

## The International Muddle

### PART II.

IN our last we pointed out that while the capitalist class is an international organization of property owners, unanimous in its desire to keep the workers of all lands in a slave condition that, at the same time, this world organization is divided into a number of groups of capitalists, commonly known as nations, whose interests are not identical in the everyday struggle to dispose of those values extracted from the proletariat of all sections.

This conflict of interests manifests itself by particular alignments of groups within the group, for purposes of trade and commerce, and, occasionally commercial wars of a devastating and vitriolic character are bound to ensue. Whatever may be the alias under which these sanguinary engagements take place, very little investigation is required to portray the fact that the disposition of the things produced by us is the all important, and only cause of such military manoeuvres. Between the members of the various alliances there is no lasting harmony of inclinations, no cordiality, or sincerity, any more than prevails among the units of any other robber band whose immediate interests dictate the plans of the moment, and whose business policy frequently demands a re-arrangement of forces.

To illustrate our contention, we made reference to the outcome of the recent world war, and the happy spectacle of those who fought the good fight on behalf of an ambiguous democracy now furtively assailing each other with a venom equal to that formerly directed against their mutual enemies.

The close of the war left the countries of the old world in anything but an enviable condition. Victor and vanquished, alike, were short of foodstuffs, raw materials, and other necessities in the productive process. Their eleventh hour companion, on this side, played a lucky hand for a couple of years while her more pugnacious associates were staking their pile of chips on the turn of a card. Flushed with business success from a policy of 'watchful waiting,' America now must pay particular attention to the division of the spoils. If the lion's share was to remain in her grasp, connection must be severed with her erstwhile partners, for the majority of these had nothing to give and much to ask for.

Apart from the universal desire to stamp out autocracy, other motives of a more mercenary character, like the ghost in Hamlet, would not down, but stalked around with unbecoming frequency—and the closer the time for the division of the plunder approached, the more vital did these motives appear to the representatives of the American plunderbund who were anxiously seeking for every reason to divorce their needy accomplices. The Anglophobe press was taxed to its capacity with weird and sordid tales of British oppression in Ireland, India, and Egypt. The presence in the U. S. of the Spanish-American president of a non-functioning Irish Republic added materially to the stream of innuendo and reproach thrown at "perfidious Albion" by those who had nothing more than "Hobson's choice" in the premises.

This separation of fortunes, however, while it may not have had a more detrimental effect on American ambitions for world dominance than a continuance of fraternal relations would have had, still, as shown in last issue, its results were far from being as satisfactory as anticipated. Being the greatest creditor in the world has its drawbacks as well as its glories. A surplus of ghost commodities, known as bills of exchange, seeking a market in America, would have none other than an adverse effect on continental currencies when translated into terms of American dollars.

This fall in exchange denoted a curtailment of exports to European buyers. In fact, it meant much more. It meant the losing of a large section of North and South American trade as well. Already, the damper has been placed on the shipping of many commodities, and quite recently several thousands of workers were laid off in the packing-houses of Chicago, and Kansas City, with splendid prospects of an extension of idleness to other industries. A business panic is openly prophesied on all sides. Next year we are to have a presidential election, when the workers will again have the nugatory right of selecting a "safe and sane" repre-

sentative of their master's interests. To date, much presidential timber is piled on the market, and an army of aspirants, ranging from "eat less" Hoover, to "ship or shoot" Wood, is awaiting our verdict. Election year is always the signal for a tight money market and consequent cessation of production. The manufacturing and financial interests find it profitable to exert their economic power and pull the wires according to the game.

Of course, this expanding industrial depression must not be taken as conclusive evidence that the capitalist system, so far as America is concerned, has reached its destination. While we are loath to disperse the pipe-dreams of our professional optimists, and chronic enthusiasts, we must examine the situation, not as we would like to have it, but as it is. The world condition that exists today is not precisely the same as that confronting society in the early part of 1914. Then, the markets were glutted with commodities, and no possibility of finding a dumping ground to dispose of the surplus. Today, on the contrary, there is an enormous demand for foodstuffs, and manufactured articles, from all points of the compass, but the means of payment are inclined to be weak. It may be stated in this connection that the workers of all lands have ever had a consuming capacity that was never thoroughly fathomed on account of the meagre dimensions of the pay envelope but, even here, the analogy is not perfect. In the latter case a further distribution of products by the owning class would only be charity, while in the former case it would represent a more or less safe investment.

The question, then, arises will the American capitalists resign themselves to diminished production on a large scale, with the consequent unemployment, and social unrest inseparably associated with such a state, or will they attempt, through further extensions of credit, and investments in foreign securities, to alleviate to some degree, the catastrophe that looms on the horizon? We are of the opinion that the latter course will prevail. Our national capitalists are resourceful animals and will overlook no opportunity of maintaining their social position. This does not imply that those at the helm of state understand, with unerring judgment, the nature and tendencies of present society. Rather do they scent the various fluctuations and movements in the social structure, and simply follow these trails with bovine intelligence. By no strategy or magic can they succeed in reconstructing the unreconstructible but, given an unthinking, patient, plodding slave class, there is a grave probability that our sacrosanct leaders will be able to weather a few more storms.

