

THE RED FLAG

A Journal of News and Views Devoted to the Interests of the Working Class

VOL. 1 NO. 38

VANCOUVER, B. C., SATURDAY, OCTOBER 11, 1919

FIVE CENTS

Ten Minutes' Talk With the Workers

THE MINIMUM WAGE FALLACY

IN the long-winded speech delivered by the Prime Minister last week you would perhaps notice, if you read it, that the most he had to offer us was a 48-hour week and a Commission of Inquiry into the possibility of a Minimum Wage.

So far as the hours' proposal is concerned, if you are already working under the reduced working week you have doubtless become disillusioned by this time and seen through the game. You can now see that in the change of hours a double purpose has been served. In the first instance, the much-coveted one-break system, which employers have tried to introduce for years, and which we as strenuously resisted, has been introduced with decided advantages all in our employers' favor. On the other hand, in appearing to give us something for nothing—inasmuch as time-wages have not been altered—they have affected to redeem their war-pledges.

Akin to this hours swindle is this other "gag" of a Minimum Wage. Knowing as our employers very well do that so much of our life is absorbed in the getting of wages, and that our eternal quest is for a measure of security in our means of life; knowing, further, that the demand for a minimum wage is an old cry of labor organizations, they reckon upon sweet words buttering our parsnips, so to say, and by pretending to solve the wages difficulty, cover up, or, at least, relieve the pressure of increased exploitation. It is perhaps as well that you received a timely warning of the fallacies lurking behind this idea of a Minimum Wage, lest you should be misled or deceived by the specious arguments of those interested in tricking us.

Value and Prices.

To begin with, you had better get fixed in your mind how "value" and "prices," in general, are determined. You can then apply the theory to your own case, i.e., your commodity, labor-power, and you will see exactly where you are.

Briefly stated, the law of value runs like this: As the amount of labor socially necessary for the production of any article increases, its value rises; while with every improvement or increase in the productive powers of labor, e.g., increased machinery, scientific appliances, organization in the labor process, etc., the socially necessary labor required, and, therefore, the time, is reduced. The value of the commodity accordingly falls. Now the price which an article fetches in the market always fluctuates with changes in the relation of the supply of and the demand for it—this relation being influenced by the facility with which things can be produced. In the main the less time employed the cheaper it can be sold, while the longer it takes to produce it, the dearer it tends to become.

Having grasped that, you can readily see that those manufacturers who possess up-to-date methods and produce on a big scale, will be able to bankrupt those who work with backward methods, and are, therefore, compelled to take longer. In addition to these factors, the lower the price for which you and I are compelled to work, the lower will be the value of the commodities produced.

On the other hand, every reduction that takes place in the value of commodities generally depresses the value of our labor-power, so that the net result of cheapness means that you and I are enabled to offer ourselves cheaper—a circumstance which has its driving force in the clamor for jobs.

Wages Basis No Fixture.

Spread over a given period, however, wages are found to be nicely adjusted to the particular conditions prevailing at the time, leaving us just as much as enables us to get along, and no more. An example of this is seen in a comparison of the basis of wages presently ruling as compared with pre-war rates.

But since every improvement in the labor-process brings about a change, it follows that the conditions upon which the minimum wages are based can never be a fixture, but must be different from time to time.

To leave the minimum wage alone or even attempt to enforce it at times may defeat the very purpose for which the act was designed. That purpose was to arrest or check the results of capitalist improvements.

From the foregoing we have seen that "improvements" lower the value of goods; drives those who are unable to keep the pace into the bankruptcy court, and dumps a surplus of workers on the market. In other words, renders possible a permanent unemployed army. If, then, the Minimum Wage Act is not adjustable it is self-destructive. If it is adjustable, but only in well-defined limits, we are still no better off. On this point our war experience of the periodic revision of wages every four months should be sufficient to form a pretty accurate opinion as to what happens. An adverse decision given by a biased judge, aggravated perhaps by weak advocates in our defence, leaves us struggling with the hard facts of wages being disproportionate to prices. Yet since we are bound by the Act, we have to move the whole State machinery before we can get redress—a very difficult thing to do.

You may have noticed in all the controversy of labor unrest, etc., how employers keep wailing about being unable to fix contract prices because of the uncertainty in the labor world. Now, if the minimum wage was adjustable to the automatic changing of conditions, contracts could not be easily arranged. But if a definite period for revision was fixed then the employers' problem would be, at least, partially solved. We know that something like this has long been the aim of our industrial captains and their politicians. And when they talk to you of compulsory arbitration, Whitley Committees, joint boards of employers and men, and all the other devices of such a nature, you can readily see they are simply fishing for an opportunity to tie us up in some way or the other as will suit their mercenary interests.

Hence we may expect that the Commission will report somewhat on the lines of the periodic revision principle.

A Point of Conflict.

Here, then, will arise the point of conflict. The

law will undoubtedly stipulate a certain wage, making it a penal offence to resist it, ostensibly in our interests, but since the unwritten law of continual change or improvement goes on in industry these two laws must ever be at fisticuffs with each other. Thus the problem is not solved; it is merely shifted.

Instead of industrial peace or harmony, so-called, you can rest assured we are in for more trouble than ever we have experienced yet. Trade Union leaders will be divorced from their members, and since our every movement will be State controlled, we are simply heading for the Servile State, with its Trade Boards and other paraphernalia.

This problem of wages really resolves itself into a question of how the many improvements flowing from social progress can be made truly beneficial to mankind as a whole instead of being the curse they are at present to you and I, and the class to which we belong. To achieve that, however, as things are arranged today, is utterly impossible. Our employers know that, but they are active and keen enough to see that it is to their interest to be continually having us chasing some will-o'-the-wisp rather than leaving us to the teachings of Socialism, which would, in bringing a solution, put an end to their power and privileges as an idle class. The Minimum Wage Act as a permanent solution to the wages problem is bound to be a failure, since it only juggles with and does not abolish the wages system. Where it, on the other hand, seeks to prevent "sweating," it is only a "sop," and as such, if you have any manhood at all, you will spurn it. Only when we alter the objects for which work is carried on today, i.e., profit-making for a class, and bend our efforts towards social well-being for all, can we establish a sure and lasting social peace.

—T. B., in The Socialist (Glasgow).

EDUCATIONAL CLASSES COMMENCE IN VANCOUVER

Local No. 1 commences the forthcoming season of educational classes by holding its first economic class on Sunday, Oct. 12, at 3 p.m. The text book is Wage-labor and Capital. On Wednesday, Oct. 15, at 8 p.m., the first history class will be held. Text book not decided on yet.

These classes are open to anyone, no matter what their political complexion may be. Just walk in and sit down. No question asked. The classes are held at the Local Headquarters, corner of Dunlevy and Pender. All comrades are asked to attend, especially the "old-timers," as help is needed to make the classes effective for young students. Do not say, "Let George do it."

It is expected that classes will be started in North Vancouver, South Vancouver and New Westminster. Will comrades in those districts get together and talk the matter over at a meeting at the Vancouver Local Headquarters on Sunday, Oct. 19? Be in earnest about this. We expect this season to be the best ever. That is why we want the old-timers to come back. Will they so arrange their affairs that they can give two or three hours every Sunday for the good of the movement.

Professor Leacock's Socialism

By C. K.

WE must confess at the outset to being more than a little out of patience with Mr. Leacock. We were of the opinion that in his last week's article he had displayed just about as much ignorance of Socialism, and, indeed, of Sociology in general, as one man could possibly contain within himself, and still hang together. We half expected that his criticism of Bellamy's "Looking Backward," scheduled to appear in the "Daily Province," of Oct 4, would be such as we should find no great occasion to attack. Inasmuch as we have consistently and persistently pointed out that such Utopias as the one Bellamy describes in his book are by no means to be taken as representing modern Scientific Socialism, we would not have been in the least put out if Professor Leacock had knocked it as flat as a pancake. And had it been done scientifically—as it easily could have been by anyone possessing any real knowledge of the matters involved—we would even have been pleased.

