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FIVE CENTS

Examining "The Gyppo System"

THE vocabularies of the migratory workers of the Pacific Northwest contain many words and phrases which no student of Webster recognises as belonging to the English language. Yet, so appropriate are these new words in defining certain social and industrial relationships with which the migratory workers' lives are bound up, that their general use is becoming a matter of common parlance.

To a large number of lumber, construction and agricultural workers, the appellation "gyppo," when applied to one of their fellow workers, has almost the same opprobrious significance as the term "scab" conveys to a trade unionist.

There is a distinction, nevertheless, between the gyppo and the scab. The gyppo very often "carries a card," and there is nothing to prevent him from belonging to a union if he so desires. But the scab and the unionist, according to the ethics of the latter, are each supposed to represent mutually exclusive and antagonistic codes of job morality.

In the December issue of the "Journal of Political Economy," (*) a contributor describes the gyppo system as "a system of remuneration, ranging from a simple piece-work to a complicated contract system developed in the northwest pine belt during the past five years."

Speculating on the origin of the term gyppo, the Journal writer fancies it may be a derivation from the Greek word signifying vulture, or may be simply a corruption of the word gypsy: "In either case it has something of the cunning or predacious in it. The I.W.W. first used the term, now the employers use it even in their printed matter."

To credit the gyppos with the qualities necessary to the rise of the modern financial buccaneers is to strain the imagination. It is impossible to imagine a Rothschild, a Morgan or a Stinnes, "preying" on the stormy end of a shovel, axe or saw, or developing over one-seventh of a horse-power per minute during a ten hour day, in the processes of the industrial arts.

However, it is in the gyppo's role of a work-devouring vulture, thereby robbing considerable numbers of his fellow-workers out of what they consider the pursuit of happiness—work—which calls down on him the denunciation of the dispossessed. Moreover, the spread of the gyppo system renders the organization and maintenance of labor unions increasingly difficult.

An editorial in the "Industrial Worker" (Oct. 1922) states:

"At present the master class of capitalists call it 'contract labor,' 'piece work' and other fancy names. For us, the proletarians it is 'gyppoing' and it means all that the name connotes. The gyppo is a man who 'gypps' his fellow workers and finally himself, out of all the organized victories in the class war."

A study of Marxian economics might explain the idiosyncracies of the gyppo family, and their "mean" disposition. At the same time it might "do violence" to certain beliefs concerning "conditioning the job" under the present system.

Realizing that offering a copy of "Value, Price and Profit" to a person who is in pursuit of an immediate "pork-chop producer," is analogous to

handing a religious tract to a mendicant in search of alms, we will get on with the story of the rise of the gyppo system, quoting Mr. Middleton.

"The occasion immediately responsible for the introduction of the system was the War-time 8 hours strike of 1917-18. The workers through government intervention lost the strike and returned to work sullen and vindictive. The I. W. W. who suffered most from government interference in the way of raids and imprisonment took advantage of the situation and called a "strike on the job." This was so effective that the employers had to adopt some form of remuneration based on output. The technical conditions of the industry were favorable to the change."

The employers had some previous experience with the "hay-wire" system in having small holdings of timber which did not warrant the companies to construct railroads and organize their own operating; logged off by contract. These contracts were let to impecunious farmers, "stamp ranchers" and "drylanders."

"Fathers and sons, sons-in-law, brothers, brothers-in-law have been wont to undertake jobs at so much per thousand, furnishing their own tools, horses, and hiring whatever help necessary. One group might do the cutting, another the skidding, another the loading, etc. The expansion of the gyppo system in 1917-1918 was merely an application of the experience with the farmer to the entire labor force."

Thus by extending the contract system to the division of labor in the logging industry, from the steam-shovel engineer grading the railroad at so much per 100 feet, the falling, sawing, loading, skidding, etc., by the thousand feet, to "letting the kitchen to an enterprising cook who tries to run it at a profit," the employers in this manner countered the "slow down" tactics of the workers.

By making the workers their own "bosses," "and in contrast to the difficulty of supervising small and scattered groups of sullen men working behind trees and stacks of lumber, it was easy to shift the responsibility of output to them."

Before the gyppo system permeated the industry (after the 1917-1918 strike) gyppos were required to furnish their own horses and equipment. That put a limit to the extent of the contract system for although many men had the willingness to take jobs they did not have the means. The companies recognized the limitation and proceeded to put themselves in a position to supply any man with whatever tools he might require.

So far have the companies gone in this direction that some of them will not permit the men to use their own equipment. In one case a company agreed for a certain amount per day straight time, to let horses and harness valued at a certain sum, to its gyppos to be used in logging. The gyppos agreed to keep the horses in proper condition at their own expense and bound themselves to be responsible for the value of the horses in case of injury or death.

In another case a company agreed to furnish "tools, horses, and outfit as may be needed, charging same to the account" of the gyppos. "Upon return of these tools and outfit in good condition, proper credit" was to be given. For the horses the gyppos agreed to pay daily rental and in case of injury such damages as the company deemed suitable. Some of the larger companies stand ready to let even steam shovels for grading logging railroads, and donkey engines where logging is done by steam power.

After the general introduction of the system in

the logging camps in the fall of 1919, the lumber companies "simply did not know what to pay." The general manager of one of the largest pine producers in the N.W. writes:—

"One gyppo I know made \$1700 net in 32 days. Hundreds of them made \$8 to \$12 per day. But at that the costs per unit were well under those obtaining under the day system. As an instance. In 1917 sawers in the woods were paid 30 cents an hour for ten hours or \$3.00 per day. Two of them might fall 4,000 feet of lumber a day, at a wage of \$1.50 per M. At a piece rate of a \$1.50 per M. these same men might fall 14 M. feet of timber per day. This would give the men \$10.50 per man per day, the labor cost to company would be just the same, but it would require one third the number of sawers, and all the other costs connected with sawing would be lower per thousand."

When the companies saw that the gyppos were making too much money, they cut the rates. But even so gyppos now earn more than they would earn as day workers. Even day workers, when working for gyppos (some gyppos hire other workers), earn more than working for the companies directly. In spite of these high earnings labor costs per unit have declined. One company writes, "cost of logging has been reduced by this so-called system." Another, "the labor cost per unit of output is unquestionably lower under the gyppo system;" still another, "about 60 men under the gyppo system perform as much work as 80 under the day wage basis." With the general spread of the system in the lumber camps the earnings of the gyppos, if not so high as they once were, are still higher than under day work. Their higher earnings are maintained through excessive exertion or excessive toil.

The stump ranchers, who were originally the labor nucleus of the system, have been hardest hit since the companies began to furnish equipment to any one that comes along. Not only have they the immunity from competition which the ownership of a little capital in the form of horses, harness, etc., once gave them, but, lacking the mobility of the migratory worker they have been reduced to the weakest position in the gyppo system.

The author of the "Gyppo System" thinks the system is but a crude appeal to the worker's motives for higher earnings. The system lacks the refinements of efficiency engineering. He says "better results can be obtained by applying the methods of the 'industrial psychologists' who insist on indirect payments as part of the wage problem, for instance wholesome surroundings, opportunities for self-expression and advancement, security, favorable housing conditions." These suggestions "have not materially affected the discussion of the economists on Mount Olympus. They have accepted these things only as details affecting the market forces of supply and demand."

It is quite obvious (the recent strike in Vancouver being a case in point), that the employing class considers the immediate state of the labor market as the decisive factor in the conflict over hours and wages. During the war period, when for a short time the labor market was "abnormal," concessions were granted to the workers. With a return to normalcy, i.e., three competitors for two jobs, the employers turned a deaf ear to any proposals which might reduce their profits. They depended on the "natural" functioning of the labor-market to furnish an adequate supply of "power" at a reasonable

(Continued on page 8)

*"The Gyppo System," by E. B. Mittleman, School of Commerce, Oregon Agricultural College.

By the Way

THE digest below of the 1920 census returns on the population of the United States by occupations, is offered as material for a case study of the population with a suggestion that it be used for an estimation of the numerical strength of those elements which might reasonably be expected to range themselves on one side or the other in the struggle for a new social order. The material may also be useful for other purposes. As to the particular use suggested, I may mention that some three or more years ago, when argument ran high on the feasibility of a proletarian dictatorship, Professor Hourvich, a prominent socialist in the U. S., made an analysis of the 1910 census returns and came to the conclusion that the proletariat were in too great a minority to effectually exercise a dictatorship. It would appear the looked for proletarianization of the masses of the people had not gone on at any way near the rate anticipated by the early socialists.

