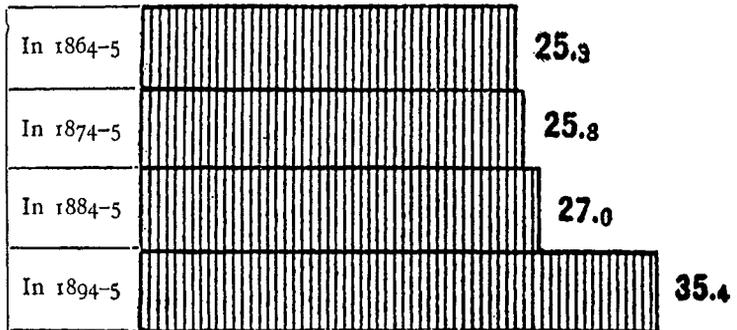
If the waters which wash the British Isles ensure a greater security than the frontiers of the Continent, nevertheless they place the country in direct dependence from uninterrupted and regular maritime communication. The immense fleet of Great Britain, although guarding her against the attacks of an enemy, cannot guarantee the security of her merchant vessels in all the waters of the world. A few swift cruisers would be enough to interrupt the maritime trade of Great Britain. And with the immense development of English industry, and the insufficient local production of food stuffs, the stoppage of maritime communications would threaten England with stoppage of work, would involve a great rise in the price of provisions, and terminate in famine.

In such events attempts even at revolution are probable, all the more probable because the British army is small, recruited from the lowest ranks of the population and composed of hired soldiers. In the English army cases of general insubordination have been by no means rare.

In addition to this, a considerable agitation in England is carried on against the burdens enforced on the population by the army needed for the preservation of British power in subject countries, and more particularly by the gigantic fleet. Yet the expenditure on armaments continually grows, as the following table shows :

1864-5	. . . . .	£25,281,000
1874-5	. . . . .	25,779,000
1884-5	. . . . .	27,000,000
1894-5	. . . . .	35,449,000

Expenditure of England on Armed Forces in Millions of Pounds Sterling.



Thus in the ten years period 1884-1894 the expenditure on armaments has increased by £8,449,000 sterling. In addition to this a yearly expenditure of £18,000,000 represents the result of former wars, and agitators lose no opportunity of calling attention to it. In 1727, at the death of George I. the public debt, increased in consequence of the Spanish war, stood at £52,500,000, and the interest at £2,360,000. In 1775, before the war with the American colonies, the debt was £126,000,000 capital, and £4,650,000 interest. This vast increase was the consequence of another war with Spain over the right claimed by England of searching merchant ships, afterwards of a war with France over the Austrian legacy, and finally from the action she took during the Seven Years War. It is interesting to note that in the second of these wars England helped Maria Theresa against Frederick II., and in the last Frederick II. against Maria Theresa.

In 1792, before the beginning of the long war with France, the public debt of England amounted to £237,400,000, paying interest at £9,300,000, an increase mainly resulting from the war with her North American Colonies. And this war in reality was caused because the proprietorial classes in England, predominating in

Parliament, desired to shift the burden of increasing taxation upon the shoulders of others.

In 1816—that is, the year after the battle of Waterloo—the debt of England amounted to £846,000,000 in capital, with yearly interest of £32,100,000.

The war with France which cost such immense sums arose from the interference of England in the struggle against the French Revolution, in which the propertied classes who ruled England saw a danger to their privileges and to their exploitation of the whole country. The duty on imported corn set in time of war was kept in force by the landlord class even after the end of the war, mainly in order to sustain the high price of corn, and in consequence the high incomes from their property.

In 1854, at the beginning of the Crimean war, the debt of England had decreased to £794,713,000 capital, paying a yearly interest of £25,662,000. In 1856, on the conclusion of peace, it had risen to £826,000,000 capital, with £25,545,000 interest. This war also was waged in no way in the interests of the English people. Finally, in 1893 the debt of England (not including the value of her shares in the Suez Canal) amounted to £658,944,000 capital, paying an interest of £18,302,000.

From the above statistics it is shown that as long as the aristocracy carried on war itself, and bore the expenses, a public debt did not exist. Afterwards, thanks to its numerical preponderance in Parliament, it succeeded in managing so that, however great might be the expenditure of the state, the sum of tax from the land should not exceed two million pounds yearly; the debt began to rise, and war after war followed. These wars were directly advantageous to the aristocracy, as they increased employment in the army, and in addition resulted in raising the price of corn.