But what do we find on perusing Mr. Leacock's chapter six, in which he essays to demolish Bellamy's ideal commonwealth? We find that far from attacking it scientifically and demolishing completely—so far as its sociological value is concerned—he has signally failed to demolish it at all. The arguments he advances against it are so feeble, so obviously inadequate, that his whole attack upon it amounts in effect to an endorsation.

He says, for instance, regarding the structure of Bellamy's Commonwealth; "Can such a thing, or anything conceived in its likeness, possibly work? The answer is and must be absolutely and emphatically no." Brave words, my masters. We are tempted to suggest to Mr. Leacock that it is only the "little learning" which would dare to be so positive on such a question. As a matter of fact, Mr. Leacock misses the point entirely. Ourselves, we are inclined to think that such a system as Bellamy describes would work. So far as our knowledge and experience extends, we know of no reason why it should not work, **providing society could be organized in such a system.** And therein—in those last ten words—lies the point that, apparently, has completely escaped Mr. Leacock. The point is that society does not permit itself to be organized, according to anybody's plan—Edward Bellamy's or Professor Leacock's or anybody else's. Economic systems are a matter of growth and development and they can grow and develop at no faster pace than the intellectual development of society and other material conditions permit. "Man does not make his history out of the whole cloth but out of such materials as he finds ready to hand" (Marx.) That, in brief, is the argument which effectually puts Bellamy's "Looking Backward" completely out of the running so far as any sociological value is concerned.

But the whole of Mr. Leacock's objections to it may be summed up in that phrase which seems to have become a habit with him—"It won't work." Let us see, then, why, according to Mr. Leacock, it won't work. If he were concerned only with reaching and stating his conclusion in the fewest possible words we have no doubt as to what it would be. "It won't work because it is Socialism—so there!" We can almost imagine we hear him saying it—and stamping his foot to give it emphasis. But when one is writing for the capitalist press, one is under the necessity of filling a certain amount of "space" if one expects the agreed upon remuneration. So Mr. Leacock must need take several tentative bites at the cherry. It would not do for him to prove the unworkableness of Bellamy's commonwealth in so brief and, to him we may be sure, so agreeable a manner. That would result in a shrinkage of the pay check

which would be most disconcerting. So he must needs go at it in a more roundabout and diffuse manner—which he does for about two whole columns.

And the gist of it all is that Bellamy's system would not work because it relies upon elected officials for its administration. And elected officials are dishonest, they are biased, they are incompetent, they are corrupt. They are so now and consequently they would be under Bellamy's system. Truly a wonderful argument, an argument worthy of—shall we say of a Leacock? The good professor has admitted in a former chapter the principle that a change in the methods of production and distribution of wealth causes a corresponding change in the form and nature of social institutions and a change in men's ideas. Now the commonwealth of Edward Bellamy, which Mr. Leacock is criticizing is a state of society in which a change in the methods of production and distribution is assumed to have taken place. Consequently, those material conditions which now environ society, which encourage the election of incompetents to administrative office, which cause them to be biased in their judgment, which lure them, nay often drive them to corrupt practices—those very conditions also are necessarily assumed to be absent. Notice that word "assumed." Therein lies the whole point. In Bellamy's book, certain changes are assumed to have taken place. That is the premise upon which Bellamy very skillfully and very logically, it must be admitted, built his whole edifice. Mr. Leacock, never thinking to question this premise, which is obviously the most questionable part of the whole business, proceeds to attack Bellamy's very skillfully and logically built superstructure. And the arguments which he advances against it are so timeworn, so threadbare, as to hardly be worth anyone's time nowadays to rebut. As a matter of fact, there is not one of Mr. Leacock's arguments which Bellamy does not anticipate and effectually dispose of in the very book which Mr. Leacock is criticizing. Anyone reading both Bellamy's "Looking Backward," and Mr. Leacock's criticism of it, can not escape the suspicion that Mr. Leacock is weak in the head.

As a matter of fact, however, we are not—nor need any Socialist be—greatly concerned in defending Bellamy's book against the onslaughts of Mr. Leacock. As we have already stated "Looking Backward" does not in any way represent modern Scientific Socialism. It is a description of a Utopia—a very desirable Utopia some think. Others are not so sure—and as such has nothing whatever to do with modern Socialism. We are concerned, however, as Socialists, with Professor Leacock as a critic of Socialism, and a writer on social problems. We are concerned with his qualifications for the office. And we do not find them to be such as fit him for his self-imposed task. Not only is he apparently quite ignorant of what modern Socialism really is, but he has proved himself quite unable to effectively discredit that peculiar hotch-potch of befuddled nonsense which he imagines to be Socialism. He is in the position of a man who is unable to knock down the dummy which he himself has set up. What kind of "delusion of grandeur" is this that Mr. Leacock suffers from, that he should imagine himself fitted to discourse publicly on social problems in such critical times as these.

There is, however, one point, to which Mr. Leacock takes frequent occasion to refer, upon which we are, to a certain extent, completely at one with him. We have reference to the impending danger of social chaos. We also fear this. But we believe, indeed we are confident, that it can be

averted by the dissemination of knowledge; knowledge of the laws of social development, knowledge of the basic defects in the present social structure, and the commonsense use of that knowledge. Mr. Leacock apparently believes that it can be averted by ignoring the present critical state of affairs, by being thankful that the capitalist machine "in its own poor clumsy fashion does work," and, above all, by setting our faces resolutely against any suggestion of "State ownership of Public Utilities."

It is not our function to advocate "State" ownership. We know, if Professor Leacock does not, that such is not Socialism. But we know, also, that there are certain "Vested Interests" which are very much afraid of State Ownership. And while we are not prepared to state that Mr. Leacock is being paid by them to write what he has written, we are of the opinion that, if Mr. Leacock had not written as he has, it would have been necessary for those same Vested Interests to have employed some literary prostitute to write very much as Mr. Leacock has written.

Summing up the whole of his chapters on the "Unsolved Riddle" to date, we are not at all impressed by the amount of real knowledge Mr. Leacock has displayed. He is, we understand, a professor of economics. If his remarks on economics throughout his series are to be taken as typical of what he believes and teaches, then all we can say is that he is either woefully ignorant or absurdly biased. There is not one of the perplexities which baffle him in this field which can not be solved by the application of the Marxian theory. But Mr. Leacock, apparently, has never heard of any such theory, or if he has, he keeps the knowledge locked tight within his breast. His knowledge of the laws of social development appears to be practically nil. Once in a while, it is true, he happens, as if by accident, to stumble upon the correct answer to some minor question, but, generally speaking, he just muddles along in a more or less aimless fashion.

As we have previously remarked, Mr. Leacock is better known to us as a humorist than as a sociologist. He has written not a few very funny stories. But we doubt if he will ever write anything more quaintly humorous, more infinitely ridiculous than "The Unsolved Riddle of Social Justice." C. K.

INDIA UNDER BRITISH RULE.

The press reported that the Viceroy's Council of India had carried with enthusiasm an address of loyal devotion to the King. At the same sitting, sixty questions were asked by the Indian members regarding the Government's oppression in the Punjab. In the replies it was stated that in connection with the riots, 852 persons were tried, 103 sentenced to death, 265 transported for life, 104 sentenced to prison for terms of over three years, and 365 to forfeiture of property. As a consequence of pressure from Mr. Montagu, the executions were limited to 18, 488 sentences were reduced, and 332 forfeitures remitted. A young Indian University student who drew my attention to this news exclaimed, "There you see only the cold figures, but underneath them, to us who know, there lie the names of our best educated and most revered leaders, the very brain and heart of the movement for Indian freedom." In last week's India I notice that a list is given of newspapers suppressed in India between March 1 and July 14 of this year. The list is headed "The Daily Sup-press," as well it might be. During that period action was taken against 53 journals—that is one every two days.—Labor Leader, London.

THE LOWER ORDERS.