Be that as it may. Of all groups the industrial proletariat, workless in large-scale industry, have proved themselves most susceptible to socialist ideas and sentiment; and so the suggested study contains the question: What other occupational groups are likely to line up with the industrial Proletariat in the political struggles of the future? I forget Hourvich's approach to the question, but suggest the following remarks for consideration: As is fairly well known, each occupation develops its characteristic psychology. The continuous discipline of work-day habits of life is the foundation, and an occupational psychology will be found most strongly developed among large and compact groups, such groups being favorable to a consistent growth of a common sentiment. For the purposes of estimating such a political line up observation suggests a rough classification dividing occupational psychology into two broad type-categories, respectively—those people engaged in employments in directly productive industry who acquire a producer's psychology—and those engaged in distributive employments in trade and commerce acquire a trader's psychology. It is a question of more or less of course with people in both cases. A line drawn on that classification, dividing the likely opponents in the class-struggle might, or no doubt would, in degree, cut athwart a line drawn on a classification by economic status or well-being. On the question of the class-struggle proceeding straightly and logically upon a line drawn from economic status Veblin says in the essay on the "Economics of Karl Marx" in his "The place of Science in Modern Civilization": "Under the Darwinian norm it must be held that men's reasoning is largely controlled by other than logical, intellectual forces; that the conclusion reached by public or class opinion, is as much, or more, a matter of sentiment than of logical inference; and that the sentiment which animates men, singly or collectively, is as much, or more, an outcome of habit and native propensity as of calculated material interest."

If the slum proletariat of the great cities are reactionary, as they are generally regarded then they seem to offer a case in point. Other like cases will be some sub-elements of the clerical occupations, notably those connected with finance, as well as other like elements fulfilling clerical and technical functions in the sphere of distribution; while the class of servants and flunkies of various kinds, and the peasantry of the French Quebec type are in general looked upon as hopelessly reactionary. On the other hand, there are people of intellectual pursuits, of a comparatively good standard of life in a pecuniary sense, whose occupations involve scientific attainments and the use of the scientific method, who, together with those of the higher technical functions in industry show themselves as much inclined to the socialist ideal of a system of production for use, as against the present system of production and the conditions arising out of it. But it is worth noting that these elements are by train-

ing, habit and bent of mind strongly predisposed to orderly and experimental ways of social change. Then where shall we place nine millions engaged in agricultural pursuits? Generally a conservative element! Many of the laborers, however, are seasonal workers and could be put with the industrial Proletariat. As to the farmers, while they have the producer's psychology, it is contaminated by the psychology of the trader and employer. In many sections, however, the spirit of co-operation is overcoming the farmer's inbred individualism and narrow outlook and they show an increasing collective activity in the direction of using economic and political means for furthering co-operative enterprises and combating parasitism. The ways to a co-operative social life are evolutionary and many, wide as community life itself, and all may not be easily recognizable as such. But one of the conditions of progress is a continuous taking on or acquiring of the habits, skills and outlook of co-operation, and who knows, we may often be building better than we know. The farmers, in their co-operative undertakings, are, I think, in the direct line of advance. Economic necessity is often the mother of progress. Should the farmers continue to develop their own political organizations, as I think they will, seeing that the farming economy is on so great a scale and having its own special problems, it may be expected that their animus against the parasitic elements in capitalism will occasion at times some collusion with the organizations of labor against the common foe, a collusion that should with time become closer, as is realized a mutual understanding of a common objective, which is to say, a society based on an economy of production for use. To propagate that understanding is the Socialist's mission in life.

The few tables and some of the comments are lifted from an article putting them to other uses, in the Feb. "Scientific Monthly" by Professor Robert M. Brown, Rhode Island College of Education. The rest is a result of a perusal of the "World Almanac" for 1923 on the census.

Table I shows the number engaged in the various occupations in 1920 and the percentage of gain (+) and losses (—) recorded over 1910 figures. The other tables give the sub-occupations.

Occupational groups.	Per cent	1920
Total population		105,710,626
Urban population	54,304,603	
Rural population	51,406,023	
White population	94,820,915	
Black population	10,463,130	
Balance Indians, Japanese, etc.		
Persons 10 years old or over gainfully employed.		
Both sexes—all occupations		41,609,192
Male, all occupations	33,059,793	
Female, all occupations	8,549,399	
Child labor in U. S.		
Total population, 10 to 15 years		12,502,582
Male	6,294,985	
Female	6,207,597	
Total number in gainful occupations		1,060,858
Male	714,248	
Female	346,610	
Total in agriculture, forestry and animal husbandry		647,309
Male	459,238	
Female	188,071	
Manufacturing and mechanical industries		185,837
Male	104,335	
Female	81,002	

The rest, (117,713) are scattered around in other industries. The Census returns however, do not reveal the whole extent of the child labor evil. Children have lately been discovered working in the tenement districts of New York from 3 years of age up.

Occupational groups.	Per cent	1920
All occupations	+ 9	41,614,248
(1) Agriculture, forestry and animal husbandry	—14	10,953,158
(2) Extraction of minerals	+13	1,090,223

(3) Manufacturings and medical industries	+21	12,818,524
(4) Transportation	+15	3,063,582
(5) Trade	+16	4,242,979
(6) Public service, (not otherwise classified)	+70	770,460
(7) Professional service	+30	2,143,889
(8) Domestic and personal service	—10	3,404,892
(9) Clerical occupations	+79	3,126,541

Sub-occupations.

Table II.

Group (1) agriculture, forestry and animal husbandry	Per cent.	1920 totals
Dairy farm, farm, garden and orchard foremen	+82	93,048
Lumbermen, raftsmen, wood choppers	+27	205,315
Gardeners, florists, fruit growers, nurserymen	+22	169,399
Owners and managers of log and timber camps	+ 6	81,410
Dairy farmers, farmers, stock raisers	+ 4	6,201,261
Garden, greenhouse, orchard and nursery laborers	+ 3	137,010
Other agriculturist and animal husbandry pursuit (apiarists, poultry raisers, bailers, etc.)	— 8	401,599
Fishermen and oystermen	—24	52,836
Dairy farm, farm and stock laborers	—37	4,041,627

The percentage of gains and losses, especially in this table must be taken with some reservations, allowing for seasonal fluctuations. The 1910 Census was taken in the middle of April when the busy season for agricultural and fishing pursuits is well on the way, while the 1920 Census was taken January 1, in the dull season for agriculture and a busy one for lumbering, etc.

Table III.

Group (2) extraction of minerals.	Per cent	1920 Totals
Oil, gas and salt well operatives	+213	91,022
Foremen, overseers and inspectors	+54	36,931
Operators, officials and managers	+36	34,325
Coal mine operatives	+19	733,936
Quarry operatives	— 4	45,162
Operatives in other mines (lead, zinc, etc.)	— 9	41,162

The great increase in the production of oil in recent years would make the increase in oil and gas well operatives easy of acceptance. The decrease of the last two items under mining operations may be due to the seasonal feature of the industry.

Table IV.

Group (3) Manufacturing and mechanical pursuits.	Per cent.	1920 Totals
Cotton mills, semi skilled operatives	+102	302,454
Iron and steel industries (semi-skilled)	+87	689,980
Machinists, mill-wrights, tool makers	+83	894,622
Iron and steel industries, laborers	+51	729,613
Carpenters	+ 8	887,379
Clothing industry (semi-skilled)	+ 6	409,361
Lumber and furniture industries (laborers)	+ 1	320,613
Painters, glaziers, varnishers, etc.	— 2	323,032
General building laborers	—28	623,203

To make up the 12,818,524 there are 29 other types of workers under this list none of which reach the 300,000 mark. They include food industry laborers (159,535) with a gain of 94 per cent., managers and superintendents with a gain of 93 per cent. At the foot of the list with a loss of 47 per cent are dressmakers and seamstresses (235,855); then come the general building laborers tabulated above, then the clay, glass and stone laborers (124,544) with a loss of 19 percent., and the brick and stone masons (131,264) with a loss of 18 per cent. The great number of women and children shown in this and agricultural industry should be noted.

