

produced the better—which again means, the less there is to distribute among everybody the better. Is not this a palpable absurdity? Why not, then, reduce the number of workers still further? To travesty an old couplet, to those who say, “Our gain is great because our work is small,” we reply, “Then ’twould be greater if none worked at all.” The fallacy lies in this. The producers who are so jealous of competition forget that the unproductive consumers (whom they wish to remain so) have to be maintained out of the produce of their (the producers’) labour; and the greater or lesser the disproportion of numbers, the heavier or the lighter the burden. It is just as in a strike for, say 5 per cent. difference in wages. Those at work may ultimately get some benefit, but meanwhile they have to support their mates who are out on strike, at an expense far exceeding the 5 per cent. difference in wages, and the more numerous the non-workers, the greater the expense. To keep the 3,000,000 soldiers out of the labour-market, the producers of Europe (combined labour, land, and capital) have to furnish their governments annually with £132,000,000—an absurdly heavy tax to pay for keeping down the number of producers, and for reducing the amount of production—a costly mode of securing an undesirable object!

## CHAPTER X.

National Debts Incurred for War Purposes—Their Results and their Limits—General Remarks on the Destructiveness of War.

WE now come to another of the “modes in which war is injurious.” The various governments of the world are indebted to a number of private individuals in the vast aggregate sum of about £5,000,000,000. This amount, which was borrowed at various times and under various pretexts, those governments are under engagement to return, and meanwhile to pay annual interest thereon amounting to about £212,000,000. On the other hand, several governments have already declared themselves defaulters, have ceased paying the interest, and are not likely ever to pay the principal of their debts. Deducting these, there remain about £4,000,000,000 of unrepudiated national debts, on which the annual interest payable is about £170,000,000. Of the enormous principal in question, a portion (chiefly that lent to the United States and to our own colonies) has been borrowed for, and applied to, purposes of internal improvement, but, at the very least, three-fourths has been squandered on war expenses. The money is gone, the debt remains. Governments found it convenient, and deemed it not unjust, to borrow in the name, and for account, of posterity, and to mortgage the earnings of future generations in order to wage present war with greater efficiency. Accordingly, the world (Europe chiefly) has to pay a perpetual annuity of £170,000,000 in redemption of unauthorised

pledges, and in fulfilment of contracts to most of which the present generation has been vicariously bound.

We are not here seeking to disclaim our solidarity in, or to dispute our liability to, those arrangements, but we may be permitted to explain their origin and deplore their existence. Had the borrowing and funding system never been devised or adopted, wars must have proved infinitely less protracted, expensive, and wasteful, than they actually have been; and had the war-arbitrament system been superseded long ago (as Henry IV. of France and his wise minister Sully had planned) no war-loans would have been needful. These war-debts were to have been repaid in time of peace, but when peace came the debts were left untouched. With the exception of the United States, England, and a few minor instances, hardly any repayments have been made in diminution of these national debts. On the contrary, their tendency even in time of peace is still to increase, and no wonder, for funding is a far easier process than refunding. The present generation appears in no wise disposed to deal with this legacy of debt otherwise than by handing it down to the next. Indeed, in case of a general European war, that legacy would go down to posterity frightfully increased in amount.

War in the present day is far more a question of finance and of money expenditure than in former times. Ironclads, improved rifles, and Krupp guns, require cash down. Hundreds of millions of pounds sterling would, in case of war, speedily be called for and absorbed, and the financial

strain on some countries might become so intense as to lead to one of the two following results:— The borrowing belligerent, who would, as his debt increased and his credit declined, pay dearer and dearer for his loans, might burden his people with such a load of annual interest, that (1) either they could not continue to pay it, or that (2) if they did continue to pay it, the drain would absorb nearly all their annual savings—that is, the excess of their national production over national consumption. Let us cast a glance at both these contingencies.

In the first case, the indebted country would cease paying dividends on its debt, and would thus declare its insolvency. After this, there would be no more loans and very few wars for that wing-clipped country. Its influence in the “councils of Europe,” whatever that may be substantially worth, will become small; it will lose (if it be a loss) the haughty tone which provoked enmity, and the aggressive spirit which instigated attacks on its neighbours; it will subside into a “sadder and wiser” country, and it may in time, by cultivating the arts of peace, retrieve its financial fortunes, and finally redeem its forfeited honour.