The Rev. Dr. Eaton, writing to the Times from the land of multi-millionaires, is greatly concerned at the prevailing spirit of labor unrest in England. The ruling classes have just completed their latest achievement: a world-war, lasting five years, and not yet ended. "Spending money for five years upon non-productive effort" is how the Rev. Dr. Eaton describes it. What more can our ruling classes do? The Rev. Dr. Eaton admits that they are in a somewhat helpless condition. The remedy lies solely with the worker. It is now the worker's turn. The duty of the worker is plain. Having been put by their rulers for the last five years to the "non-productive work" of murdering one another, they are now, unless they want to see their rulers ruined, to return again to "plain, every-day work." Take coal, for instance. "The only way to get coal is to dig it out of a mine." The Rev. Dr. Eaton can see no other way. Let the miner cease troubling himself about wages, housing conditions, and hours of labor. The Rev. Dr. Eaton is shocked that such selfish considerations, at such a time, should enter into the miner's head. If the Rev. Dr. Eaton were a working man, he tells us, he would be ashamed to "think of asking for a six-hour day, surrounded by an entanglement of legislative safeguards for fear lest I got a smooch of coal dust on my nose or soiled my fine linen by sweat." The American miner's output, Dr. Eaton tells us, is "three times" that of the English miner's output. One presumes Dr. Eaton knows what he is talking about. Possibly the English miner's habit of wearing "fine linen" while sweating in a coal mine gets in his way. Maybe worrying about that "smooch of coal dust" on his nose also interferes with the output. The Rev. Dr. Eaton, who is all out for removing "ill-will" between the classes, proceeds thus: "A man who must be protected by law from working more than six hours a day (down a coal mine) ought not to wear trousers. He ought to be garbed in petticoats and have a nurse to stand between him and the rude realities of a work-a-day world." If a child die of pneumonia this winter, because the English miners are willing to work for "only a few hours a day," the death of that child, owing to the dearth of coal, will lie at the door of the Miners' Union. The mine-owner, the royalty-owner, the ship-owner (whose profits during the war have been multiplied by six,) the railway shareholder, and the half-a-dozen other middlemen standing between the coal at the pit's mouth and the child dying of pneumonia in its distant slum, can of course only shed a tear. "Let us take on faith," counsels the Rev. Dr. Eaton. Let the miner "work for England."—Jerome K. Jerome, in "Common Sense."

Propaganda Meeting, Empress Theatre, corner Gore avenue and Hastings street, Sunday, 8 p.m. Doors open at 7:30 p.m.

STARVED IN CROWDED CELLS.

Treatment of Soviet Prisoners.

Berne, Sunday.—Serious reports of the excesses committed by the Hungarian counter-revolutionary Government on the thousands of Socialists who at present fill their prisons have been received by the Budapest "Respublica."

It is stated that the prisoners have been cast indiscriminately without food into little cells, where they are dying of hunger. None of the acts of violence alleged against the previous Soviet Government (says the message) approach the tortures which are being inflicted daily by the so-called Democratic Government of Friedrich, which is regarded as simply the ferocious tool of the Italian Government.

Italian Socialists have made a vigorous protest against the action of their Government in giving assistance to the massacres and outrages which are being carried out.

Goods We Need and Goods We Can Sell

RUSSIA.

The war waged by the Allies has swallowed up an immense quantity of the living forces of the country. Their blockade separates the country from the entire world and condemns it to a lack of every kind of machinery and industrial products which are absolutely necessary for normal economic life. All the workers, all the peasants, clearly see that the victory of the counter-revolutionists can only aggravate the situation enormously, and add to the hunger and to the lack of everything, the anxiety of the White Terror and of political and economic reaction. It is on this feeling that the general action of the people is based at present.

The intervention of English imperialism in Turkestan and the resulting impossibility to export cotton, have ruined a cotton country which must be counted among the richest in the world. The irrigation in that country will soon be in such a wretched condition that the cultivation will become impossible; the case is similar in the Caucasus, where the petroleum industry has been ruined by the English. At Baku alone the petroleum stores amount to three million tons. Owing

The Russian Adventure

The London "Daily Express," which has distinguished itself by its independent criticism of the Government's policy in Russia, has now laid hands on a document of formidable significance. This is an "interview" which General Ironside, our commander-in-chief at Archangel, is alleged to have given on June 1 to an official of the anti-Bolshevik "Provisional Government of North Russia." As the interview was apparently published in at least one Russian newspaper, the "Russki Sever," and thence quoted in "an officially created journal intended for free distribution among the British troops," the presumption of its genuineness is strong, though it does not amount to proof. According to the report of the interview, General Ironside flatly contradicted the repeated assertion of Mr. Churchill and the War Office that they have never had any other intention than to evacuate North Russia with all possible speed. General Ironside, if correctly reported, unfolded a vast programme of conquest in Russia, beginning with the capture of Petrograd and going on to "serious measures against the centre and the south" of Russia. Dismissing all idea of evacuation, he said: "Our shipping facilities are now reinforced by ships which before were required for Africa, Mesopotamia, etc. and during the summer everything which we require will be brought to Archangel." Now, as this is the direct reverse of what Mr. Churchill declares to have been our policy on June 1 and at every other date this year, either General Ironside was then mutinously opposing the policy of his country or else Mr. Churchill was not stating that policy frankly. There is no denying the existence of a widespread suspicion that certain intriguers are trying to complete our national bankruptcy by dragging us into a great and long war against extreme Socialism in Russia. —Manchester Guardian, Sept. 12.

"TEN DAYS THAT SHOOK THE WORLD."

(By John Reed.)

John Reed was in Russia during the Bolshevik Revolution and this book records his observations. He is a journalist, thus a trained observer but besides this he had the advantage of understanding the historical nature of the forces at work. Price, \$2. Postage paid.

to the prohibition by the English of exportation, enormous quantities are being lost.

The Kolchak army, which we have beaten to a frazzle, in its retreat destroyed 219 vessels that had fallen into their hands on the river Kama. In the Donetz basin, the White Guards have flooded the mines. In spite of extremely unfavorable circumstances, in spite of the barbarous methods of the counter-revolutionists who are fighting us, the economic situation of Soviet Russia is sound. All hope of disposing of us by exhaustion is absolutely groundless. The war waged by the Allies against Russia and the economic blockade will not only inflict irremediable injuries on Russia, but also on all the other countries of Europe. Russia, which before the war was furnishing foreign countries with certain raw materials, has been accumulating, within the last year, important stores of such materials. Thus, more than 200,000 tons of flax, 100,000 tons of hemp, of the old harvest, are at the disposal of the economic organs of the Soviet Government. The new harvest promises to be superabundant and to afford an even greater surplus for exchanges with foreign countries.

There are still great quantities of leather, furs, bristles, metals, not to mention the wood which Europe so much needs for the reconstruction of edifices destroyed by the war. Soviet Russia firmly believes that the workers of European countries will find the necessary means to force their Governments to raise the blockade of Russia and to put a stop henceforth to the anarchic destruction of her riches, as well as of those of the countries which are economically dependent on her.

At the end of this message, the Vice-president of the Supreme Council of National Economy, Milyutin, has added a statement on the imports, which Russia may require and of which the Soviet Government has made a summary.

The most important requirements are machines of all kinds, particularly agricultural implements. Although the industry of Soviet Russia is attempting to increase its production of agricultural implements and machines, 80 per cent. of the number required may still be filled by importations from abroad.

On the other hand, the Government is at present concentrating in its hands three thousand factories selected from those which are most important, representing from the point of view of production, 90 per cent. of the industry. These enterprises are in a sad state, as for instance, those of the electro-technical branches, the mines, and a number of textile combines, each including from 5 to 10 concerns. The national industry has in its possession a sufficient quantity of raw material except in the matter of cotton. As far as the machines are concerned, as well as replacing detached parts and accessory materials, its needs according to the plan drawn up by the Supreme Council of National Economy, would amount to 25 milliards of rubles. The Russians also feel a lack of medicaments and of chemical products of other kinds, as well as of automobile motors. Thus Soviet Russia, with its centralized and organized national economy, offers an immense market for international exchange.

Our French source remarks on this subject:

These statements are just the evidence we need. At the moment that Europe, ruined by the war, is experiencing the greatest difficulty in coming to life, owing to the universal poverty, it is absolutely insane to renounce the natural resources of Russia. But our governing classes do not need to obey either the suggestions of common sense nor those of the public interests: they have proved this by the nonchalance with which they have permitted the ruin of the small holders of Russian loans, while they continue a policy solely devoted to the services of the big capitalists with investments in Russia.

