

The Evolution of Industry

By W. McLAIN.

(Continued from last issue)

THESE greater developments, have not been confined to any one industry or even to any one country. Capitalism during the last quarter of a century or so has been rapidly changing its character. How great some of these changes have been may be seen by a glance at a modern industrial concern. In the shipbuilding industry, for example, it was at one time the custom for the shipbuilding contractor to build the hull, giving out the making of the engines, the furnishing of the saloons, &c., &c., to other concerns. Of recent years the whole ship, from keel to ariel, has been built, engined and equipped within the widespread embrace of a single company. Further than that, either by direct ownership or indirect shareholding in other undertakings, a shipbuilding firm may, and often does, control the raw materials it requires, the iron, coal, &c., from their very source. Similarly a soap manufacturer in a large way not only makes the soap and sells it, but also owns his own fleet of steamers to bring his own raw materials from his own plantations in countries thousands of miles away. The grocer's shop that does not disdain to supply an article selling for a few coppers has its branch linked up with thousands of other similar branches all in turn connected with the actual process of production.

We have already said that with industry in a simple state it was possible for a worker to own the means whereby he gained his own livelihood, and that this gave to him a greater sense of security than the worker of the 20th century—under capitalism—can possibly know. Capitalism has become so wide in its ramifications, so complex in its character and its various departments are so inter-related and interdependent that the individual, as an economic unit counts for nothing. Production is carried on by large masses of people, all co-operating in the work of producing the finished article. Those middle-class people who have endeavoured to maintain their independence and have stood midway between the employing class into which they could not ascend and the working class into which they were afraid to descend, have lost their distinctive character as a class. The line of cleavage between the owners of the tools and the workers who use but do not own them becomes ever more distinct.

From out of simple family industrial life arose the early craftsmen and the first merchants, who built up the towns. From the handicraft system of industry within the towns grew the first industrial capitalists—the Craft Guildsmen, and also the small enterprising men who found the town too narrow for their endeavours, and who built up the nation as an industrial whole. From these struggling industrial adventurers grew up the capitalists of more modern times, the financiers of industry. Each class represented a set of vested interests. Each class pushed its way forward as it was pressed along by the conditions surrounding it, and each in turn, when it had secured its own emancipation, fought with every weapon at its command to maintain the existing order, to keep things as they were, and to keep back the new classes that economic development brought into being. Modern capitalism has produced its new class—the proletariat—the wage-earning class, which, like every preceding class, has had to struggle, and still struggles, against the conserving elements in society.

The first years of the 20th Century found capitalism reaching out in every direction towards its fullest growth, yet standing hesitant, as if afraid to put forward its whole strength, hesitant because it feared the growing strength, of the workers, and because capital is a timid thing, and prefers to advance over ground that has been well prepared. How the European War has prepared the ground for the greater advance of capitalism is the subject of the second half of our story.

To the student of Industrial Evolution, the period of the European War has been of particular interest. Developments that it is fair to assume would have ordinarily been spread over a number of years have become accomplished facts in a few months, and capitalist development has been accelerated with very great rapidity. The effects of the changes that have taken place, though they must be regarded as being but a continuation of previous changes, will be very important to the working-class and to its attitude towards the class-struggle, the struggle which has its storm centre in every workshop and factory, and the circling waves of which affect every department of social life.

The main features of the industrial changes that the war has hastened onwards with dramatic suddenness may be summarised as follows:—

1. Increased specialisation in industry, leading to the introduction of new groups of workers into spheres previously closed to them.
2. Increase in the power of capital economically, due to the increase in the size of the various undertakings and to the floating of War Loans.
3. Increase in the power of the capitalist state, as the body functioning in the interests of high finance.
4. Rapid decline of the middle class and the passing of the capitalist from participation in industry.
5. Intensification of the class-struggle.

Increased Specialisation and Greater Output.

The great demand for the output of war materials has pushed specialisation forward in certain industries to such an extent that the Industrial Revolution of the 20th century has been accomplished. Just as in the 18th century the textile artisans found themselves faced with a new set of industrial conditions, so today the workers in general, and in the engineering industry in particular, are confronted by a condition of things for which they are unprepared. Just as the first machines displaced the handcraftsmen and made it possible for a new class of machine minders, irrespective of age or sex to do their work and to do it more efficiently and with less labour per unit of work turned out, so today newcomers into industry are able to take in hand tasks they were previously adjudged unable to perform, and are able to produce greater quantities of commodities because the work has been so much more scientifically sub-divided.

Before the war, the all-round mechanic capable of working at all the branches of his trade was an industrial rarity, and was only to be found in the few surviving small general shops. In the large concerns, the fitter was a fitter only—indeed, he was often only an assembler of machine-finished parts; the turner was a turner on one of the branches of that department of engineering—either a centre lathe turner, a turret lathe operator, or an automatic lathe attendant or setter, and so on throughout the whole range of processes. In the woodworking industry the machines had produced grades of workers corresponding to those outlined above, and the same can be said of well-nigh every industry. The net result of all this development was that whereas without specialisation the workers only supplied their own wants, plus a certain amount which went to their overlord, and only supported a relatively small number of non-producers and parasites, in the years preceding 1914 enormous armies and navies, great diplomatic services, and an innumerable horde of dividend-drawing, useless members of society were kept by means of the increased productivity of labour.

But industry prior to 1914 was not specialised to anything like the extent that was possible, and for this there were at least two reasons. The employing class hesitated to risk laying out their capital in

new machinery and plant because a market for the goods that would be produced was not always certain. In addition, the industrial artisans, like the craft guildsmen of the mediæval towns, had built up a network of industrial regulations, the aim of which was to limit the number of persons employed in the occupations to which they were attached. In this they were justified. Experience had taught them, and still teaches them, that, given the fullest possible entry into an industry of any number of workers without effective industrial organisation on the part of those within and those entering the industry, the supply of labour tends to become greater than the demand. Men outside the gates clamour for the positions of those within, who might refuse to work under certain conditions, and the price of the only commodity the worker has to sell, his labour power is decreased. These regulations, however, such as they were, were already being slowly swept away by the inexorable laws of economic development, and the war has but hastened their departure. As they go, the essential oneness of the working class is more clearly seen, but the realisation of that oneness must keep pace with the other conditions of the last stage will be worse than the first.

When the capacity of the industrial world was found to be inadequate to the demands made upon it, the employing class were forced to embark upon the task of a hurried reorganisation of their establishments. What they had been afraid to do in normal times, the pressure of war conditions and the certainty of high profits gave them courage to attempt. But it was not all risk, for the excess profits clauses of the Munitions Act of 1915 provided that when the amounts of excess profits due to the national exchequer were computed, allowance was to be made for expenditure on new plant. By this provision money that should have been paid over to the State has been used for the purpose of building new factories, purchasing new machinery, and setting old established concerns, working with antiquated plant, upon a new and up-to-date basis—all, be it noted, without cost to the employing class, yet the new means of production will remain the property of that class! The excess profits levy was the chief bait that induced the workers voluntarily to agree to the scrapping of their Trade Union constitutions and caused them to postpone many a demand for improved industrial conditions that would otherwise have been put forward.