In the second case, the honour of the country will have been saved, but its material interests seriously compromised. Let us trace the gradual operation of the war-loan system in a country until it reaches its extreme limit. Of course, if the money borrowed be strictly applied to the internal improvement of a country, as in railways, harbours, roads, &c., the additional taxes levied on the



people to pay the interest are more than counter-balanced by their share in the advantages accruing from such improvements. But it is far otherwise when the money is borrowed for war purposes. Money thus borrowed is no longer reproductive, but rapidly vanishes into gunpowder smoke; and the additional taxes levied on the people to pay the interest act as drains on the resources of the country for ever. The lenders' annual interest is paid, not out of the country's gains in return for capital reproductively employed, but out of the country's resources in return for money irretrievably squandered.

The fund-holder is not a producer like the ordinary capitalist. The capital of the latter employed in conjunction with land and labour, fructifies and creates wealth. The money of the former has been wastefully consumed, and creates nothing but a debt, and this debt, as long as it remains unpaid, constitutes the fund-holder an annuitant upon the loan-ridden country. As fresh exigencies arise, more money is borrowed; loan succeeds loan on more and more onerous terms; the number of unproductive annuitants (fund-holders, whether native or foreign) to be paid out of the earnings of the producers is multiplied; and the strain upon the resources of the country becomes more and more intense, until (for everything must have a term) the extreme limit of endurance is reached.

That limit we consider to be reached when the annual interest payable on the national debt equals or nearly approaches to the amount of the nation's annual savings. Nations seldom find themselves in

that precise position, for they generally collapse, and suspend the payment of their dividends before it is quite reached. But it is quite conceivable that a country should have so much to pay for yearly interest on an excessive debt as nearly to absorb all the surplus of production over consumption in that country. In such a case there would be no savings, no accumulation of capital, no increase of wealth. All beyond the bare necessities for the consumption of the inhabitants would go to the fund-holders in payment of interest. For the benefit of these alone the producers would be working. In point of fact, they would be the bondsmen of the bond-holders. The condition of their existence would substantially be to hand over the nett produce of their labour, after providing for their bare necessities, to the descendants of those who had lent money to their forefathers to wage war with. It would be a case of hereditary thralldom to hereditary creditors. If the latter were mostly foreigners, as is likely, then that country would have every year to export, without any return in imports, goods enough to pay the annual dividends due abroad. Their custom-house records would exhibit large exports and small imports—a state of things which the "balance of trade" doctrine holds to be the highest type of commercial prosperity, but which would really be at once the cause and the measure of that country's impending collapse and ruin.

This is the lamentable condition to which all those nations are inevitably tending with more or less rapidity, whose indebtedness is persistently on

the increase. Of course, where the resources are large, the day of reckoning is more distant, but it is only a question of time, and indulgence in the costly luxury of war would materially abridge the interval. In the natural course of events the war-system must sooner or later so distend and inflate the national debts now of one country and now of another, as to make the burdens intolerable, and their continuance impossible, thus giving the death-blow to its peculiar creation, the funding system. Like Saturn, it will have devoured its own progeny.

This consummation may be accelerated or retarded by a circumstance over which human volition exercises a very limited control; we mean the more or less abundant supply in the future of the precious metals. Under ordinary circumstances, it would matter very little whether a redundant production of gold and silver raised, or a diminished production of gold and silver lowered, the general prices of commodities throughout the civilised world. Nearly all commodities would be affected at about the same time and in about the same degree—the exchangeable or relative value of each would remain mostly unaltered—and, excepting the case of leases, time contracts, &c., it would be of very small importance whether the wealth of the world were represented by a few more or a few less of gold and silver counters.

But the terms under which nations have borrowed, and individuals have lent them, money, are such that the rise or fall of prices have become of serious importance to both. The fund-holder

is entitled to receive yearly, in payment of his dividends, a fixed and definite sum in money, and it makes an enormous difference both to him as recipient, and to the community that has to pay it, whether that sum of money represents a large or a small quantity of commodities. Setting aside the repayment of the principal of the loan, and looking only to the interest, a lender might, at the time that he subscribed his share of the loan to the state, become entitled to an amount of annual interest which was then equivalent to, say, 100 quarters of wheat; but in after-years that same amount of annual interest might, owing to a general rise or fall of prices, have become the equivalent of 200 quarters, or of only 50 quarters of wheat.

