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THE RED FLAG

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FIVE CENTS

"THE BOARD OF INDUSTRY"

THE battle of the organized labor movement for recognition of an effective method of collective bargaining, has become marked by a new form of activity by the Federal Government against the movement. In the clearest and most unmistakable manner, so that all may see it has been demonstrated that the Government is but the executive committee of the bourgeois dictatorship in Canada.

Several strike leaders and other active supporters of the strikers have been arrested in Winnipeg, in the middle of the night, and spirited away from their homes to a distant penitentiary. Along with those of British stock, a few Russians have also been gathered in, in order to give the necessary Bolshevik coloring to the affair. Warrants are out for others, including W. A. Pritchard and Dick Johns. A press report just published says that Pritchard has been arrested in Calgary.

The strike leaders have been arrested under the provisions of an Act of Parliament, hastily devised to cope with the present "situation." So much did that 100 per cent. bourgeois parliament, now sitting in Ottawa, feel that its executive must have the camouflage of legal sanction for its purpose of smashing labor's organizations as a means of resisting the encroachments of capital, that the Bill was reported as being rushed through both houses of parliament in twenty minutes. Thus one of the most drastic anti-labor laws that has ever been passed through any house of legislation, not excluding any country, was passed without discussion. Feature this measure as they may, as being an assault upon Anarchists and Bolsheviks, it is recognized as but the mask from behind which, the "dark" forces are smashing the organized labor movement and through it, the working class as a whole to lower levels of economic slavery.

The prisoners were at first held without bail and press reports said they were to be tried by a special "Board of Industry," appointed under the new Act. Note the camouflaging name given to the board. Three members of the board, whose names were not given, were coming from Ottawa. Also eligible for membership on the board, it was said, were Colonel Stearns, of the R. N. W. Mounted

Police; Commissioner Perry of the same force, and Acting-commissioner of Immigration, Thomas Galley. The reports also said that there would be no trial in the civil courts.

What then is this "Board of Industry." It reveals itself as nothing more or less than a court-martial tribunal. Everyone of the individuals mentioned are paid officials of the bourgeois State. They are employed in collecting the evidence, running the prisoners down, and are also judges, jury and jailors too. That the Government has changed its policy on this matter does not obviate the fact that the above was the method by which the arrested men were to be tried if pressure had not been brought to bear.

Senator, the Hon. Gideon Robertson, minister of labor, referring to the arrest of these men, said: "It is a very nice job." We thank him for that snug, complacent phrase. It is a nice "job."

If the sting can be taken out of organized labor it will be a "nice job" for the capitalist oligarchy. If the standard of living of the working class sinks, there will be more profits for the Oligarchy, which will be "nice job for them." But history, or the process, unfortunately for the Canadian capitalist oligarchy, has also a kittenish, unexpected way of producing "nice jobs." We await with the ut-

most assurance its verdict, feeling sure that it will over-ride the verdict of the "Board of Industry," or any other tribunal appointed by the Canadian Capitalistic Oligarchy.

The Crown Prosecutor said he hoped to have the prisoners and their families out of the country in a week. The capitalist press is howling for their blood. The Toronto Mail and Empire, implies they ought to be hung. Well, that is the bourgeois remedy. When you have hung them, imprisoned them and deported them. What will you do then? Unemployment, poverty in the midst of wealth, exploitation, misery, degradation, will they be deported too?

How many perished directly or indirectly, through the late war, allegedly waged to stamp out militarism, twenty, thirty millions? No man knows, or will ever know. But of this we do know, that militarism is more surely shackled onto the human race now, since the war has been fought, than ever it has been in all humanity's chequered career before.

As capitalistic society weakens, and as it totters to its fall under the pressure of historical forces, it must perforce buttress and buttress itself up with military power. Buttress itself up with the sole remaining justification for its existence is a protesting world—Military Might.

ITALIAN SOCIALIST PARTY RALLIES TO MOSCOW INTERNATIONAL

After a series of meetings held March 18-22, the following resolution was formulated:—

"The Executive of the Italian Socialist Party considers the Internationalist Socialist Bureau to be an instrument of the war policy of the pseudo-democratic bourgeoisie tending to mystify the proletariat and to hinder the activity of the Revolutionary Socialist International. It regards the efforts of the International Socialist Bureau to revive the energies of the Socialist proletariat as vain; that the International Socialist Bureau has become the hostage of the imperialist bourgeoisie of the Entente; that the alliance formed at Berne between the Socialist-patriotic tendencies of Entente imperialists and the Central Powers proves the reactionary tendency of all the sections which failed in the pledges of the International against the capitalist bourgeoisie which brought all the nations into the war.

"It considers it impossible for those who kept their faith in the principles of the International and those who betrayed it to remain in one and the same organization. Instead of working towards an immediate convocation of the parties and adhering organizations, on the cessation of hostilities the Bureau contributed to the success of the Berne Conference, which was merely a sham International Socialist Conference. For these reasons the Executive decides to withdraw from the International Socialist Bureau and intends to work for the constitution of the Revolutionary Socialist International on the principles established by the Rus-

sian Communists, and for an International Socialist Conference.

"The resolution added that the Italian Socialists meant to take active measures to win over the Socialists of other countries to this new allegiance. The Executive also declared its readiness to organize a general strike in order to force the withdrawal of the Italian troops now in Russia.

WHAT IS A REVOLUTIONARY SITUATION?

(From the Glasgow "Socialist.")

What are, as a rule, the symptoms of a revolutionary situation? We shall certainly be on the right track in pointing out three main symptoms: (1) A ruling class finds it impossible to retain its domination intact, due to its passing through a crisis which stimulates the oppressed class to revolt against its rule. For revolution to break out it is not enough for those at the bottom to be content to live as they did before, they must also see to it that it becomes impossible for those at the top to continue their old policy; (2) want and suffering are experienced by the oppressed class in a more intense degree than ordinarily; (3) the causes indicated compel increased activity amongst the masses. During "Times of peace" they calmly allow themselves to be fleeced, but in times of stress they are stimulated by the staging of the crisis, together with the action of those at the top, to enter the arena as an independent historical force. Without these objective changes independent of the will, not only of the separate classes—revolution is, as a rule, impossible. Taken in the sum, these objective changes constitute what is called a revolutionary situation.—LENIN.

GOVERNMENT TOO CONTEMPTIBLE TO REQUEST ANYTHING FROM SAY MINERS

SYDNEY, N.S., June 19.—Silby Barrett and J. C. McLachlan, United Mine Workers' leaders in Cape Breton, have forwarded a telegram of indignation to the minister of labor, Ottawa, with reference to the arrest of the Winnipeg strike leaders. The telegram reads:

"The arrest of Winnipeg labor men is a case of making criminals by act of parliament. This union protests against this sneak-thief method of arresting men. We pledge ourselves to do all we can to bring about a general strike all over Canada. Present strike-breaking government too contemptible to request anything from."

The Arrested Union Leaders

Readers of "Huck Finn" will no doubt recollect the release of the "Runaway slave" by the educated and dromantic Tom Sawyers in conjunction with the illiterate but practical Huck Finn. Jim, the slave, was in an old barn, with a board nailed across a windowless frame; he was chained to the leg of a wooden bed. To pry off the board, crawl through the open window frame, lift the bed and remove the chain was the work of a moment, and Jim was free. Thus advised Huck. Tom insisted upon digging a tunnel under the barn, sawing off the bed leg, eating the sawdust, as an alternative to chopping off Jim's leg. By a somewhat similar strategy the Canadian Government has succeeded in capturing a group of conspirators, who were feverishly sapping the foundation of society. Cabinet ministers hinted at some mysterious program, military generals prophesized unctuously of tremendous events portending. Newspaper leaders breathlessly consumed the veiled announcements in editorials, until the business element of Western Canada, were all "strikers" in a different sense of meaning to that word when applied to working class affairs, Tuesday, June 17, we experienced the worst—the blow fell. At three or four o'clock in the morning, nine of the Winnipeg strike leaders were taken from their beds and rushed to jail, somewhere in Canada. This masterly strategem, was accomplished simultaneously with a raid on the Labor Temple. A project which entirely overreached the agents of destruction. A cordon of several hundred police surrounded the Labor Temple and the majesty of the law was duly vindicated by breaking down locked doors. Gideon Robertson says it was a "very nice job." Of course it was.

We wonder did the "Founted Police" as the World has it, bite through the doors, in Tom Sawyers or Don Manco, Pietro de la Sausage, Milo style, and if so did they swallow the sawdust. Well might the tired businessman now exclaim "How long Cattilene, will you abuse our patience! Do you not perceive your designs are discovered."

Yes it was a "very nice job."

Having arrested nine men, something must be done. We hear of several charges of conspiring to prevent the police from performing their duty, conspiring to overthrow constituted authority, taking Bolsheviki money and some few score others. One charge which refers to making the constitutional government of Canada ridiculous must be a mistake. We can't see what could be more likely to bring ridicule upon a government, than the appeal published in the press as having been made by Minister of Labor Robertson to Samuel Gompers. This Gompers who was the laughing stock of Europe, and who is utterly discredited in Canada and the United States. Who was charged by a fellow delegate to the Seattle Convention, with making the night hideous with drunken noise so that delegates living in the same hotel could not get proper sleep, and when Delegate McDonald went to remonstrate, Gompers in his nightshirt, flourished a bottle of booze, and bellowed for him to come in. And to this individual, living in a foreign country, and an alien emigrant at that; a minister of this government—appeals for help. If in such actions constitutional government consists, it would be superfluous to try making it ridiculous.