What effect has the introduction into industry of many new classes of workers had upon the industrial situation? A great deal of the new machinery set up is of a specialised character, adaptable only to one process. As a consequence, women workers with no experience have had little or no difficulty in "making good" in the workshop, in the sense that their output has exceeded all anticipation. Whereas a skilled worker could perform, say, five operations in connection with the production of a particular commodity, all on the one machine, now five different "one operation" workers can each contribute their quota of energy, and the net result is that the work of a machine "tradesman" is completely performed by unskilled workers. The output is greatly increased because each worker becomes an expert at his or her own task, and because no time is lost in converting the machine and re-setting for new processes. Thus the old line of demarcation between groups of workers breaks down as industrial development proceeds. The physical line of demarcation also tends to disappear with the introduction of elaborate lifting appliances in engineering shops, enabling women to undertake "heavy" work that they were hitherto physically debarred from performing.

The workers, accepting the postulate that their country was in danger, and that only by an enormous increase in the output of certain commodities,

Continued on page 8)

The Economic Basis of Politics

(Continued from last issue)

Conclusion of Chap. 2, C. A. Beard's Economic Basis of Politics.

IT was not thought necessary, however, that each order should be represented only by members of the group. In medieval practice, on the contrary, clerks, nobles, curates and canons were sometimes chosen to represent townsmen. Often laymen were selected to speak for the clergy. Again, we see farmers (roturiers) and clergy standing as the spokesmen for men of noble order. Again it happened, perhaps to save expense, that the same deputies represented clergy, nobility, and third estate. Whatever the process of selection, however, each class acted separately and developed a certain consciousness of identical interest. When, in 1543, the king sought to unite the three groups in a common election, he found that instead of mitigating the group conflicts he only sharpened them. In a little while he restored the old practice of separate elections.

The French Estates General continued to meet from time to time until 1614, when the last grand session previous to the eve of the Revolution was held. At this memorable meeting there broke out a conflict between the nobility and the third estate which foreshadowed the struggle that was destined, more than one hundred and fifty years later, to destroy the whole system. The violence of this session and perhaps the conflict then raging in England between the Parliament and James I, served as a warning that the monarch should beware of nourishing a dangerous hostility among the national estates.

Whatever may have been the cause—with that we are not now concerned—no session of the Estates General was again called until 1788. In that year the king, being in desperate financial straits, once more summoned the representatives of the different economic groups that could give him relief, to consider the state of the realm. Immediately the antiquarians busied themselves with historical researches in order to restore the ancient and honorable institution in its old form.

To the Estates General of 1789, each estate—clergy, nobility, and third estate—sent its members and representatives. Then arose, as every one knows, a fateful struggle for power. The clergy and nobility, bent on preserving their dominion, insisted that the vote on measures should be taken by the houses, as three distinct orders. Thus they hoped to prevent the upper classes from being overwhelmed by the numerical majority of the third estate, which had twice as many representatives in the assembly as the other two estates combined. Every school history tells us of the deadlock which ensued, of Mirabeau's eloquence, of the Tennis Court Oath, and of the National Assembly which, by firm action, was substituted for the old three-class system. Had the clergy and the nobility been willing earlier to surrender some of their privileges, and concede to the third estate a fair portion of political power, the history of the desperate years that followed the peaceful revolution of 1789 might have been far different. By resisting to the breaking point, the clergy and the nobility were conquered and almost destroyed by the third estate.

Less significant for the history of the world, but by no means less interesting in itself, is the parliamentary development of Sweden. From very early times the constitution of that kingdom recognized and provided for the representation of four distinct classes, clergy, nobility, burghers and peasants. In the constitutional reorganization which followed the disturbances of the French Revolution and the Revolutionary Wars, this system was kept intact. Each class was not only distinctly represented, but each class had a house of its own through which the interests of the group were expressed in the government. The great landlords appeared in person. The spiritual house included the bishops and a number of other persons chosen by the clergy, the universities, and the academy of sciences, respectively.

The representatives of the middle class were elected by the properly qualified burghers of the towns and the mine owners. The representatives of the peasants were chosen by the landowning farmers and certain other members of the soil-tilling population. Each of the four houses of parliament deliberated alone and acted in the name of and for the class which it represented. Ingenious provisions were devised for obviating deadlocks. This four-class parliament was retained until 1866 when two houses took its place.

The principle of class representation, which had been adopted in the development of mediaeval governments, was taken over entirely by Austria in her constitutional reconstruction shortly after the middle of the nineteenth century. The Austrian upper house consisted, of course, of the nobility, whose economic foundation was the land. In the formation of the lower house, in 1860-1, representation was distributed among the several provinces of the realm and it was provided that the quota to which each province was entitled should be selected by the local legislatures from definite economic groups.

It was stipulated that the total number of deputies to be chosen should be distributed among four distinct "estates," namely, (1) the great landlords (except in Trieste and Vorarlberg where no such class existed, and in Dalmatia where the highest taxpayers were put into this group), (2) the burghers of the cities, markets and industrial places, (3) the peasants of the rural communes, and (4) the chambers of commerce. In 1873 indirect election was abandoned for direct election by popular vote, but the system of class representation remained intact. Twenty-three years later, that is, in 1896, the non-taxpayers and industrial proletariat were admitted to a share in the government. It was provided that seventy-two deputies, now added to the parliament, should be chosen by the voters in general, including those already members of other classes. This system of group representation remained in force until 1907 when manhood suffrage was adopted.

In formulating a constitution after the Revolution of 1848, the King of Prussia deliberately founded his government upon a class system, as you all know from your study of comparative politics. The voters of Prussia are divided into three classes: those who pay one-third of the income taxes elect indirectly one-third of the delegates to the Prussian Diet; those who pay a second third of the income taxes likewise elect a third of the delegates; and finally, all the rest of the voters, who constitute almost the entire electorate, choose the remaining third of the deputies. Thus the Prussian Parliament is made up of a House of Lords, representing the landed interests, and a House of Commons or Diet, representing in two-thirds of its membership the wealth of the kingdom, and in one-third the propertyless. Years of agitation and a threatened revolt on the part of the masses have failed to shake the foundations of this strongly knit system of class government.

All this, you may think, is interesting enough, but without bearing upon American conditions. It may be said that whatever were the practices of mediaeval France, England, Sweden, and Aragon, they have no meaning for the United States founded upon another dispensation. There stands the Declaration of Independence with its immortal statement that all men are born free and equal and that governments derive their just powers from the consent of the governed. Here is what seems to be a repudiation of the whole notion of class or group interest in the process of government; but when we turn from theory to fact we find ourselves in the midst of mediaeval forms and institutions.

An examination of the first American state constitutions reveals no abandonment of the Old-World notion that government rests upon property. Take, for instance, the Massachusetts Constitution of 1780

drawn by John Adams and adopted after long and serious deliberation. In this document we discover that no man could vote for members of the legislature or for governor, unless he had a freehold estate of the annual value of three pounds, or some estate of the value of sixty pounds. Here is a distinct recognition of two classes of property interests in the government,—real property and personalty. To add further security to the two orders or "estates" the constitution provided that no one could be elected governor who did not possess a freehold of the value of one thousand pounds and furthermore, that the senators should be distributed among the respective districts of the state on the score of the amount of taxes paid in each of them. It was in defence of this last provision that Daniel Webster made his famous speech in the Massachusetts convention of 1820, defending the economic basis of government. If the Massachusetts constitution proved to be rather democratic in its operations, that was, as Webster pointed out, due to the wide distribution of property, not to any desire of the Massachusetts Fathers to sacrifice the security of property to a political shibboleth.

