

Reparations

THE Council of Reparation is tardily following the world along the lightless path of progress. It has, at long last, discovered the truth of the trite but homely axiom: that "all that glitters yellow ain't gold." The index of that discovery is the now historic 42 year instalment scheme. Time was when we entertained the opinion that the portly and gifted gentlemen of the Council would have "arrived" sooner. Well, perhaps three weary years is none too long for the consummation of such a task—from their point of view.

But now that the crusted nut is broken, we fear, that—in due time—the elderly ones will make another discovery: that the kernel will not be so luscious as was anticipated. Indeed, one might almost imagine our Solons are faintly apprehensive of such an eventuation. So nearly are they approaching reality. And, in spite of many disappointments, we still have hopes—even of the capitalists. (I sigh to think what unkindly remarks this may occasion.)

Nevertheless, this 42 years scheme is the best device the circumstances will allow. For, if it were possible for the capitalist class to act together, to sink individual and international differences for yet a little longer, it might play Falstaff to bounteous profit. Oh, fateful "if." In this verdancy of "original sin," how hardly can we escape the law.

If reparations are to be paid at all, clearly they cannot be paid in gold. Payment then, must be in commodities. And with a 50 per cent. (or more) decrease in German exchange, what a mighty volume of commodities is connoted in the new bill of reparations. But commodities, unlike parliamentary oratory, are not of the fabric of the summer atmosphere. They require the solid substitution of natural resources. And if world resources in such vast amount are to pass into the "Fatherland," clearly, the "hunnish Hun," in defeat (?) will place the heavy yoke of dominion upon our democratic institution. Furthermore, if "German sausage" is to enter the world market in volume, as indicated by reparations, surely must allied industry perish, i.e., the ownership thereof. How then?

Why, dilution. That is the new Christ of capitalist salvation. Let such and such amount be carefully filtered into German domain, and let it return to the market,—manufactured with the speed of cheapness, beloved of capital,—in accordance with the formulae of absorption. Then, presto, is the trick turned. The juicy fruits of exploitation, that once accrued to the "unspeakable" Prussian, are now diverted into channels of allied (principally British) benevolence; home industries are not disrupted by clogging over-supply; the "free" workers are kept (as a class) just on the bread line, yet above the pernicious influence of "red agitation," labor misrepresentators may indulge in the gymnastics of reform; and democracy, childlike, may sweetly slumber under the shadow of the Jack and the soaring eagle. But alack, the forementioned, original sin.

It is the misfortune of capital that it cannot move, even in its own defence, except on a percentage. Like Shylock and Holy Willie, it puts the first quotation on the shekel—invariably. And it is now finding that if "money talks," accumulated percentage rends the earth with its violence. For the perpetuation of profit, the warring nations were forced to the quicksands of unlimited credit: in reaction, unlimited credit is now forcing capital to the supreme sacrifice of profit. For credit is not liquid; it is not the virility of real wealth. It is a draft on tomorrow, a mortgage on future production, and involves the continuance of slaves in their slavery. But wage-slavery is entirely dependent on market expansion, yet, conversely, the market cannot expand, because productivity and machinery have abolished the purchasing power of wage slavery. Hence, when the stakes are greater than available resources, there can be but the bursting of the bubble. That is the position of society today. King Capital has overdrawn his account on the social bank, and can only pay with a cheque.

At the conclusion of the great war, every nation carried a burden intolerable, a debt of unheard-of magnitude. But it must pay that debt,—if capital-

ist society is to continue its existence. It is the endeavor to lay the foundation for repayments to retain and control the promised—or visioned—wealth, for which the war was fought; that is the cause of the psychical acrobatics of the Economic Council. To pay, every nation must secure a vaster market, production must be speeded up, output per unit increased, mass value lessened, to the end that more commodities be sent out than are taken in.

But restriction placed on German entrepreneurs boomerang on the allies; they react on allied business. For the market of the world is the nations of the world themselves, and if expansion to the utmost limit is required, the utmost limit of individual capacity is implied. In totality, eventually, they can only send abroad to each other exactly what they import from each other. They cannot all export more, and import less. They may redistribute the market of the world, but they cannot increase the market of the world. And in proportion as competition cheapens production, increases productive capacity, and reduces wages, in just that proportion is the effective market diminished. And furthermore, in the same manner as the competition of individual capitalist groups eliminates the less effective and smaller capitalists, so the competition of giant imperialisms, for world dominion, completely dissolves the political individuality of the small nations transforming them into hand-maidens, and servants of imperial profit.