C. Y.

THE RED FLAG *Reply to Inquiry on Educational Methods*

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Editor C. Stephenson

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SATURDAY.....OCTOBER 11, 1919

NOTICE TO OUR READERS

This is the last time, this paper will be issued under the name of the "Red Flag." A change of name has been made necessary because orders have been issued by the Post Office Department on advice of the Department of Justice that the "Red Flag" must not be handled in the mails. We shall publish as usual, but under another name. According to a London, England, News Despatch, the King is expected to sign the Peace Treaty and that formal Proclamation of Peace will follow. Unless otherwise provided against, all special war-time orders-in-council under the War Measures' Act should become null and void. In that case we may be able to publish the "Western Clarion" again. Anyway time will show.

The Season Is Now Here for Educational Classes

IN another column we publish a letter from O. C. Johnson, of the Proletarian University, the headquarters of which are in Detroit, Michigan. This letter is a reply to a communication sent to him by the secretary of Local Vancouver No. 1, requesting information on the nature of the educational program and the methods for carrying it out adopted by the organization which Comrade Johnson belongs to. Our readers will study his reply and consider how some such method can be put into operation in Canada. Correspondence is invited on this matter. In the meantime we urge all locals, that have not already done so, to start as soon as possible and also all other comrades and readers wherever they may be to start classes or study clubs on Marxian economics, and also on the Materialistic Conception of History. For economics we recommend "Wage-Labor and Capital," "Value, Price and Profit," and for a more exhaustive study on the subject, "Capitalist Production." All of these are by Marx. For the Materialistic Conception of History, we recommend "Socialism, Utopian and Scientific," by Engels, and the "Industrial History of England," by H. De B. Gibbins. For the price of these, see literature advertisement.

In connection with the good and welfare of the classes and of students generally, liberal space will be allowed in the party paper for essays and for questions and answers on the subjects of study. It is hoped that advantage will be taken of this offer. We have knowledge that some unions of organized labor have already started classes for the study of economics. This is a sign of a healthy interest in social problems which we hope will spread. Socialists should use their influence in this direction.

One lesson above all others, that recent events in Canada and in other parts of the world must have impressed upon every intelligent observer, that is the need for a wider spread of education on the economics of the capitalist system of production among the working class. All the most pressing problems of today are economic problems, and have their basis in the Capitalist Struc-

COMMUNIST PARTY
Of the State of Michigan
Office of State Secretary-treasurer
1333 Volland Ave, Ann Arbor, Mich.

October 2, 1919

J. Sheppard, 401 Pender Street East,
Vancouver, B. C., Canada.

Dear Comrade:

Your inquiry relative to our study class work is a pleasure for me to answer, for this educational propaganda seems to us to be just what Lenin called it—"the most practical form of revolutionary activity," (See the Proletarian Revolution in Russia, p. 177, in the article on "The Dual Authority,") especially at this time.

Our classes are conducted under the direction of the "Proletarian University of America," with headquarters at 174 Michigan avenue, Detroit. Al Renner being president, and John Keracher, secretary. Classes of different kinds and degrees are established in Detroit and other places, locals establishing classes receiving a charter from the I. U. of A., associated with the P. U. of A., is the Proletarian Club of Detroit, which meets at the same headquarters, holds discussions, lectures, classes, etc. There is now a Proletarian Club in Cleveland, also, and it is hoped to extend the club idea in the same way that the classes have been organized, wherever there is a center large enough to make the activities of such a club significant. The Proletarian is the organ of the University, and all three of these institutions—club, University and magazine—are intimately associated, although distinct in organization, character and function.

The membership of the clubs and study classes is not restricted to party members, but all are welcome to join who are in sympathy with the objects. Many union men join these classes for purposes of study who would not join any party,—at first.

The elementary classes study Wage, Labor and Capital and Shops Talks on Economics. More developed classes study the Communist Manifesto, Value, Price and Profit, and Socialism, Utopian and Scientific. Advanced classes study Marx's Capital, especially the first nine chapters and certain other parts. Those in the Advanced classes are expected to teach elementary classes where ever possible. For a time this summer, a class in English grammar was held, to assist Socialist speakers and writers connected with the Club. At present a class is being conducted by John Keracher for teachers of Socialist study classes, in which two hours are spent, as follows: The first hour is used in discussing knotty problems and questions which Socialists have to meet, the second hour is utilized in half hour shifts, during which members of the class teach the class from some classic, as the Communist Manifesto, each taking turn, and two members getting the practice each meeting of the class. Following this there is a short period of criticism, in which all comment on the methods of the two student

ture of Society. The solutions to these problems are also economic ones. So let us get down to it and boost these classes along. The individualist is satisfied if he knows, but the Socialist must share his knowledge, must pass it along. The case for Socialism needs good advocates, both by voice and pen. Being based on the rock of science, it thus demands presentation in a sound and scientific manner.

Build up your educational classes and study clubs, and you will help one another to higher levels of understanding, and in the clash of debate wear away misconceptions and false ideals. All the old Socialist war horses are appealed to to come forward this educational season and contribute their knowledge and experience to this educational movement.

teachers, either favorably or adversely, to stimulate improvement.

The method of conducting a class is as follows: After opening the class period, the teacher calls upon some student to read a paragraph or two. Then the teacher reads it again, and questions the student who read it, then questions others, upon the passage read. If necessary he explains it himself, before going on to the next. In this way every part of the text is read twice. A class which works conscientiously can in this way thoroughly master a classic in two or three months and similarly read several during the winter.

The teachers in the P. U. of A. insist on using as texts the original Marxian works, as mentioned above. No diluted or "simplified" book on Socialism can take the place of these. So-called simplified books on Socialism, or liberal books "leading up" to the originals, always require much reading to get a little knowledge, and are sure to contain material and teach ideas which must be gotten rid of later. Marx's and Engels' works are written dialectically, and are therefore pedagogically the best to use as texts. Furthermore, it is necessary that students get the habit of consulting the authorities. There are too many "Socialists" in the country who received their knowledge (?) at second hand.

Other books used as texts by our classes are Dietzgen's Essays and Boudin's Theoretical System of Karl Marx, also the Critique of Political Economy.

I suggest that you write also to John Keracher for information, 512 Dix avenue, Detroit, Mich., also to A. J. McGregor, editor of the Proletarian, 174 Michigan avenue, Detroit, for information. Ask the latter for those copies of the Proletarian which contain information relative to the P. U. of A.

Fraternally,

OAKLEY C. JOHNSON.

P. S. Several of the students in the classes are conducting classes on Economics in the unions, somewhat apart from the University itself. In Detroit, there are classes in operation practically every day of the week, especially Sunday, perhaps several going on at the same time.

For the Defence

Send all money and make all cheques payable to A. S. Wells, B. C. Federationist, Labor Temple, Vancouver, B. C.

Collection agency for Alberta: A. Broatch, 1203 Eighth avenue east, Calgary, Alta.

Central Collection Agency: J. Law, Secretary, Defence Fund, Room 1, 530 Main St., Winnipeg.

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NOTES ON ECONOMICS.

The wealth of those societies in which the capitalist method of production prevails consists of a vast accumulation of commodities, the unit being a single commodity. Our investigation therefore commences with the analysis of the commodity. (Marx's Opening Remarks in Capital.)

What Is a Commodity?

- (1) An external object.
- (2) Satisfies some human want.
- (3) Is a product of labor.
- (4) Is not consumed by the producer, i.e., is produced for exchange.

A Consideration of the Term "Use-Value" in Economics

III.

IN the early years of last century, the classical school of economists; Ricardo and the rest, having established the labor theory of value—that commodities exchange on the basis of the relative quantities of labor necessary for their production—as the foundation of their system it was not long before the natural and inevitable conclusions were drawn by the Socialists of that time. If it be admitted, they argued, that all values are created by labor, then it follows that to the laborer should the product belong and that rent, interest and profit merely represented so much spoliation of the laborer. This process of criticism culminated in the work of Marx and his school who set on a firmer basis the work of Ricardo, and elaborated the theory of exploitation set forth in "Capital" and other works. Now, I am not prepared to say to what extent the fact is due to the instinct of self-preservation on the part of the capitalist class, but it is significant that about the same time—the latter half of last century—there became apparent an evident desire to set aside the labor theory of value and a determined effort was made to base value on utility.

