

"Unseen Empire"

Thought-provoking book by Dr. David Starr Jordan, showing the Bondage of War Debt in which almost all the Nations are Caught. Awful waste of Four Billions Annually—Will the Mad Race of Armaments Never Cease?

The world may be talking war, dreaming war and preparing for war these days, but it is true as never before that the attention of thinking men among the nations was never so focused on the peace ideal as it is to-day. A body of literature is growing up in the most advanced countries aiming to disillusion the war-hypnotized masses of people by a sane, logical, dispassionate, unsentimental treatment of the problem of peace and war. With what success these peace advocates are laboring, time alone can fully declare. But unless all appearances are deceiving the energy created by the concerted interaction of reason, fraternity, humanity, commerce and finance will prove anything but a spent force. If the optimism of many peace reformers becomes realized in actual work-a-day facts, and war clouds for ever roll away, these opening years of the twentieth century will then be seen to have been the crucial period when war was weighed in the balances of mankind's judgment and found wanting.

Among American writers this generation has not seen a more powerful peace champion than David Starr Jordan, president of Stanford University. For several years now his fertile pen has been presenting in bold relief the newer aspects of war, so that his works are already classics in their department. In "The Human Harvest" Dr. Jordan challenges the widely entertained heresy of the survival of the fittest through wars. He shows that the truth is just the reverse. War results in the decay of races because it is the unfit who survive. The brave, the courageous, the well developed in physique and mind are the first to go to the front at their country's call. They are the first to fall, and it is the mean, the cowardly, the shirkers, the stay-at-homes, whether through physical unfitness or other disabilities—and these are the ones who are left to perpetuate the race.

"Unseen Empire" is, in the author's own sub-title, "A study of the plight of nations that do not pay their debts." In clear-cut and telling phrase he reveals the bondage under which most civilized nations are laboring, in consequence of the unpaid costs of past wars and the present expenditures for possible future war. The "Unseen Empire" of finance is a "power stronger than kings and parliaments, more lasting than armies and navies." Time was when this power was held by individual men, the few great money-lenders of Europe, but now the mastery has become too gigantic to be held by a few hands and has passed into an impersonal Empire of Debt.

Romance of the Rothschilds

The story of the rise of the world's pawnbrokers is full of interest. Not until the early years of the nineteenth century was the complicated system of financing nations by a public debt perfected. A national debt is dependent for its stability and security upon constitutional government. The kings of old had to pay for their wars and other undertakings on the spot. Their credit was bad. But with the rise of parliamentary government, the whole nation was bound to pay the debts incurred by its elected representatives. The rise of the House of Rothschild is a story more romantic than fiction. Mayer Amschel, called "Rothschild" from the "red shield" which hung in front of his pawnshop, was the friend of William IX., of Hesse Cassel, and through his adjustments the Hessian troops entered the British service in the Revolutionary War. Later on Rothschild's gold was loaned out at a good profit to needy nations. Little by little his wealth and power grew until he was recognized as one of the leading financiers of Europe. His son, Nathan, extended his father's banking methods to other countries. Establishing himself in London he placed his brothers in Paris, Vienna, Naples and Frankfurt. These five banks working together in five capitals formed an

international banking house able to take advantage of financial disturbances in any one country and yet proof against calamity itself. Nathan Rothschild was with Wellington at Waterloo. News of the victory was borne to his London bank by means of swift messengers and carrier pigeons in advance of official despatches. The Rothschild clerks quickly bought up from timid bond holders at a great discount, a large part of the British national debt. Thanks to this shrewd stroke the supremacy of the House of Rothschild was firmly established, and this supremacy holds to-day in-so-far as they wish to exercise it. The sum now owned by the Rothschilds has been estimated at \$2,000,000,000.

The British National Debt

The British national debt amounts to \$3,389,577,000, the great bulk of which represents the cost of past wars. At the beginning of the eighteenth century, in the reign of Queen Anne the national debt amounted to £52,000,000, whereas in William III's reign the total was only £12,000,000. At the outbreak of the American Revolution in 1775 the debt stood at £129,000,000 while this war nearly doubled it. But it was the Napoleonic war which laid on the British taxpayers the great bulk of the

reached 3,540,000,000 fr. The Second Republic was a period of financial disorder resulting in the increase in the debt of 4,620,000,000 fr., or about \$920,000,000. The Crimean War and the campaigns in Mexico and Italy followed by the Franco-Prussian War of 1870, with the German indemnity of 5,000,000,000 francs, left the French Republic with the debt of 9,000,000,000 francs on its young shoulders. Giant loans for public works, the guarantee of interest on railways and the expansion of the army and navy brought France's debt in 1908 to the unheard-of figure of 30,161,000,000 francs. This is the heaviest burden any nation has ever had to bear and its interest charges are double those of Great Britain. The national taxes of France, including the interest on the public debt, amount to nearly 5,000,000,000 francs yearly. In other words every inhabitant of France on an average must pay over \$25.00 a year to the National Government. Grievous as these taxes are, other Latin nations in Europe are bearing still heavier loads in comparison with their resources.

The National Debt of Germany

Germany as a consolidated nation is the youngest of the great powers. She has lost little time, none the less, in following the example of the older na-

tion in many countries. In the words of Bastiat, "War is an ogre that devours as much when he is asleep as when he is awake." The armed peace of the past decade or more is little less exhausting than actual war. "The world cost of war for a year," says Doctor Jordan, "consumes the wages (the average being \$518) of eight million American workmen." If this comparison were applied to Europe, where wages are much lower the war bill of one year would consume the entire earnings of about 15,000,000 workmen. Can any one doubt that this staggering waste is a large factor in the high cost of living which is being felt the world over?

