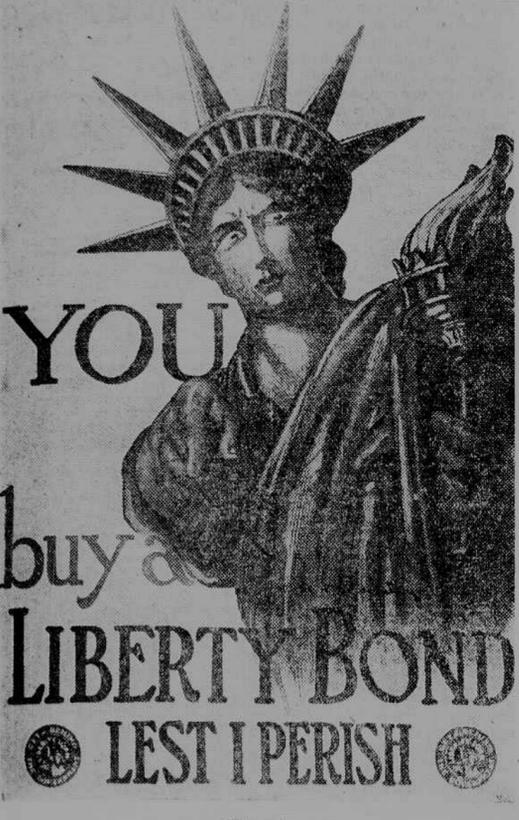


The Money Cost:  
\$15,000,000,000

# For the Unpaid Bills of Victory

To Be Raised:  
\$4,500,000,000



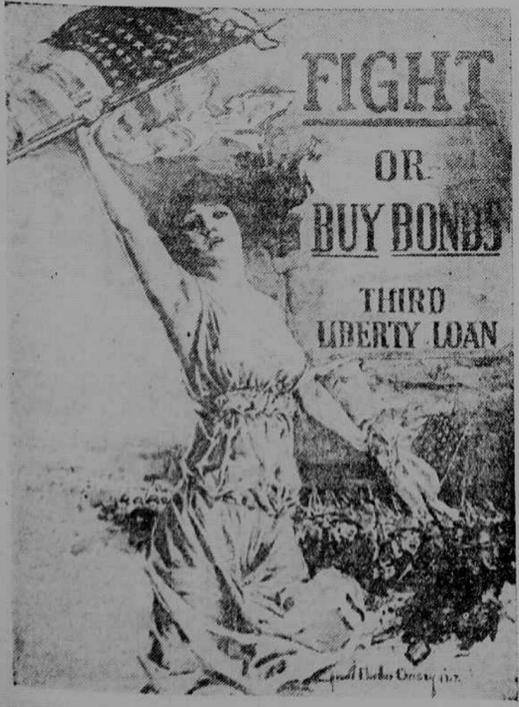
**First!**

## New Loan Act Provides for U. S. Aid for Foreign Trade

By Eugene Meyer, jr.,  
Managing Director, War Finance Corporation.

ONE of the chief reasons why the new Victory notes should find ready sale, not only among the business men but among the workers of the country, is that the act which authorizes their issuance also permits the War Finance Corporation to aid American exporters. American industry is to be helped through the operation of the War Finance Corporation under the same authority which authorizes the Victory Loan, although the proceeds of the Victory Loan will not be used to make loans to export trade, to any great extent, if at all. It is all a part of the same general policy to sustain American labor and stimulate American industry. There has been more or less misconception of the purpose, operation and scope of that provision, but, in brief, what it means is that the government is willing to help American manufacturers during this transition period so that they may carry on the foreign trade so necessary for our national welfare, so that American labor may not be subjected to a prolonged period of unemployment, falling wages and unsettled conditions.

Now, with the cessation of exports of a military character and with the existing situation in Europe, it has become a pressing problem what we are to do with our production capacity and with the labor of this country, which is more and



**Third!**

## War Costs Pile Up Long After Fighting Stops

AMERICA issues her fifth appeal for fighting dollars at a time when the diplomatists of the world seem ready to write their signatures on the parchment of peace. The plain citizens who constituted so large a proportion of the 20,000,000 subscribers to the last loan have a right to know precisely why the Treasury seeks a war loan more than five months after hostilities on the field of battle have ceased.

If the gods who regulate the destiny of mankind could have touched an electric button on November 11, and instantly reconstructed the world, perhaps a Victory Liberty Loan of \$4,500,000,000 would have been unnecessary. Under such divine conditions the last gun of the war would have been fired and—presto!—every soldier and every auxiliary would have been back working smoothly at his pre-war job. There would have been no post-armistice war cost.