The "Vancouver World," which fortunately had not been "suspended" carried the news of this great exploit. It had furthermore, two news items side by side which have a slight bearing on Robertson's "very nice job," under a Sidney, N. S. W. date line, we are told that "about" sixty persons mostly Russians who have been actively engaged as Bolshevik-propagandists for some time, are to be deported without delay." The account goes on to say—"it is stated somewhat mysteriously that persons deported in the circumstances detailed are being sent to territory set apart by the British Government—for the internment of Bolsheviks and other rebels." That's a very nice job too. We

admire the term "deportation." During the chartist agitations and the early days of trades' unionism, it was called transportation. We suggest Siberia as a likely place. It would save much expense; there being large political prisons already built; in addition to which it seems to be the largest and least populated section of the world's area, and that is a very important factor, as we shall see by reading the next column. A mining town of New South Wales, Cobar by name, with a population of 5000, has been ruined by the slump in copper. According to the report—"the people of Cobar are stunned, and do not know what to do. They have made frantic appeals to the government for assistance, but what can the state government do, that it is not already doing?" It proposes to find one-third of them jobs elsewhere. What could a government do in a country where wheat lies rotting in the open air, and feeding rats. Where cattle roam the wide spaces, in such numbers as to almost become pests. What could a poor government do? It could do what any master class government could do; transport six or seven prominent members of the working class, while thousands upon thousands of the working class starve because there is too much copper, too much wheat, too much beef, too much of everything that man requires.

Siberia will do for the present, though at the rate Bolshevism is growing, it is quite likely that, orderly and constitutional government might be driven to select a quiet spot for itself, say St. Helena, and banish the Bolsheviks to the other portions of the earth. That would be a "very nice job" too.

Arresting the leaders, while a strike is being conducted on a charge not connected with the strike, is a daring act indeed. No one can accuse our government of cowardice. Bold as the city green-horn, crawling up to a patch of wild oats at four o'clock in the morning, they carried out their instructions to the letter. Some people might suggest that in arresting strike leaders during a strike, they have done a very foolish thing, we would hardly go so far, but even if it is foolish, our government can always retreat gracefully, from a foolish position, as witness the law forbidding strikes passed last January.

Of course consideration is always to be given to the source we derive information from. The Great Lying Press, an institution in ordinary time vile enough, but in times of working class protest, unspeakably vile. We take as an example two reports: The Vancouver "World," June 17, front page says—"G. D. Robertson said he had no information to give out. The arrests had taken place, he declared, as a result of a decision of the department of justice, and the department of labor was not concerned with them." The Vancouver "Province," June 18, front page says—"Sir Robert Borden told Mr. MacKenzie that the prisoners had been arrested on a charge of seditious conspiracy. Government Council at Winnipeg had been instructed that it should take no proceedings for arrest of the men, save under the authority of the minister of labor. That authority had evidently been given." The "World" reports Robertson as stating that the department of labor had nothing to do with the arrests. The "Province" reports Borden as saying the arrests could only be made by authority of the department of labor, which is the liar! Are these bold and honorable "craters" already seeking to avoid responsibility? We can not tell. One thing only we are sure of—the press lies, systematically, purposely, and calculatingly,—that is a fact which has all the validity and force of a mathematical demonstration—that two and two are four. We must always remember this one great fundamental factor of modern life, the function of the press is to lie. The sole object of its existence as a powerful public institution is to create views, not to give news. To create views on Tanlac, Chew-

ing Gum, Stieckfast, Gods, Gastine, Gompers, Tin-Lizzies, Ministers of Labor, of Religion, of Vice and of Justice, to create views on the value of corn cures, adapted to venereal troubles, of the best methods to remove a boil, or an unborn child. So that in judging honorable men like Robertson and Borden we must always remember the functions and practice of newspaperdom.

However, we can be assured that the strike-leaders of Winnipeg are arrested, every newspaper we have seen proclaims this fact as true, though that in itself is no guarantee of truth, they all proclaim this strike to be a revolution, and they all lie, with deliberate intent. These members of the working class have been taken from their bed in the early morning because they were prominent in a strike. The early morning raid was for no other purpose than to emphasize the dangerous character of the prisoners. They are, according to some reports, to be transported by order of the immigration office if found guilty of the charges; which consist of some generalizations and allegations which border on idiocy. A statement attributed to Robertson appears in the "Province" of June 18. It is quite in keeping with his former utterances, is in blackface, so we assume that it must be of great significance.—"From additional evidence obtained consisting of papers, pamphlets and documents gathered in by the police on Tuesday morning, only a few have been scrutinized, the citizens of Winnipeg and Canada will have little difficulty in reaching a conclusion as to the depth and seriousness of the conspiracy which was going on, not in Winnipeg only but generally throughout Western Canada.

"The representatives of the justice department will in due time unfold the facts. It might be interesting, however for the public to know that the records indicate that a special committee had been selected on June 10, to investigate and report upon the possibilities of cutting off the electric power from the city, and that correspondence addressed to R. B. Russell, secretary of the One Big Union Provincial Executive Committee of Manitoba, acknowledges receipt of Bolsheviki money."

Let us examine the fatuous statement. Of course Robertson can blame it on the Province and the Province can blame it on someone else. In the first place, the "citizens" are advised that they will be able to judge from documents "few of which have yet been scrutinized." The facts which are known are so childish as hardly deserving attention from serious-minded men, were it not that the Canadian Government is apparently hopeful of putting over this assault on "working class freedom" by force. A special committee was appointed to report on the possibility of cutting off the supply of electricity. A remarkably revolutionary project. But note the conclusion: Correspondence addressed to R. B. Russell, acknowledges receipt of Bolsheviki money." Who sent that correspondence to Russell? And why should Russell be arrested because some fool or rogue sent him a letter claiming to have received Bolsheviki money. And what have the eight other men got to do with this fellow who tells Russell in a letter that he had received Bolsheviki money?

If the government have no better case than Robertson announces, then there will be one hell of a row when the case reaches the House of Commons in England. Being a fool is the one unforgivable crime in the code of imperial capitalism. We are living in a different world today than that of five years ago, and such acts as this arrest can but result in the class lines being tighter drawn, the class issue clearly revealed, and the class struggle more definitely recognized.

Apropos of nothing whatever, we rise to remark that upon the last occasion of governmental kidnapping of Labor Leaders we wot off; Governor Peabody of Colorado, who issued the order, died a

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The Burning Question of Trades Unionism

SOME years ago one Daniel DeLeon, Socialist, spoke at some length on the subject of "The Burning Question of Trades' Unionism." Daniel's remarks were intended to be somewhat of the nature of a fire extinguisher. Nevertheless, the question continues to burn—one might almost say "heartburn." Not to put too fine a point upon it, the discussion which rages (the word is well chosen) in certain quarters over, under and around this subject is acrimonious to a degree.

The debating of such subjects as the one in question, within reasonable limits, is by no means to be frowned upon. It is by such means that truth is sought and found and error exposed. But it is unwise to say the least to allow such discussion to sink to that level where acrimony magnifies the issue out of all proportion to its real importance. And it is to be regretted that the echoes of the discussion which has been and is still raging over this particular subject have been allowed to penetrate to certain quarters where, as might have been expected, they were more or less misinterpreted and entirely misunderstood.

The result is that among members of organized labor the idea is very prevalent that between them and the Socialist, a yawning gulf is fixed. There is no doubt that the impression exists that the Socialists regard that form of organization into which labor has instinctively grouped itself as a thing to be vigorously denounced and strenuously combatted at every opportunity. That this idea is erroneous and arises out of a misunderstanding, for which the trade unionist is not entirely to blame, I shall endeavor to show.

The question as it is at this time generally debated may be stated thus:—**Has Trades' Unionism ever bettered the condition of the working class? Will it ever be able to do so?** The uncompromising adherents of what has been termed "The Philosophy of Misery" return an unqualified negative to both these questions, and at first blush their position appears to be sound.

The trades' unionist will point to the fact that those trades which have been well organized have generally enjoyed better pay and working conditions than those unorganized, and argue that it is the unions which have procured them this advantage. It must be remembered, however, in this connection, that it is the skilled trade, generally speaking, which have been organized longest and most thoroughly, and as such they would naturally command better pay than unskilled labor whether they organized or not.

The unionist may contend that the standard of living of all labor, organized and unorganized, has been raised appreciably during, say, the last fifty years, and it is due to the efforts of the unions that this is so. The socialist will, however, point to the fact that the tendency of the development of the processes of production is to demand a more and more efficient worker, that a shorter working day and a better standard of living is necessary to the production and maintenance of such efficiency, and will argue from this that the relative advantage now enjoyed by labor (such as they may be) might have been conceded even though no union had ever existed.

The socialist will point out that the competition of unorganized labor, both skilled and unskilled, which constitutes a large proportion of the whole, will always act to maintain hours and wages at that point which the market warrants and the methods of production make necessary. The unionist counters with the argument that organization is not yet complete; that when all members of all branches of labor have been organized then, competition being eliminated, labor will have things all its own way.

This is a beautiful dream. A little reflection will show that, even though all labor could be so organized, such organization would create no new demand for labor. In short, there would still be more laborers than jobs, and whatever competition pre-

viously existed outside, the unions would simply be brought inside—but it would still be competition. Thus we are driven to the conclusion that, not only is it extremely doubtful that Trades' Unionism has ever bettered the condition of the working class as a whole, but also that there seems little hope that its further extension will be any more successful.

The union, as DeLeon pointed out, is the arm which labor instinctively throws up to protect its head against the blows of capitalism. It is labor's reaction to the stimulus of its environment. From the moment of its inception it became a factor in human affairs. Speculation as to what might be the present condition of the working class had labor not reacted in that particular way is idle. Sociology is not an experimental science. Speculation as to what might be accomplished from now on if trade unionism could be eliminated is sheer waste of time. There is no indication that such elimination could ever be effected. On the contrary there is every reason to believe that trades' unionism in some modified and extended form will continue to be a prominent factor so long as capitalism exists. As the conditions which called it forth change, so will unionism change its form in the endeavor to adjust itself to changing conditions. As the weakness and inefficiency of the arm which labor throws up to protect its head becomes more and more apparent, so will labor endeavor to strengthen and reinforce that arm as best it may. But trades' unionism will continue to be a fact. The adjective, "Trade" may be discarded. The form and mechanism may be modified. But in essence the institution will remain the same—an organization of workers founded, not on class consciousness, as the socialist understands it, but on that recognition of identity of interest which their status inspires. In short, the workers will organize to make the best of their position as workers—not as class-conscious wage slaves to overthrow a system. And there is every reason to believe that the workers will continue so to organize so long as they continue to be wage workers.

