

THE GROWTH OF
THE WORLD'S ARMAMENTS

STATISTICS have been accused by no less an authority than Mr. Meredith of being emotional; and Canning's saying that they are only one degree less misleading than facts is well known. But taking the most sceptical view of their value, it must be confessed that they are the raw material for inductions, and that their emotional or misleading qualities reside rather in the character of the person who misuses them than in the figures themselves. It may therefore be interesting to examine the position of the great nations of Europe in the light of results tabulated for thirty years in the pages of our official statistical abstracts for 'Principal and other Foreign Countries' and of the dispassionate *Statesman's Year Book*, and to examine this position chiefly with reference to armaments and finance.

In a word, what I shall attempt to do is to cast the horoscope of the nations or to give material for that horoscope. Taking the class of exports denominated in our official returns 'special,' or of purely domestic manufacture, as the test of national wealth, I shall compare with the line which it traces through the years from 1868 to 1898, the ascending line of expenditure on armaments, the line which shows the increase or decrease of national debt, and the line which gives the progress of population. It must be confessed that 'special' exports are not a wholly satisfactory index to national wealth; but figures for them are readily accessible in all cases, whereas if other and more satisfactory tests were taken—as, for example, taxable property—the results could only be given in fewer instances or over a shorter term of years, and would need innumerable adjustments. Even as it is there are grave difficulties and discrepancies in our official statistics. For instance, Parliamentary Paper C 6929 of 1890 gives the Russian 'special' exports for 1878 as 61,817,000*l.*, whereas C 4272 of 1885 gives for the same in the same year 97,876,000*l.*¹ Again, C 6929 of

¹ This seems to have escaped even the careful editors of the *Statesman's Year Book* for 1898. As it may appear that this article was suggested by certain diagrams in that publication, I may mention that my diagrams and article were completed before the *Year Book* for 1898 was published. They have, however, been compared with the diagrams there given.

1890 gives the United States 'ordinary' expenditure for 1889 as 50,000,000*l.*; but C 8418 of 1897 gives it as 74,000,000*l.* Such differences and discrepancies are perhaps inevitable, and I have therefore, as far as possible, compared and verified my results. Still, even so, they can only be regarded as approximate, though small errors in one or two years will not invalidate the general conclusions to which they point.

The great conclusion is that Europe is piling up its expenditure on armaments in an alarming manner to the sacrifice of sound finance. Taking figures for the Great Powers in 1868—or as near as I can get to that year—and 1896, the last year for which general returns are available, the following are the results:—

	1868		1896	
	Expenditure on Armaments	Armies on War Footing	Expenditure on Armaments	Armies on War Footing
	£		£	
England	26,000,000	204,000	40,200,000	{ 300,000 about 4,300,000 4,677,000 1,473,000 2,076,000 4,300,000
France	20,100,000	757,000	36,000,000	
Russia	16,400,000	1,130,000	31,500,000	
Italy	8,400,000	445,000	15,000,000	
Austria	8,000,000	838,000	15,000,000	
Germany	10,700,000	1,134,000	31,300,000	
Totals	89,600,000	4,508,000	169,000,000	17,126,000

In the English figures only our regular Army and Army Reserve are counted, as for other nations only trained men have been reckoned. The native Army in India, the Militia, Volunteers, and Colonial Forces, with the sums expended upon them, have not been included. With these our gross total of men is swollen to about a million. The increase in expenditure on armaments during the period has been about 78·6 per cent., whereas population in the six states enumerated has only risen by 44 per cent. Nor do the mere pounds, shillings, and pence adequately represent the increased strain, except in the case of England. The indirect tax of compulsory service, enforced in 1896 with the utmost stringency, must be weighed against the comparatively light conscription of 1868.

The diagram illustrating the progress of national debts will show how far the peoples have outrun the constable. France in particular has been spending wildly, though she is closely followed by Russia, and at no great distance by penniless Italy and Austria. The Russian debt is not so heavy as it appears, since the rouble has been converted to sterling at gold rate. To some extent, no doubt, particularly in the case of Russia, the increase is due to expenditure on public works, which will ultimately prove productive. But, like our Australian colonies, all the great continental Powers, excepting

Germany, have spent lavishly on works which were not needed and which will never pay. France is especially a sinner in this respect. Since 1874 she has added 400,000,000*l.* to her debt, and is still adding. The end to this wasteful borrowing must come soon. In view of the