If new gold-fields and new silver mines should be discovered, and the precious metals be so abundantly produced as largely to exceed the annual demand for wear and tear, and for yearly increasing circulation requirements, the prices of all commodities would simultaneously rise, and both the value of the yearly interest paid to the fund-holder and its pressure on the taxpayer would diminish in proportion. But, on the other hand, if, as is most probable, the tendency should be towards the gradual exhaustion of the world's metalliferous deposits, and the precious metals became scarcer instead of more plentiful, the reverse process would take place—prices of all commodities would fall—and the fixed annual payments to the fund-holder would yield him a far larger return, measured in commodities, than he had looked for when he made the loan. The debts



of all nations, and the annual interest on those debts, have to be paid in metallic money; and if, through the contingencies just referred to, metallic money became scarcer and more valuable, those debts and the interest thereon would practically expand in proportion, and prove more and more onerous to the debtors.

The fund-holders would nominally receive no more money from the state than before, but supposing a general fall of prices to one half, he could purchase with that same sum of money twice as many commodities as before. Similarly, a country to which English capitalists had made a loan would always have the same nominal amount of money to remit yearly for interest, but, supposing a general fall of prices to one half, that country would have to export to England, in payment for that interest, twice the quantity of commodities that heretofore sufficed to meet it. It is obvious, therefore, that such a contingency as a short supply of the precious metals lowering prices by fifty per cent. would have the effect of doubling the burden (already hard to bear) of national indebtedness—of increasing the strain on the national power of endurance, and of hastening the final catastrophe of national bankruptcy.

It may perhaps be said that the payment of interest to the fund-holder is no real loss, for it is a mere transfer, and what is paid by one set of men is received by another set. But we beg to point out that the set of men who pay are producers, and the set of men who receive are (as far as such payments go) non-producers; and that it is very undesirable,

could it be avoided, that such transfer should be made. It may be unavoidable, but that does not prevent its being regrettable. This money is not handed over to partners like capitalists, who contribute along with ourselves to the creation of the wealth out of which it is paid, but is handed over to annuitants to whom a vicious system has given a perpetual first charge on the produce of our labour, and the labour of our descendants. We do not impugn the legality of their claim, but we do strongly condemn the vicious system out of which it has arisen. It is an evil, whether it be a necessary one or not, that money should be taken from those who have earned it, to be given to those who have not.

Infinitely better would it have been for all if the money, instead of being lent to the state to be squandered in war, had been invested (as it otherwise might have been) in reproductive operations. That a mere transfer of property is no loss is, without special explanations or reservations, a very ambiguous and hazardous assertion; for, as an abstract and isolated proposition, it implies that the five-pound note is not lost which a pickpocket has transferred from your pocket into his own. Substantially this is true, for it is a "mere transfer," and the wealth of the nation remains undiminished; but this consideration hardly reconciles you to your loss.

But while recognising a nation's obligation to fulfil the engagements entered into by its representatives, may there not be extreme cases forming exceptions? Instances are known in which, of

the nominal amount of the loan contracted, a mere percentage has reached the coffers of the borrowing country, and in which the yearly interest, if reckoned on the amount which actually came into the hands of the real borrowers, was equivalent to 20, 30, or 40 per cent. per annum. We may easily imagine the case of a despotic ruler, pressed for money to enable him to quell an insurrection, consenting to any terms for a loan, however usurious; or of a provisional government to a newly-formed state committing a similar extravagance, whether from despair, ineptitude, or corruption. Then we will suppose that the despot crushes the popular rising, and that the provisional becomes a permanent government. Are the populations in these cases to go on paying for ever the 20, 30, or 40 per cent. interest? It seems very hard upon the poor "future" that the "present" should have the power to burden it indefinitely. And then what a seductive temptation to the "present" is the possession of that power! Fancy the "present," distracted by fears, or maddened by ambition, enabled to obtain immediate relief or assistance through the easy process of drawing a heavy bill on posterity! Will it exercise self-control and stay its hand? No! the bill will be drawn, the present will be gratified at any cost, and the burden will be cast on the poor "future."