Table V.

Group (4) Transportation.	Per cent	1920 Total
Garage keepers and managers	+740	42,151
Chaffeurs	+535	285,045
Telephone operators	+94	190,160
Switchmen, yardmen, flagmen	+23	111,545
Brakemen	+23	114,107

Locomotive engineers	+14	109,899
Laborers, steam and street railways	-13	495,713
Hostlers and stable hands	-70	18,976
Hivery stable keepers and managers	-70	11,240
Carriage and hack drivers	-76	9,057

In this table the substitution of the automobile for the horse is indicated. In the 1900 Census the automobile did not appear as a source of occupation; in 1910 there were 45,785 chaffeurs and 35,376 carriage and hack-drivers. The change has occurred with great suddenness; and in addition the spread of the automobile is much more extensive than that of the horse-drawn vehicle ever was.

Table VI.

Group (5) Trade.	Loss or gain Per-cent.	1920 Totals
Laborers in coal and lumber yards, warehouses, etc.	+54	125,609
Bankers, brokers, money lenders	+52	161,613
Insurance agents and officials	+37	134,978
Laborers, porters, helpers in stores	+22	125,007
Salesmen and sales women	+20	1,177,494
Real estate agents and officials	+18	149,135
Retail dealers	+11	1,328,275
Clerks in stores	+7	413,918
Delivery men	-26	170,235

Footnote says—Loss in delivery men probably due to the substitution of motor for horse drawn delivery wagons.

Table VII.

Group (6) Public service. (Not otherwise classified)	Losses or gain Per cent	1920 Totals
Soldiers, sailors and marines	+192	225,503
Other pursuits, life-savers, lighthouse keepers, etc.	+108	21,453
Laborers (public service)	+57	106,915
Officials and inspectors	+51	80,334
Firemen—fire department	+42	50,771
Marshals, sheriffs, detectives	+	32,214
Guards, watchmen, doorkeepers	+35	115,553
Policemen	+32	82,120
Officials and inspectors (city and county)	+6	55,597

Table VIII.

Group (7) Professional service.	Losses or gain Per cent	1920 Totals
Trained nurses	+82	149,128
Semi-professional pursuits (notaries, healers, welfare workers, etc.)	+79	116,555
Technical engineers	+54	136,121
Teachers	+27	761,766
Clergymen	+8	127,270
Lawyers, judges, etc.	+7	122,519
Physicians and surgeons	0	150,007
Musicians and teachers of music	-7	130,265

Table IX.

Group (8) Domestic and personal service.	Losses or gain Per cent	1920 Totals
Elevator tenders	+60	40,713
Janitors and sextons	+58	178,623
Billiard room, dance hall, etc. keepers	+50	24,897
Restaurant and lunch room keepers	+40	87,987
Waiters	+22	228,985
Housekeepers and stewards	+17	221,612
Midwives and nurses, (not trained)	+16	156,769
Barbers, hairdressers and manicurists	+10	216,211
Porters (except in stores)	+6	88,168
Boarding and lodging house keepers	-20	133,392
Servants	-20	1,270,946
Launderers and laundresses (not in laundries)	-21	396,756
Laundry, owners and officials	-31	13,692
Laborers, domestic and personal service	-38	32,893
Bartenders	-64	26,085
Saloon keepers	-75	17,835

"In general this group suffered a loss during the period 1910-1920. The gains above 20 per cent. show an extension of certain types of occupations which are characteristic of the times. The losses in this group are interesting. The losses in domestic service arose rapidly following the war," and perhaps indicate a revolt against the idea of servant, in the wake of so much talk about liberty. The prohibition amendment will account for other losses.

Table X.

Group (9) Clerical occupations.	Losses or gains Per cent	1920 Totals
Clerks (except clerks in stores)	+109	1,487,905
Agents, canvassers, collectors	+68	175,722
Stenographers and typists	+66	615,154
Bookkeepers, cashiers, accountants	+50	734,688
Messengers, bundle and office boys and girls	+4	113,022

Clerks in this table refer to shipping clerks, weighers and the like. Agents, canvassers and collectors are given an increase of 68 per cent, but this is made up of an increase of 156 per cent. in agents, with decreases in the number of canvassers and collectors. The interesting part of the table refers to accountants, which is relatively a new occupation, or better, an old occupation with a great increase of business because of statutory demands. Accountants and auditors increased in the ten year period to 201 per cent.

Now then, Industrial Revolutionaries, Communists, Socialist Party men, Labour Party and Farmer-Labor Party men, etc., etc., etc., **ad infinitum**, get out your pencils and locate your prospective constituents!

Correspondence

AS TO "GRADUALISM"

Editor, Western Clarion,

Dear Comrade:

Violence versus "civilized ways," as "C" has it in "By the Way," in social alterations:—Are the two methods not closely allied, forming parts of the same cycle of evolution, unseparably bound together, one developing out of and giving impetus to the other, violence as a culmination in the passing away of a defunct system?

The analogy of social development to other organic developments fits in in a general way only, for forces appear, that frail force of conscious mind, which is endeavoring to conquer the field of social progress in the form of working class movements, and direct it in harmony with its economic base behind which it lags, and build a society more in line with the needs of its greatest mass of units, the working class, which necessarily implies the mind in control instead of blind competitive forces as at present. Then truly could we call ourselves civilized.

The working class mind develops the revolutionary viewpoint forced by necessity and in line with progress that points the way to future change, a new and more free society in contradistinction to the capitalist class viewpoint also born from necessity in harmony with environment desperately opposing the changing of a defunct but, to them, a pleasant relationship. It is just here the mind comes into prominence, one for the other against each doing "its damndest" to keep or get control; never before in recorded history has such understanding of social forces been marshalled in battle, in no other forms of life can we find such conscious force not to evolve as that welded by capitalists today.

"Gradualism," peaceful, slow social change is a beautiful concept, but do facts substantiate its imputations? Not under capitalism. Maybe in the order which we hope, is to come. At present it is not in line with progress. The ruling class in not one instance have shown a tendency to relinquish power until confronted and overthrown by a superior and armed force. We have the knowledge of the Paris Commune, the German, Hungarian, Russian and Finnish revolutions, with minor conflicts in nearly every other country and always the final arbiter has been armed force, and is it not significant that the powers that be are very carefully and thoroughly preparing for what must be. You, comrades, in Vancouver, during the waterfront strike could see what is behind the scenes and how readily it would strike, should the sacred social relationships of private property have been threatened.

The working class have to eat; before they have the wherewithal they must sell the only commodity they have—their labor power—which is bought only under the condition that surplus value accrues from its application. How great the production of surplus value is can be surmised from the analization of conditions of the world war, or the figures used by G. W. Hinnin in an article against socialism. That is, the so-called parasites and idlers received only five billions in the U. S. for the use of their brains, plans, administration and property in 1923. What will happen when this surplus can no longer be disposed of? We see eloquent results everywhere. I would like to ask "C" how he can conceive of a stronger, more vigorous, self reliant, intelligent and knowledgeable working class evolving? Are not conditions such as to develop "a more anaemic working class, stunted mentally and physically and morally degraded," with the aforementioned becoming ever more intensified with the ever increasing development of contradictions within capitalism.

The foundations of present society are crumbling; indefinite time for change is not within its limits; gradual, peaceful transformation not in its make-up; but struggle, fearful and grim. Whether civilization perishes with capitalism in its struggle between various imperialist groups, or dies in the attempted birth of a new society or continues its evolution with the new society pregnant with great possibilities is in the womb of tomorrow, but those are the only possibilities on the agenda. So lets keep at

it. We are apt to be a little disheartened because things do not go exactly as we would like them to.