If we take a great middle state like New York, we find that the constitution drafted in 1777 distinctly recognized the existence of classes by establishing the predominance of the farmers. It provided that the senate should be composed of freeholders, and that none but freeholders possessing one hundred pounds worth of land could vote for the senators or for governor. A slighter property qualification was placed upon voters for the lower house—a qualification which admitted freemen of the incorporated towns, renters, and a few others, but kept out the lower levels of the proletariat. This class system remained in vogue until 1821. It was abolished then only against the violent protests of many intellectual leaders of the time, such as Chancellor Kent, who maintained that the rights of property could be protected only when property was frankly represented in the government, and that those "without a stake in the country" should have no voice in its politics.

The Fathers of the South did not differ from those of the North. In the agricultural state of Virginia, where there were few merchants and capitalists, the predominance which the landed classes possessed in fact was also established in right. Only freeholders could vote in that state under the constitution of 1776, and this restriction was kept in force for more than half a century. When a vigorous but vain attempt was made, in the constitutional convention of 1829, to abolish it, the freehold suffrage was defended on the ground that the landed group was the only secure foundation for government because all other classes were variable and transitory in character, while the possession of land furnished the strongest evidence of permanent, common interest with, and attachment to, the community.

Admitting the plain evidence of the first state constitutions, that the wise founders of this Republic recognized the place of property interests in political processes, it may be said that the Constitution of the United States, drawn in that period, nowhere takes into account the existence of economic divisions. This is true, if we read merely the language of the instrument and not the records of the convention which drafted it. In the document itself there are no provisions similar to those which appear in the first state constitutions, placing landed and personal-property qualifications on the suffrage and office holding; but the omission was not made because the framers of that immortal instrument were indifferent to the rights of property or unaware of the influence wielded by economic groups upon the course of government. Neither was it because they disapproved of property qualifications for such existed in nearly every state in the Union. In fact property qualifications for

(Continued on page 8)

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A CONSTANT MENACE.

A week or two ago here in Vancouver the arrest of Sam Scarlett, member of the I.W.W. and speaker for that organisation, on a deportation warrant issued at Ottawa, directed the attention particularly of all working class bodies to the processes of legal procedure whereby a man now resident in Canada who has been born elsewhere may be arrested, taken before a Board of enquiry made up of Immigration Department officials and deported or allowed to remain, as the case may be, judgment being determined by the Ottawa Department on the basis of the Board's findings and recommendations. It is true that the law in respect of these matters varies as the subject may be a naturalized Canadian citizen, a British born individual of Canadian citizenship of less than five years' standing, or a British born individual of Canadian citizenship of five years' standing or more. The Immigration Act has apparently been amended to include the intention and as far as possible the substance of the notorious Order-in-Council passed at Ottawa during the general strike period of 1919. These amendments as they have come before Parliament have been protested by the labor members there from time to time and have been passed by the House in spite of that. In the case of the threatened Scarlett deportation whereby the law as it stands has been again brought to attention in its practical workings these protests have been taken up and emphasized by all working class bodies in these parts, with the result that Scarlett has been released by the Immigration officials on instructions from Ottawa and his bondsman freed of obligations. Yet as the law stands the same procedure may be effected tomorrow or at any time and may affect anyone who, as in Scarlett's case, is British born and is of less than five years' consecutive Canadian citizenship, in which case he has no legal claim upon open court procedure but must suffer the judgment merely of Immigration Department officials. Even the daily press of Vancouver have launched their protests against this method of procedure although they consistently voice the usual and characteristic press opinion that no great harm would ensue if this law were exclusively applied to the I.W.W. and others who are said to promote a great many activities that they don't promote. However this department of law may eventually work itself out the case we have just had before us provides one more lesson to the workers who are organized in the various industrial and political bodies, a lesson which points to the ever recurring fact that labor at large when in trouble of such a kind has no organizational machinery ready to hand to provide for such contingencies but must depend upon the known broad sympathies of all workers which exist despite organizational and party differences of complexion. That is to say these sympathies are proven subject to organization but the organization comes after the fact and not before it. There is evident no foresight, no prevision and indeed little understanding of the legal menace hanging over all workers who may be considered at any time a nuisance by prejudiced officials, through directing attention to social sores. Meanwhile, the Scarlett case is at an end but the legal machinery through which it was brought out still exists and will continue to exist with a quiescent

working class opinion offering no opposition to it. Of these matters all labor bodies should take note, taking into account also consideration of ways and means to provide for future cases.

Reform or Revolution

BY J. A. McDONALD.

COMRADE "C" promised a reply to my attack on the new political policy of the S. P. of C. But after eating up almost four columns of space he admits that he did not reply. We are both in agreement on this point. But this is about as far as we can travel together.

The progress of our discussion has at least revealed one thing clearly—that "C" and myself are the exponents of two fundamentally opposite schools of thought. I contend on behalf of a position which the Socialist Party of Canada has held for upwards of twenty years, a position which I am prepared to defend at all times as being sufficient so long as that social-economic system known as Capitalism exists.

"C" on the other hand advocates a complete change in Party methods involving an alignment with labor parties, and the cessation of hostilities in respect to social reforms. This, I think is a fair premise from which to start. My first endeavor will be to present the reasons for espousing the former position and program of the Party.

Capitalist society is in every sense of the word a class system. To look at it in the light of communityism where society is composed of interlocking social interests that supercede all divisions, is to see it not as it is but as we might like to view it. Some consideration can be given to writers such as Belloc and Chesterton who clamor for a return to medieval times when social interests in some cases might appear paramount to those of class.

The present social organization has eliminated such a condition almost entirely, and has thrown into bold relief an incessant struggle of class against class. A numerically small section of society has control of the means of producing wealth while the overwhelming majority in order to exist, must accept the dictation of those who own and control.

We contend that under such conditions the misery of the working class cannot be alleviated, let alone removed. Our interests are bound up in the overthrow of the system by revolutionary means. Marx has pointed out in more than one instance that until a complete change is registered working class conditions must proceed from bad to worse. A knowledge of the mechanism of capitalism, taking into account the concentration of capital, and the disposal of surplus values, suffices to prove the validity of the statement.

Then, if this premise be correct, what steps can be taken by the workers to ensure the abolition of the system through the safest and surest channels? Our method proclaims that the primary requisite is to provide the working class with the knowledge that will enable them to emancipate themselves.

We understand that capitalism has developed to that stage where the conditions are ripe for the introduction of social ownership and control of the means of production. A lack of social knowledge is the great stumbling block that obscures the goal. Without knowing the nature of society little good will result from artificial injections advocated by opportunist and reformer.

Our policy is not to divert the attention of our class from the main object and present them with some petty nostrum in its place. We see, from the lessons of history, that the granting of social reforms have in no way mitigated the horrors and calamities that a class system has inflicted upon us.

"C" frequently refers to the effect of social reforms on the British workers. In what way have they benefitted? Since the time of Elizabeth or, what means the same thing, since the centralisation of the state and the taking over of those privileges previously possessed in some measure by the feudal church, England presents a vivid picture of reform agitation and introduction.