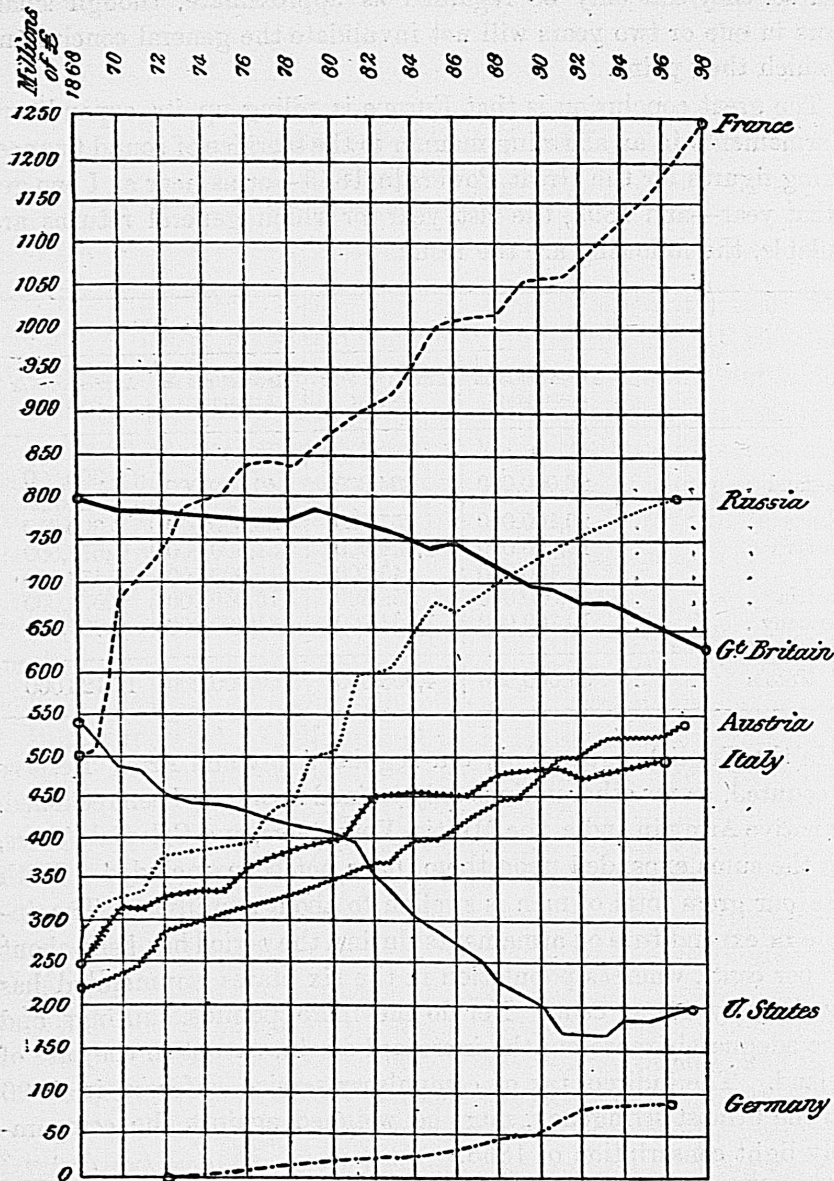


FIG. 1.—NATIONAL DEBTS 1868-1898.

— Great Britain — United States - - - France - - - - Russia
 - - - - Germany ##### Italy ~~~~~ Austria
 Russian rouble converted to sterling at gold rate.

financial position of France and Russia, we cannot but contemplate with apprehension our assumption with them of a joint responsibility for the Greek loan. If they default, we are liable for the whole sum, and it looks as though it might well fall upon our shoulders. England

and the United States alone have steadily reduced their debts, so that their financial position is one of strength.

Turning next to the figures for military expenditure, it will be seen that the maximum point has apparently been passed on the Continent, and the outlay is declining, whereas in England it is rising.² This suggests what the events of the past two years have emphasised, that on the Continent a state of equilibrium is being