J. A. UNTINEN.

FROM "GEORDIE"

To the Editor,—

For some four or five years there has been a distinct falling off in the interest displayed in the study of economics. The present writer has from time to time contributed matter of a distinctly controversial order with the express purpose of stimulating discussion. This has not been forthcoming; instead, such articles as I have written have been received in an outburst of silence almost audible in its glacial stillness. Now, it has long been my opinion that work which did not excite opposition was scarcely worth doing. Consequently when Com. McNey broke the ice with his excellent if somewhat old-fashioned article, I was gratified to see a renewal of interest in a subject of fundamental interest to any working class movement. I cheerfully confess that I encouraged Mr. L. T. Morgan who, by the way, is no relation to me, and is a young and enthusiastic, if, as yet, immature student of economics, to jump in. I assured him the water was fine and informed him he could use anything of mine he could lay his hands on, but, for reasons given, to keep me out of it. On the whole, in spite of the little unpleasantness, I do not think there is anything to be regretted. Our friend F. C. has evidently something worth while to spill; Com. McNey is, I believe, on the right track if he will stay with it; there is to hand a clever if unconvincing contribution from our old friend C. K., and there are others to hear from, for example, Peter Leckie in Ottawa, and A. Tree from Calgary.* These ought to settle among them something which one would think, wrongly perhaps, ought to have been settled years ago, viz., the place of Marxism in the science of economics.

Yours in leisure,

J. G. MORGAN.

*Editor's Note.—In a recent letter commenting upon the pattern of L. T. M.'s "Reply to F. J. McN," Com. Tree says:

"I shall look forward to the further discussion of this Marginal Utility business with interest; anticipating, in the meantime, that a philosophical use for the concept will be found while considering the use-value of commodities, but that it will be swallowed up by the law of supply and demand when any attempt is made to determine exchange value by it, and that its connection with value will be found to be nil."

Com. Tree says he finds attention to propaganda meetings and economics classes regularly something of a time absorber, which is not surprising. In the matter of L. T. M.'s "Reply" a letter is to hand from Com. W. H. Exelby, the points of which, however, are rendered superfluous by F. C.'s article in last issue.

LOCAL VANCOUVER No. 1 Paris Commune Celebration

A social and dance plus refreshments is to be held on the 18th March at Oddfellows Hall, 7th Avenue and Main Street. Tickets (for men) \$1 and (for women) 50 cents. These are now on sale at the Sunday night propaganda meetings, and at the headquarters.

It is hoped that there will be a large attendance, the intention being to make this year's celebration of the events of the Commune of '71 as featureful as the best of such celebrations has been in the years gone by. The members of the committee pledge their utmost endeavor and expect that this will be met by like endeavor on the part of all concerned. This being agreed upon, see that you get there.

SOCIALIST PARTY OF CANADA

PROPAGANDA MEETINGS

EVERY SUNDAY

THEATRE ROYAL

SUNDAY, MARCH 2.

Speaker: PROF. BOGGS, (U.B.C.)

Subject: "Business Depressions"

All meetings at 8 p.m.
Questions. Discussion.

Western Clarion

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Editor..... Ewen MacLeod

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VANCOUVER, B. C., MARCH 1, 1924.

FINANCE AGAIN.

PERIODICALLY we are required to depart from our Here and Now heading in order to attract serious consideration to the state of "Clarion" finances. Not that it is ever altogether out of financial trouble, but that periodically we are overwhelmed in financial depression more acutely than always. As for instance, now. Figures, we hear the complaint, are generally unattractive, and we agree—especially the figures set forth hereunder. These are not nearly so attractive as those set forth in the press the other day wherein the B. C. Electric Railway Co., Ltd. (local traction and lighting corporation) released a bond issue of \$3,500,000 and the "offerings" amounted to \$85,000,000. Not bad at all, especially when you consider that "The Buzzer" (official organ of the aforesaid B. C. E. R. Co. Ltd.) is perpetually kicking against any suggestion that a public utility is not a public utility. Any such suggestion denotes, we are told, a lessening of public confidence which, in turn, operates as a deterrent factor where finance capital expects a welcome. Public utilities are, of course, public utilities. Readers of "Babbitt" will recollect that this was capable of proof by the professor—by figures imported from Poland (or some such place) and New Zealand.

It will seem queer that we should harp thus upon the B.C.E.R.'s corpulent figures rather than upon our own, but these have, you will agree, a "lean and hungry look" and they need a tonic. Hence our zeal in broadcasting the periodical "S.O.S." There is no use piping to a mournful air in setting forth our monetary woes, the main reason being that it is not likely to be helpful. The need is none the less real on that account, however. That being granted, we are all ready for an increased subscription list before next issue. These few stragglers are our subscription receipts since last.

Following \$1 each: A. R. Snowball, J. J. Albers, O. E. Laimatta, A. Driver, J. R. Wilkinson, B. Bird, C. L. Sallstrom, T. Faulston, J. Pollock, S. Olson, G. Albers, Alf. Jorgenson, O. Erickson, H. J. Edwards, Wm. Braes, C. E. Scharff.

J. Muldoon 50 cents; W. F. Welling \$2; Hugh Ross \$1.30; J. C. Blair \$2; T. Stott, \$2; J. Hole 50 cents.

Above, Clarion subs. received from 15th to 28th February, inclusive, total \$24.30.

CLARION MAINTENANCE FUND.

J. J. Albers \$2; G. Albers \$1; T. Stott \$1; Wm. Braes \$1.

Above, C. M. F. receipts from 15th to 28th February, inclusive, total \$5.

SECRETARIAL NOTES.

Comrade Lestor has recently addressed meetings in Alberta at Swallow, Red Willow, Donalda, Meeting Creek, Edmonton, Delburne, Calgary, and other places. He says the reception everywhere has been encouraging and that the movement as reviving from its apathy. We are sorry to record that Com. Lestor has been sick and has been under medical care necessitating an operation for the removal of a carbuncular growth on the neck. This has oper-

ated seriously against his good health and has several times during his present propaganda tour upset his speaking schedule. Everybody is in hope that recovery may be prompt and complete. There is a danger otherwise that platform work for Comrade Lestor may be interrupted for a long time. Better news next time, we hope.

DEATH OF TOM CASSIDY.

MEMBERS of the militant section of the working class, both in Canada and the United States will learn with deepest regret of the death of Comrade Tom Cassidy, late general organizer for the One Big Union.

Comrade Cassidy had been in ill-health for several months, having to relinquish his organization work in November last, prior to which time he had been doing splendid organization work for the O. B. U. in Western Canada. It later developed that he was suffering from tuberculosis, and in spite of strenuous efforts to combat it, he gradually succumbed to its relentless grip, the end coming on Wednesday evening, February 13th, 1924.

The system has thus claimed another victim, for Cassidy was still in the prime of life, being only thirty-six years of age, but like many other workers his health was undermined with years of labor in the rotten surroundings of the railroad roundhouse.

As a speaker and organizer for the radical labor movement, Comrade Cassidy was an "old timer," and owed much of his knowledge of the movement to the training he received in the Socialist Party of Canada, for which organization he was an old time organizer. He was also, in the old days, a "borer" in the American Federation of Labor and figurer in many skirmishes with the misleaders of labor at the Canadian Trades Congress Conventions. He was also active in the movement on the other side of the border and at the inception of the O. B. U. became one of its staunchest standard bearers in the United States.

Comrade Cassidy had rare ability both as a speaker and an organizer, and his passing means a distinct loss to the working class movement, for there was never a time in working class history when fighters were more urgently needed and when there was a more limited supply.

Internment took place on Monday last at Brookside Cemetery.—O.B.U. Bulletin (Winnipeg).

AN ANSWER TO F. J. McNEY.

L. T. Morgan, Arts '24, U. of B. C.

When Professor Ely states: "To possess Value a thing must be able to satisfy wants, and it must exist in less than sufficient quantity to satisfy all wants," he means Value in Exchange, not Value.

It is necessary that a commodity must be relatively scarce to possess Value in Exchange.

Nor can a commodity possess Value without being scarce, seeing that "scarcity," used in this sense, simply means "difficulty of attainment" and this again means that its production involves an expenditure of effort. In short, a commodity cannot possess Value (as determined by the amount of socially-necessary labor time) without at the same time absorbing certain costs of production (price of production).

Labor-power, in my opinion, is a commodity—though Prof. Ely would not so consider it.

Prof. Ely considers labor as simply a factor in production, and he states "that the proportion of the product that is attributed to labor is determined by the principle of specific or marginal productivity" (Ely, "Outlines of Economics" (1923), page 424.) Prof. Ely continues that "It will pay the farmer (or anyone else) to extend his employment of labor up to the point where the adding of another laborer to the working force would increase the product by an amount too small to sell for enough to pay his wages, and where dropping a laborer from

the working force would decrease the product by an amount at least sufficient to pay the wages of the laborer." (Ely, "Outlines of Economics," p 386).