Factory acts without number have followed each

other in rapid succession through the passing years. If legal enactments placed on the statute books of a nation could prove conducive to the workers' well being, then, in England we would see the desired results. So nicely have the legislators renovated the charity dispensing apparatus that today a man can almost starve to death without feeling hungry. Yet in spite of this lavish display of paternalistic sentiment the economic conditions surrounding the workers of England were never so terrible as at present. Capitalist statisticians can be quoted to this effect.

But says "C" we must have strong, healthy workers instead of an anemic, emaciated class to bring about the revolution. A sublime desire no doubt. But if the granting of reforms ensured strong, healthy, contented workers why the necessity of a revolution at all? We could adopt an easier method and save ourselves all the trouble. The history of England, Germany, and other countries amply illustrates the fact that reforms do not operate in the manner that "C" contends they do. Regardless of all the palliatives applied the foundation of society is not disturbed.

To acquire the necessary reforms we are told that we must become a left wing of the Labor Party. This is the only advantage that can possibly accrue. Outside this factor we are reminded that the Labor Party should be given credit for sincerity. Who ever denied it? But what is accomplished when we grant the claim? The inmates of every lunatic asylum in the land are sincere. The factor of sincerity is of little use unless those who possess it are also equipped with social knowledge. This, the Labor Party of England or Canada is not blest with.

My contention is that if the Labor Party does not stand for a complete change in social affairs that we have no reason for seeking affiliation. There is nothing to gain by becoming an "impossible group" in a larger impossible party. The actions of the British Labor Government, as well as the British Labor Party, during the period of their existence proves beyond question that capitalist society is quite safe in their helping.

In some respects the Labor Government functions better than its predecessors on behalf of the ruling class of Britain. Even the most drastic proposal emanating from the Party while in opposition—The Capital Levy—might well be considered a good policy for the rulers of Britain. There is at least one member of the present Labor Government who resigned from the Liberal Party because of its opposition to the Capital Levy. Members of all shades of political opinion can be found in support of some such measure in the present chaos.

"C" after distorting the former position of the S. P. of C. and, then, using up much space in knocking down the straw man he erected ends with describing himself as a "neo-Darwinian Marxist." I would suggest by way of amendment that he strike out all the words after neo. His treatment of the issue has no connection with Darwinism or Marxism. A Bergsonian-Veblenite would be a more fitting appellation.

The great mistake appearing through all of "C's" effusions is found in his misconception of the class struggle. He fails to see the direct antagonism of interests consequent to a system of class society. He does not realize the drastic pressure that must be brought to bear by the workers before economic freedom is assured. This attitude has been induced largely, no doubt, by the nature of the material he has been reading in recent times, coupled with the lack of ability to discriminate between the useful and the useless.

Much has been contributed to modern science by the writers of the twentieth century. To continue my lengthy series of lectures in these parts I have found it necessary to consult the leading authorities of the day in practically all departments of science and thought. I have discovered that while much has been given of a beneficial nature in the past few years that there is always more chaff than wheat. This necessitates powers of discrimination that are not enhanced by camp conditions. "C" has suffered in this respect.

The "Law" of Diminishing Utility

A use-value is what it is, that is to say, it possesses utility, because "by its properties it satisfies human wants of some sort or another." A use-value, therefore, can only "become a reality by use or consumption." But the use or consumption of the use-value in question satisfies the want, at least for the time being, that is to say, the want is capable of satiety. At the point of satiety the utility is said to disappear, subjectively considered. For the purpose of this argument we are asked to consider the case of that one-time highly important personage, the "economic man," who, actuated by "intelligent self-interest," spends his time in the solution of the hedonistic calculus, that is, in carefully balancing pain-cost and pleasure-gain. We are, then, to regard this person as being supplied with successive "doses," or "increments," or units of some use-value. As ministering to a very intense want the first unit is supposed to give intense pleasure which, however, diminishes with succeeding units until the point of satiety is reached when consumption gives no pleasure at all. It is a matter of "diminishing unit-importance" as the most recent rhapsodist on the subject calls it. If the supply can be maintained at the point of satiety without (economic) effort then the use-value in question has no economic importance; air for example. In such a case, however indispensable the necessity, the want is not felt and cannot properly be said to exist. A want only manifests itself when there is some limitation of the use-value which corresponds to it and it will be of greater or less intensity according to the point at which this limitation cuts in upon the scale of diminishing utility. By the way, an old Scotch saying has just occurred to me to the effect that "as the soo fills the draff soors." One is almost tempted to state the matter in terms of the Law of Diminishing Returns and say that successive application or increments of any given use-value bring each a proportionately less return in satisfaction until a point is reached where the income, so to speak, is balanced by the expenditure. Use-values, however, are not generally, as are air and sunlight, continuously supplied to the point of satiety. They have to be hunted for or made, that is to say, "produced." There is some effort involved in their attainment and it is precisely that point in the descending scale of utility where the (prospective) satisfaction in consumption is balanced by the effort (to be) expended which marks the margin of utility.

This term "margin" and its adjectival form "marginal" do not appear in "Value, Price and Profit" and, possibly for that reason, are regarded with some degree of suspicion by Marxian students. Nevertheless the marginal concept is a very serviceable one and was quite familiar to Marx and his predecessors as, for example, the "margin of cultivation" or "marginal producers." Some confusion may also be caused by the different senses in which the term is used. For instance we speak of the margin of profit. In this usage the term indicates, so to speak, extension in space, and means the difference between the buying and selling prices of a certain commodity. Property, however, the word indicates, or rather, must be conceived as a line, the line which marks the periphery of the sphere of influence, some force or factor. There is a tacit reference to the analogy of a pool of water in which, of course, the margin refers to the line where the water meets the land. Conditions within this line are said to be intramarginal; those outside are said to be extramarginal or, more generally, sub-marginal.

Now to go back to our friend Homo Economicus. Homo, of course, uses water and he gets it from a well in the yard and he gets it in a bucket. The

first pail of water he draws is for drinking purposes and, since he must drink, this pail of water is indispensable and may be said to have absolute utility. Then he draws another to cook his food and a third to wash himself; a fourth to wash his shirt; a fifth to swill the floor and a sixth to water the geraniums on the window-sill. A seventh pail of water, if he drew it, would be of no use to him so that these seven buckets represent a scale of diminishing utility or of decreasing unit-importance ranging from infinity to zero. But Homo does not draw the seventh bucket of water for the simple reason that he has to put forth a certain amount of effort to do so. Characteristically enough, considering his parentage, Homo considers all work as being irksome, not to say painful, and he will not expend effort unless there is at least a proportionate gain in sight; he balances the pleasure gain against the pain-cost. It is just worth his while to draw the sixth bucket. If he had further to carry it he might not even get this one. This, then, is the marginal bucket of water and since all the buckets are equal and interchangeable it is obvious that no one of them can have any greater importance than the marginal one.

"Marginal utility, then, is quantity of utility or pleasurable sensation afforded by the last increment of commodity actually enjoyed."—Commons, *Dist. of Wealth*, p. 4.

"The marginal utility would be the utility of that part of our stock of which we stood least in need or which approached most nearly to the limit of our wants."—Pierson, *Prin. of Pol. Econ.* p. 58.

"It is the utility of the last unit possessed (the least useful, since it corresponds to the last want satisfied) which determines and limits the utility of all the others."—Gide, *Pol. Econ.* p. 55.