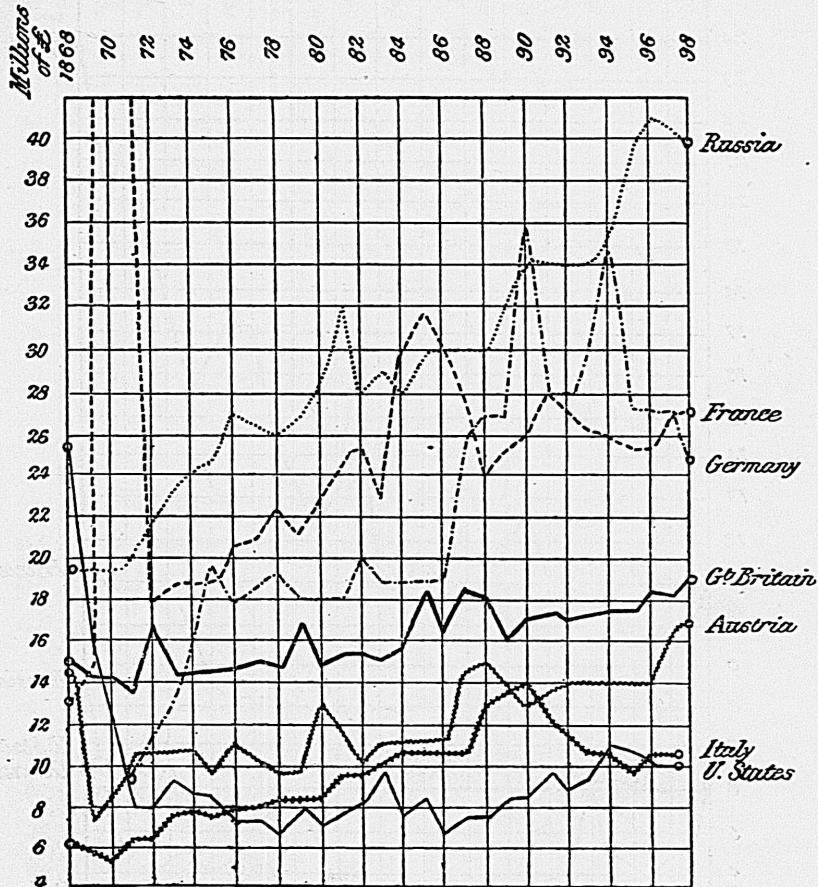


FIG 2.—MILITARY EXPENDITURE.

— Great Britain — United States - - - - France ····· Russia
 - - - - Germany ##### Italy ~~~~~ Austria

Doubtful if outlay on new quick-firing artillery is included for France, Germany, Russia, and Austria.

slowly established, and that the hostility of the rival Powers has been attracted to England, as to a kind of lightning-conductor. The figures for the great military monarchies are very unreliable; we do not, for instance, know what Russia actually spends, perhaps not even the outlay of Germany. Both Powers have military chests on

² It does not appear, however, that the enormous sums which are being secretly spent in the construction of quick-firing field guns are included in the figures for 1893. France alone will need about 12,000,000*l.* for this purpose.

which they might draw quietly. The figures for Russia represent gold roubles, in this diagram also. They should be reduced by about one-third to bring them to paper. The violent oscillations between 1883 and 1892 reveal the volcanic state of the Continent in

