

## The Myth of a Guilty Nation

ects its expenditure. The expenditure of the Carnegie and Rockefeller foundations are as much a cost to the people as though they were taxed the full amount. Both foundations do not own money but own capital to the full amount of their resources. By spending they make a levy not on their own property but on the annual production of the workers."

Rogers, in his "Political Economy," p 59, says, "Wealth will not be employed as capital except with a view to a profit."

The professor I sat under said, "Capital involves more production than consumption but is obscured by money."

He said, "Capital's first form was the supply of wheat, over and above the needs to the next harvest, which was used to feed those who made the roads or built mills and provided a teacher, as the earlier settlers of Ontario did." He continued, "Capital is the result of past industry, making production more efficient. Capital existed primitively as commodities of consumption." He pointed out the railway cost of \$5,000 a mile was consumable goods to the railway workers doing the building. He said, "War was a social loss, which is really surplus food which does not serve to produce further commodities." This was an awful calamity as, "All capital is for more production." He warned us good Canadians we should consume less than we produce, and use the surplus to retain our hold on the country instead of getting loans from America, and use the difference of our consumption and production, or savings, as capital to increase production. He told us that the story of the spendthrift giving more work was a fallacy. This is some advice when we find we were told to produce more, if our prices were to be lowered and everybody to have prosperity, and now we are told to buy, buy, to get the wheels of trade started again, and poor Hery Dubb has no money to buy with and no prospect of a job to get the money.

I have already shewn that we started with C x C, then C x M x C, and now we have M x C x M.

When the capitalist goes to the bank for a loan, it is not the money he wants, it is the commodities, such as raw material, labor-power, the factory and machinery the money can command, so as to produce a surplus.

It then, labor produces all wealth and exchange value, and commodities on the average sell at their value, how it is the capitalist obtains a surplus value?

Now let us get this. We are told that labor produces all wealth when applied to natural resources, and that Capital is wealth used to produce more wealth. Why then has labor no capital?

Because labor-power being a commodity, is sold like every other commodity, on the average, at its value.

This is the most significant commodity on the capitalist market, that is, the brain and muscle power of the workers who have no other means of existence but the sale of their labor power to some master for a stipulated sum.

What the laborer sells is not his labor, but his commodity labor power, vested in his body.

This commodity differs from other commodities, like the raw material, etc., because it not only transfers its own value but an increased value to the finished product. This we will discuss in our next lesson.

There are other capitals, such as constant and variable capital, which are units of capital and which we will discuss when we come to the subject of surplus value and profits.

In conclusion of this discussion let me again point out that Capital is not a concrete thing, but a social relationship in production, carried on by exploitation in view of a profit.

For example: If my wife has a sewing machine for the family use, that machine is wealth used to produce more wealth. If, however, she hires girls to work the machine and exploits their labor for profit, the machine then becomes capital. Therefore, capital is a social relationship.

THERE is an ancient fable of the fly who rode on the rim of a wheel, crying "What a dust I do make!"

These writings of "Historicus" (Albert Jay Nock) reprinted from "The Freeman," are instance of how modern bourgeois justice, riding along on the wheel of economic development, raises the same cry.

Nock says: "The only thing that can better our own situation is the resumption of normal economic life in Europe: and this can be done only through a thorough reconsideration of the injustices that have been put upon the German people by the conditions of the armistice and the Peace Treaty. Of these injustices, the greatest, because it is the foundation for all the rest, is the imputation of Germany's sole responsibility for the war."

So, in the interests of a return to normalcy, he proceeds to smash "the myth of a single guilty nation."

Perhaps some cynical realist may observe that his labor is in vain, for, whether this "fundamental assumption" of Germany's sole guilt in causing the war be false or correct the terms of peace would be but an expression of the wants and the powers of the victors.

Nock is a readable "devil's advocate" against the Allies. Much of his evidence is, no doubt, familiar to "Clarion" readers; but in these days of reviving jingoism it may not be a waste of space to restate the salient points. That Germany did not pounce upon a sleeping world is made evident by several facts.

Firstly, in 1913 Russia and France provided for a military establishment of 2,025,572 men, while Germany and Austria together provided for only 1,295,607 men. In naval matters we also find Germany behind. In 1901 Britain had a superiority of 112 per cent. and she spent more in each succeeding year than did Germany: from 1909-14 Britain's expenditure on new naval construction was £92,672,524 and Germany's £66,099,111; while France spent over 43 million sterling and Russia over 38 million sterling.