"Thus from the point of view of progressive acquisition or consumption of any 'good,' we may define marginal utility as the utility of the last unit acquired or consumed." . . . "At any given time the marginal utility of any commodity to its owner decreases with every increase in the stock possessed or consumed."—Ely and Wicker, *Elem. Prin. of Econ.*, p. 101.

Very well, it is clear that for Homo, as for most of us, that water does not possess any very great economic importance notwithstanding the fact that its initial utility is absolute and its total utility very high and he does not have to worry very much about it. There is, however, an old saying to the effect that "we never miss the water till the well goes dry" and we shall now assume that Homo's well does that very thing but in such a way that he is progressively deprived of a bucket per day of his daily supply; that is, that he now finds he can only draw five buckets per day and the next only four and so on. It is clear that for him the marginal utility of water would rise in the same ratio that he was deprived of his supply. The same effect would be produced if we suppose his wants to increase, say, by the keeping of stock, while his supply remained constant.

From what has been said it should be clear that utility alone cannot confer economic importance on any use-value because, as we see, there are utilities which, however necessary such as air and sunshine, have no importance at all in the economic sense. They have no marginal utility and are called "free goods." By far the greater number of use-values can only be obtained by the expenditure of human effort; by the application of human labor to the materials of nature. There utilities are called "economic goods." This condition of affairs is usually referred to as "scarcity." It may be as well to explain a little more at length this term.

Something over a hundred years ago Ricardo, discussing this question, observed that commodities possessed exchange-value for two reasons: first, because of their scarcity in the case of unique objects which could not be reproduced and, secondly, be-

cause of the necessary expenditure of labor in the case of commodities which could be continuously produced. De Quincey, who was an enthusiastic disciple of Ricardo, suggested that these two causes might be comprehended under the term "difficulty of attainment." This was quite in the spirit of a time which believed with the schoolmen that "causes must not be multiplied beyond necessity."

Mill, in his *Principles of Political Economy*, adopted this view of De Quincey's and says: "That a thing may have any value-in-exchange, two conditions are necessary. It must be of some use; that is it must conduce to some purpose, satisfy some desire. . . . But, secondly, the thing must not only have some utility, there must also be some difficulty in its attainment." Since that time, however, probably on account of the cumbersome nature of this phrase, the forces which limit the supplies of commodities relatively to the demands for them are generally referred to under the head of "scarcity." From this point of view we need not object too strongly when Prof. Carver insists that "assuming only that things of any given class are appropriable and not, like the moon and the stars, beyond human control, it is safe to say that utility and scarcity, and these alone are necessary to give them value. When both qualities are present there is always value. Where either is lacking there is no value. The reader is hereby challenged to find an exception to this rule in any civilized community." (*Dist. of Wealth*, p. 12). Value here is to be understood as "power in exchange" as the late Prof. Walker tersely defined it. The ratio of exchange would, of course, be determined by the relative valencies of the factors involved.

GEORDIE.

(To be continued)

CORRESPONDENCE

EXPRESSING APPRECIATION.

Dear Editor:

During the early part of the week showery weather prevailed, as you may remember. Tuesday about 3 p.m. one of the heaviest of the week-end fell and penetrated my bedroom, and fell in great drops on my counterpane until I was drenched with surprise and pleasure.

This "shower" came not from the heavens but from the women comrades and consisted of a collection of handsome and useful gifts which I shall wear with comfort and use with pride during my stay in the Sanitarium.

The "Dour Mon" admired them greatly and whilst in ignorance as to the names of several articles is quite convinced of their warmth and elegance.

This note, Mr. Editor, is a feeble attempt to express my gratitude (through the *Clarion*) to those ladies I was not able to thank personally. With so many cosy woolies I am fully equipped for Greenland's Icy Mountains and can say with the little boy,

Let 'er snow or blow—I should worry.

Winifred Harrington.

Vancouver, B. C., Sept. 28, 1924.

Editor's Note: We take this opportunity of informing *Clarion* readers that Comrade Mrs. Harrington has been ordered by the doctors to Tranquille Sanitarium for treatment in the symptoms of consumption. We are very sure that the good wishes of all of us go with her in hope for an early and complete recovery to good health. One thing is appreciably apparent: her habitual good humor is unconquerable.

It was Froissard who said, "The Party is a great friendship." With that thought attending us we add this note to Mrs. Harrington's letter, whereby we would express the concern for her that will be felt over a wide area.

MANIFESTO

of the
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Examining Party Policy

THE POLICY OF THE SOCIALIST PARTY OF CANADA.

From an understanding of these facts the Socialist Party of Canada came into being. Its policy is to educate the slaves of Canada to an understanding of their position and organize them for concerted political action, to the end that they may wrest the powers of State from the hands of capital, and use them to strip the master class of its property rights in the means of production and to establish a system of society based upon collective control and administration of the forces of production and distribution.

The Party platform—a short and scientific exposition of sound working class principles and tactics—is broad enough to embrace all who are Socialists, and narrow enough to exclude all those who are not. Since all political parties must be the expression of certain class interests, the Socialist Party of Canada enters the political field determined to wage war on all other political parties, whether openly capitalistic or so-called labor. Understanding the futility of reform and the danger of compromise, it stands square with science and practical experience, wasting not its time and energy on mere effects, but dealing only with root causes. Realizing, furthermore, that no "step-at-a-time" policy, no remedial legislation or political quackery can be substituted for working class knowledge, its propaganda, therefore, is one of enlightenment and education.

"Workers of the world unite, you have nothing to lose but your chains; a world to gain."—Manifesto of the S. P. of C. Section: Politics.

I was to write for last issue on Historical Materialism, a theory of history, credited mainly to the genius of Karl Marx, which regards changes of ways and means in productive life (economic evolution) and the struggles between economic-social classes, as the great causal factors of political development and social change from one form of society to another. The article was to help towards understanding the bearing of certain quotations I am to make from Marx in support of my criticism of the anti-labor party position of the S. P. of C., as well as to form the concluding part of my reply to Comrade McDonald's attack upon me of two or three issues ago. Sitting down to write it I found, however, that what I call my mind, intrigued by a later attack of his in last issue, would not compose itself for the, to me, so difficult a task. This that follows then, is a reply to his of last issue, written to get that peace of mind necessary for me to write on the Marxian theory of history for next issue.

Comrade McDonald's last article came hot foot in reply to an article of mine of two issues ago in which I accepted his challenge to show by Party literature that the S. P. of C. was anti-reform, referring him to the above quotation from the Party Manifesto as a particular instance. With great hardihood he himself included the quotation in his article, accompanied with a denial that, for anyone who understood the English language, it was not possible to deduce from it an anti-reform attitude for the S. P. of C. Yet look at the English of it! After announcing a declaration of war on labor parties, the paragraph commences the next sentence with the only direct reference to reforms contained in the whole section in the Manifesto under the head of "Politics." The reference is to this effect: "Understanding the futility of reform" . . . etc. Could a plainer categorical condemnation of reforms be written? I will say this for the value I put on the term "futility" that if reforms are futile as the passage states, then it would be the bounden duty of the Party to oppose them. And some fourteen years' experience as an active member backs up my reading of the quotation—the Party has been hostile to reforms, and the method of reform or, as the Manifesto calls it, the "step-at-a-time policy" to the revolution.