So far the outlook is as black and as hopeless as the most earnest exponent of "The Philosophy of Misery" could desire. But there is another angle from which the subject may be approached. What says our exponent of the "Dialectic" method.

"We must consider things not merely as they are but also in the light of what they once were and what is perhaps most important in this connection—"what they are likely to develop into."

The weapon of the labor union is the "strike." In its early and simplest form under capitalism, the strike was purely industrial action of merely local significance. It was directed against the individual employer or employing interest, the idea being to force certain concessions by occasioning inconvenience and loss of profit to that particular employer or interest. It will not be necessary to do more than briefly suggest the development and extension of this idea as the facts thereof are more or less common knowledge. We have long since passed the stage where the strike was directed simultaneously against several different employing interests by workers of the same trade acting in concert and have now arrived at the "Sympathetic" stage.

The sympathetic strike may be described as a strike simultaneously directed against several different employing interests with most of which there is, at the moment, no quarrel; the idea being to cause the unoffending interests to bring pressure to bear on the offending interests to compel them to effect a settlement. At this stage the strike begins, more or less unconsciously so far as the strikers are concerned, to take on a certain degree of political significance.

As this stage develops, the "State" finds it increasingly difficult to maintain the semblance of neutrality. Consequently, each succeeding strike of this nature provides a liberal education for the

workers and awakens in them the recognition of the necessity for "political action"—as the Socialist understands it. The logical development of this idea may be seen in the recent action of the "Triple Alliance" in Great Britain. Here the strike has developed into conscious—though no necessarily class-conscious—political action.

Coincident with this evolves the "One Big Union" idea, the development of which will tend to make every strike more and more political in nature. There is no doubt that a strike called by an even partially organized One Big Union would be of such scope and magnitude as to make the mere threat of it a tremendous political lever.

Thus it may be seen that, while labor may refuse to be argued into political action by the Socialist, it will ultimately be forced into such action by the inevitable development of that form of organization which it has adopted. That conscious political action is now developing out of trade unionism is proven by reference to the "Triple Alliance" mentioned above. **How rapidly this will become class-conscious will depend upon a number of factors, one of which is the Socialist education.**

If the conclusions reached above are approximately correct—and I believe that events will prove them to be so—then may the Socialist compose himself to contemplate Trade Unionism and the "commodity struggle" with a more tolerant eye than has been his habit hitherto. There is a benevolent appearing old gentleman wearing long white whiskers, clad in a nightshirt and carrying a sythe. He is known as "Father Time." The fact is not generally appreciated but he a Socialist of the most pronounced revolutionary type. He is very busy among the trade unions these days. He is working for us.

C. K.

What We Want

(From the "Socialist Standard," London, Eng.)

A lot of make-believe capitalist sympathy has been slobbered over the working class recently as the result of the revelations of some of the horrors of working-class existence in the mining districts and in the East End of London. That the capitalists may make a genuine effort to improve these conditions is quite possible. The war has shown them that they have a C3 nation of workers, and the latest births and deaths returns have revealed to them the unpleasant prospect that unless they bestir themselves they will soon have no nation of workers at all on which to found the military and commercial supremacy of their Empire. But even if they do improve the workers conditions; if they stable them in palaces and harness them in "Workmen's Charters;" if Lord Leverem finds that he can exhaust his men in six hours and does it, and Mr. Ford discovers anew that high wages, as the Dutch say of paint, cost nothing—what then?

Such things, realized far beyond the realms of possibility, would leave us unmoved. We are out for LIFE for the workers. The world is beautiful. Life is glorious. Even work is joy if a man may, as Morris said, "rejoice in the work of his hand." Evolution has given us the possibility of producing by work, as distinct from toil, wealth in such abundance that the amenities of civilization shall be the portion of all, without stint.

A place in the sun, a draught of the sweet air of the meadow, the tranquility of the country sunset, relieved of the shadow of our slavery—are they not worth fighting for? Are the workers for ever to be content with the mentality that can raise a singer to fame and fortune on such a song as "Champaign Charley?" The earth sings a better song after rain, but how many of us have heard it? The World with all its beauty is for the Workers if they will but take it.

THE RED FLAG "Nationalization of Women"

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Freedom of the Press

For many years, generations rather, the struggles of the rising bourgeoisie found their expression in the abstract conceptions of Liberty, Equality and Fraternity, that formed the slogans of the revolutionary period ante-dating the nineteenth century.

With the rule of the bourgeoisie established beyond cavil there still existed the radical Whig element amongst the individualists whose interests seemed to run counter to the general mass of the ruling class. Without mentioning any specific instances we may say that the Law Court records of England bristle with "causes celebre," the particular issues at stake being "freedom of speech and press."

Long and bitter struggles they were, resulting in jail sentences for numbers of those involved, and fat fees for the greasy-fingered law-sharks of the Inns of Court. The outcome of the struggle we have before us — A FREE PRESS.

During the past few days a situation has developed that re-opens the question. A body of men belonging to the Typos Union in Vancouver, have taken upon themselves to say to the owners of certain newspapers "you shall not print such and such or so and so." It matters not whether the "news item" in dispute be lying and slanderous or not, the property rights of the newspaper owners are interfered with to an alarming degree. Our "free press" is at stake and such efforts as are necessary on our part to maintain our "glorious inheritance" must be immediately forthcoming.

Before, however, falling in line we who "eat bread by the sweat of our brow" will do well to consider the subject in its relation to ourselves. Just what do we mean when we speak of the freedom of the press? Is it a mere shibboleth, a mouthy phrase like the freedom of contract that we are supposed to enjoy? The worker knows that he has no such freedom of contract. He must sell his labor where and how he can. The devil of hunger drives and there is no choice. Is it on a parity with "equality before the law"—another bourgeois battle-cry that the worker diagnoses at sight? The penniless vagrant is immediately railroaded to the penitentiary, while the millionaire criminal buys immunity of every last functionary from the legislator to the policeman on the beat.

If the freedom of the press is in the same class as these "freedoms" we have just mentioned, its maintenance is no concern of ours, and we can best know this by understanding its function, who owns it and what reward it draws for the activities it displays in the social life of the community.

The most important of these questions is that of ownership. Society today is divided into two classes. One of these owns and controls the machinery of wealth production, the other owns absolutely nothing but the power to labor, to produce wealth. The class that produces the wealth is by far the most numerous. There are many workers to one capitalist. They own no machinery, so it is obvious they do not own the press. Since the workers do not own the press, the capitalist, being the only other class, must rank it among its possessions.

Since they are few in numbers, as compared to the workers, they cannot maintain their ascen-

WERE not the Soviets responsible for the nationalization of women?

This story has not a particle of truth in it, and has been contradicted by every responsible person coming out of Russia. Mr. Wickham Steed, editor of the London Times, and two aristocrats in the British foreign office, as owners of a journal in England were first responsible for setting it out on its travels around the world. They were brought to time both by an Anti-Bolshevik organization in England and by Dr. Harold Williams mentioned below, and others. They withdrew and apologized for the report. Details of this matter may be found in back numbers of the Red Flag. The apology of the editor of the "Times" has been given the utmost publicity in Vancouver, as elsewhere, time and time again, since the report was put in circulation. It speaks greatly for the poverty of the capitalistic opponents of the working class republic in Russia, in so far as possession of material with which to discredit it goes, when they have to keep on serving up this same old bedraggled and discreditable lie, the natural scum progeny of their own bestial, pornographic imaginations.

What are the facts? The Rev. Albert Rhys Williams, who was in Russia himself, has this to say: "Some Moscow paper published what is called a

dency by brute force alone; this is exactly where our free press comes in. Its function is to keep the worker in such a state of ignorance that he will imagine that things are as they were meant to be by God, as they have always been and always will be, world without end. Amen. To keep the worker in this frame of mind, the free press has descended to the lowest depths of corruption.

Members of society, many of them talented, are bought for little more than thirty pieces of silver, their intellects prostituted and their genius perverted all to the end that the ruling class may still hold on to the privileges that the class nature of our modern system of slavery has enabled them to acquire.

If you do not believe me perhaps you will accept the word of John Swinton, one time editor of the New York Times. "The business of the journalist is to destroy the truth, to lie outright, to pervert, to vilify, to fawn at the feet of Mammon and to sell his country and his race, for his daily bread. — We are intellectual prostitutes."

That is our "free press." A howl of righteous indignation goes up to heaven when the Typos Union declare their intention of refusing to set up what they know to be a downright lie; but when the Western Clarion, and other Socialist publications were banned by order-in-council, the Holy wrath of the respectable citizen was vented without anyone smelling a whiff of it.

The "free press" is like all the other free institutions of capitalism, free libraries, free soup kitchens and free jails. They are exemplifications of bourgeois "freedom;" weapons that may all be used to keep the worker enmeshed in the toils of slavery.

The "free press" is the bourgeois press, and what it seeks is not liberty but license.

As the bourgeois press can not brook competition, the Socialist press is mercilessly suppressed, while the working class movement is too weak to fight its battles. With growing power, the worker will establish his own press and when sufficiently powerful, will just as mercilessly prevent the dissemination of bourgeois ideas. Every campaign of lies, every new attempt at vilification, every effort to strangle the workers on the part of those who control the newspapers, brings them so much nearer to the day when they will no longer be able to cloud the minds of the workers, when they and all their kind will be consigned to the rubbish heap of history, and we will have a press free from all the trammels of slavery that will function as it ought.

W. B.

decreed on the "Nationalization of Women." The Soviets immediately suppressed the paper and fined the owners 25,000 roubles. (Ruthless blood-thirsty Bolsheviks. Edit.) Jerome Davis, who was acting head of the Y. M. C. A. in Russia, says, "In all my stay in Russia, I talked with hundreds connected with the Soviet Government. They not only violently opposed such immoral doctrines but also thought them too ridiculous to discuss." There are many bitter opponents of the Soviet Government. Here is what one of them says on the so-called decree on the nationalization of women:

"It is certain that the Central Soviet Government has issued no order of the kind. I consider it wrong to weaken the case against the Bolsheviks by imputing to them crimes they have not committed?— (Dr. Harold Williams, correspondent of the London Chronicle and New York Times, a most persistent enemy of the Soviets.)"