Now, it is obviously impossible to base value on use-value as this was originally understood. There is no getting over the fact that, for instance, a diamond ranks highest and water or bread lowest in the scale of values. (See "Red Flag, No. 35.")

"The exchange of commodities, says Marx, is evidently an act characterized by a total abstraction from use-value."

This difficulty was avoided, in appearance at least, by the theory of "Final" or "Marginal" utility, in which the factor of scarcity is added to that of utility. This makes utility a variable quantity depending upon scarcity. (See "Red Flag," No. 36.)

This particular stage in the proceedings—the transition from utility to exchange value—is, in the orthodox economists, only effected by the most extraordinary contortions. Prof. Charles Gide, of Paris, sorrowfully admits in his book that "this theory, which seems so clear so long as we are speaking of individual value—value in use, as the older economists called it—becomes much more involved when we come to explain value in exchange, and, as we shall see, only succeeds in explaining it by a tour de force of abstraction."

In brief, this is how the trick is done. The factor of scarcity which, on the one hand has been added to utility can be linked up on the other to the law of supply and demand which, simply stated, is that market prices will vary according to the quantity, (scarcity or otherwise) of goods of any one kind on the market. You then identify exchange-value with price and there you are.

As H. M. Hyndman declares (see the essay, "The Final Futility of Final Utility" in his book on the "Economics of Socialism") the whole thing is "neither more nor less than the old theory of supply and demand with a veil over its face," and is only persisted in because of the apologetic value it is supposed to possess.

It is to be observed that really authoritative writers, possibly on account of that sense of decency and honesty that goes with the true scientific spirit, are not nearly so cocksure about this doctrine as one would gather from the text-books written for popular bourgeois consumption. For instance, this from Prof. John R. Commons, of Indiana University:—"The theory (of value) is based primarily on the work of the Austrian economists. (Boehm-Bawerk and the rest.) But the Austrians, in simply holding that value depends upon Usefulness and Scarcity, have added

nothing to the classical dogma of Demand and Supply, except the mere conception of Marginal Utility. This is a serviceable conception, but it does not help us out of the dogmatism and logomachy of the older doctrine." By the way, this man Commons' book on "The distribution of wealth" is worth reading. Here, for example, is his statement of the law of prices. It will fill up space if nothing else.

"The price of a commodity is determined by the expenses of production of the most expensive part of the customary supply. This supply is determined by the relative power possessed by the different co-operating productive factors of limiting their share of the total product relatively to the wants and resources of society. Cost of production coincides with, and partly determines, expenses in the case of the marginal savings of capitalists, Marginal Monopoly laborers, and all freely competing laborers." This statement is given without full endorsement, but will be interesting to those following the development of economic science and for the others it will serve as a sample of the terminology, I had almost said jargon, in which modern economics is couched.

I can already hear you saying: "This stuff isn't clear yet." I know it: It is my experience that lucidity is not a characteristic of writers on economics. I am, I must confess, almost persuaded that obscurity is a part of the game.

GEORDIE.

OUR LITERATURE.

The Communist Manifesto, at the rate of \$8 per 100. Single copies 10 cents.

Manifesto of the Socialist Party of Canada . . \$6 per 100. Single copies 10 cents.

Slave of the Farm . . \$6 per 100. Single copies 10 cents.

The Present Economic System, by Professor W. A. Bonger . . \$6 per 100. Single copies 10 cents.

Socialism, Utopian and Scientific . . Single copies 15 cents. \$13 per 100.

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Capitalist Production, being the first nine chapters of Vol. I. Marx's Capital . . Single copies, paper cover, 50 cents; cloth bound, \$1.00.

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Kolchak, Autocrat and Tyrant. The actual story of Kolchak and his methods told by an American official recently returned from Siberia. With this is included, Anti-Bolsheviks and Mr. Spargo, by William Hard. Taken, with apologies, from the July 9 "New Republic" . . \$6 per 100. 10 cents per single copy.

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

THE CAUSE OF LABOR UNREST

The B. C. Federationist of Oct. 3, had an informing article taken from the "Statesman" on the cause of unrest in Canada, and on the late strike in Winnipeg in particular. After a consideration of statistics on the total value of goods produced the amount of wages and the returns on invested capital over several years, the writer comes to the conclusion that it was "not a revolution, Sovietism or Bolshevism which lay at the bottom of the labor unrest in Winnipeg. It was the consciousness that they, the laboring people, were gradually drifting down the scale in the grip of forces they could not check and could not understand." Quoting census figures, he says that "in 1900, Canada produced goods to the value of \$481,530,375. In the same year, wages and salaries amounted to \$113,249,350. Salaries and wages, therefore, amounted to 23.5 per cent. of the total value of the product produced." (It will thus be noted that the capitalist class as a whole in 1900 exploited the working class to the tune of more than 300 per cent.) The writer continues: "Applying the same test to the year 1910, we find labor received only 20.6 per cent. of the total product in the form of salaries and wages. In 1917, the share of labor declined to 19.4 per cent. This means that labor received approximately 4 per cent. less of the product in 1917 than in 1900. Four per cent. represents, on the total product of 1917, an item, approximately of \$120,000,000. In other words, if we had paid the working people of Canadian industry a share of the product produced in 1917, as we were paying in 1900, the wage bill of Canada should have been \$120,000,000 more than it was." . . . On the other hand, "If capital had had returns in 1917 at the same rate as in 1900, its share would have been \$221,000,000 less than it was." (According to the figures, there has evidently been, as might have been expected, an increase of productivity between 1900 and 1917.) "Or," he says, if instead of increasing its share, the amount coming to capital had declined in the same ratio as labor's share declined, there would have been \$340,000,000 less to capital than what actually went to capital in the year 1917."

We take from the "Labor Gazette," for September, this year, issued by the Canadian Department of Labor, the following figures on the increase in the cost of living. Those who read may calculate whether their real wages, that is, their purchasing capacity, has kept pace with the increase in life's necessities. The figures relate, the "Gazette" says, to all the items ordinarily entering into the family budget of a working class household (including in addition food, rent, clothing, fuel and light, etc.) The percentages are given monthly and are the increase of 1919 over against 1914. January, 120 per cent. February, 120. March, 115. April, 110. May, 105. June, 105. July, 105-110. August, 115. Since then the rise has continued as everyone knows. In November of 1918, the high water mark was reached at a 125 per cent. over 1914. This year bids fair to surpass that.

In conclusion, we again quote the author of the article in the "Statesman." After considering more figures on the disproportionate share of Labor to Capital, he says: "The conclusion therefore is that Labor exhibits unrest because Labor's share in the products is on the decline. . . . Labor in its attitude does not know where it is heading. Capital is positive of a desire to remain as it is. Capital seeks the status quo. Labor wants a change. Labor sought that change by direct action. Therein it failed, because it massed society against itself. The next step will be, for a time at least, political action. There too, it may in all probability fail because it fails to see the economic basis of its own exploitation. . . ."

Moral: Attend the economic classes. Study economics somehow. It reveals to the workers the basis of their exploitation and their position as a class in modern society. More than that, it also shows the way of emancipation.

The Method of Social Progress

WHEN the Socialist is not being asked for a plan of his future Socialist State, he is having one foisted on to him by his opponents. From time to time it becomes necessary to explain that Socialists have no plan and why.

The opponents of Socialism say the co-operative commonwealth can not be considered practical and can not be considered an object to struggle for by intelligent people unless a feasible plan is given to the world. They say that no sensible man would start to build even a house without such a plan.

The objection has a plausible sound, but only a lack of knowledge of the historical process of social development can result in a conception that social forms are built up at will as we build houses.

