

**ENGLISH PUBLIC FINANCE,
FROM THE REVOLUTION
OF 1688; WITH CHAPTERS
ON THE BANK OF ENGLAND**

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English public finance, from the Revolution of 1688; with chapters on the Bank of England by
Harvey E. Fisk

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HARVEY E. FISK

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ENGLISH PUBLIC FINANCE

From the Revolution of 1688

With Chapters on
The Bank of England

By
HARVEY E. FISK

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"States, like individuals, who observe their engagements are respected and trusted."

ALEXANDER HAMILTON.

THIS book is intended to give in form for ready reference the salient facts in regard to the finances of the United Kingdom.

The earlier chapters tell the financial story of the critical period of the war from the fateful August 4, 1914, when war was declared, to the budget speech of Chancellor Chamberlain on April 19, 1920, which so ably dealt with the financial problems of the reconstruction period. The later chapters discuss the revenue, expenditure and debt prior to 1914 and England's methods of financing from the time of William the Conqueror. Present day financial methods are traced back to their origins in these early days.

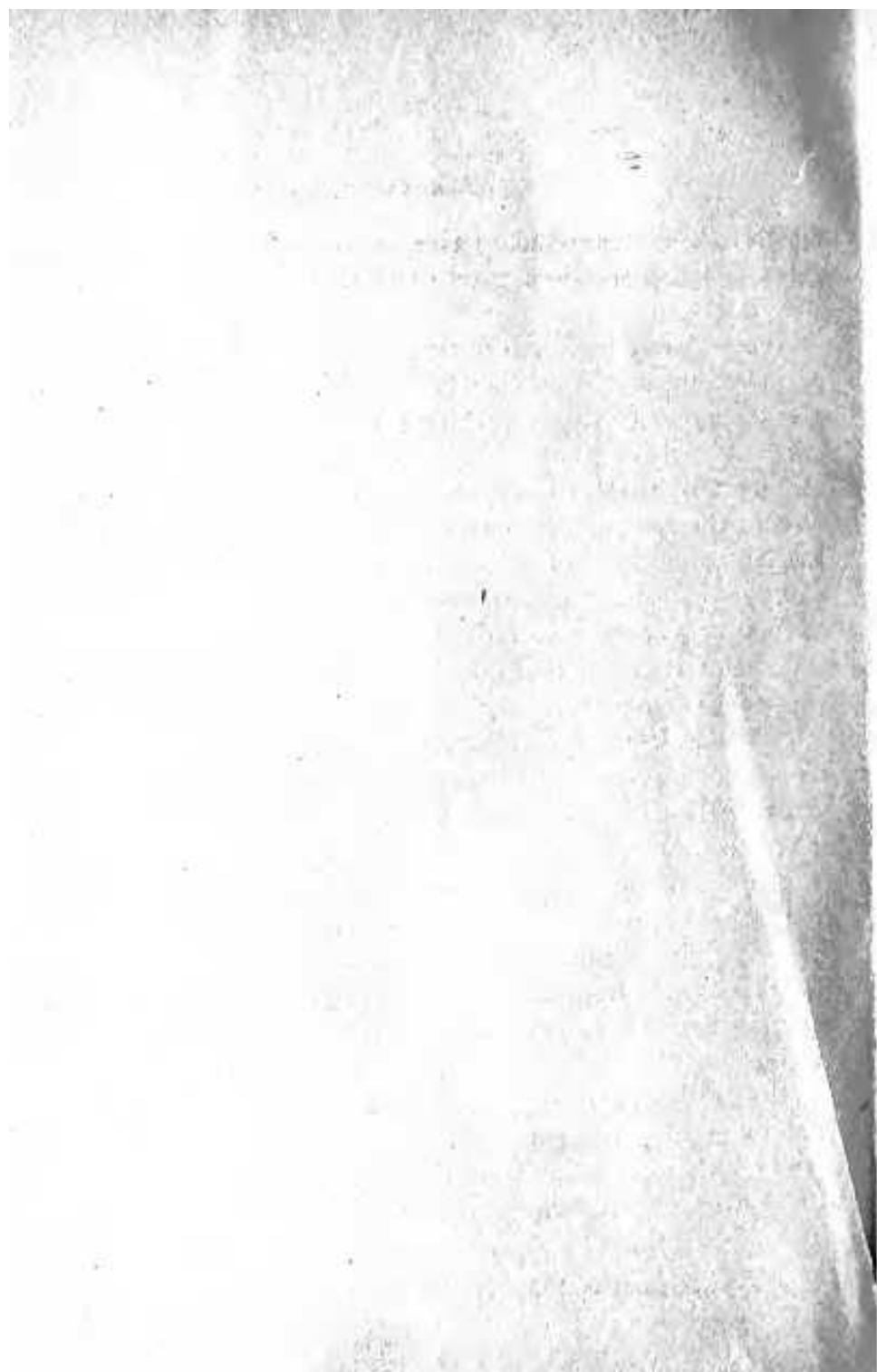
The activities of the Bank of England are so closely interwoven with the operations of the English Treasury that to apprehend clearly Great Britain's public finance one should have knowledge of the history, the functions and the operations of the Bank, therefore several chapters have been devoted to these matters.

Almost without exception the statements of fact contained in this book, especially those having to do with its main purpose—public finance—are based upon a study of official documents. Where necessary to depend upon secondary sources care has been taken to refer only to those admittedly authoritative.

We are hopeful that this book may contribute to a better understanding of Great Britain's present financial problems and how they are being solved, and that it may prove to be a useful work of reference for our friends.

BANKERS TRUST COMPANY.

New York, June, 1920.



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NOTE—All money statistics are in sterling. The following abbreviations are used in stating English Currency figures £=pound; s=shilling; d=penny. Thus £1 10s 7d=one pound sterling, ten shillings and seven pence. The specie equivalents in American money are £1=\$4.86 $\frac{1}{4}$; s=24 $\frac{1}{4}$ cents; d=2 cents.

Statistical statements in the text and tables as a rule are given in rounded figures.

English Public Finance

CHAPTER I

“1920”

THE great world war of 1914-1919, officially terminated by the acceptance by H. M. King George V, on July 31, 1919, of the Peace of Versailles, signed June 28, 1919, cost Great Britain over £10,000 million sterling. If we add to this sum the war expenditures of the British self-governing Dominions; Canada, £407 million; Australia, £379 million; New Zealand about £76 million; Union of South Africa, £60 million and little Newfoundland about £3 million; together with the war expenses of the Crown Colonies, and India's war expenditure of £20 million and contribution of £100 million, we arrive at a grand total for the British Empire of over £11,000 million. This was an expenditure made necessary by the war in excess of what would have been the expenditure for the period on the basis of the pre-war budget.

An analysis of the total expenditure of the United Kingdom from 1688 to 1920 discloses the amazing fact that for the *six fiscal years*, beginning March 31, 1914, and ending March 31, 1920, the expenditure of the Government actually exceeded the total expenditure for the *two and a quarter*

†In making this comparison, however we should not lose sight of the fact that the purchasing power of the £ sterling has fluctuated greatly during this period and that, frequently, particularly in the early years, a given sum would procure much more in services and in commodities than would be the case today. This fact should be borne in mind all through these pages wherever similar money comparisons are made.