It may be urged that, after all, war cannot be so great an evil, seeing that, in spite of it, the world has gone on increasing in wealth and population; and, indeed, that its material progress during the last thirty years has been more rapid

than ever, while it is during the same period that the expenditure on war-armaments has been most excessive. A curious mode of reconciling us to what is bad in itself, by showing that it has not altogether neutralised the good derived from other sources! This fallacy is the stock argument used in defence of all abuses, and in opposition to all improvements. Its application to our present topic amounts to this, "We have progressed under the war-system, therefore do not alter it." The obvious answer is, "Our small progress towards the extinction of poverty, ignorance, and crime would have been much greater but for the war-system." If an evil only retards, without actually arresting, progress, is it then no evil? Is an abuse not to be removed because it has not quite caused our absolute ruin? If a man with a heavy burden on his back walks on at the rate of two miles an hour, would it be a good reason for not relieving him of his burden if some were to cry out, "Do not touch the burden, for, see, he is walking on with it!" and would he not walk much faster and freer if his burden were removed? If a man lives on, though suffering from disease, is the disease to be left unrelieved because he still lives on in spite of it?

It is this same fallacy which underlies the argument used by the American protectionists, "The country has flourished under the protective system, therefore let it be maintained;" ignoring that their country has flourished, not because of, but in spite of, the protective system. The same fallacy underlies the old saying (that motto of stagnation), "Let well alone," which means, "It is

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best to have nothing better than well." And yet "well" frequently indicates a very poor state of things. Indeed, if the "well" is to shut out the "better," what chance has the world of progressive improvement?

We have in the preceding pages endeavoured to shed some faint light on the "evils of wars and international rivalries." We have seen that—not taking into account the numerous modes, immediate and reflex, in which wealth is destroyed, indigence is caused, and sufferings inflicted by the brute force system of settling international disputes—not taking into account the heavy burden of taxation required to pay mere interest on national debts incurred by war, and only taking into account the positive, calculable, and yearly-renewed loss to Europe caused thereby, partly through money spent and partly through labour wasted, it is found to amount to £300,000,000 in time of peace and to £1,500,000,000 per annum in time of war.

These sums represent, in the former case, £4, and in the latter case £20 a year for every family in Europe, from the poorest to the richest. Confining ourselves only to the cost during peace, we may well ask how it is possible, with such an enormous abstraction renewed year after year from the available resources of the European communities, that poverty, ignorance, and crime should not largely prevail. That vast sum, if saved instead of being so wasted, would go far towards removing all three. There would exist so much more wealth, that is, so much more of "such objects of human

desire as are obtained or produced by human exertions." And thus, there would be more of these to be distributed, so that more physical comforts and more means of education would fall to the lot of every member of the community. A large surplus would still remain to form fresh capital, which is the fertile fund out of which labour is paid, and by which the reproduction of fresh wage-paying wealth is effected.

It may be said that the wealth so saved or created will be distributed mostly among the rich, and but little of it among the poor. But, on consideration, it will be seen that it cannot be so. For it must be borne in mind (1), that the taxes remitted through the abandonment of the war-system would be so much less abstracted from the earnings of the multitude as well as from the incomes of the wealthy; and (2), that the labour which was before wasted on soldiering and had now become productive would mostly be employed on articles used by the multitude. There would, no doubt, be more corn, more meat, more cheese, &c., more coal, more iron, &c., more calico, more leather, &c., produced; but that extra abundance, if distributed at all (and unless destroyed, distributed it must be), would, of necessity, be mostly distributed among the multitude; for the affluent have already as much as they can consume of those commodities. The rich man would not eat two beef-steaks instead of one, or double his consumption of coal because meat and coal were cheap and abundant. The extra supply of all those commodities in consequence of increased productiveness

would, if consumed at all (and consumed they must be, unless wilfully destroyed), be consumed by the multitude, and go to increase either their comforts or their stocks of useful things; probably both. Of articles of luxury and art, the multiplication chiefly concerns the richer few; while of articles of utility, the multiplication is specially beneficial to the poorer many.

