

THE RED FLAG

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

VOL. I NO. 28

VANCOUVER, B. C., SATURDAY, AUGUST 2, 1919

FIVE CENTS

The Defence Fund

The Following Circular Has Been Sent Out In Behalf of the Above Defence Fund.

B. C. DEFENCE COMMITTEE.

Organized for the defence of the workers arrested at Winnipeg during the General Strike, June, 1919, acting in conjunction with the General Committee at Winnipeg, Man.

Vancouver, B. C.,
July 24, 1919.

Dear Comrade:

A number of men active in the labor movement are now facing trial at Winnipeg, charged with 'Seditious Conspiracy,' as a result of their activity in the general labor movement in this country.

Raids on the Labor Halls and homes of officers of the labor movement have been conducted subsequent to the arrests in an attempt to discover evidence to convict these men, indicating that the government had, if any, but a very poor case when the arrests took place. It is now apparent, from the evidence introduced at the preliminary hearing, that it is the policy of the working-class movement of Western Canada that is to be prosecuted by the government, rather than the individuals who are standing trial.

It is evident, however, from the array of legal talent engaged to conduct the prosecution that no efforts will be spared to convict these comrades of ours and send them to the penitentiary.

Money is needed at once to insure that the interests of the accused will be properly looked after and to care for their families, and a committee representing the organizations whose names are attached has been organized to attend to the collection of funds in this Province.

Owing to the strikes that have been and are taking place in Western Canada, many of the union treasuries are exhausted, and it therefore becomes all the more necessary for every worker to assist in the collection of funds.

We know that these men whom the government are attempting to send to the penitentiary have your sympathy, but if they are to be properly defended and their families cared for, you must give something more material than sympathy.

Give what you can and then take one of the enclosed subscription sheets and collect from your fellow workers and friends.

Take up collections at your union meetings, picnics and at the workshop.

Send all money and make all cheques payable to V. R. Midgley, Defence Fund, P. O. Box 879, Vancouver, B. C.

Issued on behalf of the following organizations:

Vancouver Trades and Labor Council,
Federated Labor Party,
Socialist Party of Canada,
B. C. Federation of Labor,
Ex-Soldiers and Sailors Labor Council.
Collection agency for Alberta: A. Broatch, 1203

Railwaymen in Great Britain Prepare for the Fray

PLYMOUTH.—The National Union of Railwaymen's Congress came to an end today.

Mr. East, Barry, had charge of one of the most important resolutions reserved for the final public session. It ran thus:—

"That this Congress approves the action of the Triple Industrial Alliance in remaining aloof from the Government's Industrial Council.

"Whilst recognizing that arbitration and conciliation may be desirable between great trade unions and the employers' associations, it affirms that no useful purpose is served by col-

lusion with the employers, through the Government, to maintain the existing order of society.

"It, furthermore, instructs the Executive Committee to take the necessary action with the Miners and Transport Workers to strengthen the power of their organizations, and to take all necessary measures to promote a joint policy and programme representing the desires of the members and their organizations."

Capitalists' Last Trench.

The Capitalists' only hope of being able to remain in their last trench, said Mr. East, was by means of some scheme that would take the steam out of Labor.

There could be no conciliation between Capitalism and Labor. Ten years ago they would have had an eight-hour day in Wales if they had not been fettered by the Conciliation Board machinery.

"It would have been a disgrace," he affirmed, "if the Triple Alliance had committed itself to the Government's Industrial Council. In the Triple Alliance there are potentialities for revolutionizing society. The whole world looks to it to use its power. (Cheers.)

"During the war their trust had been betrayed, and today they saw that the only way to redeem themselves was through the power of their organizations." (Cheers.)

The Hour Is at Hand.

Mr. Applin, Taunton, who seconded, believed the hour to be near when the Triple Alliance would have to make its stand for democracy. In holding aloof from the Industrial Council there was no wish to leave the smaller unions behind.

Their hope was that the Triple Alliance would be the means of settling a policy which would be for the good of all.