True enough, on occasion, there has been departure from the anti-reform attitude under the exigencies of practical politics. But the prevailing sentiment and general character of the Party propaganda has been anti-reform. There has been compromise on occasion when to make good with the electorate seemed possible, either in a constituency

or the legislature—but grudgingly, shamefacedly, torn between principle and the desire to count for something in the active life of politics, and in the face of considerable disquietude and even disgust among the stiff-necked of the Party membership. Let me go back a few years and recall a little of Party history to Comrade McDonald's memory. Before the war we had a small revolution in the Party which he will remember, seeing that he was one of the leaders on the side that won, that of the "Young Insurgents" against the "Old Guard" who were inclined to practical politics. The success of Comrade McDonald's side gave a turn to Party history, a turn potent in future consequences. The Party platform at that date contained a clause embodying instructions governing the conduct of Party members when elected to parliamentary assemblies, to this effect:—When in the legislature and a measure came before the house, the representative was to be guided as follows: if the measure, in his estimation, was in the interest of the working class, he was to vote for it; if it was not in their interest, he was to vote against the measure. While the clause can not be said to betray any enthusiasm for reforms, yet it did recognise the practicalities of political situations. It was a mild recognition and desire to make use of the inevitabilities contained in these situations in the interests of both the workers and the prestige and power of the Party in the community. But the result of the success of Comrade McDonald's side in gaining control of the destinies of the Party was that the above clause was deleted from the Party platform—just because of its reformist character. And for that, Comrade McDonald himself was one of those chiefly responsible. He now denies the Party is anti-reform, on the grounds, as he said in another article, that "we leave the extension of reforms to the ruling class . . ." and . . . "if we find them useful we adapt them to our needs as a class." Could you imagine a deeper depth of political ineptitude when you think of that anti-labor party position and the ambition to be the sole representative Party of the working class on the political field? To leave all initiative to the ruling class, is that Marxian? To say "we adapt to our needs as a class" what is compulsory in any case, camouflaging necessity with the phraseology of voluntarism, is that political realism!—Enuf.

I know what all his mixture of poor thinking and squirming amounts to. Comrade McDonald has never acquired the mature habit of making a critical review of his philosophy. His naive impatience with other people's opinions shows it. A closed mind, Mac, is a universal failing with all of us, it is a matter of more or less. There is universal lag in that respect in this changing world. Get a revolutionary socialist who is hostile to ideas and he will have the habit of overhauling his own. Instead of being twentieth century when you draw him out, he is likely to be very early nineteenth. And there has been a lot of political and social experience since then, lots of field work in science, a lot of stiff thinking and a lot of books written. Who was it—Descartes—who, in order to push forward the frontiers of his knowledge cleared the ground first by doubting every thing, after which he recommenced his quest of the holy grail with the primal affirmation. "I think, therefore I am!" O' drastic revolutionary man! We pale pinks and yellows hail thee from afar!

I have my hopes for Comrade McDonald though. I believe doubts begin to assail him, there is a strain of panic in his reasoning. The "Young Insurgents" were greater students of the literature of Marxism than were "the Old Guard." They read it avidly, greedily, burying themselves in it and finally emerged seized of the doctrine of misery and social collapse. Now, I think, Comrade McDonald begins to sense the doctrinal labyrinth to which these many

years he has become habituated. Habit, you know Mac, "is an important factor." He now denies the Party is anti-reform. But the ghosts of his own murdered dead rise up to reproach him.

Comrade McDonald predicts a direful fate for the Party if it throws down the anti-labor party position. Let me advise him that his prediction is a belated one, by these many years. From that time onward, when his side won out, that paralyzing blight, the doctrine of misery and social collapse, became the chief stock-in-trade of the Party's political philosophy, and the Party's sole function then became to prepare the workers for the latter single and millenium-making event. Which is to say, in other words, that from that time onward the Party was doomed to decay, just because it had at last surrendered its thought to what was indeed a romantic futility, and turned its back upon the prosy practicalities of social change in the modern situation. We should have been seeing instead, that in our increasingly complex and dependent national communities, wholesale or even large-scale organizational adjustments are impossible, that there are better chances for smaller ones. We should have seen the problem of revolutionary change, political as well as economic, as a prosy engineering issue, that of the arts of education and of social adjustments in the direction of a co-operative life.

All this is not to say that the Party did not still continue to do good work, but it was in spite of itself as that self was taken up with its fatalistic doctrine. There is not, I believe, a struggling progressive movement on the North American continent, or even further afield, among wage-workers or farmers, but in them may be found men who have passed through the S. P. of C. or who have come under its influence. The Party has done wonderfully in spite of its denial of its proper function as the educational department of the working class movement. Those men have gone out into the war of classes raging around the practical issues of life which engage the struggle. But they took part in such activities without the Party's benediction; rather, indeed, with an attached stigma as of a fall from grace which is significant of the Party doctrine and its anti-labor and anti-reform attitudes. In that lies the tragedy of our decay. Our Party loses the support of every individual who by native bent and aptitude or circumstance of life is led to take an active part in the practical affairs which engage the political and economic movements of the producing masses. Because of this stigma and our own actual hostility to these movements—they are our "rivals," says Comrade McDonald, while I say we should regard them as functional organizations in a mutual enterprise—there is set up an unscalable wall between us. We lose contacts, sympathetic and intellectual.

But Comrade McDonald fears the contacts. "Can the tail wag the dog?" says he, worshipping mere numbers, in reference to my advocacy of contacts with political labor parties. Let me point out that the question is not one at all of a dog and his tail, or even of the eggcup full of grey matter in his skull which wags, we might say, both the dog and the tail. Rather, a better analogy is what materialistic science, say since the time of Francis Bacon, and its comparatively few practitioners have done to industrial technology and the modern world in general. In any case, instead of calling ourselves revolutionaries, I hold we are more fit subjects for a nunnery if a craven fear of what the world will do to us, or of what the labor parties will do to us, is to be our guiding obsession. But shades of Marx and Engels! Comrade McDonald says that "the working class movement on this continent is still in the study-class stage." What a conception of the living world! Intellectualism gone mad! The schoolmaster crowned in authority, master of men and things! Like Canute of old, he might as well

say that of the ocean tides. Life goes outside the class rooms. Society is a moving concern and being such it is predicated that those antithetical forces of conflict are at work, without which there is no movement, according to Hegel and Marx. The class-rooms are where we may get superior intellectual equipment for the struggle in which we are involved, willy nilly, equipped or no. That is all. Let us cultivate a sense of proportion. More power to your arm, Mac, in the class-room work. But don't get agitated if some of your chickens take to the water. Perhaps like the Party you build better than you know, who knows? For it is this I value the Party for, not less my jibe at "intellectualism," above all, I set value on its tradition of scholarly learning in science and philosophy, on man and his society. A Party of working men and women, triumphant over the difficulties accompanying their lot in life, it has been able to take great numbers of other working men and women up who were unthinkers and make them think on the social problem; it has lifted them up out of ruts of narrow, parochial interests and made them see those interests in their due proportion and in relation to the problems of the workers of the world at large, thus making them both class conscious and social conscious; it has conducted them to the gates, at least, of science and philosophy and given them new worlds for old; of all this more than its quota. That is why I hate to see the Party die as it is doing and was doing long before I took these matters up, dying of a doctrinal blight which in its essential features is recurrent and at least, as old as recorded history. Yet all that socialist cultural work among the workers must go on under some auspices in this country if they are ever to play a decisive role in affairs; but better under those of a party already possessed of the prestige behind it of a tradition of learning and scholarship. As to analogies, they are indispensable to reasoning, but they can be so suggestively used as to resemble a naive form of magic. That tail and dog bluff has worked overtime since—since the domestication of dogs. It surely should be given a rest, at least, in scientific circles.

