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Economic Causes of War

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The Great Powers of Europe have allied themselves into different camps according to their economic interests. When Russia made an effort to get Constantinople, during the Russo-Turkish war, 1877-78, she was checked by Great Britain. When Germany took a hand in the Treaty of Berlin, Russia threatened her with war, and this brought about the Austro-German alliance of 1879.

Britain, to keep France quiet, told her to step in and take Tunis at the first opportune moment. When France did so, Italy was disappointed, because Italians being the colonizers of Tunis, she thought it should be her sphere of exploitation. For this reason she joined the alliance of Austria and Germany in 1882. In the years 1887, 1891 and 1902, Italy renewed her alliance, Britain urging her to do so as the Italian fleet would be a help to her to combat French ambitions in the Mediterranean. Thus we find nations playing a double game whenever it suits their economic interests. The Russo-French alliance of 1891, arose because of Britain's intervention in Egypt. Notwithstanding all this manoeuvring of the Great European Powers, they all tolerated the independence of the small Balkan States, not because they respected the rights of the small nations, but because each of them did not want the others to obtain a foothold there. The geographical position of the Balkan states, the route to the vast natural resources of the Orient, has made them pawns in the great gamble of diplomacy. Similarly, Belgium and Holland are independent states only because England, France and Germany could not permit each other to control them.

Russia was the bogey-man held up to the people of Britain during the decades of 1860-70-80 in the Eastern situation, but Germany, who was yearly becoming more dangerous commercially, replaced Russia as the great menace to British financial interests. Take the steel industry for example. The Oxford pamphlets No. 16, 1914-15, state: "Great Britain was producing in round numbers about 8,000,000 tons of pig iron and 2,000,000 tons of steel per annum. The quantities produced by the United States and Germany were relatively small. Today, in round numbers, substantially accurate and readily remembered, Great Britain is producing 7,000,000 tons, Germany 14,000,000 tons, and America 28,000,000 tons per annum."

Bernhardi, in his "Germany and the Next War," pp. 82-83, said, "We are absolutely dependent on foreign countries for the import of raw materials, and to a considerable extent also for the sale of our manufactures. . . . We are already suffering severely from want of colonies to meet our requirements . . . and supply raw materials and food stuffs." On page 103 he said, "We are compelled to obtain space for our increasing populations and markets for our growing industries." Again on page 23, "The native population cannot consume all the products of our industries—work and employment are secured so long as they find markets which gladly accept their products."

As all the desirable land for colonies was in the hands of other nations, Germany endeavored to penetrate in the peaceful method. She, therefore, after a thorough study of the situation, was convinced that French influence in Morocco, English influence in Egypt, English and Russian influence in Persia, and the influence of the United States in

Central America, were due chiefly to the peaceful penetration method of advancing loans and controlling the administration of those countries. Germany then succeeded in placing loans, buying some mines, and in initiating a number of business enterprises in Venezuela, South America, and following the customary mode of procedure anchored a warship in one of the Venezuelan harbors, and made a demand for some share in the control of the administration. But the United States gave Germany to understand that she would not permit any interference in the government of Venezuela, and the outcome of this squabble was that Britain and France withdrew their opposition to the United States building the Panama Canal.

Germany then tried her hand in Africa, but obtaining only territory that was of little account, she next turned her attention to a scheme of constructing an overland route to the Persian Gulf, only to be again checked by Russia and Britain. As Germany began building the Bagdad railway, adding mile after mile in the mountains of the Caucasus, the sentiment in favor of Persian independence grew more and more outspoken, and Britain and Russia sent a joint commission to study the situation. This commission reported with grave irony, that Persians were incapable of self-government and suggested that Britain and Russia should intervene to prevent the continuance of the existing state of anarchy. Russia controlling the North, Britain the South, with a neutral belt between; thus was Persia partitioned. Persia was allowed to administer the affairs of this neutral zone subject to the supervision of Britain and Russia combined. So again German schemes for expansion were checked.