"We do not intend," he declared, "to go cap in hand for whatever the employers may think fit to dole out. That day has gone. We are going to see that the workers have a fair share of the wealth they produce." (Cheers.)

The vote was unanimous.

The Income Tax Level.

Mr. Black, Covent Garden, proposed a resolution strongly protesting against the imposition of income tax on incomes below the margin of subsistence and instructing the Executive Committee to press the Triple Alliance to take definite action in order to raise the income tax limit to £250.

The mover said the workers were taxed in the interests of those who, while preaching patriotism, bled the soldiers and their families white, and exploited the workers to the utmost.

The time for action had come. They were not going on paying to keep troops in Ireland to fight Russia, to starve German children, to force upon Indian people a Government they did not want, or to bolster up the profiteers. Mr. Henderson, Carlisle, seconded. The resolution was adopted with one dissentient.

THE NICOLSK AFFAIR.

We take the following from the "Christian Science Monitor." It describes incidents which are evidence of the bad blood existing between these Allies engaged in crushing the Workers' Revolution in Russia.

During the allied advance on Habarovsk, an American force was co-operating with the Japanese. Throughout the Siberian campaign, Japan's allies were subjected to constant surveillance and troubles arising from Japanese spying on American troops.

"An American company was on outpost duty. A Japanese was found trying to cross the sentry lines; challenged, he refused to obey, saying he was a Japanese and could go where he wanted. The American sentry then stabbed the Japanese in the leg to stop him.

"A few minutes later, a captain and 50 men advanced with fixed bayonets. The Japanese officer went to the tent of the American commanding officer and protested against the American action, saying that it made no difference what we wanted. Becoming furious, he slapped the American in the face. The latter pulled his automatic, but as there was no shell in the chamber, the trigger only clicked. Before he could pull it again, American officers held him. In the meantime, the American company had quietly assembled about the Japanese, fearing trouble with the intention of killing the Japanese if the latter started anything. Then the major of the Japanese forces came up, and finally the matter was adjusted.

"The Americans, who had been congratulating themselves on their shrewdness, afterward found that they themselves had been quietly surrounded by a force of 2000 Japanese under orders to wipe the Americans out if a shot was fired from their vantage point on the railway.

"Lieutenant Summers of the Railway Engineering Corps was spat on by a Japanese officer at a point on the Manchurian border.

Eightth avenue east, Calgary, Alta.

Central Collection Agency: J. Law, Secretary, Defence Fund, Room 12, Labor Temple, Winnipeg.

Contributions will be acknowledged through Labor and Socialist Press.

Allied Diplomacy and the Bolsheviks

(Extracts from "Bolshevist Russia," in the August Metropolitan.)

The "Metropolitan" Magazine for August contains the third installment of Col. Raymond Robins' experiences in Russia. This installment continues from last issue the account of the Bolshevik Government's efforts to secure Allied aid to continue the fight against the Germans and so avoid the signing of the Brest-Litovsk Treaty.

Col. Robins' account fastens irrevocably on the Allied Governments the blame for the Treaty being signed in so far as they ignored the appeal of the Soviet Government for help.

The last of a number of appeals was made on March 5, on March 16, no answer having arrived, Lenin threw his influence into the scales in favor of Peace, for reasons which will be found in the extract from his speech.

The Russian Army Refuses to Fight.

Therefore they never did personally sign it. It was too personally portentous to them. When all resistance collapsed, Trotsky was asked to go and sign. He refused. Radek was asked. He refused. Finally certain very subordinate leaders were outrightly ordered to go. They went. They signed. They signed the document without reading it. They wished the Germans to know that they did not regard it as a binding act of agreement. They regarded it as a revocable act of force.

Out of this spirit, as furious as it was futile, the Council of People's Commissioners issued its summons of February 21, 1918. It commanded a universal resistance to the Germans. The "bourgeois" must be compelled to resist. They must be compelled to at least dig trenches. And "all Soviets and Revolutionary organizations are charged with the duty of defending every post to the last drop of blood."