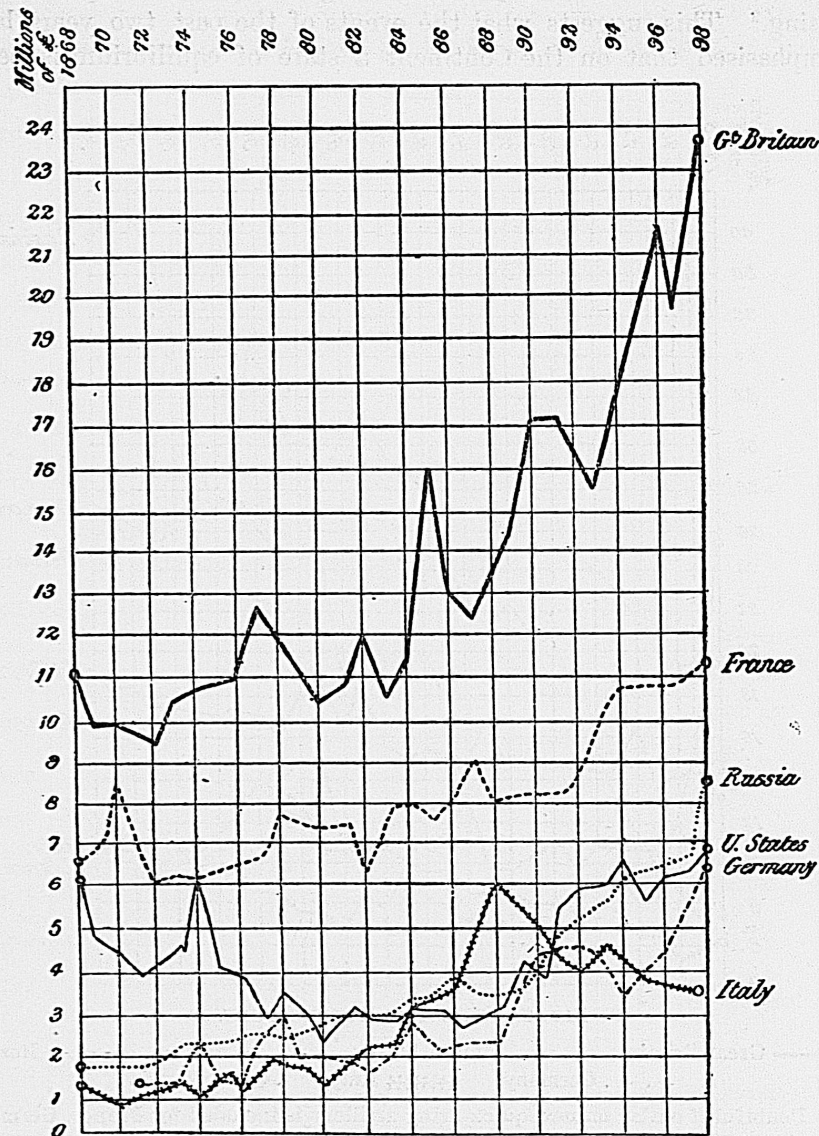


FIG. 3.—NAVAL EXPENDITURE.

— Great Britain — United States - - - France - - - - Russia
 - . . . Germany ##### Italy

Money voted for 1897-98 and not expended by Great Britain deducted.

those years. The high figures of the United States, Italy, Austria, and France between 1868 and 1872 are due to wars, and should be excluded to get a clear view.

If the military expenditure of the Powers is apparently declining, the same cannot be said of the naval expenditure. A very marked

increase on the Continent began about 1891, and Russia and Germany have since then advanced by leaps and bounds. Italy alone, owing to her complete exhaustion, falls steadily from 1888. As for England, the prodigious increase between 1872, her low-water mark under Mr. Goschen's first administration at the Admiralty, and 1898 shows the greatness of the strain which presses on her. Yet it cannot be