But, dear doctor, when the would-be saviors of capitalism and their bravos are bankrupt of constructive criticism of the statesman-like Soviet program, what are they to do? Two wrongs would not make a right. Nevertheless, while protesting against being forced to deal with such unsavory details, we publish the following from the "Queens Daughters in India." It will show that the shoe fits like a glove on the bourgeoisie themselves.

"For many years the army authorities in India used to recruit women as prostitutes for British soldiers, these women being recognized as part of the equipment of every regiment, and being regularly inspected by the medical officer. On June 17, 1886, under instructions from Lord Roberts, then commander-in-chief, a circular memorandum was issued by Major-General Chapman, which stated amongst other things, that it is necessary—

"To arrange for the effective inspection of prostitutes attached to regimental bazaars, whether in cantonments or on the line of march.

To have a sufficient number of women, to take care that they are sufficiently attractive, to provide them with proper houses.—(Parliamentary Paper, No. 197, of 1888.)"

These instructions were promptly acted on, for on July 9, the officer commanding the Connaught Rangers at Jullender wrote to the Assistant Quartermaster-General:—

The Cantonment Magistrate has already on more than one occasion been requested to obtain a number of younger and more attractive women, but with little or no success. He further urges as desirable that the Cantonment Magistrates should 'give all possible aid to commanding officers in procuring a sufficient number of young, attractive, and healthy women.'

On the same date an application was made for six extra 'young and attractive women' for the 2nd Cheshire Regiment; and as it was not promptly complied with, another appeal was sent saying that 'some of the women now with the headquarters of the 2nd Battalion Cheshire Regiment are not very attractive,' and asking that their previous application be complied with. On July 24, the officer commanding the Artillery at Jullender wrote:—"There are not enough women, and they are not attractive. More and younger women are required, and their houses should be improved." Another officer writes: "I have ordered the number of prostitutes to be increased to twelve, and have given special instructions as to the four additional women being young and of attractive appearance." During this year (1886) there are numerous references of a similar character, pointing out that the prostitutes provided for the British soldiers were not attractive enough or that the brothels were not sufficiently comfortable.—(Report of the Working of the Lock Hospitals of the N. W. Provinces and Oudh, for 1886.)

Propaganda meetings every Sunday night, at 8 p.m., Empress Theatre, corner of Gore avenue and Hastings street.

Some Sidelights for "Citizens"

THE organ of the capitalistic interests which is printed in a scab shop and circulated "free" in Vancouver, says the Rev. Ivens of Winnipeg was driven out of his church by his congregation, and characterizes him as "an unfrocked priest." Ivens will be no worse for being "unfrocked." If he has any "Sand and Savvy" in him, he will be all the better for being rid of that impediment. A frock is no garment for a man in the twentieth century; let those wear it whom it fits.

It is not the first time in the history of the race that orthodoxy has unfrocked a protestant, and as to Ivens being driven out of his church, by his congregation that is a lie. His congregation followed him to the labor church, and the bourgeois owners of the other one, and their half-dozen or so toadies and lick-spittles, were left to occupy the dusty pews and whine out in loneliness their stone age mumbo jumbo.

Some part of Canada should be set aside for the local profiteers sole and exclusive use. We'd suggest a coal or a logging camp for a change.

It is charged that some firms are intimidating their employees into joining the Citizens' League. Of course the boss does not make his miserable victim sign a document to that effect, at the point of a revolver. He owns the precious "job" and a wink is as good as a nod to a man with a wife and six kids.

Who shall rule in Vancouver? Only the exploiters rule. Delegated authority is not rule, it is administration, and the delegates can be recalled. Try recalling the robber and ruling class authority, and you may call and call unto the crack o'doom.

It is said the sane men of the labor unions have been tricked into this strike. The sane men of the labor unions will look after their own affairs. They do not need the help of the hysterical Citizens' League or the Manufacturers' Association.

The New York correspondent of the London Daily News, reports that a deadly poison has been discovered, a poison so deadly that ten aeroplanes carrying a little of it could wipe out every vestige of life animal and vegetable, in a great city, and that three thousand tons were available for the American front last March, and that it would have been used if the war had continued. If capitalism along with its imperialistic wars is not ended soon, there is small hope for the human race.

The capitalist press can not hide its identity under the name of the "public" press. Its own employees who are in on the inside on the "make-up" revolt against its indecencies and public immoralities.

Dr. Dillon, the foreign correspondent of the London Daily Telegraph says in that journal of May 26: I have watched the developments of anti-ententism amongst Russians with painful interest, and with favorable conditions for observation, and I say without hesitation that their anger against the Allies burns as vehemently and intensely amongst the anti-Bolsheviks as among the Bolsheviks."

Kerensky and other Russians in Paris have now issued a manifesto against the intervention of the capitalistic governments in Russia. Their eyes have been opened.

"A Grateful Country Will Never Forget You." Large demonstrations are still taking place all over Great Britain, of returned soldiers demanding work.

The Co-operative Societies in Manchester, England, have decided to hold their demonstration in Platt Fields, on July 5, in spite of the refusal of the City Council to grant them permission.

The United States Government report on Soviet Russia, as a whole lot of other reports, has from time to time been refuted, and it remains now a thing of wretched shreds and patches, a subject of derision. This is the Bureau which was headed by George Creel, a muck-raking yellow journalist, who got the job for services rendered the Democratic Party, and which was responsible for the Sisson Documents. These were published broadcast in the subsidy hungry American and Canadian press, months after they had been rejected by the French and British Governments, as palpable forgeries. When they were published on this side of the water the effect was far otherwise than was expected and the more decent of the capitalist organs, who had a reputation to guard, were the first to expose the fraud on an information bureau only too eager to swallow anything and everything, which promised to discredit the Bolsheviki. There are few journals which care to refer to them now. The hoax is a sore subject with all, but those few unscrupulous Provincial journals whose owners or managers lack the elements of common decency.

A debate has just taken place at the Oxford debating union, Oxford University, England, on the following resolution: "That in the opinion of this House the times call for a revolution of the ideas of the basis of society." This was carried by the large majority of 333 to 120. "Have the Oxford undergraduates become infected with the Bolshevik microbe," asks the "Labor Leader." Will the stuffy, old-fashioned mid-Victorian mugwumps, of the Citizens' League take action on this? The sacred cause of things—as they—are in danger.

What is the cause of the sudden affection of the "kept" press for the cause of labor. That is "sane" labor of course. We say sudden affection, because the cause of labor has a history, and in that history is recorded the crimes committed by the "kept" press and other institutions of capitalistic thuggery, against the cause of labor. Historians of trades' unionism record that every step forward, that every privilege gained has been secured in the face of the bitterest calumny and the most brutal methods of suppression by the very same class of people who are repeating those methods in Canada today, even while using the hypocritical fawning language about "Sane" unionism, which half camouflages the veiled threat of terrorism. The history of trades' unionism is an interesting one.

The Canadian Government and those whom it represents, think that it has only the Canadian workers to deal with, but this is wrong, for the working class of the British Isles will also take up the gage of battle. Labor thinks in international terms today. Take note of this clipping: "A manifesto by the Confederation Du Travail announces a meeting on Saturday next of representatives of British, French, Italian and Belgian syndicates for the settlement of a general international policy and the discussion of the possibility of a general strike."

THE COMMUNIST MANIFESTO

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Our Siberian Friends

The following is an extract from a statement by Slonin, an ex-member of the Constituent Assembly, who was present at Ufa and Omsk. The statement was published in the Paris "L'Humanite," and shows how the Kolchak capitalistic "democracy" was established in the first instance and by what means maintained against the wishes of the Siberian peasantry, and the industrial workers. In spite of what the capitalist papers say in Canada, the fact is, that almost all who have come back from Siberia, soldiers and others, declare that the Kolchak regime is bitterly hated and that the mass of the people are heart and soul with the Bolsheviki.

On November 19, having received news of the proclamation conferring power on Admiral Kolchak, an emergency session of the Congress of members of the Constituent Assembly was held in a room in the "Palais Royal" hotel. All those present carried rifles and revolvers. The Congress decided to form from its midst a committee of seven with extensive powers and responsible to the Congress. The following were elected: Tchernov, Volski, Alkin, Fedorovitch, Brushvit, Fomin and Ivanov. At this session a proclamation dealing with recent events was drawn up and many copies were typed out at once. These proclamations were circulated by the Congress in the town and in military circles. When this fact became known, a group of soldiers and officers belonging to one of the regiments recently returned from the front, marched to the "Palais Royal." One section surrounded the hotel and others entered the private room where the Congress was sitting, disarmed all those present, seized a considerable quantity of arms and all the documents, papers and proclamations. During the search, 80,000 roubles were found on Volski. At the order of the commander of the garrison, Colonel Nekrassov, who arrived at the hotel, all the confiscated articles were delivered to the supreme command of the town.

While these incidents were taking place, a bomb was hurled by an unknown person from a window of the "Palais Royal" and exploded, smashing many window panes and wounding three officers. Late at night the Russian detachment, which was guarding the hotel, was relieved by a Czech detachment.

Nearly the whole Constituent Assembly, headed by its president, is now in the prisons of Ekaterinburg and Omsk, where Admiral Kolchak, recently commander-in-chief of the armies of the Constituent Assembly, is reigning supreme.

According to Slonin, among those arrested were the three members of the Archangel Government, who had just reached Omsk after a 55 days' journey. These victims of the coup d'etat were treated with the utmost rigour, but their lives were spared through the intervention of the Allies' representatives. The members of the Government were sent abroad and the members of the Constituent Assembly were thrown into prison.

Then the White Terror had its sway. This regime soon aroused the population in different parts of Siberia. Between November and January there were three risings, which were crushed with an unprecedented cruelty.

Under Kolchak's Government all freedom and liberty have been suppressed, including freedom of the Press and of meeting, freedom of association and the right to strike.

Kolchak is exclusively supported by monarchists and by certain small and insignificant political groups. All the democratic elements continue to struggle against him. Blood flows freely. The Civil War is gaining in magnitude, and reactionary follies are every day strengthening Bolshevism. This is the true state of affairs in Siberia today. According to the words of the grandmother of the Russian Revolution, Breshkovskaya, "no sincere democrat will ever be able to support the dictatorship of Kolchak."

