

Western Clarion

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Editor _____ Ewen MacLeod

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THE POLITICAL OIL GUSHER

THE nation to the south of us is a great nation. Already commanding respect in its beginning it has since developed great enterprise in its industrial and commercial life, and problems proportionately great in its social affairs. In 1776 revolution was a just condition because feudalism stood in the way of liberty and equality and the new democracy sought to prescribe its own destiny, to elect its own representatives, to frame its own laws, to reshape civil institutions and to substitute the democratic voice in the management of public affairs in place of the exclusiveness of the feudal office. Thus in the new state fraternity must follow liberty and equality of opportunity, no room being left for quarrels, excepting quarrels as to the most efficient method of effecting the happiness of all in which all might engage. And all did, while the conditions lasted upon which the new constitution was built. The tradition maintains itself still and some elements in the population appear to consider the principles applicable today otherwise than in the schoolroom, as witness the constant tide of guests flooding American jails, all in the pursuit of happiness. The principles still obtain recognition in the law if not in fact.

At the same time the tradition has its uses still in public life. How else could the politicians in Washington so confidently expect to stir up popular resentment against the malpractices of those in high office if they were not certain these men were held to be representative of the people and that as such they held high public esteem? Even Daugherty. Overnight, certain "citizens of substance and weight" have incurred the ire of certain others more or less so. Thus, concerning the present political oil gusher Senator Borah says that in American public life there has never been a situation more humiliating or demoralizing, and Senator Walsh says public confidence—so essential—is so shaken that the structure of government rocks upon its foundation. Even McAdoo says the situation is more dangerous than Bolshevism, and Daugherty asserts that justice will be done, which is quite likely. All of which is bad business.

It is bad business because ordinarily government operates on sound business principles as now conceived and upheld in public esteem. Representative government is at fault, therefore, not in operating in the best interests of the organized "captains of industry and finance," but in permitting its minions to operate in the dark clandestinely in favor of one corporate interest as against another—all without notice. The common working people are held to suppose it to be an injustice that the navy oil reserve has been encroached upon, yet the navy at its best is a protector of big business of the native American brand and a guarantor of its vested interests at home and of the security in which it may make excursion abroad. The business interests have not been last to see the principle of "self-help through mutual aid," and apparently Daugherty and Co. have taken on, in their eyes, the complexion of the anarchist.

We are not to be outdone in Canada by the great republic. British Columbia has its Commissions of Enquiry regularly over the malpractices of some-

body in public office. It has one now sitting whereby the pot is enabled to call the kettle black. Likewise in Newfoundland where the ex-Prime Minister seems to have been quite ambitious. The fault appears to lie in restricting liberty in the equality of opportunity. Hence the howl of the rival parties of the old order and their reliance upon public judgment in turning the offenders out. No morality exists independent of its own stage in the development of society. The morality of nowadays lies in sound business management and the fraternity of politics is broken or cemented by that rule. But the danger lying in these perpetual investigations is that the people who suffer the "management" may see a breakdown in the machinery and set up something more to their own liking.

LOCAL VANCOUVER

This is just a reminder that the celebration of the fifty-third anniversary of the Paris Commune will be held at Oddfellows' Hall, 5th Ave. and Main Street, Tuesday 18th March. Dancing 9 p.m. until 2 a.m. Tickets are (for men) \$1 and (for women) 50 cents. Be there and be early!

CLARION MAINTENANCE FUND

"Progress, 50c; Roy Reid, \$10; R. Heilinger, \$2; W. B. Bryce, \$1; T. A. Lessey, \$5; W. J. Kennedy, \$3; H. Dosch, \$1; St. John Comrades (per M. Goudie), \$8.

Above, C. M. F. receipts from February 29th to March 13th, inclusive—total, \$30.50.

More Marginal Utility

By F. J. McNEY.