The scheme of reparation involves the vassalage of Central Europe. But to bind Central Europe to the chariot wheels of allied high finance is an impossibility, because it delimits the profits by which alone capital exists. And the further ad valorem on German exports would act as the E. P. D. did in Britain—put a brake on production. To restore Central Europe means the restoration of its commerce, the par evaluation of its exchange. In turn this implies freedom of world resources and the cancellation of war spoils and obligations. But to renounce those things, the objective of the world war—is to denounce capital.

The plain fact is, that just as industrial capital displaced the old trading merchant, so now Imperial finance is supplanting the industrial capitalist. But that is the closing act of capitalist society. For society can dispense with finance, but not with industry. It can live without gold, but not without goods, and if the production of necessities is thus strangled in the grip of finance, society, out of its dire necessity will find a means, swift and effective, of loosening that grip. So far as the ruling class is concerned, history is written in vain. Like the Bourbons it learns nothing. It thinks it is a law unto itself. Nevertheless, its end is in sight. The economic of the machine moves steadily on to its climax, dispassionately irresistible as the flowing tide in the wake of its necessity.

It is this direct contradiction between the necessity of world capital for greater production, and the necessity of individual capital for less production, that now involves the world in crisis and stagnation. It is this contradiction that compels Imperialism to sacrifice immediate gain for future interest. But the sacrifice of the present for the future carries with it the sacrifice of the lesser interests, the smaller capitals, the struggling business. It means the centralizing of capital—of the means of production—into a few all-powerful combines, the reduction of the social life standard, the lessening of the number of actual producers, and at the same time the increase of the parasitical hangers on. And generally, it means that the proletariat, in the very near future, will be confronted with the alternative of war for the profit of the master class—or, the taking of the means of production for society.

What Europe is now,—a broken, bankrupt and dismembered hulk, staggering in the throes of unrecognized revolution, suppressed and bound by every device of reactionary and political domination, is an object lesson of import as dread to our masters as it is bitter to suffering Europe. The black night that has fallen there must react here and work out the conditions, accelerated by local reactions, whence another flag can flutter over the "greatest demo-

cracy on earth." To save themselves the American capitalists will act. They will stick at nothing to preserve their "rights"—and they will act promptly. Their one way of escape—temporary though it be—is war. How that challenge will be met, who can say?

THE S. P. OF C. AND THE THIRD INTERNATIONAL

(Continued from page 2)

Again, Comrade Kaplan says: "The moral effect of such an avowal at this crisis, would more than compensate for possible, though by no means certain, repression." What crisis, in so far as the working class are concerned? The only crisis they understand at present is the scarcity of jobs. The same error appears in clause 3 of the "Theses," where it states that the class struggle is entering the phase of civil war.

The facts are well known. The workers both here and in America are voting for capitalism, supporting capitalist institutions and accepting wage reductions with scarcely a murmur.

Finally, in clause 3 of the "Theses" we are told that we must "create everywhere a parallel illegal apparatus."

N. Lenin is very emphatic regarding this illegal apparatus. In section 12 of the "Theses" (Note*) it says: "For all countries, even for the most free, 'legal' and 'peaceful' ones in the sense of a lesser acuteness in the class struggle, the period has arrived when it has become absolutely necessary for every Communist Party to undertake systematically both legal and illegal work, legal and illegal organization." Quite sufficient to put a banquet on the activities of the S. P. of C.

As Comrade Kaplan asks for the whole-hearted support of the Bolsheviki, let me endorse that view, and to say further, the only support we are in a position to give them is the making of Socialists within our sphere of influence, and in my opinion, joining the Third International is one way of delaying that.

So let us cease basking in the sunshine of our Russian Comrades victory and get on with the business of educating our class to an understanding of Marxian Socialism.

CHARLES STEWART.

*Editors Note: This is a quotation, not from the "Theses" outlining the conditions of affiliation to the Third International, but from section 12 of "The Fundamental Tasks of the Communist International," by N. Lenin, adopted by the Second Congress of the Third International.

SOVIET NEWS ITEMS

Moscow, Jan. 16th (Rosta Vienna).—The funerals of the well-known Russian chemist Karpov may have caused the counter-revolutionaries to believe that Lenin was dead, because about 10 years ago Lenin used the pseudonym of Karpov.

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