Secondly, Germany did not inspire the quarrel between Austria and Serbia. The murder of the Austrian Archduke was committed, not by German agents, but by three Serb officers, members of a Pan-Slav organization, with weapons obtained in Belgrade. According to a report of Sir Maurice de Bunsen, British Ambassador to Vienna, Austria offered to accept mediation. Had Germany desired to start a war she could have done so far more advantageously in either 1908 or 1912.

Thirdly, secret agreements were entered into by Britain, France and Russia against Germany; one in 1904 between France and Britain, violating a previously published agreement, to keep German economic interests out of Morocco, in favor of France; one in 1906 to support France in case of war with Germany; a third between France and Russia, with the knowledge of Britain, completed the triangle. The treaties were published by the Soviet Government of Russia. On the manner in which the diplomats received them, Nock comments: "It is amusing now to remember how promptly these treaties were branded by the British Foreign Office as forgeries; especially when it turned out that the actual terms of the armistice—not the nominal terms, which were those of Mr. Wilson's fourteen points, but its actual terms—were the terms of the secret treaties!"

These treaties led to a critical situation over France's entry into Morocco in 1911; but the powers thought it better to defer matters until they were more sure of their success. Two busy years of negotiation to reinforce their secret treaties followed. The naval and military expenditure of Britain, France and Russia expanded rapidly. Russia's

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naval expenditures jumped from an average of three million yearly since 1909 to 12 million sterling in 1913, and 13 million in 1914; France from an average of five million to nearly nine in 1913 and nearly 12 in 1914; England from an average of 14 to 16 million in 1913 and 18 million in 1914. Germany's naval expenditure actually dropped, being but £11,016,883 in 1913 and £10,316,264 in 1914. In the part of 1914 prior to the war the military expenses of Germany and Austria together were £48 million, and of England, France and Russia £94 million. Thus the stage was set for the "thunderbolt out of the blue." Nock describes the appearance of the stage, thus:

"Almost at the moment on 1st August when Germany ordered a general mobilization, Russian troops were over her border, the British fleet had been mobilized for a week in the North Sea, and British merchant ships were lying at Kronstadt, empty, to convey Russian troops from that port to the Pomeranian coast."

And what about Belgium?

Only three men in the British Cabinet (Asquith, Grey and Haldane) knew of the secret treaty promising to support France against Germany. Poincaré wrote King George reminding him of this obligation. This resulted in a schism in the Cabinet, and it was then, the 2nd of August, that the Cabinet first considered using the neutrality of Belgium as a plea, for all that Lord Salisbury's administration in 1887 had decided that these treaties of 1831 and 1839 did not bind Britain to preserve the neutrality of Belgium. A significant feature of this neutrality is that the Belgian troops were all on the east front and none on the west.

The evidence should make one conclude that Germany was concerned rather with a commercial offensive than with a military or territorial one; and that the war was largely the outcome of British determination to destroy German competition.

The attitude of Nock towards the economic basis (\*) and his ability at exposition makes one wish he would turn candidly introspective and write "The myth of a Liberal opposition to the system that breeds war."

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(\*) Concerning "the economic basis" see Leckie's "Economic Causes of War." Consult our literature list.—(Ed.)

Senator King says:

"Those who dream of great national economy are due for a rude awakening. This nation (U. S.) will spend upward of \$300,000,000 a year on development of other means of defence while dismantling capital ships under the treaty clauses.

"What the United States saves in capital ships she will spend on submarines, airplanes, torpedo boats, destroyers, airplane carriers and monster mines along with other naval weapons yet to be developed."

In order to place the American Mercantile Marine on a competitive basis with the British a State subsidy is proposed by the United States Government. A direct subsidy of 34 million dollars is proposed and a fund of a hundred million dollars will be created, and lent to American ship owners at not more than 5 per cent. interest. Government-owned ships will be sold to Americans at prevailing rates, and in order to encourage shippers in the use of American ships deductions will be made for income tax on goods sent by American vessels. The Government will also create a non-profit making corporation to offer marine insurance to American vessels at cost. Legislation will be passed assuring at least 50 per cent of the immigration traffic to American ships.