P. R. I. B.

"Peace Covenant of Paris"

(Extract from "Dial.")

The interval since Mid-Victorian time has been a period of unexampled change in the industrial arts and in the working arrangements necessary to industrial production. The productive industry of all the civilized peoples has been drawn together by the continued advance of the industrial arts into a single comprehensive, close-knit system, a network of mechanically balanced give and take, such that no nation and no community can now carry on its own industrial affairs in severalty or at cross-purposes with the rest except at the cost of a disproportionate derangement and hardship to itself and to all the rest. All this is simple and obvious to those who are at all familiar with the technical requirements of production. To all such it is well known that for the purposes of productive industry, and therefore for the purposes of popular welfare and content, national divisions are nothing better than haphazard divisions of an indivisible whole, arbitrary and obstructive. And because of this state of things, any regulation or diversion of trade or industry within any one of these national units is of graver consequence to all the others than to itself. Yet the Covenant contemplates no abatement of that obstructive nationalist intrigue that makes the practical substance of the "self-determination of nations."

At the same time, that which chiefly hampers the everyday work of industrial production and chiefly tries the popular temper under this new order of things is the increasingly obstructive and increasingly irresponsible control of production by the vested interests of commerce and finance, seeking each their own profit at the cost of the underlying population. Yet the Covenant contemplates no abatement of these vested interests that are fast approaching the limit of popular tolerance; for the Covenant is a political instrument, made and provided for the rehabilitation of Mid-Victorian political intrigue and for the upkeep of the vested interests of commerce and finance. The cry of the common man has been: What shall we do to be saved from war abroad and dissension at home? And the answer given in the Covenant is the good old answer of the elder statesmen of the Old Order—provision of armed force sufficient to curb any uneasy drift of sentiment among the underlying populace, with the due advice and consent of the dictatorship established by the elder statesmen.

Now, the great war was precipitated by the malign growth of just such a commercialized nationalism within this industrial system, and was fought to a successful issue as a struggle of industrial forces and with the purpose of establishing an enduring peace of industrial prosperity and content; at least so they say. It should accordingly have seemed reasonable to entrust the settlement to those men who know something about the working and requirements of this industrial system on which the welfare of mankind finally turns. To any man whose perspective is not confined within the Mid-Victorian political traditions, it would seem that the first move toward an enduring peace would be abatement of the vested interests and national pretensions wherever they touch the conduct of industry; and the men to do this work should logically be those who know the needs of the industrial system and are not biased by commercial incentives. An enduring settlement should be entrusted to reasonably unbiased production engineers, rather than to the awe-struck political lieutenants of the vested interests. These men, technical specialists, over-workmen, skilled foremen of the system, are expert in the ways and means of industry and know something of the material conditions of life that surround the common man, at the same time that they are familiar with the available resources and the uses to which they are to be turned. Of necessity in war and peace, it is for these workmen of the top

line to take care of the industrial system and its working, so far as the obstructive tactics of the vested interests and the commercial statesmen will permit; for without their constant supervision and correction this highly technical system of production will not work at all. Logically it should be for these and their like to frame such a settlement as will bind the civilized peoples together on an amicable footing as a going concern, engaged on a joint industrial enterprise. However, it is not worth while to speculate on what they and their like might propose, since neither they nor their counsels have had any part in the Covenant. The Covenant is a covenant of commercialized nationalism, without afterthought.

To return to the facts: The great war was fought out and peace was brought within sight by teamwork of the soldiers and workmen, and the political personnel. The cost, the work, and hardship fell on the soldiers and workmen, and it is chiefly their fortune that is now in the balance. The political personnel have lost nothing, risked nothing, and have nothing at stake on the chance of further war or peace. But in these deliberations on peace the political personnel alone have had a voice. Neither those who have done the necessary fighting at the front nor those who have done the necessary work at home have had any part in it all. The conference has been a conclave made up of the spokesmen of commercialized nationalism, in effect a conclave of political lieutenants of the vested interests. In short, there have been no Soldiers' and Workmen's Deputies included in this Soviet of the Elder Statesmen which has conferred the dictatorship on the political deputies of the vested interests. By and large, neither the wishes nor the welfare of the soldiers, the workmen, or the industrial system as a going concern, have visibly been consulted in the drafting of this Covenant. However, to avoid all appearance of graceless over-statement, it should perhaps be noted in qualification that the American workmen may be alleged to have been represented at this court of elder statesmen, informally, unofficially, and irresponsibly, by the sexton beadle of the A. F. of L., but it will be admitted that this qualification makes no serious inroad on the broader statement above.

Neither the value nor the cost of this Covenant are fairly to be appreciated apart from its background and the purposes and interests which are moving in the background. As it now looms up against this murky background of covert agreements covertly arrived at during the past months, the Covenant is beginning to look like a last desperate concert of crepuscular statesmanship for the preservation of the civilized world's kept classes and vested interests in the face of a menacing situation. Therefore, in case the Covenant should yet prove to be so lasting and serve this turn so well as materially to deflect the course of events, what is likely to be of material consequence to the fortunes of mankind is chiefly the outcome of this furtive traffic in other men's good between the deputies of the great powers, which underlies and conditions the stilted formalities of the instrument itself. Little is known, and perhaps less is intended to be known, of this furtive traffic in other men's goods. Hitherto the "High Contracting Parties" have been at pains to give out no "information which might be useful to the enemy."

What and how many covert agreements have been covertly arrived at during these four or five months of diplomatic twilight will not be known for some time yet. A decent cover still hides what may be hidden, which is presumably just as well. And yet, even if one had best not see him face to face, one may still infer something as to the nature of the beast from the shape of his hoof. A little something in that way is coming in sight now in the shameful transaction by which

the politicians and vested interests of Japan are given a burglarious free hand in northern China; and it would be both graceless and idle to speculate on what may be the grand total of gruesome enormities which the Oriental statesmen will have undertaken to perpetrate or overlook, for the benefit of the vested interests identified with the European powers, in consideration of that *carte blanche* of indecency. So also is the arrangement between the great powers for the suppression of Soviet Russia, for the profit of the vested interests identified with these Powers and at the cost of the underlying population; the due parceling out of concessions and natural resources in foreign parts, incident to that convention of smuggled warfare, will doubtless have consumed a formidable total of time, ingenuity, and effrontery. But the Covenant being an instrument of commercialized nationalism, all these things have had to be seen to.

Thorstein Veblen.

THE ARRESTED UNION LEADERS.

(Continued from Page Two)

pauper in the town of his former glory, and General Sherman Bell, the soldier who executed the order, was jailed as a vagrant far from the day and scene of his former greatness. We harbor no hopes, accept neither sign nor portents, but have an abiding faith in facts.

P. S.

On the eve of going to press we learn of a change of governmental policy in regard to the arrested strike-leaders. They are to be released on bail, and be given a civil trial. That is today's policy. Tomorrows,——who knows!..... The little tin Gods are at fault in their calculations: The little tin Gods——are panic-struck. Keep them so.

"Pleasant it is for the little tin Gods
When Great Jove nods.

But, the little tin Gods make their mistakes
In missing the hour when Jove awakes."

Another Bouquet of Rhetorical Verbiage.

"The object of all reform in the relations of capital and labor must," says President Wilson in his message to the American Congress, "be the genuine democratizing of industry, based upon a full recognition of the right of those who work, of whatever rank, to participate in some organic way in every decision which directly affects their welfare, or the part they play in industry." But, says Philip Snowden, "It is quite evident from what follows this rhetorical declaration that the President has no more grasp of what this statement implies or involves than he has of international politics. If President Wilson's intimate friends and advisers have any influence with him, they would be rendering a service both to him and to the world if they could prevail upon him to retire into the obscurity of his professorial chair from which obscurity he ought never to have emerged."

The White Terror in Belgium.

In Belgium martial law is still being enforced with the utmost rigor. Sentences of hard labor for political opinions are almost too numerous to mention. Ten thousand cases are already in preparation, and more years of imprisonment have been awarded since the Armistice, than by the Germans in all their occupation.

LABOR LEADER, May 29.

MANIFESTO OF THE SOCIALIST PARTY OF CANADA

A statement of the theories and conclusions of Scientific Socialism.

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THE RED FLAG—EXTRA

VOL. 1 NO. 22

VANCOUVER, SATURDAY, JUNE 21, 1919

Infamous Methods Used by Dominion Secret Service Emergency Agents

Hands Out Doctored Copies of R. B. Russell's Correspondence to the Press in an Attempt to Prejudice His Case, Subvert Ends of Justice and Mislead General Public in Attempt to Justify Railroading Strike Officials to Penitentiary

PRITCHARD DENIES SILLY CHARGE.

A Calgary daily press despatch under date of June 20, says: W. A. Pritchard, a prominent labor man of Vancouver, who was arrested here last night on a warrant issued at Winnipeg, charging him with conspiracy, along with the other strike leaders arrested there, has been remanded till Monday by the police magistrate. "Everything I have done is open and above board. I belong to a school of thought that disdains any concealment, and can not see where I have been guilty of any conspiracy," said Pritchard, when interviewed in his cell by the Canadian Press. He is taking the matter of his arrest very calmly, save that he is worried about the effect on his wife, who is of rather delicate health. One of the local labor men here will leave for the coast tonight to reassure Mrs. Pritchard.

Pritchard asked to be put into touch with Alderman Broach, labor leader, as soon as he was arrested, but his request was not complied with until this morning.

HYSTERIA OF THE "KEPT" PRESS.

An example of how the "kept" press hypnotizes the public and prejudices a case before a trial by the method of suggestion:

The Toronto Mail and Empire says:

"The government must not stop half way or listen to the counsels of the solemn owls who undertake to utter claptrap in the name of the citizens.

"The citizens want to have Winnipeg purged of the gang who did their best to throttle it and set up a rebel government.

"Riel was hanged for resorting to arms to do what they were attempting."

BWARE OF TROUBLE-MAKERS!