But the mass of the army at once showed that on this point it agreed with the Constituent Assembly and not with the People's Commissioners. Even the "revolutionary proletariat," in most of its representatives in the old army, was finished with fighting. Soviet leaders, in Petrograd and in most other places, passed resolutions for fighting. The army could not and would not fight.

Lenin noted this contradiction acidly in Pravda. He said:

"In the week of February 18-24, we were instructed by the comparison between two different sorts of communications which reached us. On the one hand there were the communications telling us of a debauch of 'resolute' revolutionary fighting phrases. On the other hand there were the communications telling us of the poignantly disgraceful refusal of regiments to hold their positions, of their refusal to hold even the Narva line, of their failure actually to obey the order for the destruction of supplies before retreating."

Russia was in mass-flight. The Allied Embassies were leaving Petrograd. They were leaving Russia. The American Embassy did not leave Russia. It was able to be calmer. It was better acquainted with Smolny. It knew that Lenin and Trotsky intended to keep all of Russia they could for the Soviets and that they could still keep much of it.

Mr. Francis and Robins decided that to go to Vologda would be to go far enough. Robins accompanied Mr. Francis to Vologda. Lenin gave him a personal letter, written with his own hand, asking the Vologda Soviet to provide the American Embassy with every possible assistance. The Embassy, arriving at Vologda, cast its eyes on Vologda's best clubhouse. The members moved out, and the Embassy moved in.

Robins started back for Petrograd. He arrived there on March 4. On March 3, the preliminary signing of the Peace—in the field—the signing without reading—had happened. On March 5, Robins went to Trotsky's office. Trotsky, as soon as he entered, said to him:

"Colonel Robins, do you still want to beat the Peace?"

"Mr. Commissioner," said Robins, "you know the answer to that question."

"Well," said Trotsky, "the time has come to be definite. We have talked—and we have talked—about help from America. Can you produce it? Can you get a definite promise from your Government? If you can, we can even now beat the Peace. I will oppose ratification, at Moscow, and beat it."

"But, Mr. Commissioner," said Robins, "you have always opposed ratification. The question is: what about Lenin? Lenin, Mr. Commissioner, if you will pardon me, is running this Government. What about him?"

"Lenin," said Trotsky, "agrees."

"Will he say so?"

"He will."

"In writing?"

Trotsky bared his teeth to reply. "Do you want us to give you our lives?" he said. "The Germans are thirty miles from Petrograd. How soon will your people be within thirty miles?"

"Nevertheless," said Robins, "I will not handle a verbal message to my government. It's got to be written. I'll bring my interpreter back here with me. You tell him what you mean—in Russian. He'll write it down—in English. Then you and Lenin will read it in English and will say you understand it and will promise me to go through with it. Otherwise I can't handle it."

Trotsky yielded. "Be back at four," he said.

Robins went away. He went away confident. He remarks now, regarding Lenin and Trotsky:

"They never convinced me in the slightest degree that they could make Bolshevism work. But they did convince me absolutely that they could keep their word. They made me many promises about Red Cross affairs and about other American affairs in Russia. They always made good on them. Unlike many gentlemen in the Government which preceded them at Petrograd, Lenin and Trotsky never gave me any blue-sky talk. They never promised unless they had the will and the power to deliver. They often refused to promise. But, having promised, they delivered—always. The Germans tried to double-cross them, and they double-crossed the Germans. I tried to deal with them on the square—every time. Therefore, when Trotsky told me to be back at four, I knew that at four I would get the document and that it would say precisely what Trotsky had said it would say."

Trotsky Agrees to Oppose Ratification of Peace Treaty.

At four o'clock Robins returned with his interpreter. Trotsky received them at once. He had a sheet of paper in his hand. It was his message to America, already dictated—in Russian—and type-written. He conducted Robins and the interpreter to Lenin's room. There were other people there. Lenin left them. He led the way to the Council Hall of the Council of People's Commissioners. There, at the end of a long table, Lenin and Trotsky and Robins and the interpreter sat down. The interpreter took Trotsky's piece of paper and translated the message on it into English, and then read the translation aloud.