Thus it is at once apparent that the price of labor-power is all important in determining just what is the so-called "marginal productivity" of a worker. And since the worker has only his labor-power to sell, his very existence depends upon his finding a market for that commodity. As a consequence, he is at a very great disadvantage when he bargains with a prospective employer, and in the final analysis he is, as a rule, forced to accept a bare subsistence in return for his labor-power because the supply of labor power invariably exceeds the demand. But, and here is where relative scarcity does come into consideration, over a period of years the price received must tend to coincide with the cost of reproducing that labor, or it will tend to become scarce. Of course at any particular time and in any particular field of labor, the laws of supply and demand directly affect wages. Thus the Marginal Utility theory of Value (in exchange) can be made to explain wages—even if there is no absolute scarcity of labor-power.

Possibly you have overlooked what Professor Ely has to say regarding Value (in exchange) in his "Outlines of Economics," appendix A, p. 213, the first paragraph under the heading "Present Conditions of Economic Thought."

"With respect to the theory of value neither supply nor demand, neither cost nor utility, neither the capitalist nor the consumer, is now said to exert a predominating influence in the determination of values. The Austrian School (Marginal Utility theorists, L. T. M.) it is now understood, supplied a needed corrective without revolutionizing the earlier theory of value. The Austrians themselves are seen to have been guilty of laying exaggerated emphasis on the consumer's influence upon value and price, and there is reason to believe that their analysis is based in some degree upon a faulty psychology."

PLATFORM

Socialist Party of Canada

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

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

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

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

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

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

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

- 1—The transformation, as rapidly as possible, of capitalist property in the means of wealth production (natural resources, factories, mills, railroads, etc.) into collective means of production.
- 2—The organization and management of industry by the working class.
- 3—The establishment, as speedily as possible, of production for use instead of production for profit.

The Situation of the "Middle Class" in France

By CH. O. (Paris)

IN the approaching French elections the attitude of the middle class will be of great importance; this fact has been clearly perceived by the French political parties. The middle class will form the most important basis for the Left Block that is to be formed. The Nationalists around Poincare have, however, already taken up the struggle with the Left parties for the winning or retaining of the middle classes, and The "Union of Economic Interests" which adheres to Poincare and which is financially very strong, has adopted planks in its platform which are intended before all to satisfy the material needs of the middle classes. It is significant that in this competition for the middle class vote, it is not nationalist and imperialist demands which are given prominence, but purely economic demands which aim at easing the severe burden of taxation and the restoring the value of the currency. This proves that also in France the middle class is most severely threatened and injured in its economic interests, and that all its interests are moving it to better its material situation.

The economic situation of the French middle class has been clearly described in an article by Comrade Marcel Fourier from whose account we take a number of characteristic facts. Since the article was written, the further rapid fall of the French franc has made the situation of the French middle class still worse, so that it is now decidedly acute. The same symptoms which are present in all countries with a falling rate of exchange and which are bound to be present where the rate of exchange falls are present in France.

The ruin of the French middle class began already with the beginning of the war, and the conclusion of peace has in no way put an end to it. If the war quite perceptibly affected the annuities of the small French bourgeois, they have practically shrunk to nothing in the years since the "restoration of peace." Instead of his fatherland having ensured him his three per cent. annuity for his nationalist attitude during and since the war, it loses in value from day to day, whereas the investments of the huge private firms have double their value upon the Stock Exchange since 1914. The small bourgeoisie, of the towns, the small annuitants, small business people, artisans who are in business for themselves and officials, are most severely hit and are therefore revolting. (One must however make an exception of the small and middle landowners in the country whose situation is somewhat different.)

Before 1914 the most important source of income for the middle bourgeoisie of the cities was generally on the one hand their holdings in annuities, state mortgages on land, gilt-edge securities, such as municipal or private annuities on land, and on the other hand, real estate, before all houses, which yielded a moderate return. The income of the large bourgeoisie was derived chiefly from the great concerns joint stock companies and speculative enterprises. Their holdings in real estate consisted chiefly in factories, warehouses and large apartment houses which yielded a very good return. Thus if the difference between mobile and immobile capital has altered very little between the years 1914 and 1923 one cannot say the same regarding the incomes derived from the same.

The annuities and gilt edge investments of the middle and small bourgeoisie have depreciated in a much greater measure than the holdings in shares of the big bourgeoisie. One has only to compare the figures in the following typical examples and the difference strikes the eye at once.

A. Investment of the middle bourgeoisie.	1914	1923
3% Perpetual Annuities	88	54
3% Redeemable Annuities	75	66

3% Russians 1896	74	17
5% Russians 1906	104	28
6% Consolidated Turkish	87	55
5% Turkish 1914	93	33
2% City of Paris 1899	367	236
2 1/2% City of Paris 1905	360	330
3% Ground Rents 1903	460	300
3% Ground Rents 1909	225	160
3% Municipal Loan 1906	420	290
B. The Big Bourgeoisie.	1914	1923
General Electric Company	1050	1330
Rio Tinto	1870	2550
Credit Lyonnais	1300	1650
Central Mining	175	840
Maritime Iron and Steel Works	1500	800
Laitaro	250	675
Lille Fives	1000	2710
Say Refineries	420	3300
Baku Petroleum	1500	2645
Royal Dutch	400	28700
Carmaux Mines	2400	1555
Lens Mines	1250	430

One must remark to the above that the scripts mentioned above represented a capital in gold francs in the year 1914, but in 1923 they are only worth paper francs, thus having a value three times less, and now almost four times less (*). As the above table shows, the middle bourgeoisie is hit the hardest because its losses amount to between 75 per cent. and 90 per cent. whereas the depreciation in the shares which are in the possession of the big bourgeoisie fluctuates between merely 10 per cent. and 35 per cent.

Also in regard to real estate, it becomes apparent that the income mostly threatened is that obtained from house rents. To the extent that members of the small and middle bourgeoisie are not house owners but tenants by the recent decree of the Senate which permits an increase of rent of 100 per cent., and they are not in the position to compensate themselves in any way for this new burden. One can venture the general assertion that the average depreciation in the value of capital since the beginning of the war amounts to 70 per cent. in the case of the middle bourgeoisie and to not more than 30 per cent. in the case of the big bourgeoisie.

Small trade and industry find themselves in a specially severe crisis, before all owing to the fact that the great burden of taxation bears most heavily upon them. If the turnover in the business of a small merchant in the current year amounts to between 100,000 and 120,000 francs, he must pay between 2,500 and 3,000 francs in taxes. Besides this he is subjected to a veritable inquisition. Of course it is true in general that taxes, duties and so on can usually be passed onto the consumer, but in regard to the tax on the total business the wholesaler is able to calculate this tax in the prices that he fixes, whereas the retailer in nine cases out of ten is forced to sell his goods in relation to the price of the wholesaler, if he does not wish to decrease the sale of his goods. When one remembers that of the 1,720,000 merchants and manufacturers who are affected by the tax on sales, no fewer than 1,515,000 had a turnover of less than 120,000 francs, one recognizes what a large number of middle and small bourgeois are affected thereby.

The situation of small industry is also in no way favorable. The number of bankruptcies has increased since 1922. The small business people, merchants and artisans, can hardly obtain credit from the banks. When they want to pledge their securities they always meet with the greatest difficulties and many of them are compelled to close down their businesses.

Thus the economic situation of the middle class
* This was written before the recent spectacular "fall" of the French franc.

has greatly changed compared with former times. This class is in the grip of a continually progressive impoverishment. Shaken up by this it is beginning to revise its political views, but the idea of its restoration belongs to the realm of small bourgeois illusions.—"Imprecor," (Vienna.)

MACHINERY.

In the steel industry one or two men with unloaders replace twelve to twenty men unloading by hand.

In furnace charging, by use of the skip hoist, lorry car and automatic weigher, two men replace fourteen.

In pig casting, seven men with a casting machine replace sixty.

In open hearth operations, one operator with a charging machine replaces forty hand chargers.

With travelling cranes, twelve men pouring, replace thirty-seven.

Two men unloading pig iron with an electric magnet and crane replace one hundred and twenty-eight.