The riot at Winnipeg is reported to have commenced around a man who was drunk at the edge of the crowd. Watch out! There is method in these men's drunkenness. They are hired trouble-makers. Keep order and discipline.

What on earth would all the broken-down hangers-on do, anyway, if some "special service" work could not be jiggered up for them in these trying days of distress—to profiteers?

The news service of the local daily press must truly have been rather polluted when the members of the "sane and conservative" Typo. Union found it necessary to protest against being parties to the prostitution of what has hitherto been called the "public" press.

AS REPORTED IN THE DAILY PRESS

"Following my night letter regarding the Winnipeg situation, I will give you an outline of the happenings. At the last Trades and Labor Council meeting we had a great victory and killed the Labor Party for sure. We had another mass meeting called for last Sunday to discuss the causes of the German revolution, under auspices of the party.

"Your letter with due stamps and charter application received; also we received under separate cover copies of 'Soviets at Work' and the bill for M. P. I. indebtedness which I will take up and remit cheque to cover same in a day or two. . . .

"They realize that we have pretty near got control of the Trades and Labor Council, and, believe me, when we get it, we will use it to our advantage. . . .

"I see the Duke of Devonshire reported in last night's paper as saying . . . 'that Bolshevism requires dark and hidden places in which to flourish and that if taken in time and dealt with in the proper manner it can be out-rooted.' If his statement is correct the action of the authorities in attempting to drive us to dark and hidden corners is in our best interests. . . .

"If you send down 500 copies of the Soviets at Work we will get them out amongst the soldiers and see if it helps.

"With best wishes to yourself and the comrades of the D. S. C.

"Yours for socialism.

"P.S.—Good reports from Toronto and Montreal. Will send them later."

The Profiteers' Soviet at Ottawa has decided to stay on the job if it takes all the police they can hire to suppress any who dare to protest.

The Hired Help of the Profiteers at Ottawa do not propose to seek re-election at this or any other time, if they can help it. They prefer government by order-in-council.

Having fought for Democracy in Europe, let's have some of it in Canada!

WESTERN LABOR NEWS' COMMENT

The Western Labor News, special strike edition No. 31, prints the following:

"The evening papers contained an official statement comprising the text of several letters which it is said fell into the hands of the authorities Tuesday morning when the Labor Temple was raided.

"Much is made of the statement said to be found in a letter to R. B. Russell: 'I have just got a shipment of Bolshevik funds for this purpose.' Whether the purpose referred to is the formation of the One Big Union is not clear from the letter. But in any case the phrase 'Bolshevik funds' is taken altogether too seriously. As all workers know, the term Bolshevik has been in common use to signify those identified with the radical wing of the working class movement. Sometimes it was used in jest; frequently it was applied to the Socialist Party of Canada who claimed to be out-and-outers in the opposition to the Labor Party group, who were charged with being merely bourgeois reformers. An ordinary worker would never imagine from reading the letter that the funds referred to came from the Bolshevik organization.

"So when Mr. Russell is said to have stated that 'we have pretty nearly got control of the Trades and Labor Council and believe me we will use it to our advantage' he refers to the Socialist Party of Canada, which regards the Labor Party as a rival political organization.

"'Bolshevism' in Canada is not Russian Bolshevism. It is a spirit of revolt against high-handed action and merciless exploitation. That 'Bolshevism' is growing rapidly. It is perhaps hardly safe to say all labor men and a great many more are Bolsheviks."

Some of our number are "in" because you are "out." It will be the duty of those still at liberty to see that the Ottawa bell-hops for the Profiteers do not over-reach themselves.

The Citizens' League needs no money to push its campaign of slander and villification of workers who dare to protest. The Profiteers see to that. Corporation "publicity" promoters prepare and "cook" the data needed for the occasion.

(OVER)

governments in history. Yet it was a French statesman who some months ago said with reference to Russia that the French Government would not

Russia and Hungary are outcasts among the nations; but the United States recognizes the "representative" government of Finland.

disturb the conscience of those who contemplate his recognition.

The ways of diplomacy are inscrutable indeed.

THE RED FLAG—EXTRA

VOL. 1 NO. 22

VANCOUVER, SATURDAY, JUNE 21, 1919

Attempt to Twist Entirely Innocent Correspondence Into Incriminating "Dreyfus" Documents Is Exposed

THE terrible conspiracy to subvert constitutional government is now laid bare. A letter by a wage-worker to R. B. Russell, of the Winnipeg Central Strike Committee contains the following words: "I have been asked by some of the railroad men here if it is possible to bring you west to address a meeting of the railroad organizations. If you can do this let me know. The international committee will stand all expense. I have just received a shipment of Bolshevik funds for this purpose." Seeing the term "Bolshevik" is applied to every one who has a kick, from school children wanting a longer or a shorter meal-hour, to monastery priests striking for better grub, we fancy the government has discovered a mare's nest. However, that is not our concern. The letter written by R. B. Russell and published in the Vancouver Sun, June 21, was addressed to C. Stephenson, secretary of the Dominion Executive of the Socialist Party of Canada. Nothing the government and the press have done to date affords us greater satisfaction. When a powerful institution like the Canadian government can, through its representative officials, act in such a thoroughly despicable manner, we know they have absolutely no case against our arrested comrades. In the first place, "the sender of the Bolshevik letter has not been disclosed." In the second the name of the recipient of the second letter has been withheld. Thirdly it has been deliberately mutilated to arouse resentment among the strikers. The entire letter is herewith printed without comment, at present, except in regard to the "Dark Places, being in our interest."

We have always worked in the open. We have been raided several times. For months our mails have been opened by government agents; not only official matter, but private mail of individuals has been abused. Our paper, the Western Clarion, has been suppressed. And yet in face of these facts which suggest that the government must know as much about our business as we ourselves do, **NO ATTEMPT HAS BEEN MADE TO SUPPRESS US**, although all other non-scientific and semi-secret organizations have been suppressed. Anything we are guilty of now, we were guilty of any time the last twenty years. We therefore ask the wage slaves of Canada to carefully analyze the present conduct of the government agents in Winnipeg, and judge it such matters are compatible with a good case, or is it the last desperate effort of a lost cause?

We also publish one of the many letters we have addressed to the Chief Press Censor's office; to this one, we may add, we have no reply on our files.

**DOMINION EXECUTIVE COMMITTEE,
SOCIALIST PARTY OF CANADA.**

Winnipeg, Man., Jan. 30, 1919.

Mr. C. Stephenson:

Dear Comrade: Your letter with due-stamps and charter applications received, also due-books received under separate cover, with copy of "Soviets at Work," and bill for M. P. E., indebtedness which I will take up and remit cheque to cover same in a day or two.

Following my night-letter regarding the Winnipeg situation, I will give you an outline of the happenings. At the last Trades and Labor Council meeting, we had a great victory and killed the Labor Party for sure. We had another mass meeting called for last Sunday to discuss the causes of the German Revolution, under the auspices of the Party. It appears that the Great War Veterans approached the management of the theatre and told them if they opened the theatre there would be trouble. We were also advised not to hold the meeting. However, we turned up at 3 p.m. on the Sunday and were refused the theatre. The soldiers were out in full force, about 3,000 strong. We then decided to hold the meeting in the Market Square. When we got there the soldiers had marched there and it was clear to us that there was going to be trouble. It had been told them that we were going to commemorate the death of Liebknecht and Luxemburg, and they were filled up with the propaganda that all Germans were Huns and they would not stand for it. The police, advised us not to start and just then someone hoisted a Union Jack and the soldiers started making anyone who looked like a foreigner kiss the flag, and beat them up, taking their money off them and kicking them into pulp—then they proceeded to our headquarters and broke up all the furniture and smashed the windows, etc. They continued this for the rest of the evening, breaking up all sorts of places and pilfering to a great extent. They then started to demand the scalps of Armstrong, Blumenberg, Russell and Johns, and so the battle continued. It started again on Monday, still demanding the blood of the above comrades. The police stood aside and let them do as they damn-well please. However, it is clear to me that they had been well instructed not to touch the English-speaking gang, for if they had been eager to get me or any of the others, they knew where to come, as I was at work every day in the Labor Temple and also on the streets, but their whole efforts were directed towards the aliens. On Monday they went to Swift's plant and demanded all aliens to be fired, and the manager

agreed, provided the returned soldiers would take their jobs—but he told them they would not take the work, as only aliens would do it. The other firms have all agreed to fire the aliens if the returned soldiers agreed to stop rioting and all has been quiet. There has been considerable damage. Blumenberg Shop is all smashed up. The Swifts plant is closed up, having fired about 500 aliens and they have sent a letter to the returned soldiers to supply them with 500 men, but they will not take the jobs, with the result that the soldiers' committee doesn't know what to do.

They have called a mass-meeting for Thursday night, and the Board of Trade has given them the Industrial Bureau free, provided no socialists are allowed to attend.

The newspapers have been very active, diverting their attention to the foreigner and trying to place the blame on the Socialist Party of Canada, as has also been the Board of Trade, who have demanded the mayor to prohibit all meetings of a contentious nature, who has issued a proclamation to that effect, and, as expected, our noble labor aldermen have issued a signed statement to the press, stating that the riots have developed into a labor trouble and for that reason the soldiers and labor people ought to get together and solve the problem. Makes one feel like presenting them with a bottle of glue, so that they can stick together.

However, in another part of the paper, where the interview that was held between the labor aldermen, the mayor, the Board of Trade, and returned soldiers, the paper states that the labor members stated in no uncertain tones that they had no connection with the Socialist Party of Canada, neither had they anything to do with any of their meetings; in fact they are reported as saying that the ultra-socialists are our worst enemies. This is good food for the capitalist press, which makes the most of it, and they realize that we have pretty nearly got control of the Trades and Labor Council, and believe me, when we get it we will use it to our advantage.

In yesterday's paper they are still attempting to direct the attention of the soldiers to the socialists, saying that the soldiers are watching for an announcement of socialist meetings, and warning the owners of halls and theatres what will happen to their property if they let us have it, and inviting the soldiers not to allow us to hold open-air meetings.

