

**"BURN YOUR BOOKS?"**

(Continued from page 1)

was hardly a "lack of guts" that won the great war for Democracy, the workers having manured three continents with those very organs when the masters called on them for protection not very long ago. One of the "fifty wilful men" cited the case of the last Dominion elections (December 6, 1921), when the workers of Canada as a whole, and Nova Scotia in particular, although suffering from the miseries attendant upon the most unexampled unemployment, gave a mandate to their masters by returning them to power—not one "yellow" labor man being sent to Ottawa from that province in the East, where conditions were most acute.

These arguments tending to show that the education of the workers badly requires attending to were sneeringly spoken of by the apostle of action as shining examples of Menshivik quackery and Social Democratic piffle, his reply to them being the assurance that the workers were betrayed into the war by their "leaders," and were forced to vote for Capitalism through the power of the Capitalist press. We learned, also, that the working class could not be educated to the point where the ballot would act as the thermometer to register their political maturity. The revolution will be on "us" before there is time for education.

Misunderstanding could go no further. It makes one wonder if action is being prescribed in despair. It is certain, at any rate, that in the new school intelligence won't carry one very far.

A lecture given by Comrade Harrington on "Revolution and Counter Revolution in Peru" (a synopsis of which was printed in the "Clarion"), came in for severe manhandling. In that lecture it was proved that a coup-d'etat does not necessarily imply a social revolution or a change in existing property relations, even if it should take on the violent form of civil war. Addresses of this kind in a revolutionary period like the present are clearly counter revolutionary.

So spake our Messianic agent. One of the soundest and brightest exponents of Marxian Economics in Western Canada, Comrade Tree, a worker who devotes all his leisure time to the preparation and delivery of scientific lectures to working class audiences, was interrupted when conducting an economic class and denounced as an "ignoramus" by the apostle of action. Another worker who refused to embrace the new faith was vehemently denounced as a "White Guardist" and agent of the bourgeoisie.

The entertainment ended in a display of rhetorical jazz and an impassioned exhortation to "bore from within." This exhibition of the "new leadership" convinced those workers present who were not to be overwhelmed by mere sound and fury that the warning recently printed in the "Clarion," "Watch your Leaders," merits the careful heeding of all the class-conscious toilers of this country.

The new tactics (or is it an old one) that starts off by degrading education and glorifying action (for the sake of acting!) is being propagated by those who imagine that society can be manoeuvred into Socialism whether the workers want it or not. A consideration of existing facts, not of revolutionary desires—should be the basis on which to build tactics to govern the Socialist movement in North America, and foremost among these facts of the present situation is the very patent one that where they are not actively hostile the workers, for the most part, are apathetic—to say the least—not only towards Socialism, but even towards Unionism. Yet the workers want food, clothing, shelter, leisure (not the "leisure" enjoyed by the unemployed), the ending of wage-slavery, in short they want economic security. And what the workers want is the Socialist objective. So that whether they want Socialism or not—the workers undoubtedly need it. But between their wants and their needs stands an ideological barrier, based on customs, beliefs, and traditions reaching far back into ancient times, changed to suit changed conditions, and finally fostered and tended with unremitting care in the interests of the present dominant class in society. It is that which makes our gains, when viewed in the large, appear

so small. The ideology of the workers is the strength of Capitalism. The task of the masters is to cherish it; ours is to change it. The workers are not held in subjection by force alone; their mental slavery keeps them in subjection as surely, perhaps, as all the other instruments of coercion together.

During the period of the war, under the stress of abnormal conditions, the development of the machinery of production was enormous: if the consequent increased producing capacity of society affords ground for judgment, then we may say that economically the times are ripe for Socialism. Not only were the requirements of the people met by a comparatively small number of workers, but wealth untold was poured for years into the devouring belly of the war god. Economically ripe the times may be, but that does not settle the question. There is something lacking and that something is not "guts." What is lacking is the desire, the will to Socialism, and that will come under the stress of circumstance, produced primarily by the contradictions inherent in the system of capitalism, furthered by the imparting to the workers of a knowledge of their slave status in society.

Misery and suffering will not of themselves make Socialists. If they would then the Lazarus-layers of capitalist society, the slum proletarians, would be revolutionists. We conclude therefore, that—the

psychology of the North American workers being what it is—the only tactics capable of producing good results in this country is that which emphasizes the educational needs of the workers, and endeavors to supply those needs by issuing books, pamphlets, papers, by organizing classes, by sending out lecturers—all with the aim of bringing home to the workers a competent realization of the society in which they live, their relations in that society, their sufferings arising from those relations, and the way to end them.