But in the real world in which human beings live demobilization is costly. And occupying enemy country is also expensive. Technically, the war will not come to an end until the treaty of peace is formally proclaimed. Economically, it will last until the last civilian fighter is discharged.

Moreover, debts from the pre-armistice period still hang over. When the issue of the great conflict remained to be decided, the government could scarcely wait for direct popular authorization for each expenditure. The response of America's millions in the first four Liberty Loans implied that the people of the United States were ready to pour forth gold without limit.

Now the people are called upon to lend funds to take care of expenditures that the government went ahead and made in anticipation of this loan. The temporary financing was done by the banks, which have bought certificates of indebtedness up to and exceeding the amount of the loan. The popular subscriptions will meet the momentary advances of the banks.

The unpaid bills for victory have come due.

### Proceeds Needed To Pay Debts

The proceeds of the Victory Liberty Loan will be used to liquidate part of the country's debt to war concerns, pay the transportation home of the troops, defray the cost of demobilization, care for the wounded, provide vocational education for the maimed, pay the war insurance claims of the soldiers and sailors killed or injured in the fighting, provide funds for the navy and the Shipping Board's shipping programmes, and for the infinite other items of expense associated with the job of winding up the war.

The cost of running the government now is averaging \$1,200,000,000 a month, according to the Liberty Loan Committee tabulation, and will continue high. After the bills have been paid and the soldiers demobilized the annual outgo of the Treasury may drop to approximately \$2,000,000,000 a year. Before the war it was about \$1,000,000,000 annually.

Army transportation experts estimate the cost of transporting the American Expeditionary Force from the fighting line in France to their civilian homes in the United States at \$400,000,000. Two million men were overseas at the time the armistice was signed, making the cost a man, including baggage and equipment, \$200.

The transportation cost is divided as follows:  
Fare from the fighting line to French seaports ..... \$128,000,000  
Fare across the Atlantic Ocean ..... 124,000,000  
Fare from U. S. ports to their homes ..... 148,000,000  
Total ..... \$400,000,000

Army officials estimate that it will take ten months to demobilize the troops from overseas. Their food bill in that time will amount to \$279,428,130, it is figured. The total cost of their maintenance in that period, including housing, clothing and other necessities, will reach \$1,000,000,000, bringing the total cost of maintaining the American Expeditionary Force to \$1,400,000,000. Then, added to this is the expense of demobilizing, transportation to their homes, and maintenance before discharge, of 1,655,000 men of the army who never were sent overseas. Army experts place the cost of these operations at \$920,273,000, making the cost of returning the army alone to a peace basis \$2,320,273,000.

Another important item of ex-

The Call of the Gob  
As Navy Victory Liberty Loan Officer.

I not only call upon the Navy to do its duty, but I call upon the entire country to do its duty by the Navy. Navy men need no urging to do their utmost in this last and vital drive to make victory secure. The country should keep its eye on the Navy. If it does so and follows the Navy's lead, the Victory Liberty Loan will be subscribed with startling speed.

Navy Victory Liberty Loan Officer.

... for which funds secured during the next loan will be used, is the care of the sick and wounded soldiers. The army medical department appropriations for 1919 for surgical dressings, beds, hospital clothing, surgical instruments, drugs and motor ambulances amount to \$102,000,000, and this

**SURE!**  
We'll Finish the Job

**THE VICTORY LIBERTY LOAN**

**Fifth—and Last!**

constitutes relatively a small part of the total cost of caring for the wounded, of whom there are some 200,000.

The per capita cost of hospital patients is figured at \$725 by the army medical department, which would make the total for the patients now undergoing treatment \$145,000,000.

The government, moreover, has \$37,000,000,000 in war risk insurance outstanding. Most of the soldiers and sailors were insured for the maximum of \$10,000. The death claims may reach as high as \$25,000,000 for those killed in the war.

The question of feeding an army looms large on the financial side. When hostilities ended there were 3,764,677 men in the United States

### Loan Statistics

Loan	Total Subscriptions in Nation	Total Subscriptions in Second Federal Reserve District	Number of Subscribers in Nation	Number of Subscribers in Second Federal Reserve District
<b>First Liberty Loan</b> (Dated June 15, 1917; bears 3 1/2 per cent interest)	\$3,035,226,850	1,186,788,400	4,500,000	985,150
<b>Second Liberty Loan</b> (Dated November 15, 1917; bears 4 per cent interest)	\$4,617,532,300	1,550,453,430	9,500,000	2,182,017
<b>Third Liberty Loan</b> (Dated May 9, 1918; bears 4 1/4 per cent interest)	\$4,176,516,850	1,115,243,650	18,000,000	3,043,123
<b>Fourth Liberty Loan</b> (Dated October 24, 1918; bears 4 1/4 per cent interest)	\$6,989,217,150	2,044,931,750	20,000,000	3,604,101
<b>Victory Liberty Loan</b>	\$4,500,000,000	1,350,000,000		

## Victory Notes As Stimulus to Reconstruction

WHEN General Gordon was in the midst of his Egyptian campaign he asked England for a consignment of locomotives and cars to be delivered within a few weeks. He was told that the thing could not be done; the time was too short. Then the order was offered to the United States and was accepted. The locomotives and rolling stock were shipped within thirty days. This was then regarded as a great achievement.

