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HISTORIC MATERIALISM.

HISTORIC materialism, or the Materialist Conception of History is that conception which arises from the examination of historical facts in the light of the determinist principle. History is the story of the human race, or of a portion of it. Consequently it is in the nature of a landscape painting in that it necessarily confines itself to the prominent features, rather than to detail. What are the really prominent features of history depends of course on whether history is viewed from the classical or the materialist standpoint. The main difference between the classical and the materialist conception of history is that one deals with deeds, and the other with happenings, as will appear.

The histories extant, belong, almost exclusively, to the former school, and naturally so because their writers have been taught, and have accepted as a matter of course, that man is a free agent more or less the master of his own destiny. From which it follows that peoples, and the human race generally, are also free agents and their histories consist of their actions. Of these actions the most spectacular appear to the classical historians as the most important.

So we find the classical histories devoted almost exclusively to chronicling wars, rebellions, and the deeds and misdeeds of rulers and conquerors, with a marked tendency in the modern histories to extol the virtues, real or suppositious, of their monarchs and "great men" generally, particularly those more recent, and to conceal their faults and failings. Further the charge is frequently levelled at their authors of seeking to glorify rulership and class institutions for the purpose of blinding the ruled to their real interests. We are, however, disinclined to credit them with so much ill-disposed acumen and are of opinion that the appearance of doing so arises not from any design on their part as from the fact that they themselves are imbued with the class ideas which they promulgate as a matter of course.

On the other hand, history of the materialist school is the very reverse of the above. Its basis is that man is not a free agent but a creature of circumstance. That he has not been created but has grown, and is growing. That environment has moulded him to his present form and characteristics upon a base determined by heredity, which itself, again, is but the effect of the environment of his progenitors. That his actions are merely the reactions of a so-constructed being under the impulses of the circumstances surrounding him. Their individual members being thus the races and peoples are also creatures of circumstance; their histories are not the spectacular effects, but the underlying causes which occasion these.

History, then, is elevated from the category of more or less informative and interesting literature, and is transported to the domain of science. It becomes a department of biology. Its study ceases to be a genealogy of kings and princes, a tabulation of dates or a critique of the characters of individuals. It becomes a research into the piecing together of a vast chain of causation. Attila, Alex-

ander, Napoleon, Washington, cease to be mighty heroes or villains and become mere instruments in the working out of human evolution.

Man's primal impulse is to live, to procure his living. Circumstances attendant upon the procuring of his living are therefore the circumstances which will have the greatest and most far reaching effect in determining his habits and ideas. Cannibalism, however repulsive it may appear to us, to the cannibal, being a part of his mode of procuring a living, seems a mere matter of course. Socially the means of life may be more readily and securely procured; social life appears, therefore, perfectly natural. By the enslavement, in its varied forms, of the weaker by the more powerful, the latter may procure the means of life more securely and easily. Slavery appears to them therefore, right and just, in fact, the prevailing mode of slavery always seems no slavery at all, and the discontent and revolt of the enslaved seems culpable and even ungrateful. All things that tend to justify and conserve are themselves justified and accepted. Behind it all lies the primal impulse to live and procure a living, more or less complex as the process of procuring the living may be and whatever wants and desires may go to make up the living to be procured.

It is the study and elaboration of this discovery which has given rise to the general formula of historic materialism that, in any given society, its structure, government, laws, religion, philosophy, habits, customs and ideas, are determined by its mode of production of the means of life.

D. G. MCKENZIE

—From Western Clarion, Feb. 25th, 1911.

BOOK REVIEW.

The New Economics

Martin Cumberland and Raymond Harrison.
London,
Cecil Palmer,
Oakley House, Bloomsbury St. W. E.
1922.

THERE is no such animal as a policeman. There are, however, men who, by reason of certain mental and physical qualities and special training, function as policemen. In the same way there is no such thing as money. Certain commodities function as money.

This observation has been suggested to me by a consideration of the book now in front of me, which is called, God knows why, "The New Economics." Had the authors been better acquainted with the science of political economy they could, no doubt, have added to their collection of economic fallacies. Seeing, however, that the book is really intended as propaganda in favor of a much-touted currency, or rather credit reform, it will be sufficient to notice one of these, the one I have referred to in the opening paragraph, and that is the extraordinary illusion that money need not be a commodity; that value can be created without labor; that the State can, by its simple fiat, invest pieces of gold, silver or paper with all the attributes of value and create credit out of thin air.

The money-commodity has several functions. The most important of these are: Firstly, to serve as a measure of value, or, if the term "measure" is found objectionable, let us say a denominator or standard of exchange value, and secondly, to act as a medium of circulation.

Now, the function of the money-commodity as a standard of exchange value is by far the most important and it is becoming more so in proportion as paper substitutes for it in circulation and this again is superseded by the cheque and clearing system conducted by the banks. It is safe to say that at least 90% of business is now conducted in this way; practically the only currency in circulation being that required to circulate the pay roll. It is no accident, therefore, that the people who used to demand "plenty money" are now asking for credit on the same broad and ample scale.

The money-commodity, however, cannot be substituted for in respect of its function as a measure of value. To perform this function it must possess

exchange value. It is no answer to this statement to say, as do the authors of the book in question, that "a fixed standard of value is impossible" . . . "as the exchange values of all commodities including gold (are) constantly fluctuating." Of course they fluctuate. That proves they are commodities. No commodity can have a "fixed" value. It is, however, desirable that the money-commodity should be as stable in value as possible and that is one reason why gold has, by a process of elimination, attained that position.

If now, one should disregard the function of money as a measure of value and limit one's attention to that of medium of circulation it is clear that the illusions I have referred to might very readily arise. In this case we get a line of argument such as this:—

"A circulating medium, in whatever form, is only a means of facilitating exchange of goods."—p. 58.

"Money facilitates the exchange, but the exchange value of any particular class of commodity must be reckoned in some other commodity. Price merely equals these values."—p. 59.

"Money has no intrinsic value, but only an exchange value. The value of money to the individual depends upon its effective demand or the goods it can purchase in the market at any given time."—p. 16.

Now this stuff, though confused, is quite innocent and even defensible if provided with a sound basis. But when we find lurking behind it, as we always do in statements from such quarters as these, the idea that the State or any other authority can create value, then the whole argument becomes futile and can only lead to confusion. For instance, on page 12 of the book under review I find a statement to the effect that "society decides to use a metal like gold for its currency, and fixes a certain arbitrary value upon pieces of gold of a certain weight, etc."

Now, this is absurd. The State does nothing of the kind; cannot do it, as a matter of fact. This particular fallacy, however, whether directly stated or implied, will be found to be the joker in all propagandized of this kind.

In their statement of Gresham's Law the authors are guilty of a blunder which is typical of the whole book. That law is stated as being to the effect "that counterfeit money will drive out good money." This is probably only a blunder, but then, blunders are unpardonable in a book of this kind.

I can agree heartily with the authors when they say: "The economic progress of mankind, therefore, is one of increased productive capacity, with a diminishing amount of human effort, and consequently the possibility of increased leisure amongst members of the community." (p. 40). But I am convinced that the possibility here mentioned is not to be realized by fooling with the mechanism of exchange.

This book is evidently put out as propaganda for the Douglas scheme. Whatever may be the merits or demerits of that particular scheme it's propaganda is but ill served by ill-informed piffle of this kind.

"GEORDIE"

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