WHY economics ever was called the "dismal science" I never could understand. Anyhow, the theory is a fallacy, and I am sure everybody will agree that there is nothing "dismal" about the science of economics as it is presented by "Clarion" scribes, including myself and my friend "Kid" Morgan of the University of British Columbia, whatever our shortcomings may be in other respects. And right here I wish to state that I hold no grudge against the youth on account of his criticism of my article on "Marginal Utility," even if he did swipe a few paragraphs to give me the spanking I deserved. In fact, I consider myself under an obligation to the "Kid," because if he had not criticized my article I would have had no excuse to elaborate further on the subject, and there are a few points that I forgot to mention the first time. Furthermore, the theory has a peculiar fascination for me and I enjoy worrying it like a pup with an old sock.

As F. C. pointed out in his article, "Acquiring a Reputation," ever since Jevons first stated that "Value depends entirely on utility" the theory has remained a "doctrine of value," and its function has been to furnish an excuse for refusing to admit that labor applied to the natural resources of the earth produces all values. But even the disciples of Jevons themselves could see that the theory as he stated it would never hold water, so they improved it by putting a "scarcity" bottom in it and now it won't even hold beans let alone water.

If a commodity can possess no value unless it is scarce, it would be interesting to know whether it is the scarcity of commodities or the spots on the sun that are the cause of industrial crises and unemployment. We are told that the main proof of the fact that there is a scarcity of all commodities at all times is that the great majority of the people cannot get all they need of the necessities of life. In this connection let us see what Frederick Engels has to say on the subject. On page 118 of "Socialism, Utopian and Scientific," speaking of industrial crisis, he says:

"Means of production, means of subsistence, available laborers, all the elements of production and of general wealth, are present in abundance. But 'abundance' becomes the source of distress and want, because it is the very thing that prevents the transformation of the means of production and subsistence into capital."

Judging from the above it would appear that old Fred was as great a dreamer as I am. In fact he was greater, because he asserted that in every industrial crisis there is an abundance of practically all commodities, while I merely assumed that if such were the case, according to the marginal utility theory of value, those commodities would have no exchange value whatever. In other words, if the marginal utility theory were correct, it would be impossible for an industrial crisis to occur. And I think it will be granted by everybody, that Fred had read the "Old Master" even if I have not.

Another thing I forgot to mention in my last article on the subject is that, according to the marginal utility theory, we are always buying and selling on the margin but the margin rises and falls according to the degree of scarcity, that is we are continually skating on the thin ice of scarcity, not coming down to it from upstairs some place as the "law of diminishing utility" might make it appear. The said law is merely a kind of gravity that keeps us from flying up in the air and paying five or six times as much for a thing as it is worth, just as scarcity keeps us from getting it for nothing.

When it comes to explaining the marginal utility theory, the capitalist class economists don't do it. "Kid" Morgan in his article gives a fair illustration of how they deal with the subject. Here is part of what he says:

"The exchange value of a commodity cannot be greater than its marginal utility, because no one—not even you—would pay more for a commodity than it is worth; nor can the exchange value of a commodity remain below the marginal utility, because this would assume that people desiring additional needs would neglect to offer for them what they would be worth."

All of which is equal to saying that marginal utility and exchange value mean one and the same thing, and in that case we don't need the term marginal utility at all. Further on the "Kid" tells us that "cost is important," and he finally admits that "labor produces all values."

Now "all values" must include exchange value, and if labor produces all exchange value why is it necessary that a commodity must be scarce to possess exchange value? Right here is where the shoe pinches; the marginal utility theorists don't and won't admit that "labor produces all values." That is why they try to explain exchange value by the marginal utility theory.

In conclusion, I wish to remind everybody that I am still an ignoramus looking for information, and with that aim in view I am going to ask a few questions. In the first place I would like to know where the market is located in which demand is always equal to the supply, and where goods are always sold at a price that will "find purchasers for all the goods?" In the second place, granting that the first proposition is correct, why is it necessary to withdraw goods from the market at all?

It would seem that if demand is always equal to the supply, and that goods are always sold at a price that will "find purchasers for all the goods," there would never be any goods left to withdraw from the market. In the third place, if "exchange value and price are not to be explained by reference to the law of value," what must we refer to in order to explain them?

Now there must be some "Clarion" readers and writers who have opinions of their own on this subject, and I would like to see comment from all sides! And don't be afraid of hurting my feelings; criticism rolls off me like water off a duck's back; remember, I always admit that I may be mistaken.