The Effort Towards Convalescence

EVER since the severe collapse of last August the financiers have been making fitful and spasmodic efforts to revive the functioning of the disorganized economic organs and to turn the tide of the chronic malady that brings capitalism to death's door once in every few years. The capitalists are buoyant with hope of a recovery of their enfeebled system from the grip of the dread crisis. Some are hopeful of a very speedy recovery, while others, more conservative of mind, look for a more or less protracted duration of the hated industrial depression. This stage in the life cycle of an industrial period is hated because it is fraught with so many uncertainties to the individual establishment. It is the stage during which industry creeps along at a snail's pace, being rendered sluggish by the plethora of goods on the market; trade is uniformly dull and investors are universally extremely cautious.

The present aim of the masters of industry and finance is very modest. It is to bring the system back to normal conditions, that is, to conditions as they were in the good old days before the war, or as near as it is possible to bring it to those conditions. It is hurried on by the gradual liquidation of concerns that are bankrupt or near bankrupt. The liabilities of such concerns are scored against their assets, paper promises to pay are consigned to the waste basket, and a sound financial footing is usually given to such concerns by their being handed over to large corporations, whose financial strength has enabled them to withstand the crisis. Liquidation thus favors concentration in industry. It puts the control of industry more thoroughly into the hands of the large financial corporations. The backward movement is also helped along by the fall in price of commodities. This fall is a very hopeful sign to the capitalists that business will soon revive, and that economic organs will begin to function somewhat normally. The state of prices has been a bugbear to business ever since last August. The high prices have been held responsible for the industrial collapse by undiscriminating middle class critics. It has been charged that the prices of all commodities have been so high that people have refused to buy. The recalcitrant middle class protestant, going about the street in his old shoddy clothing in preference to buying high priced new ones, has been a prominent figure in newspaper lore for the last twelve months. But prices have begun to drop now—prices not only of sugar and beans, but also of labor-power. The fall in the price of the latter is the hopeful sign, to the capitalist, of the return to the glorious normal conditions. The lowering of wages is the medicine that puts new life into capitalism. One trade paper remarks that there can be no permanent advance in industrial activity until wages and labor disputes are settled. So long as wages remain at a "high" level and so long as laboring men persist in disturbing the industrial machine by strikes, so long the present uncertain conditions will continue. For in such an unsettled atmosphere investors will remain timid, securities will not have a solid foundation and the price of bonds will not advance. And in as much as timidity of investors and insecurity of investments prevent the steady flow of financial aid to industry, the wheels of industry cannot turn smoothly and continuously; besides, strikes eat into profits, and that is the most disturbing factor of all.

The capitalist, accordingly, blames the stagnant condition of industry to the hard-headedness of the worker. For if he would only quietly consent to a cut in wages to a level which the capitalist considers would make business investments safe, and if he would only throw all his cares on the capitalist and rest confident that the latter would soon bring about the rosy dawn of normal conditions, the white streaks of which are already seen in the eastern sky, industry would again be on a normal footing in a short time! In such a temper capitalists consider a demand for higher wages with cynical refusal. Why should the commodity that the worker sells rise in price when that of all other commodities is falling. In keeping with this position the owners of the Canadian Pulp Mills find it more profitable to close down their plants than to grant a 15 per cent. increase in wages. They argue that wage reduction is the order of the day, the steel mill workers having already consented to a 20 percent. cut, and the American Railway Board has decreed a reduction in the wages of railway employees. The labor organizations, in spite of their boasted skill and power in marketing the commodity in which they deal, stand baffled in the face of the operation of a simple economic law.

But though the capitalists clamor, for the time being, for sharp wage reduction, such reductions are not going to relieve the tie-up in the industrial system to any considerable extent. After every crisis radical adjustments are necessary before the industrial machine will work again. The first, and probably the most important of these is to get rid of the surplus goods that have accumulated on the market, especially as it is this surplus that originally brought on the crisis. A reduction in wages will retard rather than facilitate the consumption of these goods. It lessens the rate at which the working class can consume these goods. But unless the worker can work and draw wages he cannot consume at all, and yet by the act of producing goods he increases the plethora of commodities on the market, thus tending to lower their prices still further as the supply increases. Under this circumstance the first attention of the industrial capitalist is towards lowering the cost of production, more especially that part of the cost of production that is represented by wages. But to stop all industrial operations would be to strengthen the arm of the enemy by increasing the number and the power of the army of unemployed. The closing of the factory doors would mean the opening of the doors of the social revolution. Caught on the horns of this dilemma the capitalist chooses to cut wages, the course that seems the most promising and to labor through the ensuing industrial depression, amidst hardships and difficulties so exacting to his "patience and thrift."

Recent conflicts about wage reductions have been to decide which is to have the larger share of the fruits of industry—the capitalist or the laborer. A reduction in wages means that the profits to the capitalist class will remain approximately at their old level; a non-reduction that these profits would be reduced. For the time being the former has won out. The latter has not yet gained sufficient knowledge to resist the encroachments of the master class on the fruits of his toil. He is still willing to deny his own welfare, to submit to exploitaion, to yield to the demands of the master class. Still, his yielding brings very plainly to light the fact that the effort to rise to health of capitalism can only take place at the expense of the living comforts of the working class.

C. M. C.

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CLARION MAINTENANCE FUND

Lettish Local (Winnipeg), per F. W. K., $15; John A. Mitchell, $2.50; Wm. Churchill, $2; G. M. Barrett, $1; M. Goudie, $10; B. L. J., $2; Wm. J. Kennedy, $1.

Above, total C. M. F. contributions from 28th July to 10th August, inclusive—$33.50.

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PLATFORM

Socialist Party of Canada

We, the Socialist Party of Canada affirm our allegiance to, and support of the principles and programme of the revolutionary working class.

Labor, applied to natural resources, produces all wealth. The present economic system is based upon capitalist ownership of the means of production, consequently, all the products of labor belong to the capitalist class. The capitalist is, therefore, master; the worker a slave.

So long as the capitalist class remains in possession of the reins of government all the powers of the State will be used to protect and defend its property rights in the means of wealth production and its control of the product of labor.

The capitalist system gives to the capitalist an ever-swelling stream of profits, and to the worker, an ever-increasing measure of misery and degradation.

The interest of the working class lies in setting itself free from capitalist exploitation by the abolition of the wage system, under which this exploitation, at the point of production, is cloaked. To accomplish this necessitates the transformation of capitalist property in the means of wealth production into socially controlled economic forces.

The irrepressible conflict of interest between the capitalist and the worker necessarily expresses itself as a struggle for political supremacy. This is the Class Struggle.

Therefore we call upon all workers to organize under the banner of the Socialist Party of Canada, with the object of conquering the political powers for the purpose of setting up and enforcing the economic programme of the working class, as follows:

1—The transformation, as rapidly as possible, of capitalist property in the means of wealth production (natural resources, factories, mills, railroads, etc.) into collective means of production.

2—The organization and management of industry by the working class.

3—The establishment, as speedily as possible, of production for use instead of production for profit.