When France annexed Morocco, Germany was willing to uphold its independence, because France's occupation meant that the French-imposed customs against her trade would be prohibitive, but as France was strongly supported by England, Germany was once more sat on. To seduce Italy in her alliance with Germany and Austria, her opposition to France acquiring Morocco was bought by France agreeing to annexing Tripoli on the first suitable occasion, which she did, creating a war with Turkey and ushering in the Balkan wars.

Roland Usher, in "Pan Germanism," says, page 209: "The Balkan States who received intimations of the desirability of war from Berlin and Vienna were astounded to receive almost simultaneously, suggestions of the desirability of war with Turkey, from London, Paris and St. Petersburg. The Triple Entente had made up its mind that the moment was opportune for an attempt to erect a barrier in the way of Pan Germanism The strategic position of the Balkans controlling all the roads between Europe and Asia Minor, controlling the Aegean Sea and the Adriatic, was so necessary to Pan Germanism, that no more deadly blow could be possibly dealt that scheme than the creation of a Balkan confederacy under the aegis of the Triple Entente." The greater this confederacy, the greater the safety of France and Britain against any treachery of Russia, but the loss of Tripoli to Turkey, and the growing German interests in Turkey, caused France and Britain to withdraw their objections to Russia having Constantinople, preferring to have it controlled by Russia than by Germany. Ger-

many had built a zig-zag railway in Turkey, receiving certain concessions and the customs receipts for security. This is why Germany was helpless when one of her allies, Italy, believed to have been aided by France and England, fought Turkey over Tripoli. Germany was afraid of driving Italy out of the alliance if she supported Turkey, and on the other hand if she supported Italy gone was her plunder-ground in Turkey. No sooner was the Italian-Turkish war ended than the Slav Confederation of the Balkans, financed via Russia with French money, tried to finish off Turkey altogether; and after some terrible working class massacres and with Turkey almost beaten, Germany saved the situation by inducing the Balkan states to fight amongst themselves. This stroke set Turkey free and frustrated the Russian government tools whose ambition was to possess Constantinople. Serbia captured some Turkish ports in the Adriatic Sea but had to give them up, being compelled to do so by Austria who was assisted by Britain at the peace of the Treaty of London, 1912-13. Serbia, on retiring from the Adriatic, was an inland state without a seaport and had to depend on Austria for a market for her agricultural products and the supply of almost all of her industrial wants. Austria exploited Serbia and kept her poor by imposing high tariffs. All the outlet for Serbian trade with the outside world was through Austrian ports. Herein lies the Serbian trouble which was one of the many economic factors which brought on the Great War. For instance, Serbia had lots of pigs to sell; Turkey refused to buy pigs, Bulgaria had enough of her own, and Austria had a high tariff on pigs. We have just to look at the peace treaty to find out what superficial humbug was dished up for "Henry Dubbs" to swallow. The British correspondent of the Iron Trade Review says, "German losses in the iron and steel industry, as a result of the peace treaty will be 74 per cent. in her iron ore output, 32 per cent. in her coal industry. . . . By losing Upper Silesia and Alsace-Lorraine she loses 32.7 per cent. of the coal output of 1912, 72.4 per cent. of her iron-ore output of 1912, 74.7 per cent. of her zinc output of 1912, and 37.8 per cent. of her blast furnaces. France will be able to increase her capacity in steel production from the territory acquired, from 5,000,000 to 11,000,000 tons per annum."

Even Sir Edward Carson said, "The one object of this war is to smash Prussianism and to smash German interference with our trade throughout the Empire." Again, Sir Edward Carson, speaking at a Savoy Hotel luncheon of the British Empire Producers' Association, Admiral Lord Beresford in the chair, Thursday, May 24th, 1917, says (he is addressing £700,000,000 of industrial capital), "Millions of men were told day by day to go over the parapet and face the German guns, they were the men preserving for them and for him such property as they had. (Cheers)."

About this time A. J. Balfour was in the United States and the condition of British capital in Mexico, particularly the British capitalized railways, was causing much anxiety. Balfour summoned Mr. Thurston, the British Consul-General in Mexico, to Washington, and the principal subject believed to have been discussed was how to regain control of the British capitalized railways in Mexico. This

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