

# Economic Causes of War.

Article No 10

CHINA, before she entered the war, supplied some two hundred thousand laborers for France, but the time of her actual entry into the war was determined by the economic interests of the Allies. Senator Morris, in the United States Senate, produced what he declared to be copies of diplomatic correspondence embodying the promises of France and Britain. Great Britain's interest in the matter, he charged, was secured by Japan's support of British claims to Pacific islands south of the equator, while France's aid was purchased by a promise of the Tokio Government to help to draw China into the war, so that the German ships in Chinese harbors would be available for carrying troops and supplies to France. While these powers were scheming to draw China into the war for national integrity and independence, they were secretly plotting amongst themselves as to the carving up of their new ally, and as a result of their manipulations, between forty and fifty millions of Chinese, and the Shantung Province are handed over to Japanese control. This is the self-determination of the Allies at the Peace Conference. To none of these agreements was China a party, nor was she informed of them when invited to join in the war. Under her treaty with Germany, if Germany ever relinquished the lease of Shantung, the territorial property would revert to its original owner, China. Those holy men at Paris made Germany break an agreement with China, to China's advantage when she is an ally of the victorious nations.

What is the reason of the imperialistic expansion towards China? A Japanese official publication, quoted by a Mr. Coleman in his 'Far East Unveiled,' says: "It is on the Yangtse Basin on account of its immense wealth and variety of products, that for the present and future will be centred the commercial interests of the world." . . . . "Of all the various things in which this wonderful river is astonishingly rich, mines of coal and iron stand out predominantly." Ocean going vessels can proceed a thousand miles up the river, and the Chinese workers, according to Japanese managers, are "excellent, quiet, dependable and efficient. The Chinese waste no time in talk, but plod on, anxious to make money, and will work long hours and hard for it."

China's geographical position saved her from the greed of the European commercial classes until capitalism had developed to that stage of perfection in its transportation facilities, with large liners and the opening of the Suez Canal enabling them to overcome the difficulty of reaching China, which, because of its distance, had been hitherto unattainable commercially. China is bounded with high mountains on the Indian side which hindered the expansion of the British empire from that direction. Although she has a long coast line, the sea is too shallow for miles out for great ocean liners. Some of her natural harbors have no connection with the interior because of high mountain ranges. The two best harbors are owned by foreign powers, Britain, and formerly Germany, but now Japan. The Yangtse river is practically the only one by which ocean-going vessels can connect the interior of China with the outside world. Vessels drawing sixteen to eighteen feet can proceed 680 miles up from the ocean. River steamers can proceed 370 miles further, and small junks can go 1,750 miles from the ocean. In the dry season, ocean-going vessels are prevented from going up the Yangtse, nothing over six feet draught being able to make the trip. The American Academy of Political and Social Science, in "China, Social and Economic Conditions," tells us, January, 1912, page 136, "that the revolutionary movement had its origin in the Yangtse Valley, and gained its strongest support because of the influences of the outside world," again proving the Marxian materialistic conception of history to be true, that the economic conditions conflicting with the ideas of old conditions bring about a social revolution. The Scottish Provident Institution "Year Book" for 1915, page 207, says, "Britain has

obtained two concessions for railways, one from Shasi on the Yangtse, southwest through Hunan and Kiao-chau, the other for an extension of the Shanghai-Nanking railway southward through Nanchaung, a place of 25,000 inhabitants with large porcelain manufactories, and also, for the linking up with other lines already constructed. She has intimated to China that she expects her interests in the Yangtse Valley to be considered predominant. At one time Japanese competition was threatened, but this has been formally withdrawn." And again on the same page: "The Standard Oil Company of New York, concluded an agreement with the Chinese government in February, 1915, for the exploitation of the oilfields in Chili and Shen-si. A peculiar feature of this transaction was that instead of the loan of £3,000,000 asked for by China in return, she was to receive without payment 37½ per cent. of the stock raised to carry on the work, with the option of purchasing 7½ per cent. more within two years. As there seems to be nothing restraining her from selling these shares later on to the highest bidder this may lead to future complications, as several large nationalities have interests in North China."

