

THE INDICATOR

History :: Economics :: Philosophy :: Current Events

Vol. 1 No. 1

VANCOUVER, B. C., SATURDAY, OCTOBER 18, 1919

FIVE CENTS

What Is Capital?

By Jerome K. Jerome.

I am not an authority on Political Economy. Not to put too fine a point upon it, I am not at all sure that I even understand it. I doubt if I could explain offhand the origin of Capital. I gather that it happened long ago, and even since there seems to have been trouble about it. I remember an election meeting in a manufacturing town. The speaker, a gentleman who seemed to feel the heat, was full of vigor. "You can't do without capital," he said. There came a voice from the back of the hall: "No; but we can do without you, old man." Since then I have heard the argument stated pro and con, with more elaboration, but never, as far as I have been able to judge has it got beyond that bald and simple point. I have been told by way of crude example, adapted to my intelligence, that the first Capitalist was probably the first man who made a spade. This agricultural implement he probably lent, or "rented," at so much an hour, paid in the currency of the period; sea-shells or crocodiles' teeth, one supposes. So far, I understand the thing. But suppose the gentleman to whom that first capitalist had lent his shovel, instead of returning it with thanks and the agreed number of beads, had hit that "Capitalist" over the head with it, and had afterwards buried him. "The rule of Right and Justice" dates, I gather from November last. It had not been established in that rude age. I see no impossibility of such an incident having occurred. Who was the Capitalist, then? History would suggest that this argument has got to be considered: Who are the Capitalists? Those who make the shovels, or those who, by force or cunning, get possession of the shovels?

In Pennsylvania

(From "The New Republic.")

THOSE who have applauded the liberal use of State Constabulary for the breaking up of strikers' meetings in Western Pennsylvania have plenty of proof, if they will see it, that this method of maintaining the peace is not only high-handed but ineffective. Defense of clubbing tactics rests on a belief that mass meetings can in that fashion be prevented from turning into mobs. But what is the actual record of events in the present strike? In Ohio, there have been few cases of meetings broken up, during the first week of the strike—and there have been fewer riots and disturbances of any sort than in any other section of the steel country. All of the worst riots have come in the Pittsburg district—and that is just where the State Constabulary have been most active. In the towns along the Ohio River the con-

"The Unsolved Riddle of Social Justice"

—and Stephen Leacock, Professor of Economics

By C. K.

CHAPTER the seventh, and, we believe, the last, of "The Unsolved Riddle of Social Justice," by Professor Leacock appears in "The Daily Province," of Saturday, Oct. 11. In it, Mr. Leacock sets forth his plan whereby society may be saved from chaos and destruction. And by "society," it is well to note, Mr. Leacock obviously means the present economic system. He seems quite unable to perceive the difference between the social organism and the method of production and distribution of use-values, which may at any given period be its economic basis. That he is very keenly aware of the manifold defects of the present social order is quite plainly apparent. It is difficult to imagine how any intelligent school boy, after reading the professor's remarks on this subject, can avoid the obvious inference that those economic inequalities upon which he dwells so often are the inevitable outcome of a system of production for profit instead of for use. Yet the professor misses this point entirely. It is such intellectual lapses as this, which give us cause for doubting his sincerity.

His plan of salvation is in effect nothing more or less than an extension of State Control. In his own words, "the government of every country" "ought to supply work and play (pay?) for the 'unemployed, maintenance for the infirm and aged,' 'and education and opportunity for the children.'" We would be greatly interested to hear what

trast has been unmistakable: comparative free speech and order on the western side—suppression and disorder on the east.