However, it will soon cool off and then we will be able to get at them and give them the truth, ex-

(OVER)

**THE DOMINION EXECUTIVE COMMITTEE,
Office of Secretary, 401 Pender Street East.**

Vancouver, B. C., Jan. 9, 1918.
Ernest J. Chambers, Esq.,
Chief Press Censor for Canada,
Ottawa, Ont.

Dear Sir: In reply to your letter of the 2nd inst. we beg to point out that, far from us persisting in the determination to misunderstand the principles of the Canadian Press Censorship and the action of the Government in suppressing the "Western Clarion," it is you, in our opinion, who persists in ignoring the facts of the case and our repeated request for specific information.

We might possibly assume one or more points for which the "Western Clarion" was summarily deprived of its right to existence. We might, possibly, assume ninety-nine points and then be wrong, it might be the hundredth point which called for its official execution. We do not know, and we are not prepared to take action upon assumptions. You, at least, are the people qualified to know and it is from your department we seek for this information, which, we contend, up to date, has not been furnished us.

If you remember, we requested information as to whether or not the paper was suppressed for quoting from other periodicals which are still permitted free circulation. This question has not been answered. The voluminous extracts from the paper which your department submits as objectionable matter does not supply us with the reason for the suppression, else why the eight months' delay in taking action on your part.

We demand only the application of the principle in British law that the accused be furnished with a properly formulated charge, that the specific point, or points, in which we have erred be brought to our attention. You persist in ignoring these requests. Either you can answer and will not, or else you cannot. To no other conclusion will your replies to our various letters allow us to arrive.

And, finally, we wish it to be distinctly understood that we are not willing to be suppressed solely because our analysis of history, our teachings of economics and sociology does not altogether coincide with the view of these sciences adopted by your department. Failing some definite charge or information upon this matter we will take the matter to the highest court known, that of public opinion, in which we cannot and shall not be denied a hearing.

Sincerely yours,
C. STEPHENSON.

plaining our position. I am trying to arrange to get addressing the returned men, as quite a number of them are starting to see a little light and think there is something wrong.

However, we will have another issue of our paper out next week, but we are now minus rooms, and everybody scared to rent us space; but we will get over it.

I see the Duke of Devonshire reported in last night's paper as saying that Bolshevism requires dark and hidden places in which to flourish and if taken in time and dealt with in the proper manner it can be outrooted. If his statement is correct, the actions of the authorities, in attempting to drive us to dark and hidden corners, is in our best interests. But, to draw this over-long letter to an end, I can assure you that every attempt to suppress us will only give us more determination to carry on, until we stop out of our shackles, and you can depend on us to get at the workers in some way, until we can hold meetings again.

If you send us down 500 copies of the Soviets at Work, we will get them out amongst the soldiers and see if it helps.

I will close now and will send you cheque for bill submitted in a couple of days.

Give our best wishes to the comrades on the coast and assure them we are still alive and will be heard from in a short time.

With best wishes to yourself and the comrades of the D. E. C.,
Yours for socialism,

R. B. RUSSELL.

Secretary Manitoba Provincial Executive.

P. S.—Good reports from Toronto and Montreal. Will send them later.

Russia that the French Government would not tentative" government of Finland.

The ways of diplomacy are inscrutable indeed.

Two Sides of the Shield

HUNGARY.

The traveller who enters communist Hungary with the idea of identifying Bolshevism with anarchy, is destined to a crescendo of disappointment. There is in Europe today no city more monotonously orderly than Budapest.

The essential difference between Russia and Hungary lies in the fact that the Hungarian workers were from the first united. There are no Mensheviks and no Social Revolutionaries in Hungary. The result is that there has been no attempt at sabotage by the intellectuals. Never was an overturn accomplished with less terror than this of the Hungarian government. All the world now knows how the revolution was accomplished. Instead of disorder and riots and bloodshed, wonderful to state, the result was a sudden extinction of the old jingo passion and a welling forth of a new passion for brotherhood. Bela Kun states, "We don't care about boundaries. All our hopes are in the masses and the possibility of brotherhood. The boundaries of our republic will be coterminous with the boundaries of the proletariat."

Naturally, not everything is perfect in this new state. Practically banking business has stopped, except for the drawing of small checks, up to 2000 Kr., for personal use, or checks for the payment of wages. International business and trading in foreign exchange are past. An unpleasant feature to the capitalists, is the law governing the coming Soviet election. In these elections only working people can vote; no capitalist will be allowed to cast a ballot. The daily papers have been turned into Gazettes which devote interminable columns to the edicts and legislation of the new government.

H. N. Brailsford says in "The New Republic," "Communism as I have seen it in Hungary, is a principle of constructive order. Two able men, one of them an historian of European repute, the other a statesman of equal note, both in the old days opponents of Socialism, said to me: 'The era of capitalism is over in Eastern Europe: It can never be restored.' If freedom is eclipsed for a moment, the destruction of the capitalist system makes for the first time in a modern state the only condition under which real freedom is conceivable. Hungary builds upon ruins, but the authors of the destruction were the makers of the war. To chaos and despair a living idea has brought the stimulus of a creative hope."

FINLAND.

Secretary Lansing has issued a statement in Paris that "In view of the fact that the people of Finland have established a representative government, the Government of the United States of America declares that it recognizes the government so constituted as the de facto government of an independent Finland."

The Government so recognized invited the German armies into Finland, and later invited a German in as king. As for atrocities, 90,000 workers were arrested by the White Guard government. Of these, between 15,000 and 20,000 were shot in cold blood. In five months not less than 13,000 human beings, and probably more than 18,000 were starved to death. A writer in a recent number of "The New Statesman" estimates that the White Terror in Finland "destroyed some 30,000 lives, as compared with the 1000 destroyed during the Red Terror." Among the latter are included many deaths for which the brief Red Government was not responsible.

Here is a government erected by German bayonets, and stained with the most terrible massacres in all history, recognized by the United States and the Allies as a "representative government"—a government that is admittedly one of the bloodiest governments in history. Yet it was a French statesman who some months ago said with reference to Russia that the French Government would not

[George V. Lomonsoff, lately director of the Railway Department of the Russian Soviet Bureau in the United States, has just left for Russia to undertake the task of reorganizing the railway system under the Soviet Government. In Russian politics he was a Social Revolutionary and, as such, opposed the Bolsheviks, but for some considerable time, has been one of their most vigorous supporters.—Editorial Note.]

At the end of March, 1918, at the time when I had not as yet broken with the so-called Embassy of Bakmeteff and when nothing was known of England's active interference in Russian affairs, a well-known Russian General, Dobrjansky, called on me at Washington with his aide-de-camp, Captain Martini, one of my former students. He had just arrived from London in company with an English Lord, whose name I cannot recall, and in a few days they were to sail for Vladivostok. After a lengthy foreword, they explained to me that the Allies had decided, as a counter-balance to the Soviet Government, to create in Siberia a third Provisional Government with Admiral Kolchak at its head, and they offered me the post of Minister of Ways of Communication in that Government.

At that time innumerable more or less fantastic schemes and plots to aid the Russian counter-revolutionists were already the order of the day in certain circles, and I did not pay particular attention to this proposition. Declining the offer, I told the gentlemen that their scheme was impossible, and that an attempt to realize it would lead to nothing but greater chaos. To this Captain Martini replied hotly that the British Government had decided to support by all means and methods the Government which they were to create, even to sending an army of a million men. Therefore, the success of the enterprise was fully guaranteed. In proof of this, Egypt and India were brought to my attention as examples. I refused the offer a second time, but Captain Martini did not surrender and insisted that I should meet the English Lord somewhere on neutral territory. I refused the third time and finally; and owing to the multitude of events that followed, I had forgotten the incident entirely.

Later, when Kolchak appeared on the political stage as the "selected" leader of the "All-Russian Committee of Restoration of Russia," and now that desperate attempts are being made to make him appear the standard-bearer of democracy and the chosen leader of the Russian people, I recall that incident, and I place it before you as an illustration of the way in which "All-Russian Governments"

"contract with crime."

General Mannerheim, the present usurper of Finland, has arranged satisfactorily with the Allies and in consequence, an invading force of 50,000 has been organized and naval skirmishes are beginning between the Red navy and the Entente warships in the Finnish Gulf. According to the New York Globe, "The presence of the Entente warships off the Finnish and Estonian coasts is by no means to be regarded as provocative or ornamental. It should be realized that the Finnish coast would lie hopelessly exposed to the Bolshevik navy but for the protective presence of the foreign warships."

What is back of all this is, that capitalistic governments are determined to recognize only capitalistic governments, no matter what crimes they may be guilty of. Even the stigma of alliance with the late "enemy" will not bar them from the general family of capitalistic nations. Russia has committed the unpardonable crime of freeing the workers and peasants, and that act is infamous in comparison with the wanton and brutal murder of 30,000 workmen.

Russia and Hungary are outcasts among the nations; but the United States recognizes the "representative" government of Finland.

Kolchak's Rule in Siberia

and "chosen leaders" of the Russian people originate.

I know Kolchak personally. He is an outspoken monarchist, deeply convinced that the Russian people can be ruled only with an iron fist, and without sentimental or "democratic" scruples. He is a very able man, and relentless, which makes him much more dangerous.

The American press today is swamped with propaganda depicting Kolchak as the very incarnation of democratic ideals. Apparently without any sense of humor, the press dispatches state that the Allied Governments are prepared to recognize Admiral Kolchak as the all-Russian authority because the present Government of Russia is not a sufficiently democratic institution to warrant recognition. Once more the press dispatches count upon the ability of the public to forget facts. Some persons, however, will remember that when the so-called Russian Government first was organized with Kolchak as a part of it, it contained members belonging to some moderate Socialist groups. Although these groups were bitterly opposed to the Bolsheviks they did not suit Admiral Kolchak's notions of democracy. Kolchak brutally arrested members of his own so-called Government, among them Ayksentiev and Zenzinov.

Kolchak's rule in Siberia has been marked by appalling brutality and organized terror, beside which the most exaggerated stories about the Red Terror in Russia dwindle into significance. To prove this one need not rely upon statements from Bolshevik sources. Sufficient evidence has appeared in publications pronouncedly hostile to the Russian Soviet Government.