In the clothing industry, six men operating two boarding machines replace twenty-eight. One girl operating a rib-cutting machine produces twenty-five times more than by hand. In men's clothing, in various processes, machines with a single operator replace six and eight workers.

In the shoe industry one lasting machine produces the equivalent of six to ten hand workers.

In the glass industry, one type bottle-making machine replaces fifty-four workers.

In the window glass industry, production with a machine blower increases thirty to fifty times.

In coal mines an automatic conveyor for pier loading with twelve men replaces one hundred and fifty men.

In cigar making, four operators with machines produce the equivalent of fifteen by hand.

In wrapping machinery for bread, tobacco, chewing gum, cigarettes, soap, sugar and razor blades, one wrapping machine with one operator replaces as high as forty hand workers.

The tendency to replace hand workers by machines is spreading to every branch of industry and business. Even in offices adding machines, book-keeping machines and other devices are gradually replacing the old clerk of other days.

—"Province" (Vancouver), Feb. 11th, 1923

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Concerning "Value"

WITH reference to "A Reply to F. J. McNey" by L. T. Morgan, in the "Clarion" for February 1st:—F. J., it appears, has been caught with his suspenders unbuttoned and L. T., doughty champion of "Marginal Utility," has seized the opportunity to administer a few swift *colpi dei piedi* where he thinks they will do the most good. This must be a very painful business for F. J., and the devil of it is that L. T. is probably correct enough so far as his criticism of F. J. is concerned. Nevertheless, I am human and my sympathies are with F. J. After all he has merely made the mistake of underestimating the strength of his opponent's position, and that is no more than many a one of us has been guilty of many's the time and oft. Generally we have managed to get away with it, perhaps because as a rule the other fellow knew no more about his own position than we did. It has remained, however, for F. J. to go to the well once too often and he made a horrible example and a warning to the rest of us. It is too bad. No doubt F. J. suffers under a sense of injustice. Of course if he had taken the trouble to study his subject more deeply he would probably have discovered, as L. T. points out, that Marginal Utility is not a theory of value at all—in the sense that Marxian "Value" is generally understood—but a theory of Prices and as such is not open to the objections F. J. urges. This little precaution, however, he neglected to take and as a consequence L. T. has fallen upon him and smitten him hip and thigh. Alas!

But, in the heat of the onslaught, as it were, in the excitement and stress of the smiting L. T. has himself let fall one or two statements concerning Value et al which seem to me to call for further consideration. He begins his discussion on Marxian "Value" by insisting that Value and Exchange Value are two distinct and very different things. This may be in accord with Marx even if it is not with some of the best Marxian traditions. "Value," says L. T., "is only conceptually existent," while "Exchange Value, the phenomenal form of Value," is the ratio in which commodities may actually be observed to exchange and, where one of the commodities is the money commodity, is expressed as Price. So far so good, but, "It does not follow that there is any causal relation between the two—nor is there any mechanism by which Value can make itself effective in the field of circulation." Of these two statements—particularly the latter—I am just the least bit dubious, for reasons which will appear.

L. T. then proceeds to make F. J. privy to the one way in which Value may be connected with Exchange Value and he goes at it like this—"In any given period of time there is produced a given quantity of commodities; these have already absorbed a given quantity of labor, and consequently have a certain total Value. The Values of these commodities are expressed in gold prices. The total Gold Price must of necessity equal the total Value . . ." Here I am frankly puzzled. Proof-readers are human and erring, typesetters are on occasion guilty of fiendish inaccuracies, writers, particularly on Economics, are sometimes caught asleep at the switch, and critics—God save us all!—sometimes go off at half cock. Which of us is to blame for my bewilderment I don't know. One thing only am I sure of in this connection—that either my understanding is sadly out of alignment or there is something desperately wrong with L. T.'s argument as I read it. If the Values of these commodities are expressed as Prices why, in the first place, does L. T. hold that there is no mechanism by which Value can make itself effective in the field of circulation? And, in the second place, Value and Exchange Value being so distinct and different, what becomes of his previous statement that it is Exchange Value that is expressed as Price? If, on the other hand, it is the Exchange Values of these commodities that are expressed as prices, and Value and Exchange Value are very different and separate things, and Value

cannot express itself in the field of circulation, whence derives the authority for the statement that "Total Values must of necessity equal total Prices"?

It may be that L. T. could quite truthfully retort that he has the authority of Marx's written word for this last. I am not sure of this, but I would be willing to believe him if he said so, for I too believe that, according to the Marxian theory, Total Values will over a period of time equal total Prices. But the theoretical proof of this is not to be found in the theory as L. T. has stated it.

L. T. says "it does not follow that there is any causal connection between Value and Exchange Value." Now probably there is nothing that could properly be called a causal connection between the two, but just how much does L. T. intend to convey by that statement? The general tenor of his discourse suggests to me that his intention is to deny any relation at all. He says that the Law of Value is "only another way of saying that labor produces all values." If this is all the Law of Value is its inclusion in "Capital" reflects no credit upon Herr Marx. It is certainly no better way of stating what even in Marx's day was surely an obvious truth, and as the foundation for a theory of Political Economy it is about as much to the point as the statement "God created all things" would be as a premise from which to argue the Theory of Relativity. If this is all the Law of Value is it is little else than a hindrance to the understanding of what follows, and might well be discarded. And with the Law of Value goes also the concept "Value," and if it be objected that the concept "Value" is necessary to the theory of Surplus Value this would simply mean that the theory of Surplus Value has no more validity than the Law of Value and might as well go into the discard with it.

However, before condemning Herr Marx and his works, perhaps it would be no more than fair to hear him in his own defence. But before putting him in the witness box let us consider for a moment what appears to me to be L. T.'s interpretation of him. L. T.'s conception of "Value" seems to me to be that of something which is created in the act of production, and exists, and the magnitude of which is determined, prior to and independent of the act of exchange. This is, I believe, the conception of "Value" held by the generality of Marxian students. Now, as L. T. has discovered, there does not appear to be any mechanism by which "Value"—so conceived—can make itself effective in the field of circulation. Nor does there seem to be any indication of a causal relation—nor, indeed, any pertinent relation at all—between Value and the phenomena of exchange. Nor does there seem to me—although L. T. appears not to be with me in this—to be any warrant for the statement that over a period total values must of necessity equal total prices. Nevertheless this last statement is implicitly if not expressly stated in "Capital." And if Marx was not an intellectual charlatan we are almost bound to believe that he conceived of some pertinent relation between his concept "Value" and the phenomena of exchange.

What, then, does this suggest? It suggests that if the Marxian economic theory is to be made intelligible and defensible, the Law of Value must be so interpreted as to place the concept "Value" in some pertinent relation to the phenomena of exchange. Let us call Herr Marx.

"We see then that that which determines the magnitude of the Value of any article is the amount of labor socially necessary, or the labor time socially necessary for its production." (Capital, Vol. 1, p. 46).

Now the necessary labor is, I take it, the least amount of labor by which a commodity can be continuously produced under the conditions of production existing generally at the time. Thus, if the general run of plants producing commodity A are able to effect its continuous production with a labor

expenditure of one hour's (single, abstract, undifferentiated) labor per unit commodity, that one hour is what counts in determining the magnitude of the Value of that commodity, although some plants of less efficiency may require perhaps two hours per unit while others of unusual efficiency or possessing some special advantages may need only half an hour per unit. This I understand is what the term "necessary labor" is held to indicate by the generality of Marxian students. Now as to the significance of the term "socially" in this connection. In general this seems to be understood as implying little more than a recognition of the fact that the production of a given commodity is no longer—if it ever was—the work of one individual or one group or one industry or even one nation, but is a task in which the whole of organized society partakes. A commodity is a social product. True enough. But this is an interpretation not of socially necessary labor but of necessary social labor. A distinction with a difference.

"Socially necessary labor" is, I suggest, labor necessary to satisfy a social need. The amount of socially necessary labor, then, required for the production of a commodity is that amount necessary to continuously produce it in quantities sufficient to fill the effective demand. The demand for any certain commodity may at a given moment be considered as a fixed quantity. The amount of labor necessary to produce that quantity of the given commodity is the amount which counts in determining the magnitude of the Value of the total quantity of that commodity on the market at that moment. Thus, if the demand for commodity A at a given moment be 10,000 units, no matter how much more or less the total quantity of commodity A on the market at that moment may be its total value, in terms of labor-time, will be that amount of labor necessary to produce 10,000 units, for that is the amount of labor socially necessary, and since it has been exerted in response to a social want it can be no more materialized than the amount socially necessary.

