

War-Time Conscription of Capital

"If the government can conscript men it ought to conscript capital too."

AS A CONCESSION to this prevailing Marxist emotionalism the army conscription bill included an innocuous clause permitting the President to take over plants of recalcitrant companies and operate them under leases with terms subject to judicial review. It is innocuous because seizure would defeat the purpose of procuring more munitions, unless forced labor were included in the measure.

For seizure would take place only if the plant owner rejected the government's offer of prices as confiscatory. This would not be so if labor could be forced to work for less. It follows that the government, to meet its own price requirements, would be compelled to enslave labor when it took over.

That this will happen, in consequence of a long and expensive war, the trend of events seems to indicate. By that time, however, there will be no question of right, ought or duty; everything will be measured in terms of the power of the State.

Before that happens we can enjoy our *artificiality* predilection for weighing public acts, from both the pragmatic and the moral point of view. Pragmatically the seizure of capital by the government is tantamount to its destruction. Capital is wealth used in the production of more wealth. The use of it necessitates its constant replacement.

To obtain the benefits of capital use, the government must set aside part of its production for such replacement. Since the government cannot have a profit-motive, and since it always depends on taxation as a source of revenue, the capital it captures will be replaced, if it is replaced, not out of production but out of taxation. Taxation is capital destruction in its worst form.

To put it another way, capital in private hands is a means of satisfying desires—through interest. To get interest the owner of capital must use it to its greatest advantage; that is, he must produce with his capital the things people will buy and pay the most for. His profit-motive prompts him to set aside sufficient returns to replace his capital and to provide for its obsolescence.

Now the State can have no profit motive. Theoretically its only motive is to render service by returning to the people something of use to them in

return for what it takes from them; in practice it does no such thing, for in practice it is concerned only with its own perpetuation. The use of capital for production by the State is theoretically, practically and historically impossible. See Russia or Italy. Whatever capital the State seizes will be consumed, never replaced.

Morally the seizure of capital is indefensible, unless, indeed, the right to life itself is abrogated by the State. It may well be argued that conscription is a denial of the right to live except at the will of the State. Its proponents cannot deny that, but they can and do condone conscription on the ground of urgent necessity.

However, only the out-and-out Statist will follow through on the idea of conscription. The American apologist looks upon conscription as a temporary expedient, and hopes that the soldier ultimately will be returned to himself.

Yes, even the conscriptionist will admit that a man has at least a conditional right to live. But to deny the right to property is to deny the right to life—for without the enjoyment of the products of one's labor what meaning can life have?

A dog will fight for his bone, and a man will cease producing when the result of his labor is taken from him. He who steals a man's purse takes from him his means of living and his opportunity for happiness. The dignity of man is inseparable from his property. What dignity has a slave or a hobo?

If man will not labor when his products are taken from him, he surely will not save for future production if his savings are threatened, by either taxation or confiscation. Children who make too many unsanctioned trips to the pantry soon learn this principle in economics; the indulgent mother reacts to pilfering just like the capitalist. There will not be any saving—and that's all that capital is—when the security of possessing capital is threatened.

Thus, conscription of capital cannot meet the test of pragmatism or of ethics. Yet a good hate recognizes no kind of logic; and since war needs no justification save a good hate, before long outright confiscation in this country will replace taxation, and those who beat their breasts one hundred percent will acclaim it as a form of democracy. So deeply has Marxism conditioned American thought!