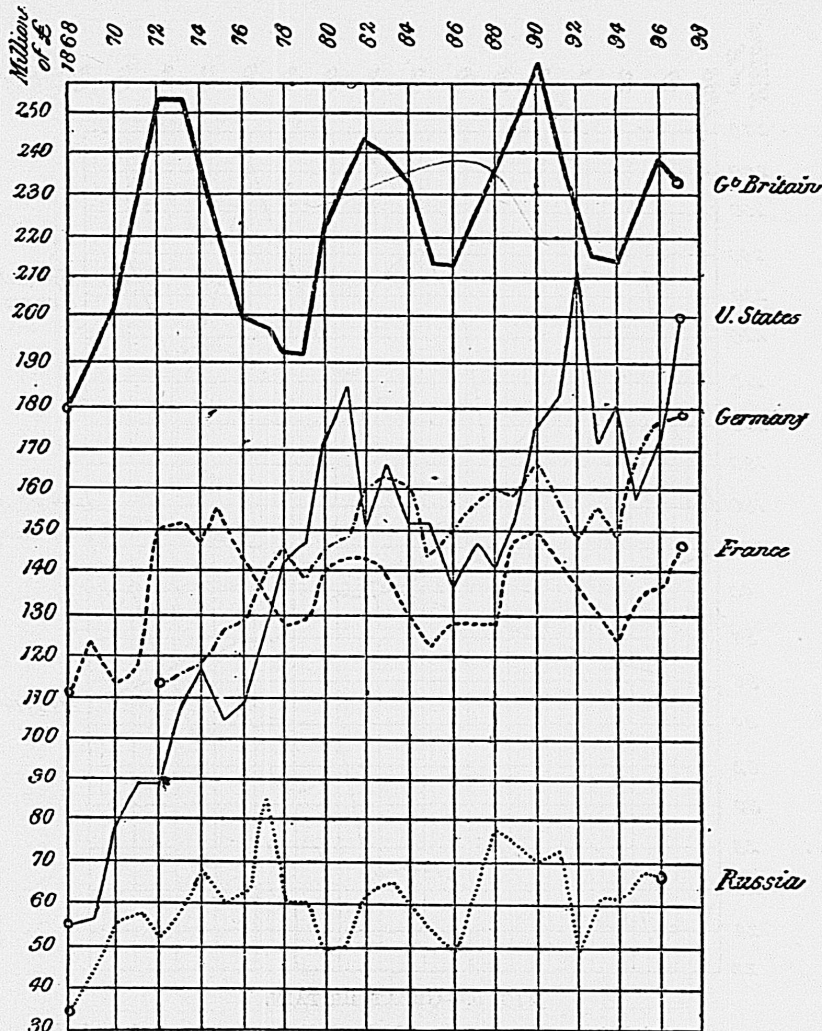


FIG. 4.—SPECIAL EXPORTS.

— Great Britain — United States - - - - France - - - - Russia
 - . . . Germany ||||| Italy ~~~~~ Austria
 Articles of domestic produce only.

said that our outlay is extravagant when the absence of the indirect tax of compulsory service is taken into account. Rather, it seems that we are still indulging a perilous economy. Of what profit to wipe millions off our national debt if to-morrow the enemy will mulct us of hundreds of millions?

Last in the series of general diagrams are the 'special' exports.

It will be noted that Germany is steadily gaining on England, while the advance of the United States is simply phenomenal. There is reason to think that the Russian returns of and before 1878 are not converted into British currency at the same rate as those subsequent to that date, or refer to a different set of facts. Depressions in trade appear to affect not particular nations, but, as we should expect, the

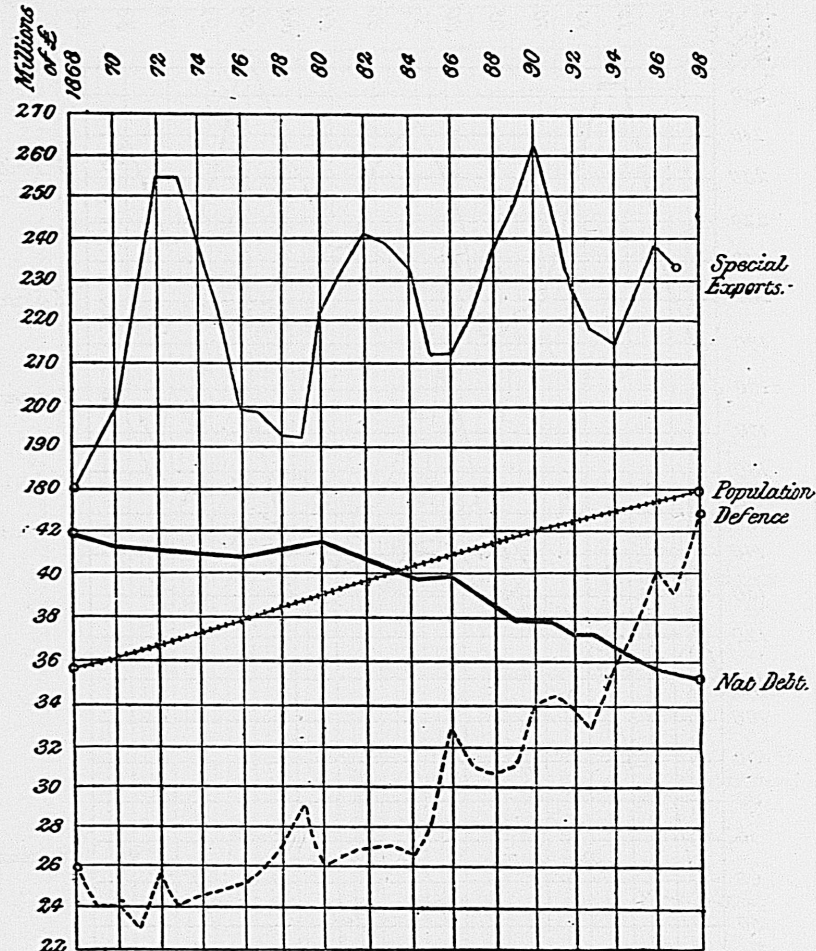


FIG. 5.—GREAT BRITAIN.

— Special Exports — National Debt ■■■■■ Population
 - - - - Expenditure on Defence

The upper set of figures are for exports, lower for defence expenditure.

