

THE ECONOMIC CAUSES OF WAR

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The Economic Causes of War by Achille Loria

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ACHILLE LORIA

**THE ECONOMIC
CAUSES OF WAR**

THE ECONOMIC CAUSES OF WAR

By **ACHILLE LORIA**

of the University of Turin

Translated by **JOHN LESLIE GARNER**

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1918

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CHAPTER I.

ECONOMIC RELATIONS GIVE RISE TO AN INTERNATIONAL JURAL ORGANIZATION.*

According to economists there existed at one time a primitive, idyllic stage of society when the labors of isolated producers sufficed to supply their needs. There is no reason to doubt that such a condition of affairs actually did obtain, although no traces of it now remain to us. In any event, however, this condition could have prevailed only during the early infancy of humanity, and at a time when population was extremely sparse. For, as soon as the increasing population, finding itself compelled to use lands of comparatively limited fertility, extended the

*In view of the fact that the present conflict has so generally confirmed Professor Loria's theories regarding the economic causes and aspects of war as laid down in his striking work: *Les Bases Economiques de la Justice Internationale* [the title of which has been changed in the translation to *The Economic Causes of War*], which was published by the Nobel Institute in 1912, his views cannot fail to impress the reader as prophetic. In a supplemental chapter (Chapter VI), written in the fall of 1916, the author calls attention to certain phases in the war's development which obviously confirm his theories, and also to other details which seem to refute them—a refutation, it should be noted, which is only one in appearance.—Translator.

man, it created for the first time a political and jural entity composed of the mass of associated workers and thereby eliminated at once the need of any body of laws superior to those of the several national groups. During this stage of humanity the nucleus of associated workers was composed, on the one hand, of the brothers and their children, all belonging to the same paternal family and political group, and on the other, of their wives, who had been received into the same body. Consequently the national law, or law of the group, sufficed to regulate the mutual relations of the associated producers, or, in other words, to assure among them the reign of perfect equity; while the relations among the several distinct groups were either independent of all regulation, or were dominated by violence and warfare. Even under these conditions, however, several co-existing family groups may have united in a community of labor; and in this event it must have been necessary to protect the co-workers by special agreements; and here we discover another manifestation of primitive international law, due, likewise, to economic relations. Thus, with the American Indians of the eighteenth century, when a murder was committed among men belonging to the same family group, the community refused to

concern itself with it at all; but if it occurred between men belonging to different family groups each one of them became vitally interested, and if the crime were very grave, the council, on its own authority, ordered the guilty one to be punished (1).^{*} However, even if the exigencies of production at this juncture no longer require a body of laws to regulate the relations of the different family and political groups, the interchange of commodities among tribes demands, no less imperatively, the creation of a congeries of legal restrictions; in other words, a jural sanction is again imposed by economic necessity. In fact the constant growth in population, rendering necessary an ever increasing production, sooner or later requires the productive powers of labor to be augmented by combining the *compound* association of labor with the *simple* association; in other words commerce, or the exchange of commodities, now arises. No longer does it suffice to supplant the isolated labor of the primitive epoch, in itself of slight productivity, with associated labor; but in addition each group of associated workers must confine itself to the production of a limited number of commodities; hence arises the

^{*}The figures refer to the work given in the bibliography with the corresponding number.

territorial division of labor, by virtue of which each group devotes itself to the production of the wares to which its domestic conditions are best adapted, while it secures the other commodities it requires by means of exchange, or commerce. There is no doubt that commerce first arose under the form of international trade, because it alone was able to furnish the consumer with new products or commodities different from those to which he was accustomed; domestic trade did not appear until later, since it, at best, could provide the consumer only with wares differing but slightly from those he himself produced.

Owing to the fact that commerce was originally confined to the exchange of commodities which each group could procure only from without, international trade at first was absolutely free and untrammelled by any protective law. Under these conditions imports did not constitute a menace to domestic production. By this I do not mean to intimate that slavery did not, for a long time, contribute to the increase in freedom of trade, since, under this economic regime, the value of commodities may diminish to any extent below the cost price without regarding their production, the competition of low priced foreign products not constituting a serious menace to the national industries.