Before closing this branch of the subject, and proceeding to discuss the alleged necessity for the war-arbitrament system, we desire to place on record and emphatically to state that our unsparing condemnation of the system itself by no means implies our non-recognition of the many high qualities evinced by the true soldier in the performance of his duties. In actual warfare some of the noblest faculties of our nature (as well, we must fain add, some of its worst passions) are developed to the highest point of which they are susceptible. The tension of mind, arising from emulation, danger, and excitement, strains its powers to their utmost. The fine qualities most constantly displayed by the men are fearless courage, devotion to duty, patient endurance of peril and privation, sacrifice of self-longings to discipline requirements, &c.

In addition to these, others are required in their leaders, such as mental capacity, unfaltering presence of mind, rapidity of perception and decision, unbending resolution, the rare union of a power of large combination with a thorough grasp of details, and a number of other qualifications without which no general can be successful. In private life, the

retired warrior usually exhibits favourable traces of the influence exercised by an active military career. In our own intercourse with soldiers who have seen service we have generally found them to be among the most humane and unassuming of men.

And then, even in the annals of war, there are a few bright spots which break through the prevailing gloom. Who is there who has not felt a thrill of admiration at the recital of heroic deeds, performed by heroic men? Or of a glorious, even though unsuccessful, stand made by a few in defence of their right, against the many in the commission of a wrong? Great difficulties surmounted, or great successes achieved, by prowess and pluck against great odds, cannot but stir the human breast like the sound of a trumpet. Who can without the deepest emotion peruse the scroll on which are inscribed briefly, but therefore all the more pithily, the noble actions which have entitled the performers of them to the Victoria Cross?

Thus it will be seen that our detestation of war is quite compatible with our fair appreciation of those whom it presses into its service. We may admire valorous deeds, and yet earnestly deprecate the occasion which calls for them. And let it be remembered that peace also has laurels to be won by brave men. The miners who freely risk their lives to deliver their mates from the living tomb in which a sudden accident has imprisoned them, are but a type of the many noble-minded men and women who are ever ready to rush into danger in order to rescue others from it. We have none the less appreciation of their heroism because we



deplorable the necessity for it, and endeavour to avert that necessity in the future. And after all, alas! the horrors and miseries of war receive but slender mitigation from the splendour of exceptional achievements, or from the high personal qualities of those who may prove, when it is over, to have been either its victims or its survivors.

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## CHAPTER XI.

The Alleged Necessity for War—Advantages and Disadvantages of Territorial Extension—Where the War Principle leads when fully carried out—The Democratic Element.

**B. AS TO THE NECESSITY FOR WAR.**—It now becomes our task to analyse the allegation so constantly made that international disputes cannot possibly be settled without the arbitrament of war; and that, therefore, wars are necessary and unavoidable. In order to examine into the truth of this allegation, it will be necessary to inquire into the nature of those international disputes which are thus said not to be susceptible of solution except through the ordeal of brute force. What are the causes from which have sprung the numerous European wars of the last two centuries? We omit insurrectionary and civil wars, which, as our inquiry is confined to international wars, do not, for obvious reasons, come within its scope. We shall find the rest all comprised under some one of the following heads:—1. Wars waged to displace or replace ruling dynasties. 2. Wars of aggrandisement, and for the acquisition of increased

territory, power, revenue, influence, &c. 3. Wars to maintain the balance of power, and to resist the craving for aggrandisement referred to in the preceding sentence. 4. Wars of redress for alleged injuries or insults. 5. Wars in fulfilment of old treaty guarantees. 6. Wars to arrest the contagion of democratic principles. 7. Wars to protect nationalities forming part of another state. We are not aware of any civilised war that is not referable to some one of the foregoing categories.

There is not among these a single case of war of peoples against peoples. They are all cases of rulers against rulers—governments against governments—and of statesmen against statesmen. It is the state-machine, as represented by the Napoleon, or the Bismarck, or the Beaconsfield, of the day, that makes war or peace. The people for whose welfare and behoof the state-machine was nominally and ostensibly constructed, have practically no voice in the matter of peace or war. The only wars to which the people constituting a state are direct parties are insurrectionary or civil wars, which are outside of our theme, and which rarely contribute to the enormous pecuniary sacrifices exacted by international war preparations or war actualities. It is the executive department of the state, usually concentrated into a few hands, frequently, indeed, wielded by one man, that threatens war, declares war, and maintains war. If the adult population of a country were polled before the nation were actually committed to a course, few wars would ever take place. Public opinion is generally consulted too late. The