National Debt and population are inserted (the first from fig. 1) merely to show the rise or fall. The figures do not apply to them; but each vertical square represents an increment of 2,000,000 souls in population and 50,000,000*l.* in National Debt.

civilised world. English and American trade is subject to the most violent fluctuations. It is difficult to reconcile this diagram with Cobden's prophecies. That Protectionist States are overhauling us fast can no longer be denied. It looks as though, before the end of the nineteenth century, the 'special' exports of Germany and of the United States will be greater than our own.

The last series of four diagrams, for England, France, Germany, and Russia, is the most interesting. There are combined the lines for national debt, transferred from the general diagram and intended merely to show the rise or fall, the curves of the special exports and of outlay on defence, military and naval. Lastly, the increase in population is shown, each square vertically representing an increment

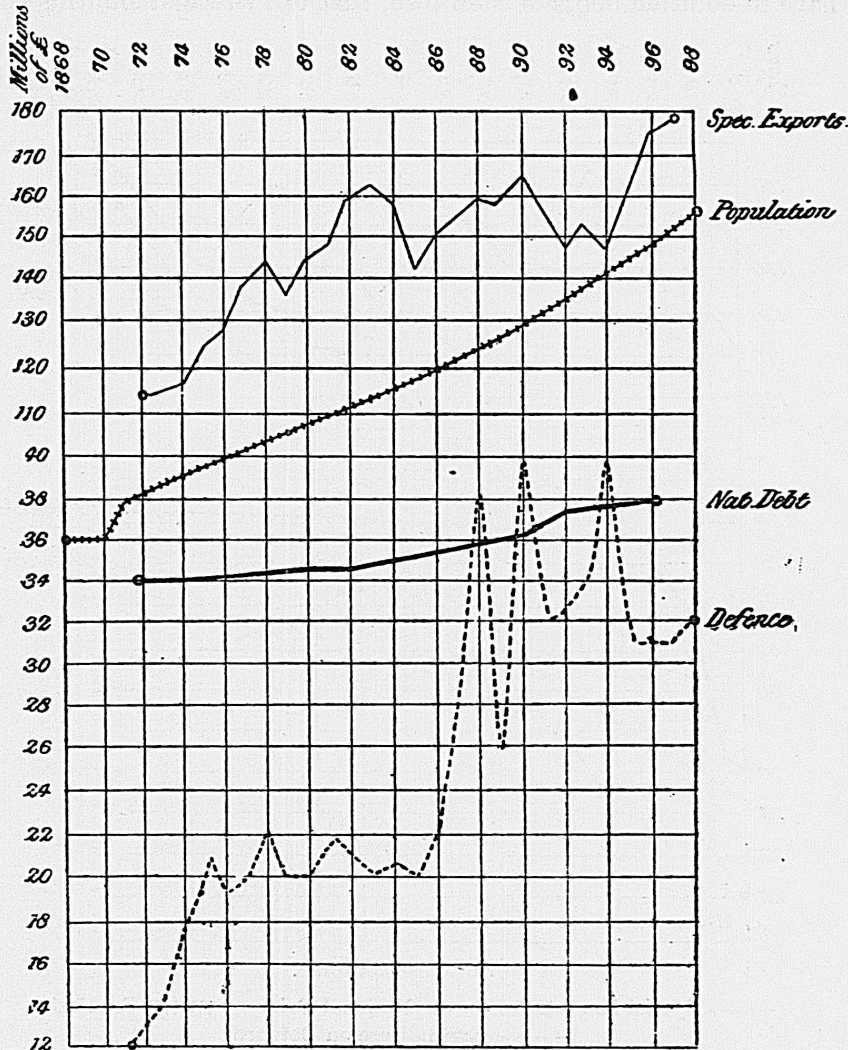


FIG. 6.—GERMANY.

— Special Exports — National Debt ##### Population
 - - - - Expenditure on Defence

The upper set of figures are for exports, lower for defence expenditure.

of 2,000,000 souls. All these diagrams are drawn to the same scale, so that they can be compared. In none of the four are the 'special' exports increasing in the same ratio as the outlay on armaments. The stagnation of the population in France reveals a very grave danger, while the English line of increase does not compare at all favourably with that of Germany or Russia. It is evident that in

the not distant future we shall be heavily outnumbered in Europe. In finance, it is true, we have a great advantage, as our debt is declining; but then, on the other hand, a rapidly increasing outlay on defence has to be met, and our national wealth, as measured by special exports, is almost stationary. Germany has a small and slowly increasing general debt, but the various states of the empire have in addition debts of their own, that of Prussia amounting to not