On June 4th, 1917, President Wilson addressed a note to China pointing out that her participation in the war was of a secondary importance and her main care was to maintain internal order. America asked Britain and Japan to back her request to the Chinese Government. Japan replied by challenging America's right to interfere with China's internal affairs, adding, they should have come to an agreement with those powers first. Britain between two allies was extremely delicate. It was then that Japan sent a commission to the United States headed by Viscount Ishi, former minister of Foreign Affairs. This was given publicity as a desire to cooperate in the common struggle of the war, but the notes exchanged, November 21st, 1917, showed the visit was of a more important nature. America recognized Japan's special interest in China, but ex-

plcity upheld China's sovereignty. Japan, on the other hand, adhered to the open door in China, which offers commercial and industrial opportunities to all nations. In a sense, America recognized a Japanese Munro Doctrine in China, and Japan agreed not to hamper American trade in China.

The Scottish Provident Institution "Year Book," 1915, page 340, says: "Acting on the assurances of Japan that the integrity of China would be preserved, that Kiao-chau would be restored to China, and that Japan would consult the United States before operating beyond the boundaries of Kiao-chau, the United States agreed to neutrality."

In 1907, the population of China rose against the concession of the Shanghai-Han Chau-Ninpo Line to foreign capitalists. Two provinces held public meetings and raised money to protest against it. A committee went to Peking accompanied by a large procession of fanatically excited citizens, and when their petition was denied and the concession to the English confirmed, the members of the Cabinet were mobbed. American plutocrats afraid of their plunder in China, decided to work with Japan. The "Wall Street Journal" condemned the revolution with practical arguments: "The uprising upsets the railway concessions, interrupts trade, a trade which amounts to \$55,000,000 a year, which with cheaper rates through the Panama Canal, will double. In this world of hard facts it is not difficult to discern in what interest our national sympathy will finally gravitate." After all the promises of China's independence and the returning of the German colony, Japan is still hanging on to the spoil, with the consent of all those other nations who have made the world safe for democracy. Kiao-chau's chief products are silk, nuts, bean oil, straw, coal and fruit, with a good harbor and naval base.

Is it to be wondered at that Japan should hang on to the spoil? Japan believes in self-determination to own this plunder, eliminating another of President Wilson's fourteen points.

PETER T. LECKIE.

## Labor Power and Production

THE Democratic nominee for president is reported as saying that in his opinion the frequent turn-overs are responsible for the high cost of living. In other words, that each person who handles a commodity adds to the final price. That may be his opinion, but it does not coincide with facts. Therefore I challenge his statement.

Labor power produces all value. It is the amount of social labor time it takes to produce a commodity which gives it its value. Commodities sell at their value subject to the law of supply and demand. The surplus value produced by the workers over and above their living wage is the profit of the employers. What the employers or buyers of labor power are able to retain after marketing that surplus is their net profit.

The ever growing competition for ever narrowing markets, for the ever-increasing surplus produced by the workers, decreases the rate of net profit for the employers, but it does not increase the value of the commodity. The price of a commodity is its value subject to the law of supply and demand.

However, the decrease in the value of gold and the inflation of the currency through the issuance of war bonds do have a very material effect on the purchasing power of the dollar, and it is these reasons that are the cause of the apparently high prices. In reality commodities, due to the increasing productiveness of the workers as big machinery develops, are selling for less than ever before.

Moreover, for whose good would the reduction in the cost of living redound? The worker or the employer? The worker sells his labor power, as other commodities are sold, at its value or cost of repro-

duction. If the cost of reproduction is two dollars, that is the price he gets; if it is five dollars, that is the price he gets. It does not make any difference to the worker whether the cost of living is high or low; he simply gets a living wage. For example, look at China, Japan, Mexico, where the worker gets the cost of his reproduction.

Now, how about the buyer of that labor power? The worker produces the same amount of value in a given day's time whether he receives two dollars or five dollars per day; but the profit which the buyer of that labor power makes increases in proportion to the reduction in the value of that labor power. Naturally the employer wants the cost of living reduced. Why should he not?

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