The engines and cars were continued in use after General Gordon had finished with them. Having been hastily built for an emergency, they did not present the good appearance nor give the good service of the regular English equipment on the Egyptian railroads. The circumstances of their manufacture for an emergency were ultimately forgotten and they were referred to as an example of American methods and quality. The result was that American rolling stock and locomotives got a black eye, and orders for Europe's equipment went principally to England and Germany.

Not long ago, during the great war, an American train, running over the French railroads, with an American crew, approached a French railroad station. There was a train lying motionless at the station. As the French freight trains are not equipped with airbrakes, a French train in the same position as the American train would have stopped a long way from the station and then crawled to a position in the rear of the French train.

### American Rails Popular in France

But the American train had airbrakes and it did not stop. It continued at only a slight reduction of speed toward the French train. Every one in sight began to wave to the American engine driver, handkerchiefs, newspapers, umbrellas, whatever they had in their hands or could pick up quickly.

The American train, however, proceeded evenly, swiftly, calmly toward the motionless train at the station. The French were in a tumult.

When the American train was within a short distance of the French train the airbrakes were applied and the former was stopped precisely where it would have been finally under the regular French railroading procedure.

Then the drama-loving French gave that train an ovation. They applauded and cried "Bravo!" just as if they were at the opera.

That incident and others like it have removed from the European railroading mind the bad impression created by the hastily constructed railroad equipment in Egypt.

Indeed, during the war America gave to Europe a most convincing demonstration of the value of American equipment.

The railroads of the countries which have taken an active part in the war have suffered great depreciation in equipment and rolling stock. Parts of them have been destroyed.

The railroads of the neutrals have been allowed to deteriorate, because the neutrals were unable to obtain materials, cars and locomotives. So a market is waiting in the neutral countries.

American rails, too, should be in large demand throughout the world. It is not unlikely that a number of new railroads will be built. Owing to the great loss and curtailment of capital abroad, it is quite probable that American capital will be used in the building of these new lines. This makes it certain that more than the usual attention will be directed to America as the manufacturing source for rolling stock, equipment and materials.

### Liberty Bonds Introduced Goods

To Liberty bonds America owes the presence of all of this equipment in France. Through Liberty bonds America was able to make a demonstration which has convinced Europe.

Victory notes will complete the payment for the equipment now in France, but the Victory note enactment will do more. The enactment provides for aid to the exporters of materials for Europe through credits and lines of banking. So to Liberty bonds and Victory notes the prosperity of the country as a whole will owe much. Victory notes will enable the exporters to handle readily the enormous orders for materials which are coming from abroad and the manufacture of which in this country means a share in the profits for the American people as a whole.

## Remember Your First Thrill of AMERICAN LIBERTY



**YOUR DUTY—Buy United States Government Bonds 2<sup>nd</sup> Liberty Loan of 1917**

## Navy, Ready for Loan Drive, Hopes to Set Pace for Country

WITH a record of a \$48,000,000 subscription to the Fourth Liberty Loan, the navy opens the Victory Liberty Loan to-morrow, determined to overcome all obstacles and not only make a great subscription itself, but also to lead the entire country over the top.

The "match the navy" idea, which stirred civilians during the Fourth Liberty Loan campaign, again will be used to induce the country to emulate the navy's performance. Rear Admiral T. J. Cowie, who again is in charge of the navy's campaign for the loan, has devised the strategy for an extensive campaign within the navy and for navy "stunts" which will boom the loan throughout the country.

### Appealing to 200,000 Ex-Sailors

One of the most extensive pieces of work being done is the circularization of navy men who have been placed on the reserve since the signing of the armistice. About 200,000 men are now on inactive duty, and they all will be urged to remember that they still are part of the navy, and as true navy men should subscribe to the Victory Liberty Loan to the limit. Every man on the reserve will be reached by return post card. He will be asked to return half of the post card to Admiral Cowie, stating the amount of his Victory Liberty Loan subscription.

A million post cards have been distributed to the men on active duty in the navy, and each man is to send several of these to his relatives and friends, telling them that the navy is working its hardest for the Victory Liberty Loan and wants every one to do the same.

**Come On!**

**buy more LIBERTY BONDS**

**Fourth!**