This means that while Value is created in the act of production and exists prior to and independent of the act of exchange, its magnitude is not determined until it meets the market and equates itself to the social need. It means that just as prices determined by the conditions of the market tend in the long run to coincide with Cost of Production, so will Exchange Values tend to coincide with Values, and over a period total Values will theoretically equal total Exchange Values. It discloses the relation Exchange Values bear to Values, they being the phenomena that mark the process of trial and error by which supply equates itself to demand and the magnitude of "Value" is determined.

Exchange Value may be regarded as the phenomenal form of "Value." It means—what, I trust, will satisfy L. T.—that, by way of our old friend "Supply and Demand," the Marxian theory is closely related to the theory of Marginal Utility—which, indeed, may even be this self-same old friend in Kuppenheimer clothes, patent leather hair and horn-rimmed spectacles.

It means also—as a little reflection will discover—a great many other things which some "old line" Marxists perhaps will not relish and for which they will probably denounce me as a naughty fellow full of base heretical notions and sunken in sin. But is it anything new, this interpretation of the Law of Value which I have here attempted briefly to expound? I don't know. Probably not. Is there anything in "Capital" that implicitly or expressly forbids this interpretation? Again, frankly, I don't know. I confess I have never read "Capital," and am willing to go on record as having vowed that voluntarily I never will. So that unless I sometime decide to take a course in Political Economy in some conservative University, I probably never shall. 1

(Continued on page 8)

Revolutions : Social and Political

BY J. HARRINGTON

ARTICLE TWENTY-TWO

THE ever amusing task of selecting a ruler had, in Spain of 1870, the added zest of tragedy; which according to authority is the acme of humor. Considering the trouble mankind invariably encounters on these happy occasions it is passing strange that he has never considered or developed some other method of choosing a monarch. Say, the one who could suck his thumb the longest, a practice for which most of them are exceptionally well endowed, mentally.

But we must take the world as we find it, and so the Spaniards, having had enough experience with their own ruffraff to forbid any further experiment, were searching Europe for a fit and proper person to sit in authority over them. Their late and unlamented Queen Isabelle having been driven with her dissolute gang across the sea in 1868.

They finally decided, after great care, to invite Prince Leopold Hohenzollern to graciously rule over them.

This arrangement had the approval of the King of Prussia as head of the house, and the Prince himself, as the interested party: and as Spain was quite satisfied it might be supposed all requirements were fulfilled. But no, that supreme and last handiwork of God Almighty's hand, man, had other things to consider. France, observing the perfectly proper means to preserve peace on her frontier, objected to the Prince so closely connected with Prussia controlling the destinies of Spain. So the idyllic scenes in Campriere were rudely interrupted by the stern realities of Statescraft.

The French Ambassador, Benedetti, was instructed to inform His Majesty of Prussia that the acceptance of the Spanish offer would be considered as an hostile act against France. Bismarck, Roon and Moltke now anticipated the working out of their plans, and fully expected to take the field.

King William, however, was disposed to view the matter more lightly, and finding no insult in the demand, nor any considerable importance in the project, agreed to withdraw the candidacy of Leopold.

Quite in keeping with the materialist conception of history, the destiny of millions lies in the hollow of one man's hand, or at any rate, several men may, at times, possess the power to send millions to doom and disaster.

The French Government was not content with this diplomatic victory, which exalted their falling fortunes and gave them a respite from the gathering storm; and which left Bismarck and his friends in disgust, if not in disgrace. They insisted upon a further and more humiliating renunciation, considering the moment propitious for engaging Prussia in a quarrel into which the other German states could not enter, if they entered at all, with any enthusiasm.

In the recently resurrected French Assembly, war speeches and insults to Germany were wildly applauded, and the information was delivered that the army "was ready to the last button," which was doubtless true, but buttons, like buts and ifs, are of slight importance in the hour of battle.

Bismarck relates how he hurried to the king for final instructions to assemble the Reichstag for the purpose of mobilization, and on his way, joyously executed a thrust "in carte and tierce" at an imaginary enemy when passing an old clergyman friend, but before he could enter his carriage received telegrams instructing him to deal with Benedetti.

The pleasure was entirely French, and Bismarck decided to resign rather than provide it, inviting Roon and Moltke to dine with him in a farewell supper, during which they received further humiliation from French arrogance and Prussian indolence.

The old King was at Ems "taking the waters" for his health. Benedetti proceeded thither with the French ultimatum. Gramont, the French Minister of Foreign Affairs instructed him carefully; he

must not take any evasion, such as, which was quite permissible, in his office as King of Prussia he had no interest in the future actions of a Prince, even of his own house; and that anything but complete and public renunciation would be considered unfriendly, and would compel France to regard Prussia with suspicion.

The king did precisely this. Speaking as the head of the House of Hohenzollern he would advise the withdrawal, and upon receipt of a letter from Prince Leopold's father formally renouncing his son's candidature would present it to the ambassador, so that he might communicate its contents to Paris.

Benedetti reported so, and advised that the matter rest there. But in the meantime Gramont had a conversation with the German Ambassador in Paris, and had stated specifically the nature of the reply from King William, which France would consider satisfactory. The conditions were too humiliating, and when Benedetti returned to press the King for an assurance that Leopold would never again permit his name to appear as a candidate, this communication had so offended His Majesty that he refused to discuss it further. He and the King parted cordially, and everything was lovely.

Napoleon had by this time lost some of his ardor, and peace settled over Europe, with the warriors screaming, "Let me go, or I'll fight!"

And so the table at which Bismarck and his two friends were to sup was spread the evening of July 13, 1870; the proceedings which ended in this melancholy manner commenced on July 4th. While they dined a code message arrived which being deciphered, drove all thoughts of meat and drink from their venerable heads.

"The succulent sauer kraut unregarded lay;

"The fragrant wienewurst was scorned."

As Goethe sang, or was it Goethe?

In order to understand the powers and influence of a great man during a crisis, it will be necessary to give in full the text of the Telegram of Ems, and its results. And further, to emphasize the altogether idiotic occasions which drive men to murder feasts; and sometimes happily, to the sweeping away of centuries of social litter, cobwebs, and dust.

"Count Benedetti spoke to me on the promenade, in order to demand from me finally, in a very importunate manner that I should authorize him to telegraph at once that I bound myself for all future time, never again to give my consent if the Hohenzollerns should renew their candidature. I refused at last somewhat sternly, as it is neither right nor possible to undertake engagement of this kind a tout jamais. Naturally I told him that I had as yet received no news, and as he was earlier informed about Paris and Madrid than myself, he could clearly see that my government once more had no hand in the matter.

"His Majesty has since received a letter from the Prince, His Majesty having told Count Benedetti he was awaiting news from the Prince, has decided with reference to the above demand, upon the representation of Count Eulenburg and myself, not to receive Count Benedetti again, but only to let him be informed through an aide de camp: That His Majesty had now received from the Prince confirmation of the news which Benedetti had already received from Paris, and had nothing further to say to the ambassador. His Majesty leaves it to your Excellency whether Benedetti's fresh demand and its rejection should not at once be communicated to our ambassadors and the press."

Of all the memorable scenes in history, we know of none which match the poignant grief of these unfortunate sufferers, or the unrestrained bitterness and merciless brutality of fate's decrees. David's lament for Absalom. The parents on the walls of beleaguered Milan, shooting at the advancing enemy through the bodies of their own children, held as

hostages, whose heroic young voices rose above the battle's din, invoking their fathers to save the city and forget their parenthood.

What a damnably exasperating enigma this human creature is. We fain would laugh, but when we remember such sufferers as Bismarck and his cronies a tear starts from our eye, rolls down the back of our neck, chilling us to the very marrow.

The multiplication of instances would never indicate in the slightest degree the unutterable misery of these unfortunates.

No exile's grief was ever half so sad;

Nor any angel's sorrow so forlorn.