To be sure, we have had since Comrade McDonald's side won out, our flutters of prosperity, especially in the larger centres of the west. These were just at periods, it may be worth noting, when work being plentiful, even if real wages were low, a feeling of security and independence took hold of the workers. Then, intense struggle took place on the economic field for better economic conditions and for what was conceived to be better forms of economic organisation to carry on the struggle. Stimulated by the independent and aggressive spirit of the workers and holding membership in the unions, many of our members were aroused to interest in the practicalities of the immediate struggle. Once in with the workers, Marxian knowledge and temper was an infectious ferment and awakened a reciprocal interest in our Party. The workers found both moral and intellectual stimulus and justification for class bias in our lectures and literature brimming with the history of working class oppression and struggle, and in our theory of the economics of wage-labor which exhibited starkly the cash nexus existing between wage-worker and employer. That is to say, that their prime interest in us was of a thoroughly pragmatic character, they were interested in us because we were of "use" to them in the immediate struggle. That is a point I wish to press, because that is always the case with men in the mass. "Man does not make history out of the whole cloth but out of the materials that lie to hand," says Marx, or words to some such effect. An interest there was in the social revolution, its trumpets blaring in old Europe were echoing round the world; but with us it was an ideal far-off interest, not an immediate practical interest as applied to this continent. A secondary interest it was, except for the few intense spirits, and one at that separated, bulk-headed off from the primary interest in the immediate economic issues fought over. Not in our minds, much less in the minds of the mass of the workers was there any thought of making use of the immediate issues, and peradven-

ture, by however slight a bias, giving them a turn, as means to a social end beyond the immediate present. That is, the concept was not in our philisophy of social change that a cumulation of such slight biases, to be possibly got then out of those struggles and out of those to come in the future, might be in operation a cumulative train of cause and effect in the direction of a co-operative life. I here speak of biases of a technical kind in the nature of social controls over economic enterprise and upward lifts in the customary standards of living and status of the workers. What could have been done in that direction I do not know, perhaps nothing. The point is that it was not in the thought of the S. P. of C. to do anything in that direction. Instead, for us, except for the desirability of class bias, which the struggles were useful in fostering, and the possible values of the organizations for revolutionary purposes, we had pinned our faith in social collapse, the bulk-head separating the immediate issues in our minds from any relation or connection with the ideal socialist future. Moreover, as to the political aspect of this question, whatever of a practical political character might have been forced into any of the issues, we were not the ones to do it, by reason of that same faith. We contested elections or our members sat in the legislature for purely educational purposes—"Reforms do not reform, nor palliatives palliate," so said to the electors. We had Comrade McDonald's ideal. Such issues as became political issues became so at the initiative of the ruling class, selected as favorable for their own purposes of defeating the working class movement. When the aftermath came, when the period of deflation came and the long depression, which is still with us, and with it working class defeat and cessation of struggle, we had nothing to offer the workers except the fatalistic doctrine of misery and social collapse. Consequently we were incapable of shifting the venue of the struggle from the now unfavorable economic field to the field of practical politics, or of advising the workers to that effect, or of allowing other working class parties to do so. There, on that field, we were anti-reform and declared enemies of labor reform parties. As Comrade McDonald says, our policy was to "leave reforms to the ruling class." Our last member in a legislative assembly in Canada was Armstrong of Winnipeg. Straight-laced in the Party policy, the Winnipeg local laid upon George the obligation to wait upon them for instructions for his every act in the house. One result was that on one occasion his abstention from voting saved the government from falling before an adverse vote. Next election Armstrong was defeated. How is the S. P. of C. local in Winnipeg doing now? Flourishing, as Comrade McDonald must expect by his reasoning, like the green bay tree? No; dead as a door nail! Karl Kautsky used to be thought a good reasoner on the class-struggle. For the benefit of my critics, I take from one of his essays, this: "The essential character of a revolutionary period is when reforms proceed from the acts of a new class." We may honor those who stick to a principle even unto death, yet we must always retain the liberty of questioning the wisdom of the principle.

Similarly, while every revolt of an oppressed class is morally justified, yet we may question its wisdom. That is good Marxism. To temper with generosity our criticism of working class mistakes and failures, that is to be in the tradition of Marx, the Marx who advised against the disastrous attempt to establish the Paris Commune of 1871, yet who, in his "Civil War in France," combined with his criticism of it, a denunciation of its enemies prolonged through the whole work at white heat while paying a splendid tribute to the idealism, courage, and energy of the Communards. Comrade McDonald's remarks in last issue on the O.B.U., and its prominent personalities are outside that tradition. I am myself prone to fall from grace in that respect and I hope I get my medicine in such a case. But on this occasion I am physician. Scornfully he charges those members of the S. P. of C., who helped to organize the O.B.U. with "rushing" to its sheltering wing," with seeing "in that organization the

harbinger of all progress," with seeing that "new intellectual avenues were being opened up and they, the favored of nature, with their keen scintillating thinking equipment were called upon to be the pioneers of a new era." . . . The workers, says he, "anticipated its (the O.B.U.) ultimate failure. They saw greater results in the political educational movement." Fade Edison! Take out a patent on that one Mac, its a peach! And the elegant pet names he selects for his comrades, listen: "The wise brannigans eventually dropped their plaything and returned to the status quo." Whatever that is. "But where," he asks, bursting with derision, "where is the O.B.U. today?" Perhaps, dear Mac, it is with yesterday's ten thousand years, though some will deny it, along with Marx, and Engels and the First International, busted this long, long time ago. Poor Marx! Sure, there were lots of "knowing" people in his day who predicted the death of the child of Marx's revolutionary heart and brain. He was fated to be the author of its death himself. But the first International is honoured far beyond Marxian circles. There have been lots of that kind of knowledge since, which is easy got because it is post mortem, that knows (!)—as it knows (!) about the O. B. U.—that the First International was foredoomed to failure. No doubt Comrade McDonald honors the earlier enterprise and its promoters, but why scorn the other? However it be with him, for myself I am sure of this, that the same qualities that get a generous treatment for the First International also demand it for the O.B.U. What are those qualities, as I see them? I will name two. Both enterprises (good word) were examples of a searching and a striving for working class unity through organizational means; and both were symptomatic of working class revolt. The sentiment, as I sensed it, in favor of the O.B.U. in Canada was strong even among the unorganized and the organized who were never in its ranks. It took a trade depression, a combination of the State, the press, the vested interests, both capitalistic and A. F. of L. to bring the workers to the state of "reason" on the O.B.U. which Comrade MacDonald opines they reached voluntarily.

