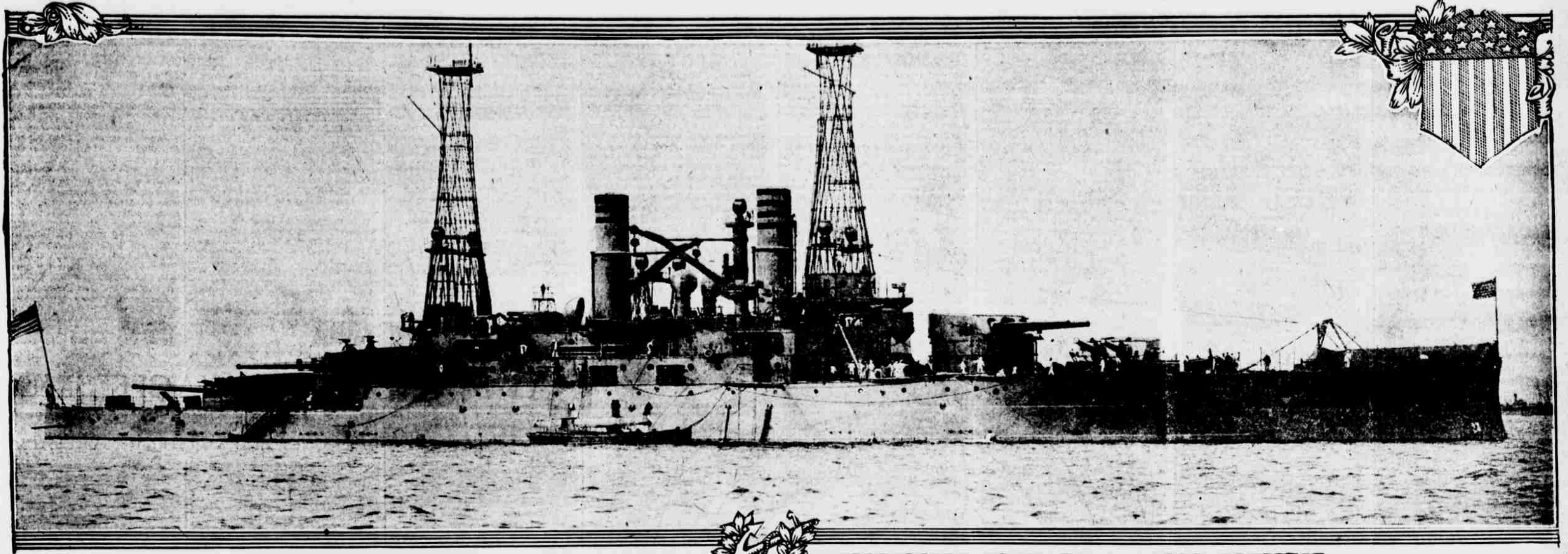


WORLD WAR LEADING TO WORLD BANKRUPTCY



OUR FIRST ALL-BIG-GUN BATTLESHIP, THE U.S.S. MICHIGAN, PLANNED IN 1905.

THE ROAD TO WORLD BANKRUPTCY.

Figures Prepared by Roger W. Babson.
We give below approximate statistics showing the amounts which European belligerents have expended for war purposes from July, 1914, to date. At best, no figures on this subject are fully right. They are just estimates made by the various Governments at different times. Treated in a broad way, however, they should be accurate enough for practical purposes.

The estimates for daily expenditures given below are probably small, at least for all countries except Great Britain. They were made some time ago and the cost of the war is steadily increasing.

	Cost to date.	Daily cost.
Great Britain.....	\$16,730,000,000	\$28,900,000
France.....	12,700,000,000	18,000,000
Russia.....	12,270,000,000	17,000,000
Italy.....	3,840,000,000	5,000,000
Other Allies.....	2,400,000,000	4,000,000
Total for Allies.....	\$47,940,000,000	\$72,900,000
Germany.....	\$16,800,000,000	\$22,000,000
Austria-Hungary.....	6,800,000,000	12,000,000
Turkey and Bulgaria.....	1,000,000,000	1,500,000
Total Central Powers.....	\$23,800,000,000	\$35,500,000
Grand total.....	\$71,740,000,000	\$108,400,000