The truth of this fact is put in another way by the statement of an officer of the Carnegie Steel Company, speaking officially for the Steel Corporation. "Where the State Constabulary have not been active," he says, "the strike has made headway." "One of the reasons why the strike was so widespread at Youngstown was that the police protection was not good." When you couple this statement with the fact that in Youngstown, the first week of the strike has been marked by extraordinary order, what does it mean? Simply that it is naive to believe that the first duty of the State Constabulary in the present strike is to preserve order. In Youngstown, the strikers could state their case unmolestedly to their fellow-workers. The strike was immediately successful. It was also without disorder. In the Pittsburg district, the clubbing of meetings didn't prevent riots—but it did succeed temporarily in holding back the strike. And that was what was wanted.

essential difference Mr. Leacock imagines he can see between this and that system of State Control which in a previous article he so vigorously denounced under the impression that it was Socialism. It is such glaring inconsistencies as this which compel us to question Mr. Leacock's fitness for the task of saving the social structure.

Most of his time, Mr. Leacock appears to be living in a bygone age. Not to put too fine a point upon it his intellectual process is distinctly antiquated. He is confronted with certain unhealthy symptoms affecting the present social structure. His method of remedying them appears for the most part to take the form of insisting that these things must not happen again. The government should do this and it should do that. We are reminded of the old lady, a relic of the Victorian era, who, being greatly shocked by certain aspects of the recent war, expressed her astonishment that the government did not do something to stop it.

Mr. Leacock appears to be quite ignorant of the fact that even governments are powerless in the face of economic laws. Somewhere else he has something to say regarding what he refers to as "supposedly" immutable economic laws. He does not appear to consider them immutable. We beg to differ on this point. We would point out to Mr. Leacock that what we call economic laws are indeed immutable. But they are not immutable because we call them laws. On the contrary we call them laws because we have discovered them to be immutable. Consequently, to assert that a law is not immutable is a contradiction in terms and is sheer nonsense. If we agree in calling on an animal possessing certain characteristics a bird, to say that an animal possessing those characteristics is not a bird is absurd. A given complex of material conditions must invariably and inevitably give rise to certain results. A given economic basis such as the present system of production for profit must invariably and inevitably give rise to material conditions which result in certain effects some of which Mr. Leacock has noted in his remarks upon the economic inequalities of the present social order. And, if our observation of economic phenomena has been correct, so long as that given economic base is present so long will those certain effects manifest themselves. That is what is meant by an economic law and neither the government nor Mr. Leacock can alter it.

Once this point is understood, it will be quite obvious that Mr. Leacock's suggestion that the governments do this or that is merely an attempt, to palliate the unhealthy

symptoms in the social structure and falls very far short of striking at the root cause of the disease. The inference can not be made too plain. **The fundamental cause, or to state it scientifically, the efficient cause, of those "bitter inequalities" in the present social structure, to which even Mr. Leacock can not shut his eyes, is the present economic basis of production for profit.** So long as production for profit remains the economic basis of society, so long will those "bitter inequalities" continue to manifest themselves, the government and Mr. Leacock notwithstanding.

The chapters of the Unsolved Riddle abound with statements which suggest rather than assert that Mr. Leacock is under the impression that men make their economic systems in accordance with their ideas of what is right and just. As a matter of fact the exact contrary is the case. Our ideas of what is right and just are very largely determined by the methods by which we are compelled to furnish ourselves with the means of life, or, in other words, by the economic system which forms the basis of the society in which we live. Ideas are the reflexes of material things. Abstract ideas are the reflexes of the relationships between material things. First, the material things or the relations between material things, then the ideas to which they give rise.

It is true Mr. Leacock has more than once admitted that a change in the methods of production and distribution has caused a corresponding change in men's ideas, but, if he perceives the principle therein involved, what does he mean by such statements as: "If the Kingdom of Socialism were opened tomorrow, there are but few fitted to enter," or again "Social betterment must depend at every stage on the force of public spirit and public morality that inspires it?" And again, what does he mean when he speaks of that "individualism that we have hitherto made the basis of the social order?"

It is true that we have discovered some time since, that a certain degree of individualism is indeed the basis of the present social order. It is also true that those who ride on the crest of the present social order, and consequently regard it as a most desirable state of affairs, are very prone to the idea that individualism is a right and proper basis for an ideal social structure. But if Mr. Leacock intends to convey the impression that society deliberately and consciously adopted individualism as its basis, then may we be permitted to point out to him that he is entirely in error. The fact of the matter

(Continued on Page Four)