Bismarck was the first to recover from the shock. He asked Moltke to what extent could the army be depended on for immediate action. Moltke replied that no advantage could be obtained by any delay. Even if they could not prevent invasions there was no fear of the outcome. Delay would not add anything to their advantage. He then proceeded to edit the telegram which came from his deft hand in this form:

"After the news of the renunciation of the hereditary Prince of Hohenzollern had been officially communicated to the imperial government of France, by the royal government of Spain, the French ambassador at Ems further demanded of His Majesty the King, that he would authorize him to telegraph to Paris that His Majesty the King, bound himself for all future time never again to give his consent if the Hohenzollerns should again renew their candidature. His Majesty the King, thereupon decided not to receive the French ambassador again, and sent to tell him through the aide de camp on duty that His Majesty had nothing further to communicate to the ambassador."

Bismarck remarked that the difference between this abbreviation and the original text of Alreken's telegram "was not the result of stronger words but of form," which implied an end to all further negotiations and contained a calculated insult.

Moltke, upon hearing the revised version read, cried, "Now it has a different ring. It sounded like a parley, now it has a flourish like a challenge."

Bismarck thereupon made a detailed explanation: "If execution of His Majesty's order I at once communicated this text, which contains no alteration in, or addition to the telegram, not only to the newspapers, but also by telegraph to all our embassies. It will be in Paris before midnight, and not only on account of its contents, but also on account of the manner of its distribution, will have the effect of a red rag on the Gallic bull. Fight we must if we do not want to act the part of the vanquished without a battle. Success, however, essentially depends upon the impression which the origination of the war makes upon us and others; it is important that we should be the party attacked, and this Gallic overweening and touchiness will make us if we announce in the face of Europe, so far as we care without the speaking trumpet of the Reichstag that we fearlessly meet the public threats of France."

The day Bismarck's version of the Ems telegram appeared, Paris went wild. The streets were thronged, all but impassable; and the cry "to Berlin!" was in every mouth. Anyone suggesting the possibility of any terminus nearer than Berlin, would have been lucky if he had held together long enough to breathe his last breath.

Here we have a situation, a positive fact, which cannot be in any way denied, of the greatest importance to the student of history; and of the gravest significance to the human race; or at any rate to that portion which does the producing and the fighting. Two autocratic monarchs adverse to war, the one, King William of Prussia, contemplating with pride the splendid close to the most inauspicious opening of a long life. Old, weary and pious, longing

(Continued on page 8)

EXAMINING "THE GYPPO SYSTEM"

(Continued from page one)

price. We must not forget, however, that the "Law in its majesty equality," guarantees to the buyers that the sellers shall conduct themselves "in a civilized way," to quote "C."

Now, how does the law of value fit in with the facts of the Gyppo System? The law of value applied to the commodity labor-power asserts that labor-power will sell at its cost of reproduction. This means that the labor necessary for the reproduction of the commodities whose consumption forms the worker's standard of living, which will vary in time and place, forms the value of labor power. The fact that the standard of living of the workers is the antithesis of that enjoyed by the capitalist class of any given country gives us the key to the argument concerning the law of value, when applied to the only commodity the workers have for sale.

It does not require a massive intellect to observe that the existence of the worker, and consequently his labor-power, depends upon him living, which, in turn, requires that he eat and drink, that he get the customary allowance of snoose, tobacco and overalls, a suit of clothes every other year, with occasional visits to the movies where he can vicariously enjoy "A Woman of Paris," or something equally entertaining. We may note in passing that the worker's standard of living does not include pleasure trips to Florida or California, "charming residences in respectable neighbourhoods," nor the financial standing necessary to "slip" a cabinet minister \$100,000 in exchange for an oil lease, etc.

The substitution of piece-wages for time wages does not alter this. "Wages by the piece are nothing else than a converted form of wages by time." This must be so, seeing that the status of the worker remains unaltered—the property relation is unaffected and so also is the legal condition of bourgeois freedom. The development of the "gyppo" shews the tendency to be the very reverse to that expected by a certain John Watts, (page 603, "Capital," vol. 1), who said:

"The system of piecework illustrates an epoch in the history of the working man; it is half way between the position of the mere day laborer depending upon the will of the capitalist and the co-operative artisan, who in the not distant future promises to combine the artisan and the capitalist in his own person."

The fact that those small contractors, the fore-runners of the "gyppo," have been supplanted by straight piece-workers and now occupy "the weakest position" in the system proves that, as with time-wages, piece-wages, even where some implements are owned by the piece-worker, it allows of no accumulation of capital, no payment of dividends, but merely the reproduction of the laborer.

The companies are enabled to pay higher individual wages because the intensity of labor is greater. They do not, however, pay higher wages in the aggregate. The cost of production will be lowered immediately by the lessening of the constant capital necessary to the carrying on of the industry, because of the less men and tools needed. And as the price per piece is reduced to conform more nearly to the time wage, further lessening of the cost of production results, until the outstanding result is not rich loggers differentiated from other workers in their standard of living, but "highball outfits" in the woods, cut throat competition on the labor-market and an increased rate of profit for the boss.

The forcing of this system as a result of some success by the wage workers along organizational lines has no importance when looking at the economic side of the matter. It does become important, however, when the class-struggle comes under attention; that is when the political aspect of the matter is being considered. Neither organization on the job nor the piece-work system are anything new, yet all tendencies that increase the disproportion between what the workers produce and what they receive in the form of wages intensifies the contradictions inherent in the profit system, and "gyp-

poing" is evidently a case of that sort.

Well, let us not denounce Brother Gyppo too violently; he may be a believer in what H. L. Mencken calls, "the cardinal article of the National Religion, that any bright boy can make himself a capitalist." Moreover, we are looking for a job ourselves, and, you never can tell.

F. C.

CONCERNING "VALUE"

Continued from page 6

have deliberately refrained from a perusal of this notorious work for two good reasons, first, I suspect it to be full of headaches; second, it pleases me on occasion to discuss the economic theories of Herr Marx, and I want to be in a position to do this freely, and without restraint, and there is nothing so calculated to hamper one in such an enterprise as a perusal of the man's own works. There are of course some narrow minded and bigoted people who will contend that this is all the more reason why I should keep my ideas on economics to myself. However, there is nothing small about me. I give this discovery—if such it be—to the World, with a regal gesture. The Revolution may now proceed.

C. K.

REVOLUTIONS, ETC.

(Continued from page 7)

for peace. The other, Napoleon III, Emperor of France, snatched from his dreams; in the last hour realizing the hopelessness of his position; disillusioned, diseased, aged, desirous to return to his idle fancying, his eternal cigarette, and his buxom company at Campiagne: and the two armies already on the march. All because a wily old diplomat had passed several sleepless nights, frantic with visions of headlines in the Paris press, **Prussia Climbs Down.**

Such are the trifling occasions, for which a million men are hurled at each others' throats. We have given the historic background which makes such a maniacal moment possible, and the social conditions which render it inevitable, and there will be no sadness of farewell when they take their place in the record of man's madness along with the Star Chamber, Witch Courts, the Inquisition, and such like antics of the reasoning animal.

We must pass "the noise of the captains and the shouting." France buttoned up the last button on its red pants, tucked French-German easy-conversations under its arm, and headed for Berlin on the 18th of July; two months later to the day, Bismarck and his chums sat down before the walls of Paris to discuss the relative values of a bombardment or a siege.

The dreams that nations dream require a little waking thought and energy. Apropos of which we quote; First, a telegram from the 2nd Army Corps to the War Office, Paris, dated July 21st. "The depot sends enormous parcels of maps, which are absolutely useless for the moment. We have not a single map of the French frontier. It would be better to send a greater quantity of what would be more useful and which are absolutely wanting at this moment." (Emphasis our own)

Second, a remark of Moltke's to General de Wimpffen when discussing the surrender of Sedan, "Why you do not know the topography of the environs of Sedan, and, seeing we are on the subject let me give you a small instance which thoroughly shows the presumption, the want of method of your nation.

At the beginning of the campaign, you provided your officers with maps of Germany, when they utterly lacked the means of studying the geography of your own country, seeing that you had no maps of your own territory." Emphasis our own.

A little lecture which would well be taken to heart by those cuspidor strategists at present order-

ing a world revolution to commence in Germany, at 10 a.m. But as their hot heads are quite balanced by their cold feet it is unlikely they will get as far as Sedan.

But whether or not, we have a greater lesson before us in that supreme tragedy of working class history, The Paris Commune, which we will take up in our next.

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