

Ten Minutes' Talk With the Workers

AN ATTEMPT TO REACH MOSCOW.

(From the "Socialist," August 21, 1919.)

The Rate of Exchange Bogy.

BANKS are institutions which you and I have very little occasion to use, and short of the penny savings banks attached to the temperance clubs or Sabbath schools of our youth—institutions which our parents were encouraged to patronize—our experience may be said to be practically nil. So far as pound notes are concerned our acquaintance with them is purely a "passing" one, and as for cheques, "bills of discount," "bill on 'Change," etc., these are entirely "foreigners" in the fullest sense of the word. Nevertheless, though as an ironmoulder, a miner or an engineer, your purpose in life is supposed to begin and end with work, leaving such questions as rates of exchange, bills on London, etc., to the collar-and-tie brigade, there are occasions when a slight acquaintance with such things would not be entirely out of place.

Consider for a moment the industrial and commercial mess the war has left behind it. There isn't a newspaper in the country outside of the Socialist Press but has articles or the reports of politicians' speeches setting forth what they would have you believe to be the reasons for the present inability to get the industrial machine a-running. The one blames it on foreign "dumping," others blame it on our unionism, on ca'canny principles, on our method of time-wages payment, etc. But while most of them put the blame on you and I, you will notice they are all agreed that we hold the key to the solution. What that key is we shall see presently, meantime a question of interest to you deserves your attention.

You may have noticed in your newspaper the other day quite a lot of talk about the "rate of exchange" between America and this country and how that a British sovereign was only now worth 17s. 6d. The Food Controller, Mr. Roberts, who used to belong to our ranks, is reported to have said that when he sent a sovereign to America he only got food to the value of 17s. 6d., the reason being that the New York Exchange was heavily against this country.

What Is a "Bill On London?"

Now, consider for a moment how this "exchange business works out and you may then be in a position to judge whether or not the question is of importance to you or I, and if so to what extent.

Strictly speaking, when the Food Controller talked about sending a "sovereign" to America, he was using what teachers of grammar call a figure of speech, i.e., he did not mean that he actually sent over a sovereign, because imports are generally paid by exporting other goods in exchange, differences being balanced by "bills" and only rarely liquidated with gold.

It works out, something like this: A capitalist in New York named, we will say, A, sells on a certain date goods to the value of £500 to a merchant in this country named B.

Having dispatched the goods, A writes out a document addressed to B, advising that the £500 be placed to his account, say three months from the date of dispatch.

B has got the goods and on writing his name on the back of the document sent by A (what is called endorsing it) returns it to A, who now has written claim on B for 500 British sovereigns. A, however, may sell this bill to someone else in New York, who places it into his bank. The bank may sell it to somebody else in New York, who perhaps posts it on to Paris. Here it finds its way into the Bank of France, the manager of which sells it say, to C. C having bought goods from D, in London, posts it to him in payment. D finally presents it, on the date due, to B, who pays the cash.

The Parasites On Finance.

When you consider that thousands of these documents or "bills" are passing to and fro every

day, many of them undergoing ~~more~~ complicated movements than such as we have just described, you can realize what delicate institutions banks really are. These bills accumulate by the hundreds in the hands of brokers, who buy them at a figure below their face value and either sell them at a profit or wait until they are due and get their full value. Thus the bill on London for £500 might be bought for £450 if A was anxious for immediate cash or credit (that is what is called discounting,) the buyer either selling it again, say for £475, or waiting till the date was due and making £50 profit.

Now note, because these bills cancel each other, i.e., paying imports with exports and vice versa, those who deal in such bills are held up to you, and as benefactors to labor. But surely it is no exaggeration to say that such bill-brokers are parasites on our class, differing only in degree from those who deal directly with your labor power and mine. How many of them actually are in existence would prove very interesting to know.

You can now, I hope, see through this one of the many bogies being raised before us at present to serve our masters' interests, viz., the problem of the rate of exchange in America being against our British capitalists.

Because in New York there are many more parasites with bills on London to sell than there are others who want to buy them, reams of paper and gallons of ink are used to try and prove to us that not only is the remedy in our hands, but that it is to our interest to remove this difference.

Increased Exports No Remedy.

And how is this to be done? Obviously if buyers could be created for those bills then the rate of exchange might be equalized. To do that, or reverse the situation, more foreign buyers for British-made goods are wanted. But since the capitalists in other countries are all more or less in the same boat, the question finally resolves itself into a competition for cheapness, since only by cheapness can the foreigners be induced to buy.