Futility of Armaments

The comparative futility of armaments is clearly brought out by the author by contrasting former conditions of warfare with those obtaining to-day. The physical seizure of markets has become an impossibility since the organization of international credit. Modern war is little less disastrous to the victor than to the vanquished. Infinitely more in the way of commercial prestige or economic benefits can be gained by peaceful trade relations than by the physical violence of armies or Dreadnoughts. The origin of many war scares is traced to the armament syndicates of Europe, who do not scruple to inflame national passion in order to sell more of their war supplies. The storm centre of war scares is found in England, because she has more builders of armament. It is in the interest of these armor-plate manufacturers that Great Britain shall have twice the "sea power" of any other nation. But who else gains anything? Are the people any better off in consequence?

Peace Prospects Brighten

Despite the apparent necessity of this subjection to war and debt continuing indefinitely, the author himself is an optimist. A robust public opinion in opposition to prevalent notions must be built up, and arbitration treaties must be extended so as to leave no loop-hole for brute force in settling the disputes between nations. The burden of debt, pressing as it is, can be shifted. As Sir Edward Grey happily phrased it, "The door of our prison is locked on the inside." There can be no permanent peace, asserts the author, until the Great Powers cease to stand rated by measures of physical violence. The time is ripe for civilized nations to become states in the moral union of the world, each one becoming a district of legal and political jurisdiction, not a centre of physical force. War between the branches of the Anglo-Saxon family has been banished to the realm of impossibilities simply because the British and American nations have come to realize that what they have in common infinitely surpasses any disagreement which may arise. And yet these countries are engaged in a commercial rivalry of the keenest sort, proving that competition in the world's markets, the explanation most often advanced for the continuance of war, is really no cause at all where the common sense of the people asserts itself.

Copies of Dr. Jordan's book "Unseen Empire" can be secured through the Book Dept., Grain Growers' Guide, Winnipeg, for \$1.25, post-paid.

MONEY WASTED

"I always was unlucky," he said, with a weary sigh. "What's the matter now, old man?" his friend asked.

"I've spent over \$5,000 on having my boy taught to play the fiddle, and now his hair's all comin' out."

RELIEF IN SIGHT

Wife: The doctor says I must keep my mouth shut when in the cold air. Husband: I'll open the window immediately.



FARM HOME, S. J. McCORMICK, PIERSON, MAN.

weight of debt which still oppresses them. After Waterloo the funded debt of Great Britain stood at the appalling total of £826,000,000 or \$4,130,000,000. During the nineteenth century the national debt was steadily reduced save for a few temporary set-backs, such as Crimean war. At the close of the century when the Boer war broke out, the debt stood at £635,000,000. The war raised it to £798,000,000. Each year since, however, a small reduction has been made, although it will take many years to lighten appreciably this enormous burden. At the present time English consols stand at 76, nearly their lowest point.

National Debt of France

The national debt of France dates from the French Revolution, although the kings of France in the days of their almost absolute rule borrowed heavily. In 1715, at the end of the reign of Louis XIV., the royal debt approached 2,000,000,000 francs. A period of extravagance raised this nearly another half billion francs. In 1793 the king's indebtedness, now risen to 3,500,000,000 francs, was converted into a national debt. Confiscations, patriotic loans and paper money, cut this total to 800,000,000 francs. Napoleon hated debt and he tried as far as possible to make war pay its own way by heavy annual levies on France and still heavier ones on the conquered territories. By such means the French debt was increased only 140,000,000 francs on account of the Napoleonic campaigns. Under Louis Philippe the debt rose steadily until it

reached 3,540,000,000 fr. The Second Republic was a period of financial disorder resulting in the increase in the debt of 4,620,000,000 fr., or about \$920,000,000. The Crimean War and the campaigns in Mexico and Italy followed by the Franco-Prussian War of 1870, with the German indemnity of 5,000,000,000 francs, left the French Republic with the debt of 9,000,000,000 francs on its young shoulders. Giant loans for public works, the guarantee of interest on railways and the expansion of the army and navy brought France's debt in 1908 to the unheard-of figure of 30,161,000,000 francs. This is the heaviest burden any nation has ever had to bear and its interest charges are double those of Great Britain. The national taxes of France, including the interest on the public debt, amount to nearly 5,000,000,000 francs yearly. In other words every inhabitant of France on an average must pay over \$25.00 a year to the National Government. Grievous as these taxes are, other Latin nations in Europe are bearing still heavier loads in comparison with their resources.

The United States, the wealthiest nation in the world, has had few great wars to saddle its people with a national debt. In 1860 it amounted to only \$64,800,000 but the gigantic expenditures of the Civil War raised the debt to \$2,773,200,000. By 1892 the bonded debt had fallen to \$585,000,000. The war with Spain about doubled it, but by 1911 it had been reduced to \$915,353,000.

War Monster's Annual Tribute

These are a few of the larger national debts, but the smaller countries are no better off in proportion. The world's burden of armament includes \$1,500,000,000 of annual interest charges upon war debts and \$2,500,000,000 of actual yearly outlay for armies and navies. This appalling total of \$4,000,000,000 yearly does not include allowance for pensions nor the large but unestimated economic loss through military conscrip-