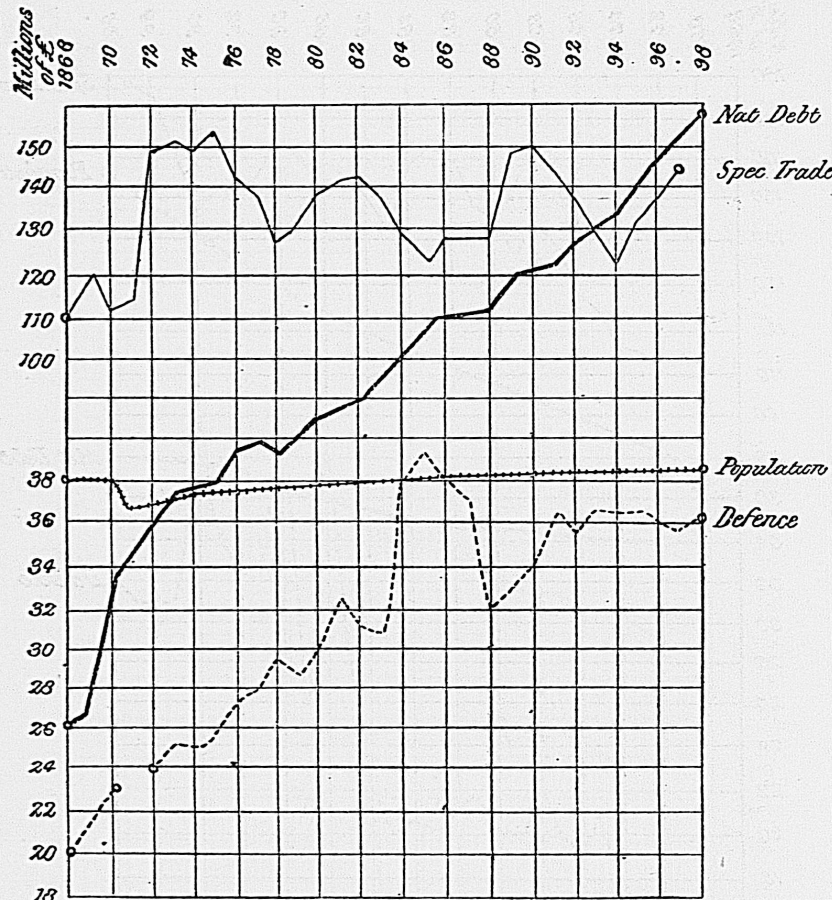


FIG. 7.—FRANCE.

— Special Exports — National Debt ■■■■■ Population
 - - - - Expenditure on Defence

The upper set of figures are for exports, lower for defence expenditure.
 The abnormal military expenditure during the war of 1870-71 is omitted.

less than 320,000,000 $\frac{1}{2}$. Of this, however, part has been incurred in productive outlay. It should be observed that the German export figures show a larger and steadier proportionate increase than our own. Hence it would appear that year by year Germany is growing in strength as against ourselves, and that, in spite of her heavy load of armaments, the outlook for her is a better one than for us. If our white colonies were included, the result would not very substantially improve our position. They have spent inordinately, the national

debt of Australia being enormous, but they have not spent on armaments or the security of the empire. Much of the money they borrowed went in maintaining an inflated rate of wages, and has vanished with little productive result. And if the increase in British population would show a steeper angle of ascent, were the colonies added in, we cannot as yet, for defensive purposes, count upon