Here then is where we come in. As things are arranged today, production is carried on for profit. Each capitalist or group of capitalists—and this applies in all countries—wants to be the only sellers of the commodities which our class produce, but which our masters own. To be able to do so they must be continually devising methods of reducing the cost of production, hence the desire for more and more machinery, the opposition to trade unionism, the slandering of you and I and our fellows generally because we refuse to allow them to use us like doormats or horses.

But even if we did so, and by reason of our stupidity and docility, exports so increased as to turn the scales against the "foreigners," would it in any way solve our problem? Not a bit of it. As a matter of fact we would be cutting off our noses to spite our faces.

Cheap production for you and I and the class to which we belong means cheap food, clothing, etc. That means in the competition for jobs we can sell ourselves cheaper. In any case the badge of slavery remains as pronounced and degrading as the red patch on the back of a German prisoner of war.

Our problem does not begin or end with rates of exchange, bills on London or other difficulties of capitalism. You can leave these gentlemen to look after their own business. What you would be well advised to do is to pay attention to YOUR own business, and that is the problem of wages slavery. Not how you can merely ease it, but how you can abolish it. To abolish the wages-system of capitalism is the only remedy, and it is in your own hands.

T. B.

Articles are desired on the Socialist Philosophy or on current events interpreted in the light of its principles.

Impressions of Soviet Rule.

On the Esthonian Front.

I send through Reval the bare outlines of my attempt to reach Moscow with two other men, which ended at Velike Luke, one train stage from Moscow, where we were turned back through what I believe to be the incredible folly of our leader, a Finn. It was a trying experience, but very useful, and I hope the next attempt will be completely successful.

Finding difficulty at Pskoff, we returned to Isborski, got to the lines with much toil, crossed, and were sent to Ostrov, Rezhitsa, and finally Velike Luke. Going and returning we crossed over a good half of the government of Pskoff. We passed through the out post lines and brigade and divisional headquarters, stayed in one town, and travelled on foot, by lorry, by horse, and used the railway for hundreds of versts. I talked to commissaries, officers, soldiers, istvostchiks, peasants, and women. For nine days we were prisoners of the Bolsheviks; yet we were treated with the greatest consideration.

Amused at Western Opinion.

The soldiers in this sector were mostly Communists, and were in hard condition, well fed, equipped and armed. The officers of the outpost company and the brigade were men of the intellectual class, with the manners of gentlemen and the sympathetic consideration of men of the world. To us, who had dropped on them from the clouds, they were kindly, even generous, and they were intensely amused at the opinion of them held by the Western world. No British officer could have behaved better, and the responsibility for our failure does not lie at their door.

Discipline seemed weak at the outpost, but an attack was made while we were there, and in a few minutes every man was at his post without comment. Elsewhere the discipline was stiffer, and the old military tribunals are re-established. Men conscripted from the land go unwillingly, and are the weak spot in the Bolshevik army, which yet contains two million well-trained men.

Food in Pskoff is bad and very dear, but elsewhere the people are not in bad condition, in spite of food prices, and beggars are no more numerous than in pre-war days. The story that the peasants refuse to work the land is in this sector quite untrue. The crops are vast, in excellent order, and nearly ripe. There is clearly resentment among the peasants, but they work even in the lines with complete indifference. In Ostrov, the bourgeois are hostile, but submit, and all work for the Soviet.

Well-Managed Railways.

The railways are well managed, and the permanent way and stations are in good order. The rolling stock and engines are worn but carefully mended and used. Military traffic amounts to 95 per cent. of the whole. It is a triumph of organization, pointing to able and constructive administration both of the railways and the military. The private shops in Ostrov are largely closed, but there are two stores of the Soviet, formerly co-operative stores. A bath costs nothing. The theatre is open, and is packed with townfolk.

The whole appearance of this countryside is so different from the fantastic descriptions given in the West that the shock of disillusion is great. The general impression I gained is that the governing administration is a strongly organized Communist system, changing according to force of circumstances. The weak points are the land question and the unwilling conscripts, but the ring of enemies only stiffens the internal resistance and helps Bolshevism. Petrograd will never be taken by the North Russian Corps nor Moscow by Kolchak or Deniken.

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