The desire for a plan of a future State, though impossible to fulfill, is, however, quite natural. In the distant past, mankind lived for centuries under institutions which underwent no perceptible change. The people of those periods procured their livelihood in much the same manner, regulated their lives according to what appeared the same unchanging customs and institutions from generation to generation. To such people the customs and social institutions of their day seemed fixed, ordained by the Creator to endure for ever. It was thought to be sacrilege to attempt innovations. Wars and class struggles seemed to the observer standing in the midst of events only to touch the surface of things, although they did unnoticed, in reality, affect the foundations also. Today, however, an educated observer casting his eyes back over the thousands of years of antiquity can clearly perceive a social evolution.

It was the rapid changes during the present age of the Capitalist system of production which first brought men to a consciousness of the evolutionary process. This evolutionary process began to be seen to be an order of the social world as well as of the world of nature. At first, social evolution was thought to be due to the development of man's ideas, to his better insight into things, and to his growing sense of justice, etc. Later it was discovered, that, though changing ideas were the immediate cause of progress, the determining cause was the changing conditions of production and exchange. Social evolution then became a science.

Karl Kautsky, one of the best scholars of the Scientific Socialist School, states the conditions of progress much in the following manner: As far back as the forties, Marx and Engels showed—and from that time on every step in social science has proved it—that in the last analysis, the history of mankind is determined not by ideas, but by an economic development which progresses irresistibly, obedient to certain economic laws and not to anyone's wishes or whims. This development brings new forms of production which require new forms of society. It creates new wants among men which compel them to reflect on their social condition and to devise means whereby to adjust society to the new system in accordance with which production is carried on. A struggle goes on in society while this adjustment takes place. One class, beneficiaries under the old order, seek to retain their privileges, and the other class seek to introduce new political institutions. It is the necessities and consequent pressure of the developing economic forces which finally determine which class shall succeed and determines what new political forms shall appear, and which of the old institutions shall survive.

Never yet in history has a revolutionary party been able to foresee, let alone determine the forms of the new social order which it strove to usher in. The cause of progress gained much if it could as much as ascertain the tendencies that led to such a new social order, to the end that its

political activity could be a conscious and not merely a blind instinctive revolt against the evil consequences of the old order. As Marx says, "Man does not make his history out of the whole cloth, but out of such materials as he finds ready to hand." The problem is always changing. The conditions of economic life change and demand new solutions, thus history itself is the maker of principles. The classical bourgeois economists were wrong when they claimed universality for their economic laws. Only of a society standing still could such a thing be true.

The course of events is thus by no means independent of the individual. Everyone who is active in society affects it to a greater or less degree. Some may promote the development of society by enlightening the people, organizing the revolutionary forces. Others may retard social development by turning their powers in the opposite direction. The former tend, by the promotion of the social revolution, to diminish the sufferings and sacrifices that it demands; the latter on the contrary, tend to increase these sufferings and sacrifices. But no one, whether he be mightiest monarch or the wisest, most benevolent philosopher, can determine at will the direction that the social evolution shall take or prophesy accurately the new forms that it will adopt. So, recognizing the problem of social progress in that light, Scientific Socialists claim, as Labriola says, "to give a thoroughly scientific demonstration of the line of progress which has actually been followed by civilized societies. Their one ambition is to gauge the significance of the unconscious evolution, through which society has progressed and to point towards the goal towards which this cosmic process seems to be tending." Another writer says: "Marxism is interested not in the ideal, but in the actual, not in what ought to be, but what is likely to be. The theoretical conclusions of the Socialists are in no way based on ideas or principles that have been invented or discovered by this or that would-be reformer. They merely express in general terms, actual relations springing from an existing class struggle, from a historical movement going on under our very eyes."

The enormous productivity of the modern machinery of production is well known but it is also known that by virtue of that productivity we have poverty, unemployment (that modern famine) and also catastrophic wars. President Wilson on his late tour, himself declared "that the late war was not fought for political ideals, but for commercial and territorial supremacies." The markets can no longer absorb the products we are capable of pouring into it. Hence, the workers can not be all employed. Competition and commercial rivalries ever threaten to engulf us again in other wars. All these conditions growing in intensity call to society to adjust itself by changing its capitalistic political forms or perish.

Socialists have their solution founded on a study of the conditions of capitalism. But it is just as foolish to ask them for a detailed plan of their future order as it would have been to ask the protagonists of the bourgeoisie in their struggle against the feudal aristocracy in the 17th and 18th century, for a detailed picture of the bourgeois order in 1919.

SOVIETS RECOVER COTTON LANDS.

A Bolshevik wireless message says that through the union of the troops on the Turkestan front with those on the Tashkent front enormous territory has been added to Soviet Russia. This territory has rich stores of raw materials, food and cotton, of which 241,000 tons are available.—N. Y. "Times," Sept. 17.

MORE ABOUT KOLCHAK'S TREATMENT OF JEWS.

Treatment of the Jews Under Kolchak.

This letter is written by a man who left the United States to go to Siberia some time ago (apparently on business.) It is taken from the Jewish Daily Forward, of New York, in which it appeared August 15, 1919.

Shanghai, July 5, 1919.

To the Editor of the "Forward:"

I take this opportunity of informing Jewish public opinion through the columns of your paper about the true state of affairs prevailing now in Siberia, and let no one dare go to Siberia if he wants to avoid untold misery and trouble. The frontiers of Siberia are closed; no one is permitted to enter Vladivostok or Harbin. Kolchak's domain has become a "holy land," and not every one is worthy of being admitted. And if one does succeed in entering his domain, to leave it is next to impossible. Besides, one may have the honor (for the privilege of entering) of being given a gun and sent to the front to fight against the Bolsheviki.

There is another object that I intend to attain with this letter: I want to inform the Jews of America of what is happening now in the land of the Kolchaks and to get them to lift their voices in protest; let American public opinion know the truth and everything that is taking place and being done by the one who pretends to bring democracy to Russia.

While Siberia was at one time one of the few places where the Jew was not persecuted as much as in Czarist Russia, the Kolchak regime now, however, has made the name of "Jew" the object of persecution and shame. There exists a strong pogrom agitation backed by the Kolchaks and all the dark forces centering around them; their propaganda is carried on in every part of Siberia.

When I arrived in Yokohama on May 24th, I was wondering whether I was in a Japanese town or some town in Russia—the town was full of refugees and unfortunates who had succeeded in escaping from Kolchak's rule. Every Jew is a Bolshevik, according to Kolchak; Jews have never suffered so terribly as they are suffering now in Siberia. They are being robbed and murdered; Jewish property is being requisitioned. Hundreds of Jews are thrown into jail for no offense whatsoever, without any semblance of a trial; they are being shot and hung, and worse than that—flogged. It is enough if a drunken Ivan should point at a Jew and say that he is a speculator or a Bolshevik and immediately he is flogged. Not even in Kishineff were Jews subjected to such humiliation and shame.

Many victims told me that they would prefer a pogrom to being flogged by some drunken soldier. This humiliation is being practised only upon the Jews.

Therefore they leave home, property and everything to escape the humiliations of the Kolchak rule. And this kind of a Government is about to be recognized by your Government. Will you not raise your voice in protest against the recognition of this bloody regime? Will you not inform the American people that it would be the greatest scandal if free America were to accord recognition to a band of drunkards and degenerates of the Czarist regime, who are at present ruining Siberia? If Bolshevism has caused us a deal of suffering, surely the Kolchak regime is not only the greatest danger for the Jews, but also for the development of all Russia.

Owing to the fact that hindrances are placed in the way of Russians wishing to come to the United States, there are now thousands of Russians, many of them Jews, who have succeeded in escaping from Kolchak's rule, and who are waiting in Japan for permission from the State Department to come to the United States. Special permission seems to be necessary for this, and such can be obtained only through relatives in the United States.

BORIS KHAZIN.

Economics and Mr. Cox

II.

(By Robert Arch, from "Justice.")

(A reply to an opponent of Socialism. Read this carefully. Edit. R. F.)

ALL analysis of the economic process should start, as we said last week, with the capitalist entrepreneur, or employer owning his means of production. Here he stands (figuratively) with his factory, his machinery, and his stocks of raw materials all ready, his object being to make a profit. That he can only do by hiring labor to turn his raw materials into commodities and selling them in the open market; and he is able to do it because the value, fixed by competition, of the commodities he sells will be greater, on an average, than the wages, salaries, etc., he has had to pay to the workers employed to produce them; or, in other words, because labor-power, purchased at its ordinary market value, is able to produce commodities having a greater value than that at which it was purchased.