The March issue of the Red Cross Magazine printed a horrible story of a train of death containing hundreds of prisoners taken by the Kolchak forces who were dragged from one end of Siberia to the other end until they succumbed from hunger, cold and disease.

A most interesting contribution to the characterization of the present rule in Siberia may be found in the June issue of Hearst's Magazine. It is written by an American Army Intelligence officer. He frankly admits that 95 per cent. of the people in Siberia are Bolsheviks, and that the counter-revolutionists are able to keep them down only by methods of extreme brutality. He speaks of cases where Kolchak's Cossacks flogged people into unconsciousness with iron rods. He gives instances of indiscriminate execution of people who dared to voice their protest against the regime of Admiral Kolchak.

Recently some self-styled representatives of Russian Co-operatives in the United States came out for the recognition of Kolchak. But the chairman of the American Committee of Russian Co-operatives, who is opposed to the Bolsheviks and therefore can not be regarded as biased in this matter, states that in coming out for Kolchak the representatives of Siberian co-operatives in no way represented the opinions of the Siberian co-operatives, and that the Siberian co-operative movement, if it were not for the terrorism practised by the Kolchak Government, would certainly be the first to oppose his recognition. Yet the fact remains that the Allied Governments, according to reliable dispatches, are on the verge of offering Kolchak recognition.

The reasons given for the Allied opposition to the recognition of the Soviet Government have been, (1) that the Soviet Government is not a democratic form of government, (2) that it maintains itself by terroristic methods, and, (3) that it has not the support of the Russian people. It is evident that the so-called Kolchak Government is indisputably and in the highest degree guilty on all these three counts. Somehow, however, it does not seem to disturb the conscience of those who contemplate his recognition.

The ways of diplomacy are inscrutable indeed.

Concerning the "Rate of Exchange"

An English sovereign weighs 123.27447 grains, and being eleven-twelfths fine, contains, therefore, 113.0016 grains of pure gold. An American dollar weighs 25.8 grains, is nine-tenths fine and contains 23.22 grains of pure gold. Dividing the quantity of gold in a sovereign by that in a dollar we obtain the figure 4.8665. This means that a sovereign, at any time or place, is equal to 4.8665 dollars or that 10,000 pounds sterling are equal to 48,665 dollars in gold. Containing as they do the same amount of the money commodity—gold.

Well, then in tonight's paper I find the following:

New York Exchange.

NEW YORK, June 14.—Commercial 60-day bills on banks 4.59; commercial, 60-day bills 4.58½; demand 4.61½; cables 4.62½.

These quotations give the "rate of exchange" upon which is calculated the price at which "paper on London" is bought and sold, that is to say, that the brokers are today buying and selling commercial paper, bills of exchange and drafts payable in London at prices calculated on these rates. These rates fluctuate from day to day, and as we see, vary in themselves. Before, however, discussing these matters, we shall consider the bill of exchange itself.

International trade resembles any other business transaction, in that it is conducted on a money basis. If, then, actual payment in money was made for every purchase it would involve the shipment of the money from the debtor to the creditor. There would thus be continuous "cross-shippments" of money as well as a continual stream of goods in both directions. This could only be effected at considerable trouble and risk, not to speak of expense. To meet this difficulty, there has been developed a system by which the greater part of such transactions are effected without the use of money at all. The system of international exchange is not unlike the "clearing" system by which the various banks in a city liquidate the cheques they hold against one another, but is complicated by the fact that the transactions take place over a greater distance, cover longer periods of time and are in terms of different and varying money units.

The bill of exchange was invented in the middle ages, when it was not only difficult but exceedingly risky to ship money. For instance, a merchant in Venice, instead of sending 1000 ducats to Amsterdam, gave them to a fellow-townsmen who had dealings with Amsterdam, and who gave him in exchange a letter ordering his correspondent at Amsterdam to pay 1000 ducats to the person who presented the letter. The merchant therefore simply sent the letter instead of the money. Later on these documents were made transferable by means of endorsement.

Payment for goods can be made in such a manner, but more commonly the exporter "draws on" the importer for the agreed amount, that is, he writes an order upon the importer to pay usually at some

specified place the amount named in the bill. The bill would run somewhat as follows: If Paul in New York has sold goods to Peter in London, he writes on a form for the purpose, something like this: "New York, June 1, 1919. Sixty days from date pay to Isaac, or order (the sum of 1000 pounds sterling for value received," adding below: "To Peter at London," and signs "Paul." This document, or rather, something to the same effect, to which is attached a bill of lading of the goods and other papers, certificates of insurance and whatnot, the exporter sells to Isaac, the broker, or to a bank doing that sort of business, which thus purchases a right to have the amount of money mentioned paid to its order in England. Now then, as English exporters are at the same time shipping goods to America, and creating claims of the same kind, it will be seen that, provided the claims be equal, no money need pass if the claims can be brought together and cancelled. This is done by the brokerage firms and banking houses.

Now, we have seen that the English sovereign is equal to 4.8665 dollars. This is called the "par of exchange" and would make the bill we have just mentioned worth \$4866.50. The price, however, that our exporter will get from the bank will generally be away from par, and will depend upon a member of considerations.

In the first place it will be discounted according to the standing of the firm upon which it is drawn, and upon the length of time it has to run. For example, in today's quotations we find that 60-day bills on banks are quoted a fraction higher than commercial 60-day bills; bills payable on "demand" are higher than those for a given time, while "cables," that is, bills put through by telegraph instead of the mail are higher still. This is a matter of interest on the money involved; the longer the time the bill has to run, the more it is discounted.

Quite apart, however, from these considerations which are fairly constant, the rate of exchange is subject to variations from the operation of the law of supply and demand, like the price of everything else bought and sold. Any excess of paper on London appearing on the New York exchange, as against English claims on America will naturally tend to lower the rate and vice versa by the pressure of competition. Now, then these claims represent goods or other values and it will be readily seen that an excess of English exchange on the New York market is an indication that the "balance of trade" is "unfavorable" to England so far as America is concerned, that is, that England is importing more from the United States than she is exporting to them. In normal times, this state of affairs would have only a slight effect on the market as there would be other countries with which England would have a favorable balance, and clearing could take place by similar, though more complicated processes through bills drawn upon them. Ordinarily, the variations in rate of exchange take place within very narrow and well-defined limits. As we have seen, this method of clearing is only used to avoid the trouble and risk involved in sending gold and, as the expenses of sending gold—packing, insurance, freight and loss of interest—only amount to about two cents per pound sterling. It is obvious, if the rate should vary more than this in either direction, that it will be profitable to ship gold. Putting the par of exchange; for simplicity, at 4.86, we should find gold leaving New York for London if the rate rose above 4.88, and coming to New York from London should the rate fall below 4.84. These points are known as the "gold" or "specie points." It is of very rare occurrence that gold is shipped by merchants in payment—such shipments being made by the banks in order to establish credits against which bills can be drawn. It will be remembered that, on the eve of the great war, the Kronprinzessin Cecilie left New York carrying several millions in gold for Europe. The bankers sending this gold had drawn

bills against it which they had sold on the exchange market. Owing to the activities of the English cruisers, she had to put back to the States, where she was interned, and the gold never reached its destination. The bankers had to "cover," that is to say, to redeem their bills at a loss and, I understand, started a number of law-suits against the steamship company, or someone, in which, however, they were unsuccessful.

Taking another look at today's quotations I find, notwithstanding all this, that they run about 4.60. This is a long way from par, to be exact about 26 cents. This requires some explanation. From what has been said it can be readily seen that the maintenance of the rate of exchange at or near par depends entirely on the condition that gold can be readily obtained and shipped if necessary. In the absence of this condition, the rate of exchange may fall to any extent. In the earlier years of the war, in consequence of the enormous shipments to Europe from America; the stoppage of European production and the embargo on gold shipments; there occurred on the New York exchange a serious fall in the rate of exchange on European countries. Sterling falling to something like 4.50. By the shipment of large quantities of gold, the surrender of American securities held in England and by the establishment of credits in favor of England by the United States Government, the rates was advanced to a point in the neighborhood of 4.72, where it was maintained, "pegged up" in the slang of the "street," by the British Government, probably by the purchase of English paper through agents. Since the signing of the Armistice, however, the rate of exchange on sterling has been allowed to sag to where we find it today, largely because the British Government wishes to increase the exports and to discourage the imports of Britain, an unfavorable rate of exchange acting as a species of protection. We are now better able to understand the effects of a depreciation of the currency due to inflation. These are:

- 1.—An immediate fall in the rate of exchange for that currency in foreign markets, which
- 2.—creates a demand for gold which rises to a premium, causing
- 3.—the disappearance of metallic money.
- 4.—An advance in prices corresponding to the depreciation.

All for this time.
GEORDIE.

GERMANY.

A remarkable illustration of the new spirit and temper in Germany is supplied by an appeal to the teachers and pupils in the high schools issued by the new Prussian Ministry of Education. The appeal to the teachers, which begins by demanding complete scientific impartiality in their teaching and abstention from all political propaganda, continues: "The terrible defeat of Germany puts the teachers to a heavy test of wisdom and character. They will easily be tempted to nourish in their pupils a feeling of hatred and vengeance against our enemies and to believe that it is right to awaken among the young a highly developed patriotic sentiment. We must direct our energies most earnestly against this cheap kind of patriotism which uses the vulgar impulses for its purposes. Hatred and vengeance must in no circumstances be preached to the young—not even when the enemy is openly doing us wrong. There must be no playing with the thought of war and vengeance. We must hold fast always to the hope and purpose that some day hatred between peoples will vanish from the earth, and that this war will have been the last of wars. We insist resolutely that the schools shall never again become centres of persecution and the glorification of war." The appeal desires that teachers should not regard themselves as set in authority over their pupils, but at least, in their official relations with their pupils, they should allow them freedom of speech and of conviction.

SOCIALIST PARTY OF CANADA

PROPAGANDA MEETINGS

SUNDAY, JUNE 22

At 8 p.m. Sharp

EMPRESS THEATRE

Corner Gore and Hastings

Speakers..... T. Connor and M. Smith