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## ARMAMENTS AND THE DEARTH OF CAPITAL

The fact is not always so closely appreciated as it should be that a not inconsiderable reason for the present world-wide dearth of capital is to be found in the expenditure upon recent wars, and their concomitant—the excessive and ever-increasing burden of armaments with which the leading nations are afflicted. The London *Economist* recently summarised some of the recent expenditures in this connection as follows:—The Boer War must have cost altogether about 250 millions sterling; the Russo-Japanese War about 400 millions; the Italo-Turkish War so far another 40 millions; the Morocco War and increased armaments to France 50 millions; German levy for armaments 50 millions; Russian and Austrian mobilisation, with increased armaments, 60 millions. Additionally, the cost of the Balkan War may be put down as 50 millions to Turkey, to Bulgaria 30 millions, to Servia 30 millions, to Greece 30 millions, and to Roumania 12 millions; a grand total of roughly, £1,000,000,000—five billion dollars in round figures.

To appreciate the significance of these figures, it is necessary to remember that not a cent of this has been productive expenditure. It may not all have been thrown away (though a good deal of it would have been better employed if it had been dumped into the sea), but it has been employed in ways which are unproductive—nothing has been added by the use of it to the wealth of the world. Neither a stook of wheat to add to the world's food supply, nor a mile of means of transportation of trade and commerce, nor a single factory to supply the ever-growing daily necessities of the world's population has been produced as a consequence of its employment. There are some results to show from it but he would be a bold appraiser who would value at anything like five billions of dollars the tangible and visible advantages which have accrued as a result of these vast expenditures. The various armament firms all over the world have, of course, done admirably well; so have their hangers-on. Beyond them, is their anyone who holds value received for the squandered treasure?

It is, of course, true that many other considera-

tions, other than those which are purely economic have been causes of this enormous unproductive expenditure, and, too, dominant causes. National pride, racial antipathy and prejudices and political necessities (or exigencies elevated by politicians and an inflamed populace into necessities) have played very important parts. Aside, however, from the expenditure upon wars, there is the expenditure upon excessive armaments. A man need not be an "advanced" thinker or a visionary to see the utter stupidity from any commonsense standpoint of the present armament race in Europe. At the present time in Europe we have in Great Britain, a man of inordinate personal ambition and desire for self-aggrandisement at the head of the Admiralty; on the continent, in one country a military caste who claim *de facto* if not *de jure*, an absolute dominance over the civil population; and in the next, a proposal to borrow a cool \$1,300,000 for new equipment and fortifications. Were the matter not so serious a situation in south eastern Europe at the present time would be worthy of a comic opera. Two countries, lately fighting and likely to be at each other's throats again, as soon as they feel strong enough, are both being armed by British capital, sent there under semi-official auspices! So the game goes on, and meanwhile undeveloped and partly developed countries all over the world like Canada, who could employ all this wasted capital reproductively and profitably are handicapped through the division of funds into these unprofitable channels.

Only the dreamer at present talks of universal peace. But there is a considerable difference between dreaming, and being practical about the subject of defence. Under present circumstances, the moneyed nations of Europe are not practical about it; they are merely mad.

Those who in Canada are howling for more armaments at all costs are merely doing their best to lessen the supply of funds for Canadian development. National pride and our increasing responsibilities may require us to take certain measures in this direction, but by all means, let us keep cool heads about it, instead of rushing into the arms of the alarmists and the armament firms and squandering unnecessarily capital that we can turn to better purpose.