The wealth of the world represents a mass of useful things produced by labor. Practically all that is produced in a given season is consumed in the same period. No matter what form this wealth may take, whether it be wheat, oil, coal, iron, or lumber, the old supply is about exhausted before additional stock is thrown on the market. The condition created by the recent coal strike will serve to illustrate this assertion. A brief cessation from digging coal and the country was face to face with a fuel famine. Of this mass of products the workers receive a fraction, in the form of wages, sufficient to maintain their labor power on the market in a saleable condition. The remainder goes to the different sections of the owning class in the shape of rent, interest, and industrial profit. This class, though small numerically, has a great consuming ability and dispose of values at a rate we can scarcely realize. When we read of Morgan, Rockefeller, etc., possessing hundreds of millions of dollars, we are likely to start figuring the amount of gold, or oil, or steel, that these vast sums represent. But these values do not exist in reality. Above what they consume, a tidy amount when compared with our portion, or when we stop to consider that they get it for nothing, due to a philanthropic attitude on the part of their wage slaves, these fabulous fortunes are nothing more than orders on the future. A considerable part of the wealth we donate is used to form means of production in areas that are not yet thoroughly exploited. If there is a chance to extend operations into Belgium, Poland, Hungary or any other potential market our rulers can be credited

with sufficient initiative to take the step and save their faces for a period not easily ascertained in terms of weeks or months.

But how about affairs on the other side of the pond? Let us confine our scrutiny to Britain for the moment. When it comes to acquiring booty, history furnishes us with a record on the part of Britain that is hard to eclipse. "As the Lord liveth," said Lloyd George, "we have no designs on foreign territory." But, in spite of this solecism, whether the Lord liveth or not "we" got the territory just the same. No country connected with the imbroglia of the past few years came out of the contest so well equipped with plunder, gathered from both friends and enemies, as Britain has. Previous to the war her territorial possessions covered one-fifth of the globe. Now, they amount to one-fourth. This increase includes Mesopotamia, where engineering operations recently inaugurated will, if completed satisfactorily, create one of the finest grain producing countries in the world. Also, she got control of Persia, rich in those oils so necessary to modern industrialism. Her acquisition of the former German possessions in Africa removes all obstacles from the construction of the Cape to Cairo railway, and makes it possible to travel by land from Cape Town to Siam without leaving British soil.

Commercially and financially, her success has been no less striking. Despite the periodical headlines announcing that "England is Bankrupt," "English Money Depreciates," and similar proclamations, it can well be stated that, of all capitalist nations, the position of Britain is pre-eminently strongest. Her external debt, it is true, is greater than ever, but this was incurred mainly to supply the needs of her continental allies, and today Britain is owed approximately twice as much by those "little nations" as she owes America. The suggestion of Vanderlip that the U. S. erase from the ledger those figures placed on the credit side during recent hostilities was strongly resented at business headquarters, but Britain is preparing to write off 50 per cent. of her continental debt for reasons essentially British.

The fall of the pound has been harped upon by financial amateurs as a sure indication of Britain's economic paralysis but, as a matter of fact, were the British pound to go back to the ante-bellum basis, at the present time, the result would be disastrous to the British manufacturer. The value of the raw material entering into the finished article represents only from two to ten per cent. of the total value of the product. The amount of raw steel that is used in the production of an automobile is small in comparison to its complete cost of production. Britain lives commercially because of her factories. Her imports consist largely of raw materials. Even with the pound around \$3.25 the British capitalist can still afford to import raw steel, providing he can export the finished automobile. Then, should the pound get back to normal the foreign market, which was greatly assisted by low exchanges, would receive a jolt that would materially weaken his commercial aspirations.

But, at the other end of the pole, exists another problem. Will the British working-class continue to be hewers of wood and drawers of water with the same, resigned to fate, attitude as has been theirs in the past? Recent despatches seem to indicate a bellicose behaviour on the part of British labor. They appear to be restless, noisy, and disputatious. A glance at history would be sufficient to show that rebellious cliques, composed of British workers, have not been altogether absent in the past. The Chartists, the Luddites, and the Levellers are still quite familiar titles.

True, with capitalist society developed to its present extent something much deeper, and more vital, in the way of discontent in the ranks of the workers, must be expected and, undoubtedly, exists. But, as time is a very material factor in social changes, we can well ask the question—does the intellectual condition of the British masses warrant the conclusion that the socialization of the means of production is an imminent feature of their class programme? At another time we will resume our review at this point.

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