The Employer Capitalist and the Financial Capitalist.

But the employer has not only to produce and sell; he has to survive in the struggle for existence against other employers. He has, therefore, to contrive to produce more abundantly and cheaply than they, by improving or increasing the means of production under his control. For this he needs money; and his present profits not always sufficing for such ventures, he has to go to the other kind of capitalist—the financier—for assistance. The financier, or capitalist with money to spare, will advance him the means to extend or improve his plant, in return for a lien upon his future profits, which we call interest.

We now see the confusion into which Mr. Cox has fallen, when he says that increased saving is the cause of amelioration in the condition of the workers. Although increased saving tends to the "cheapening of capital"—or, more exactly, to the lowering of the rate of interest on borrowed money—this does not affect the wage-worker, as such, at all. It is not the worker, but his employer, therefore, who benefits by getting it cheap. Interest being a lien on profits, diminished interest means higher profits—that is all. In so far as the workers today enjoy higher wages (allowance being made for higher prices) than their fathers and grandfathers, this is due to successful combination, and not in the least to any lowering of the rate of interest.

"Accumulated Capital."

Mr. Cox proceeds to say that Socialists, by destroying the motives for accumulating capital, will reduce the income of the workman to that which he can earn with his unaided muscles. This is such a contemptible mis-statement of the entire Socialist programme that it is difficult to characterize it. Mr. Cox knows well enough that the central point of Socialism is the replacement of the whole system of production for profit by collective production for use, and that the twaddle about "motives for accumulating capital" is indicative of nothing but a determination to fog the issue. "Accumulating capital" is a process which has no purpose or function apart from the capitalist system of production for private profit. A capitalist who wishes to engage in business must start with "accumulated capital" just as a burglar who wishes to engage in business must start with a jemmy. A society based upon public ownership of means of production would have left behind the need for such a thing as "accumulation of capital." Production would be carried on for use; and the means of future production would be produced, like other wealth, in

accordance with estimated requirements.

Diminution of Output.

In the last part of his article, Mr. Cox concentrates his attack upon diminution of output, which he treats as if it were an item in the Socialist programme. Diminution of output, as a matter of fact, has about as much to do with Socialism as chalk with cheese. It is one of the beautiful by-products of the capitalist system. Trade unionists, before organized Socialist parties ever existed in this country, and before any but a microscopic minority of them had ever considered Socialism, found out by experience that, under the capitalist system, the more commodities the workers produced the less certain were they of steady employment, since industry moved in a vicious circle of over-production, glut, depression, unemployment and recovery. Restriction of output was a measure of self-defence against this. Socialists did not originate it, and to attribute it to "deliberate teaching" on their part, as Mr. Cox does, is simply doing the dirty. Mr. Cox hardly sees how his contention here stultifies his former argument, as to the true source of wealth. If it is the case, as he says, that only a small fraction of wealth is produced by labor, and the remainder by the capitalist, why bother about restriction of output?

Too Serious to Trifle With.

As a matter of fact, this question of output is a very serious one—far too serious to be trifled with by Mr. Cox or any other apologist of the present chaos. The output of wealth—I mean of necessary commodities—is far too low, and there is no prospect that capitalism will afford any means of increasing it. Labor, without a doubt, is producing less today than it once did, because the worker grudges putting in a full week's work in order that the capitalist class, employers and shareholders, may have money to spend at pretty places in comfortable hotels cursing the insubordination of "those filthy Labor swine." But this is not all. We are producing not enough of some things, and far too much of others. Take up any newspaper, and look at the advertisements of absurdly expensive jewellery and ridiculous garments that no sane creature wants to wear. All this, mark you, is produced by labor that ought to be employed in providing food, clothing, shelter and elementary sufficiency of good things for the entire population. The problem of output—not merely sufficient output, but the right output—is more complicated than Mr. Cox appears to think.

The Remedy.

What is the remedy? Mr. Cox himself stumbles across it and does not see it. Discussing the increased productivity of industry during the war, he puts it down to "the introduction of improved methods of working, the installation of improved machinery, and, above all, to the temporary abandonment of the policy of restricting output." But why was it possible, during the war, to persuade the workers to abandon temporarily the policy of restricted output? Because they felt, for the first time in their lives, that they were working first and foremost for the good of all, and only secondly for private profit. If the element of private profit had been eliminated by nationalizing and socializing the industries concerned, the results would have been better still. Now that the war is over, and the profiteers with their kept Government and kept press, are out for decontrolling everything they dare, and reverting to "free competition," "buy cheap and sell dear," and "the devil take the hindmost," the worker quite intelligibly (though short-sightedly) says that if private profit is the order of the day, he also will play at that game, and will sell his labor-power, as the capitalist sells

THE MATERIALIST CONCEPTION.

From Socialism, Utopian and Scientific, By Engels

The materialist conception of history starts from the proposition that the production of the means to support human life and, next to production, the exchange of things produced, is the basis of all social structure; that in every society that has appeared in history, the manner in which wealth is distributed and society divided into classes or orders, is dependent upon what is produced, how it is produced, and how the products are exchanged. From this point of view the final causes of all social changes and political revolutions are to be sought, not in men's brains, not in changes in the modes of production and exchange. They are to be sought, not in the philosophy, but in the economies of each particular epoch. The growing perception that existing social institutions are unreasonable and unjust, that reason has become unreason, and right wrong, is only proof that in the modes of production and exchange changes have silently taken place, with which the social order, adapted to earlier economic conditions, is no longer in keeping. From this it also follows that the means of getting rid of the incongruities that have been brought to light, must also be present, in a more or less developed condition, within the changed modes of production themselves. These means are not to be invented by deduction from fundamental principles, but are to be discovered in the stubborn facts of the existing system of production.

What is, then, the position of modern Socialism in this connection?

The present structure of society—this is now pretty generally conceded—is the creation of the ruling class of today, of the bourgeoisie. The mode of production peculiar to the bourgeoisie, known, since Marx, as the capitalist mode of production, was incompatible with the feudal system, with the privileges it conferred upon individuals, entire social ranks and local corporations, as well as with the hereditary ties of subordination which constituted the framework of its social organization. The bourgeoisie broke up the feudal system and built upon its ruins the capitalist order of society, the kingdom of free competition, of personal liberty, of the equality before the law, of all commodity owners, of all the rest of the capitalist blessings. Thenceforward the capitalist mode of production could develop in freedom. Since steam, machinery, and the making of machines by machinery transformed the older manufacture into modern industry, the productive forces evolved under the guidance of the bourgeoisie developed with a rapidity and in a degree unheard of before. But just as the older manufacture, in its time, and handicraft, becoming more developed under its influence, had come into collision with the feudal trammels of the guilds, so now modern industry, in its more complete development, comes into collision with the bounds within which the capitalist mode of production holds it confined. The new productive forces have already outgrown the capitalistic mode of using them. And this conflict between productive forces and modes of production is not a conflict engendered in the mind of man, like that between original sin and divine justice. It exists, in fact, objectively, outside us, independently of the will and actions even of the men that have brought it on. Modern Socialism is nothing but the reflex, in thought, of this conflict in fact; its ideal reflection in the minds, first, of the class directly suffering under it, the working-class.

other commodities, as dear as he can.