The table below gives approximate figures for pre-war debts of leading belligerent nations, loans already made and total present debts as far as known:

	Pre-war debt.	War loans.	Present debt.
Great Britain.....	\$3,485,000,000	\$16,350,000,000	\$20,836,000,000
France.....	6,607,000,000	11,398,000,000	18,005,000,000
Russia.....	4,537,000,000	7,161,000,000	11,698,000,000
Italy.....	2,836,000,000	1,915,000,000	4,551,000,000
Total for Allies.....	\$17,465,000,000	\$37,625,000,000	\$55,090,000,000
Germany (Empire and States).....	\$5,198,000,000	\$11,780,000,000	\$16,978,000,000
Austria-Hungary.....	3,970,000,000	4,227,000,000	8,197,000,000
Turkey.....	640,000,000	359,000,000	999,000,000
Total, Central Powers.....	\$9,808,000,000	\$16,366,000,000	\$26,174,000,000
Grand total.....	\$27,273,000,000	\$53,991,000,000	\$81,264,000,000

By ROBERT G. SKERRETT.

SECURITY is cheap at any price, but unpreparedness is the most expensive luxury in the world. Such is the belief of some of our fellow citizens who are earnestly intent upon promoting a better understanding of the country's needs in the way of national defence. History apparently justifies their conclusion, and one has to go back no further than 1898 to find evidence in support of it.

On the other hand, as Count Okuma, ex-Premier of Japan, sees it, armed readiness is a cause for alarm. That statesman says in so many words that war and the preparations for war are bankrupting the nations of the world to the brink of bankruptcy. And, further, he declares:

"All the countries of the world should be made to abolish all armaments providing against an enemy from without, retaining merely that portion which is essential to deal with possible civil disturbances."

This pronouncement sounds very much like the views commonly held by the pacifists, and it would seem, on the face of it, that Japan, too, is divided upon the question of armaments. The people of the Far East, like those of America and Europe, are beginning to wonder when outlays for national defence are going to lessen. Count Okuma has only repeated a protest that has been voiced more or less vigorously and frequently in the course of the last few years.

It is unquestionably true that the money annually spent in arming the various nations, and particularly the maritime Powers, has amounted to vast sums, which have been steadily increasing for the better part of the last two decades. While large grants have been made from year to year for the armies, nothing has stood out more

conspicuously than the appropriations or budgets covering provisions for the increase and upbuilding of the fighting fleets of the world.

Indeed, this phase of preparedness has so generally overshadowed the sums voted for the military service that a nation's capacity to wage war has been well nigh universally judged by the strength of her battle squadrons. In short, sea power has come to be accepted as the true gauge of a country's vigor of defence or her might to impose her will upon other nations.

Americans commonly but little realize the part which we have played in restimulating a desire for armed fleets, nor do they recognize that a single native student of history was primarily responsible for the modern struggle

One Hundred Million Dollars Price of a Day's Fighting—Rivalry of Nations in Stupendous Expenditures for Navies

either for supremacy or much greater power upon the sea. If one will trace the trend of naval evolution up to the early '90s nothing will stand out more conspicuously than the comparatively modest sums spent upon the various fighting fleets of the nations.

Great Britain, as of old, led the world, reflecting thereby the ancient belief that the security of the British Islands and England's worldwide possessions depended fundamentally upon her battle squadrons.

In 1894 Italy ranked next to England because of the size and offensive power of her armored ships. Indeed, certain of her first line craft were larger and more formidable than any rival vessels in the British navy. France followed as a somewhat handicapped third, and Germany at that time had no battleship aloft of a greater displacement than 9,842 tons, as against Italy's naval monsters of 15,900 tons.

The biggest ships in the British fleet were then of 14,150 tons, the heaviest of France's turret ships were of 11,824 tons. Russia had one battleship aloft of 12,430 tons, and the mightiest armored vessel in the Japanese navy was of only 3,718 tons displacement. In 1894 the United States had not a single battleship in commission. In September, 1895, we commissioned the original Maine, a second class battleship of 6,682 tons, and we never really felt set up in a naval sense until the ensign was broken to the breeze on the Indiana,

the first of our coast line battleships, on November 20, 1895. The Indiana and her sister ships, the Massachusetts and the Oregon, have displacements of 10,288 tons.