The study of Socialism by the workers leads to their organizing for emancipation, to struggle for freedom being the last right left to them and the only task worthy of class-conscious slaves.

In this connection it may be fitting to close with a quotation from Engels—not because of Engels' name but for the good of the movement and because the words in this place will be apposite. He says:

"To accomplish this act of universal emancipation is the historical mission of the modern proletariat. To thoroughly comprehend the historical conditions and thus the very nature of this act, to impart to the now oppressed proletarian class a full knowledge of the conditions and of the meaning of the momentous act it is called upon to accomplish, this is the task of the theoretical expression of the Proletarian movement, scientific socialism."  
"Socialism, Utopian and Scientific" (Whitehead Edn., p. 95)

## Exchange Rates

By C. LESTOR

WHEN we speak of the rate of exchange with any country, we are merely discussing the present value of the £ sterling in the currency of that country; or, to put it more simply, the question of how many American dollars, French francs, or German marks, etc., we can get for the Treasury Note which, since the war has usurped the place of the British sovereign. The £ sterling is, however, not the Treasury Note or even the sovereign, but the credit note of Britain.

Before explaining the factors that produce disparity in exchange, it is desirable to know exactly what is meant by the "par" of exchange, and how it is arrived at.

### Par of Exchange

The currency of the principle countries of the world is on a gold basis, that it to say, the measure of value is represented by a gold coin, to which the silver, copper or other coins have a fixed but artificial ratio of value decreed by law.

It is the relative quantity of pure gold in these respective gold coins that establishes the "par" or parity of exchange, i.e., the normal relationship of one to the other. There is in the sovereign 1.32238 grammes of pure gold. The amount of pure gold in the American dollar is 1.50464 grammes. Dividing this latter figure into the former we find that there is 4.8665 times as much gold in the sovereign as there is in the dollar. Hence the par of exchange between Great Britain and the U. S. A. is one sovereign equals \$4.86. Other parities are arrived at in the same manner.

In the event that sufficient gold coins were available in the respective countries to supply the needs of trade, the rates of exchange would normally never fluctuate very seriously. It is clear that if you had to pay, say \$100,000 dollars to New Orleans in settlement of a purchase of cotton, you would not pay a larger sum in sterling for these dollars than it would cost to ship over to America the requisite amount of gold (bullion) for exchange into dollars at par.

### Specie Point

In the case of gold currency countries, therefore, the normal limit to fluctuation in the rate of exchange is the specie point, the point at which it pays better to import or export gold (specie) than to buy or sell currency through the medium of a broker or banker.

The causes of international fluctuation are many and include balance of trade, the amount of loans to foreign countries, the political situation or condition of the country in question, the nature of the

currencies in the exchanging countries, and speculation, based on the divergent views taken of the position in respect of one or more of these factors.

### Bills of Exchange

Before examining these in turn it must be understood that the mutual indebtedness of trading nations is regulated by means of bills of exchange, which documents are, to all intents and purposes, cheques (for goods or services rendered) in the form of an order to a bank or other third party to pay to the person named a sum of money, either at sight or at some future date—usually three or six months hence. Bills of exchange are used as being a more convenient method of payment than that provided by the import and export of bullion, as thereby much expense in insurance and freight is avoided.

Bills of exchange are negotiable instruments and change hands freely, and in much the same manner as a cheque which you may receive, endorse and pass on to some one else for cash. Let us take it, for example, that E and E2 are English merchants, and that F and F2 are French merchants, and that the position between them is as follows. E owes money to F. E2 is owed money by F2.

It is clear that the double transmission of bullion from E to F and from F2 to E2 will be avoided if E pays E2, while F2 pays F. This is practically effected by the use of Bills of Exchange. F, for example, may have a "Bill" on E for the amount owing, and through the medium of a banker or bill-broker will sell this bill to F2, who will send it to E2, by whom in turn it will be presented to E for payment. Thus the position of all four parties will have been settled by means of the transfer from one to another of a single piece of paper.

### Balance of Trade

Now let us assume that France is importing from Great Britain enormous quantities of manufactured articles, and grain and other commodities from America, while her exports of wine, silk, motorcars, etc., etc., are for some reason steadily diminishing. This will mean that France, instead of paying for her imports with her exports, is getting seriously into debt, and when a nation does that other nations will look just as much askance at her promises to pay (i.e., her bills of exchange) as you would regard those of a man who, while he owed you money, was spending more than he earned. He might bear every appearance of being prosperous, but if you thought or knew that he was earning very little you would suspect (in the absence of any windfall that

(Continued on page 8)