

In a by-election in Coburg on the 11th the Socialists won a seat from the National Liberals, this being the second seat which they have captured from that party since the Reichstag adjourned. The Socialist gains are attributed by German newspapers to the dissatisfaction prevailing in the country over the new taxes.

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British Politics.

The last clause of the British Budget (p. 971) passed the committee stage in the House of Commons on the 6th. The completed Budget will come before the House in formal session on the 19th of November.

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Meanwhile the King has had the Prime Minister in consultation, supposedly, according to the dispatches, for the purpose of bringing about an understanding between the Commons and the Lords to prevent a Constitutional crisis. Of this consultation a New York World dispatch of the 9th from London says:

It is stated in cabinet circles that the King asked Premier Asquith to undertake, in the event of the Lords passing the Budget, that he would, in return, promise to dissolve Parliament in January. Asquith recently, in a public speech, declared that the Liberal party would never allow the Lords' claim to force a dissolution when it suited them, so he had to give an absolute refusal to the King's suggestion. In addition to that, all the Asquithian section of the cabinet are against a general election unless it is forced on them by a rejection of the Budget, because a Liberal victory at the polls would place Lloyd George and Winston Churchill in a dictatorial position in the cabinet.

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An early indication of popular opinion, though very limited, may be expressed in consequence of the death of a Liberal member of Parliament, the member from the Bermondsey division of London. Of the by-election to fill the vacancy, the following appears in the World dispatch quoted from above:

Bermondsey is a constituency which has been particularly sensitive to fluctuations of public opinion, going from the losing to the winning side with pendulum-like regularity. If in a straight fight between the Liberal and the Tory parties the latter wins, then beyond a doubt the Budget will be rejected by the Lords; if the Liberal party wins, the Budget will be passed. But the fight in Bermondsey is complicated by the appearance of a Socialist candidate, who must take votes from the Liberals and almost certainly lead to a Tory victory.

The same situation is discussed by T. P. O'Connor in his cable letter to the Chicago Tribune of the 10th; in which he explains that—

London generally is regarded as hostile to the Budget and the Government, and the chances of the

Liberals winning the seat are diminished by the three cornered fight. The Socialists are insisting on putting forward a candidate instead of allowing another Liberal to fight for the seat just vacated by a Liberal. If this by-election is lost by a big Liberal, the Lords may be encouraged at the last moment to make a fight on the Budget.

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In a speech at the National Liberal Club in London on the 8th, Winston Churchill, one of the cabinet, declared that the Government would make no overtures to the House of Lords, and accept no compromise, and that no amendment to the finance bill by the upper house would be entertained. The House of Lords, Mr. Churchill added, had no right to interfere in any way with the financial business of the Government, directly or indirectly, and the Liberals, having a united party and a resolute Prime Minister, were ready for the conflict if it were forced upon them. Lord Loreburn, Lord High Chancellor, who followed Mr. Churchill, said he refused to believe that the House of Lords would take a step which would lead to a most grave conflict and at the same time place the finances of the country in a state of disorder so far reaching and serious that few persons who had not studied the subject really appreciated the evil. Another great speech was made by Lloyd George on the 9th. It was delivered at the Palace Theater in Newcastle, before an audience of 4,000. He called it a "plain talk" on the Budget, and this plain talk is reported as follows by cable:

"We are going to send that bill up to the House of Lords and get all the taxes or none," said the Chancellor. He did not know what would be the final action to be taken by "poor Lord Lansdowne with his creaking old ship and mutinous crew," but if the Lords tore up the Constitution by interfering with the money bill they would force a revolution. "The Lords may decree a revolution," he said, "but the people will direct it if it is begun, and issues will be raised that are now little dreamed of, the answers to which will be charged with peril for the order of things which the Peers represent."

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The London Times was reported on the 12th as having given prominence to a statement that the Government have been considering whether in the event of the Lords refusing to pass the Budget it should introduce a short bill providing for a referendum in this particular case.

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The American Mission to China.

As Charles R. Crane, the American minister to China (pp. 699, 731), was about to sail from San Francisco last week, he was recalled by the State Department at Washington. The reason for his recall is still a mystery. Speculative explana-