In 1892 there was published in this country Capt. A. T. Mahan's memorable work, "The Influence of Sea Power Upon the French Revolution and Empire." That book started naval men the world over to thinking, and no doubt more radically affected the minds of his professional brethren on the other side of the Atlantic than was the case here. As the author says in the preface of this book:

"The cordial reception given to the work by his professional brethren in Great Britain as well as at home has been to him not only most gratifying but wholly unexpected. Its chief significance is, however, not personal. The somewhat surprised satisfaction testified is virtually an admission that in the race for material and mechanical development sea officers as a class have allowed their attention to be unduly diverted from the systematic study of the conduct of war, which is their peculiar and main concern."

That is to say, the naval profession and those allied with it were awakened suddenly to the real meaning and possible potency of sea power; and as statesmen and others responsible for the forming of public opinion studied Mahan's book more carefully it became vividly evident that sea power

was vital to any maritime nation's wellbeing, domestically considered, and absolutely essential to commercial expansion and colonization. None of his readers took the lessons of Mahan's historical review more earnestly and intelligently to heart than the leaders of German military thought.

It was not long after that Emperor William II, said of Germany, "Our future lies upon the sea." He had in mind no doubt then the fruits of commerce principally, but ere long he recognized the trade value of colonial possessions and the strategic need of a navy strong enough to protect the empire's overseas trade. Capt. Mahan's book merely served to hasten the inevitable, but the fact remains that the arousing of Germany to a desire for greater sea power brought in its train the speeding up of naval construction the world over and provoked a rivalry in outlays that had previously been of relatively moderate proportions.

It was in 1898 that Germany first outlined her modern programme of naval increase and planned for the future of her fleet upon a magnificent scale. That budget contemplated a ten year building period designed to give her in 1908 two double squadrons composed each of a flagship and two squadrons of eight battleships, together with eight large and twenty-four small cruisers for service with the fleets, three large and ten small cruisers for foreign stations, and a reserve

of four battleships and three large and four small cruisers.

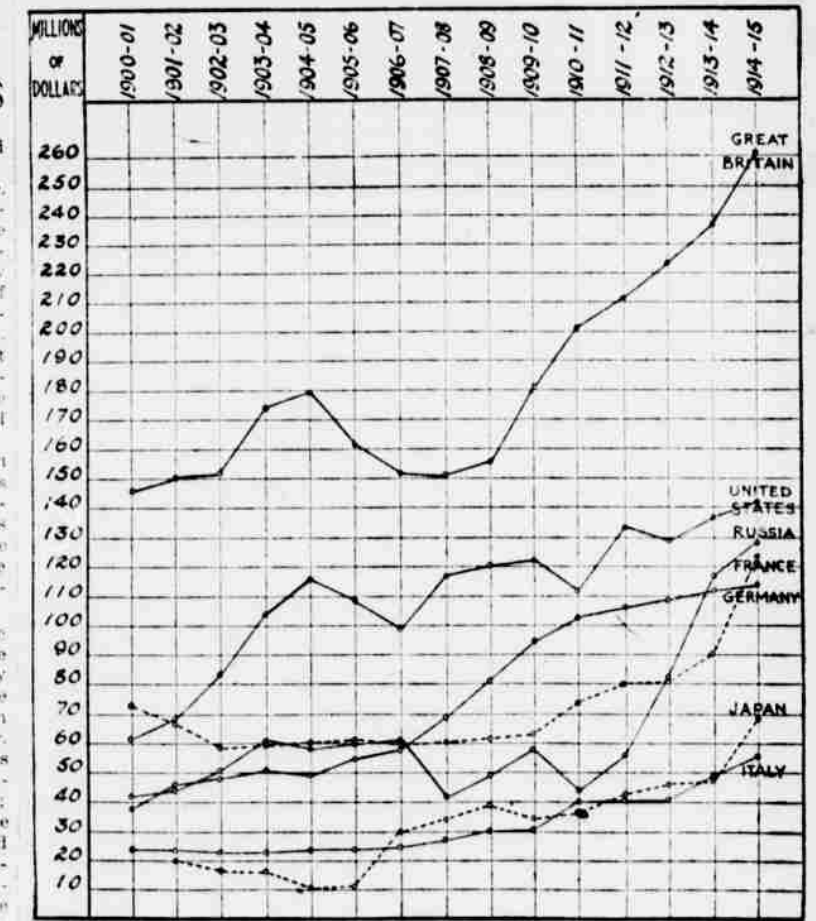
It may have been just a coincidence, but within two years after the appearance of Mahan's book "The Influence of Sea Power Upon the French Revolution and Empire" the British Navy League was formed. The purpose of the organization was to arouse a public demand for a bigger fighting fleet. The league did helpful work to that end by prodding the conservative Admiralty from time to time, and the membership eventually reached a total of some thousands.