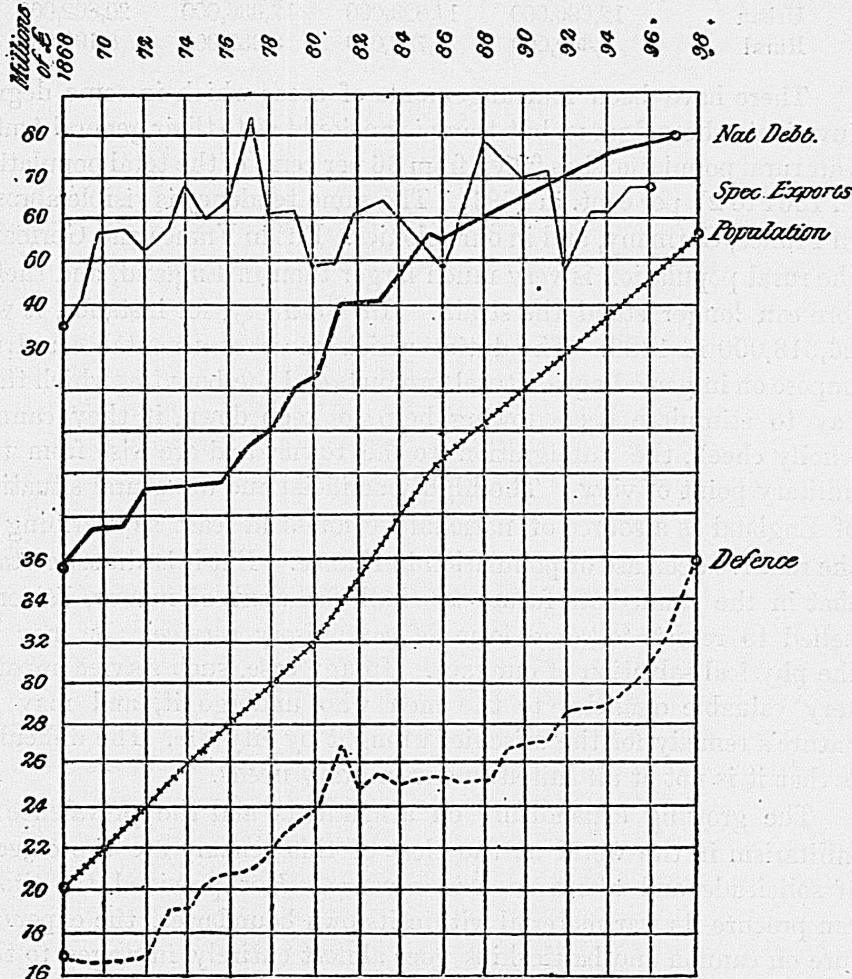


FIG. 8.—EUROPEAN RUSSIA.

— Special Exports — National Debt + + + + + Population
 - - - - - Expenditure on Defence

The upper set of figures are for exports, lower for defence expenditure. Rouble converted to sterling at paper rate, except in the curve for National Debt.

Australians or Canadians quite as we can count upon inhabitants of the United Kingdom, and this without any disparagement to the loyalty of Greater Britain.

Many economic facts which have an important bearing on our national position do not appear in these diagrams. We get no hint of the terrific increase in the poor rate, which may well cause apprehension. We see nothing of the relative decline of the rural

population, from which we draw our fighting men, as compared with the urban population, a decline which will ultimately react with deadly effect upon the physical vigour of our race, unless we take steps to develop the body as well as the mind.³ This decline is clearly shown by the following figures from our Census returns :

	1861	1871	1881	1891
Urban . .	12,696,000	14,929,000	17,636,000	20,802,000
Rural . .	7,369,000	7,782,000	8,337,000	8,198,000

There have been rearrangements of areas which in some degree invalidate these figures, but there is no doubt as to their general truth. Our rural population has fallen from 36 per cent. of the total population in 1861 to 27 per cent. in 1891. The same tendency is visible abroad, in France, Germany, and in our colonies. But in France and Germany the rural population is very much larger than in England, and therefore can longer stand the strain. In Germany, for instance, it was 26,318,000 in 1886. The duties which most continental countries impose on imported agricultural products and the bounties which they pay to stimulate beet-growing help to keep down, if they cannot wholly check, the immigration to the towns, and are wise from the military point of view. The highly artificial and unnatural situation of England is a source of national weakness at least as alarming as the relative decrease of population in France. But it is almost certain that in the immediate future we shall, for want of money, be compelled to resort to some form of compulsory service. It may be the physical salvation of our race. In any case, such service imparts very valuable qualities to the men who undergo it, and may be nature's remedy for the mischief wrought by city life. The difficulty is that it is not at all suited to our military needs.

The growing expenditure on armaments and the prevalence of militarism in the world at the close of this century are the objects of solicitude and alarm in this country. But provided the State can procure its war material within its own boundaries, the expenditure on cannon and battleships goes almost entirely in wages to the working class, while the subtraction of hundreds of thousands of young men from domestic life for a year or two years discourages premature marriage, develops the body, and implants the spirit of discipline and obedience. These make no show in tables of statistics, but they are surely a return for the vast outlay, and should not be overlooked by any thinker who pretends to dispassionateness. And this is leaving altogether out of sight the value of security which cannot be had for nothing.

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³ The interesting question whether in character and physique the race is not already showing some signs of degeneration might be raised. There is much to prove that the answer must be given in the affirmative.