There have been men whom we know of as champions of lost causes. They have turned disgraceful, panic stricken routs into dignified and honourable defeats, so that it could be said all was lost but honor. In the humour in which he writes of the O. B. U., Comrade McDonald would deny the lost causes of the working class of his day even that poor boon. And yet I am sure that without a fund of generosity he would not be in the working class movement. Let thy light so shine Mac! And all of us keep the tradition! C.

ECONOMIC CAUSES OF WAR

By PETER T. LECKIE.

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THE EVOLUTION OF INDUSTRY.

(Continued from page 2)

could that country be safeguarded, have, on the advice of their leaders, helped to cut away the ground from under their own feet. From the standpoint of industrial development all these changes are valuable because they make it possible for the wants of all to be satisfied without any being called upon to engage in laborious toil for ten or twelve hours per day all the year round. The machine, as the servant of man, has come into its own, but it must be kept as a servant. In the hands of the master class, to whom it represents only so much capital upon which interest must be made by those who operate it from day to day, and to whom it is but an alternative—a great profit-producing alternative—it can, as it did a century ago, be used to enslave the workers and make the servile state a deadly reality.

Increase in the Power of Capital.

The power of the capitalist class lies in its hold upon the means of production. Modern industry requires great masses of capital in the shape of tools, engine power, means of transport, and access to raw materials. The vast increase in the amounts of this fixed capital during the past three years has greatly increased the power of the world's financiers. The increased productivity of the workers has made greater profits possible, even after all war taxation is allowed for. How great these profits have been is effectively masked by the method of watering the capital of the companies concerned. What this means is best shown by the following quotation:—“The terms under which the Eagle and British Dominions Insurance Company will absorb the old-established Star Insurance Company have now been published. Shareholders of the Star will receive for each five of their shares (£1 nominal, with 1/- paid-up) first £10 of 5 per cent war loan stock, and second, one fully paid £3 share in the Eagle and British Dominions Company. These latter shares have recently changed hands at £6 10s. (Daily News, September 12th 1917.)

(To be continued)

THE ECONOMIC BASIS OF POLITICS.

(Continued from page 3)

officers and for voters were proposed in the convention, but it was impossible to agree on their precise form. Inasmuch as many of the troubles had arisen from attacks on capital by state legislature elected by freeholders, and inasmuch as the convention was especially eager to safeguard the rights of personal property, a freehold qualification did not seem to offer an adequate remedy. On the other hand, to impose a large personal-property qualification on voters would have meant the defeat of the Constitution by the farmers who were, of necessity, called upon to ratify it. Under the circumstances the framers of the Constitution relied, not upon direct economic qualifications, but upon checks and balances to secure the rights of property—particularly personal property—against the assaults of the farmers and the proletariat.

At this point we may summarize. Our six political philosophers regarded property, in its various forms and distribution, and the social groups which arise out of economic processes, as the fundamental materials for the science of government. We have seen also that the constitutions of government of great nations were, for centuries, deliberately fitted to the division of society into separate orders, groups, and estates, each of which pursued a separate calling and cherished its own sentiments about economic interests.

This great fact stands out clearly, that through the centuries—down until our own day—group interests were recognised as forming the very essence of politics both in theory and practice. Statesmen spoke of them, negotiated with them, placated them, legislated for them, and sought sometimes to secure the predominance of one or other or the balance of several against one or another. At all events, statesmen spoke not of abstract men and abstract rights, but of real men and real rights. What has happened to sweep away the practices of centuries, to challenge the philosophy of the world's greatest political thinkers, and to introduce the rule of “the people” instead of the rule of

estates? Have the economic conditions of the world been—revolutionized, the estates and orders abolished?

EMPIRE UNITY.

(Continued from page 1)

on by other means,” apparently needs no amendment in the light of existing social relationships. Capitalism, competition, wage-labor and the struggle for markets, are ugly facts—and Huxley's aphorism concerning the sad fate of a beautiful hypothesis when confronted with an ugly fact is worth remembering when selecting a humanistic or moral basis on which to rear speculations as to the purposeful, peaceful and democratic evolution of future society.

That all pacifist philosophers, unlike some Clarion scribes, are not just “Keeping their eye” on Britain is evinced by Bertrand Russell's declaration that: “An Empire of American finance over the entire planet is the nightmare prospect of the entire world.” And it is an empire based on something more substantial than military adventures, the subjugation and direct plundering of backward peoples, etc. The power of American finance is based upon the most highly developed industrial apparatus the world has yet seen. Within the confines of the U. S. A.—the largest integral economic and political unit in the history of modern states—are contained all resources necessary to the maintenance of modern civilization.

If there is anything in historic materialism then in America rather than Britain are to be found these highest developments of capitalist production which Marx postulated as the antecedent of socialism. “Cheapness,” according to Herr Marx, “is the weapon which batters down all Chinese walls,” or words to that effect. That the U. S. A. has effected that weapon through mass production methods, improved technique, great natural resources and the most vigorous and productive working class in history, is demonstrated by America's unique position as a world power. Already eleven Latin-American republics have capitulated to the American Empire. Canada and Australia are irresistibly drawn within its orbit and away from the influence of Britain.

The Clarion editorial mentions Britain's loss of the Continental market, the abortive Imperial Conference held under the auspices of Bonar Law and the Coalition Government. Canada and Australia rejected the offer of Inter-Empire preferential tariffs, deferring in the main to American interests, the latter country repaying the solicitude of Rockefeller's ex-humanizer of industry, MacKenzie King, by increasing the duty on Canadian wheat from thirty to forty-two cents per bushel. Hughes, the war premier of Australia, toured the States appealing for American support to maintain a “White Australia.” His visit was co-incident with the recent Japanese exclusion agitation, and its culmination. A publicity agent of the Australian Government, through syndicated articles in the American press, is making a further appeal for an American guarantee against Jap aggression. He argues that since Britain abandoned the Singapore defense scheme Australia is helpless against the Jap. Further, that Britain is in no position financially or otherwise to give adequate protection to the Colonies, her interest at present being engrossed by European affairs, the Ruhr, France, Germany and Russia demanding her attention.

Not Britain or France, but a force more powerful than both combined—the U. S. A.—stands forth as the real world conqueror. To maintain the capitalist system Britain and Europe must bow before the American Empire and accept its mandates. We see evidence of this fact in the Labor Government accepting the Dawes report—the dictatorship of the dollar. British governmental policies, of whatever political complexion, Liberal, Conservative or Labor are of necessity circumscribed by the material conditions extant in Britain. There, in the one-time workshop of the world, now somewhat antiquated and with a declining business, forty odd millions of people, are cooped up. Dependent on outside sources for far the greater part of their food supplies

and raw material, “credit” must be sustained, or they starve. Many of these bases of supply are situated in countries, subjugated and exploited by the Empire, which are anxious to enter business on their own account. No vital policies of social reconstruction can be initiated in the “tight” little island—to which the present masters of America are opposed.

From these considerations I conclude that those persons in Canada who watch with twittering hearts the doings of MacDonald & Co. at Westminster were better employed gazing on Bob La Follette and his merry men. His followers are just as radical as the B.L.P. Moreover they have a great productive country to experiment with, if they ever reach the seats of the mighty, a country in which the grub-pile features large in the landscape, unlike Great Britain. The workers of Canada are bound by economic ties to the “Republic” whether they like it or not. Policies or philosophies based on racial ties or Imperial traditions are apt to turn awry when confronted with the decrees of economic evolution.

F. C.

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