Four years afterward, that is, in 1902, the German Navy League was instituted, and from the very beginning Admiral von Tirpitz became its most earnest worker. By 1902 the membership of the league attained the amazing total of half a million subscribers.

France, Italy and Spain followed the lead set by Great Britain, but in none of these other countries did the navy leagues attain anything like the size and the power to mould public opinion possessed by the league in Germany. The problem of the German promoters was a hard one and beset with difficulties. The Kaiser wanted a large navy; the bulk of the people of the empire knew little or nothing of the sea and realized less the part that foreign commerce was likely to play in the nation's life. The German Navy League had to educate the millions of citizens remote from the coast and acquainted only with agricultural pursuits and the industries of the interior.

By means of pictures, skillful advertising and a propaganda that used scarves, bracelets and other trinkets to spread a knowledge of naval life, the imperial authorities created a national desire for a fighting fleet, and in this fashion support was won in the Reichstag for the Kaiser's ambitious and disturbing programme of naval expansion. From that time on every other maritime Power of importance felt the reflex of that movement, and the rivalry, especially in Europe, grew thenceforth keener year by year.

It was not long after that England pledged herself to the policy of building two keels for every one laid by countries that might form a coalition against her, and then in time followed the Triple Entente, by which England, France and Russia undertook to maintain the balance of power, each one of these nations, however, working inde-



Growth of naval expenditures of the Powers shown graphically.

pendently toward the strengthening of its fleet for its own security.

In order to follow this matter of fleet expansion understandingly it is not necessary to go further back than 1900. The naval expenditures of the principal maritime Powers since then show a nearly unbroken increase. This is made perfectly clear by the accompanying table. The sums involved are vast, and how they have mounted is emphasized by the graphic presentation of these outlays.

The table does not include any of the war appropriations for Great Britain, France or Russia; and the only war disbursement included is that for Italy in 1914-1915, amounting to nearly \$100,000,000. The German figures for 1914-1915 are estimated, and are based upon the appropriations during the years of peace immediately preceding the outbreak of hostilities. Therefore, the German total has nothing to do with the demands of armed

strife. In the case of Japan the 1914 total includes \$18,500,000 for naval expenditures up to the end of that calendar year, an appropriation granted for war with Germany.

For the present purpose it will suffice to take the tonnage of vessels launched and completed since the fiscal year 1907-1908 in order to follow the story of naval expansion. The following data do not include submarine-boats added to the German fleet since 1908 and the figures are available only up to the conclusion of the fiscal year of 1913-1914, just preceding the declaration of war. Secrecy was very generally maintained beyond the published budgets, and these studiously omitted some actual or possible additions to the fighting fleets. One instance will suffice to make this state of affairs clear.

One of the surprises just before the war was the number of battle cruisers possessed by the British. For food and sufficient reasons (from the world did not want the Germans to know that those ships were under construction until they were well along toward completion.

The most difficult part of the task was to hide their character and to disguise the reason for constructing certain large guns at one of the well known ordnance plants engaged in building for foreign services. Therefore those weapons were accredited to Turkey, and were so recorded on the books of the concern in question. It is a matter of common knowledge now that an attaché paid a bribe of \$70,000 to certain employees of the company just to get a look at their books and to see that the guns were there charged up against the Ottoman Government.

The figures given in the table covering this phase of the subject are therefore from published sources and cannot be taken as a true statement of what the belligerent Powers had at their disposal upon the declaration of war in August, 1914. They do, however, bring out the competitive character of the building programmes of Great Britain and Germany beginning with the fiscal year 1907-1908.

Having discovered what her rival

THE BIGGEST AND MOST FORMIDABLE OF OUR SUPER-DREADNOUGHTS, THE MARYLAND CLASS.