What do we all want? As consumers, we want a sufficiency of necessaries for all, and just so much of other things as can be produced without interfering with that sufficiency of necessaries. As producers, we want each an adequate share in the joint product of all, and adequate leisure to enjoy it. These ends are frustrated by the existence of an unnecessary and unproductive class,

RUSSIA

THE outlook for Soviet Russia grows more promising. The Bullitt testimony has thrown more light on Allied intrigues against the worker's republic and brought further discredit on their intervention activities. Bullitt testified that on his return from the mission to Moscow that he brought back terms which would have been a basis for peace, practically an acceptance of the Allied proposals, but that just at that time Kolchak had a temporary success and that the Soviet Government's offer was tucked away in the files. As a result, since then, a useless war has been waged and a barbarous blockade maintained entailing lost lives on all sides concerned, and all the horrors of starvation for millions of people. At the present time, however, Major-General Sir Frederick Maurice, in a late statement says, that the Soviet army is considerably stronger than it was six weeks ago, and that "There is every probability that during the winter they will be able to organize, in the Caucasus and North of the Caspian, forces to attack Denikin in the rear next spring. The advance on Petrograd from the west remains a promise which is never fulfilled. And so it goes on. Lives, money and material have been wasted on useless enterprises, and a solution is no nearer than it has ever been. The plain fact is that under the pretence of the defeat of Germany, Great Britain entered into a number of commitments in the East which had no bearing whatever on the issue of the war." Major-general Maurice is one of Great Britain's most influential military men. His opinion, in conjunction with the testimony of Colonel Kelly, who was on the North Russian front has been a shock to the huge mass of criminally docile and uncritical people in the British Isles and elsewhere. A very conservative estimate, lately made, gives the Soviet Government the adherence of a solid block of the people in Russia of the number of eighty millions, and among all the peoples in territory outside its control there is a growing activity of elements in sympathy with the workers republic. Furthermore, the exchange of goods between Germany and Soviet Russia is increasing by leaps and bounds, while the traders of the Allied countries are shut out by their own Government's blockade, which policy is inspired by bondholders, foreign concessionaires, European Monarchist elements, and the military junker class. The famous fair just held at Nizhni-Novgorod has broken all records for attendance and business done. The New York "Sun," Sept 3, says that more than sixty million dollars worth of business was done in its six week's session. Merchants were there from all over Asia, and from Europe. Only one Britisher was there, and no Americans. As showing the estimation in which the stability of the Soviet Government was held, business was transacted on the usual credit system of payment to be made at the next fair, twelve months hence. It speaks volumes for the solvency of Soviet Russia that at this fair, which has been uninterruptedly under Soviet control from the beginning, that less than one per cent. of last year's sales remained unsettled. Russia has huge stocks of native products for exchange with the outside world. She needs in return manufactured goods, machinery, locomotives, rails, etc. In addition she has sent out a call for industrial experts to help to re-establish her people on a prosperous industrial basis, and, she is going to get all of these things even if, perforce, from Germany. And all the time our inspired press continues to foolishly whine about Germany's secret designs for the commercial conquest of Russia, while at the same time they support those Governmental policies which effectually prevents their own traders and their own commodities from entering Russia. Only just lately, the Government censor at Ottawa barred from the country the Soviet Government's official organ, issued from its Bureau of Information in New York. Every issue contained information which could be

got from no other source on affairs in Russia, both political and on industrial and trade conditions. Could bureaucratic ineptitude go further.

Nevertheless, British and American papers report that business elements in those countries are clamorously challenging the Russian policies of their respective governments. But already, the Japanese and the Germans have got the jump-off ahead of them. That comes of genuine business elements, leaving the political policies of the country to be monopolized by lawyers, speculators and political sharks.

United States

President Wilson had to bring his tour to a close before he finished his schedule because of sickness. His malady, whatever it is, is no doubt mainly induced by mortification of spirit. All things have gone a tangle. The Foreign Relations Committee enquiry into the Peace Treaty, the Bullitt testimony, and the failure of the Government's profiteering campaign to reduce the cost of living as promised, have all struck a hard blow at his former prestige, which was really established on the unstable foundation of sounding phrases. On the top of this, Samuel Gompers, that bosom friend and stout henchman of his, has been unable to side-track the steel strike at a time when industrial peace was essential. The organized labor movement in the United States shows signs of slipping from Gompers' control like a child grown too lusty for sops and wet nursing. It is giving expression to aspirations and evolving policies which are anathema to him and to the old line political parties. The United Mine Workers, at the convention in Cleveland, have proposed an alliance with the Railroad Brotherhoods and it is reported that concrete proposals may be submitted to the committee on resolutions for the nationalization of both mines and railroads. Reports from all over the country show that there is a growing impatience with old forms and policies of unionism, and that new ones are being groped for. An evidence of the general dissatisfaction with the A. F. of L., is that twenty-three thousand ships' carpenters on the Pacific Coast have refused to acknowledge the jurisdiction of the A. F. of L. It is also significant that many new men who are coming to the front are being charged with being Bolshevik and an investigation is being asked for into their former career. This charge, of course, merely means that they are of more radical stamp than the old leaders. Sammy's pet dictum that "labor-power is not a commodity" is losing its force over the minds of his constituents. It is the irrefragable fact over against his pet phrase. In growing numbers the workers are saying, "labor-power is a commodity, but shall not be so any longer than we can help."

BRITISH GOVERNMENT REFUSES TO NATIONALIZE COAL MINES

London, Oct. 10.—Premier Lloyd George, answering demands made by the British miners at today's conference, admitted that many advantages could be secured from joint control of mines by capital and labor, but declared the government was unable to frame its policy on the lines of the miners' suggestions.

The demands of British miners backed and endorsed by the general British trades unions congress for the nationalization of the coal mines, were laid before the Prime Minister by representatives of the Parliamentary Committee of the Trades Union Congress of the Miners' Federation.

Robert Smillie, head of the Miners' Federation, stated the case for nationalization. He was supported by Frank Hodges and William Brace, of the Miners' Federation, formerly secretary for home affairs in the Asquith cabinet.

THE BRITISH RAILWAY STRIKE.

The Capitalist politicians and the Capitalist press are now doing their utmost to make the results of the strike of the railwaymen in Britain appear as a defeat for the men. Their attempt to do so is highly amusing, and has other effects than they wot of. Lloyd George, one time caterer to the great unwashed, now surrounds himself by a bevy of Archbishops and Generals, and such like, as chorus to his new and revised edition of Limehouse. The Dukes as villains in chief, have been retired and in their place, hey presto appear the horny handed sons o'toil, who have just made George eat his words. The press is frankly discussing what political move may be behind his denunciation. The editors know their George too well to consider him as being actuated by any high principles. The Marconi affair and the Bullitt revelations are too recent. They were speculating on his leading a Coalition of Liberals and Labor, but now they figure him as making a bid for the leadership of the "great middle class," whatever kind of fish that may be. They say that in his speech at the Mansion House, he flouted labor. As a matter of fact, he was only making a big noise to cover up his defeat by the railwaymen. It is labor that has flouted him not alone in the strike, but before that in several bye-elections. Average labor in Great Britain is sadly lacking in political intelligence, but it is getting a line on Lloyd George and his crowd of conspirators.

On the matter of the strike, the Government had announced that there was to be a reduction in wages this year, to double the pre-war rate. The men struck against this. George said he would refuse to discuss the matter with their delegates until they went back to work, and declared their strike was unconstitutional as being against the Government, and the community at large. The men ignored him, so he was forced to climb down on that and also on other matters in dispute. The result is of course a compromise, but from the point of view of the working class movement, when George climbed down, he conceded the constitutionality of the strike. In that, mainly lies the victory of the railwaymen.

DO YOU WISH FOR AN AUDIENCE?

Articles are desired on the Socialist philosophy, or on current events interpreted in the light of its principles. Send them in.

THE BRITISH TRADES CONGRESS

Mr. Hynes, from the American Federation of Labor, spoke nervously from a typewritten manuscript. He boasted of American Labor's patriotic war effort. He echoed the political views of Gompers. The trade union movement, he was persuaded, should have no political bias or policy of its own, and its members, without loss of consistency, might belong to any capitalist party. He complained that during the year "the professional class" had attempted to form a Labor Party.

Mr. Hynes was no less vehement in his attack on the One Big Union movement, which he declared to be making little or no headway. He also attacked the sympathetic strike, which he said had failed after three days in Seattle and after six weeks in Winnipeg.

Watters, the Canadian delegate, joined issue with Hynes on the general strike and O. B. U. Had strikes in Seattle and Winnipeg succeeded, he declared, they would have been considered the right thing to do. As for the One Big Union, the Calgary Convention had decided to take a referendum on it, and by an enormous majority, all the Canadian unions, from Winnipeg westward, had decided to withdraw from the international organizations and link up with the One Big Union.

—From a British Exchange.