Robins said to Lenin:

"Does the translation give your understanding of the meaning of the document?"

"Yes," said Lenin.

"Mr. President Commissioner," said Robins, "I must ask you another question:

"If the United States Government answers this document affirmatively, will you oppose the ratification of the Peace of Brest-Litovsk at the All-Russian Congress of Soviets at Moscow?"

"Yes," said Lenin.

"Very well," said Robins, and rose.

The document is in the words following:

"In case (a) the All-Russian Congress of Soviets

will refuse to ratify the peace-treaty with Germany or (b) if the German Government, breaking the peace-treaty, will renew the offensive in order to continue its robbers' raid, or (c) if the Soviet Government will be forced by the actions of Germany to renounce the peace-treaty, either before or after its ratification, and to renew hostilities—

"In all these cases it is very important for the military and political plans of the Soviet Power for replies to be given to the following questions:

"1. Can the Soviet Government rely on the support of the United States of North America, Great Britain and France in its struggle against Germany?"

"2. What kind of support could be furnished in the nearest future and on what conditions—military equipment, transportation, supplies, living necessities?"

"3. What kind of support would be furnished particularly and specially by the United States?"

"Should Japan—in consequence of an open or tacit understanding with Germany or without such an understanding—attempt to seize Vladivostok and the Eastern Siberian Railway, which would threaten to cut off Russia from the Pacific Ocean and would greatly impede the concentration of Soviet troops toward the East about the Urals—in such case what steps would be taken by the other Allies, particularly and especially by the United States to prevent a Japanese landing on our Far East and to insure uninterrupted communications with Russia through the Siberian route?"

"In the opinion of the United States, to what extent—in the above-mentioned circumstances—would aid be assured from Great Britain through Murmansk and Archangel? What steps could the Government of Great Britain undertake in order to assure this aid and thereby to undermine the foundations of rumors of the hostile plans against Russia on the part of Great Britain in the nearest future?"

Such was the document. Robins went with it immediately to Mr. R. H. Bruce Lockhart.

"Have you heard from your government?" said Lenin to Robins again. It was on the day after he had made his first inquiry.

"I've not heard yet," said Robins again.

"Has Lockhart heard from London?" said Lenin.

"Not yet," said Robins, and added: "Couldn't you prolong the debate?" It was a rather courageous question.

On March 6, in Petrograd, Robins had gone to Lenin and had told him about the unavoidable stoppage of Trotsky's message to America in military code at Vologda. He had asked Lenin for an extension of time to get his reply from Washington. He had asked for an extension of forty-eight hours. Lenin had made no definite answer, but therefore Izvestia carried the announcement that by request of President Commissioner Lenin the Moscow Congress had been postponed from March 12 to March 14.

Now, in Moscow, Lenin simply said:

"The debate must take its course."

"Can I get the credentials of the delegates?" said Robins.

Lenin consented. Robins got them from Sverdlov, chairman of the All-Russian Soviet Executive Committee. There were 1204 delegates. Robins got 1186 credentials. He had them examined by two persons.

One of these persons was a follower of the Revolution, but not a Bolshevik—a Menshevik. The other was a member of the old nobility.

From their reports he knew that this convention was not a packed convention. He had already put out a supplementary investigation through men in his service who lived among the delegates at headquarters in the National Hotel. This convention was a valid convention of conscious Russia.

It did not represent—it did not pretend to represent

(Continued On Page 3.)

The Government and the Strike

NOW that the Winnipeg strike has drawn to a momentary standstill, and the strikers have gone back to their jobs again, that is those who could get their jobs back, one can begin to make a closer study of the various factors and elements that were active in the strike situation. One is especially interested in the attitude of the government toward the strike. Not that the government is, in itself, very interesting, for to tell the truth it is wearisome and boorish but being represented as the disinterested third party to the strike, as the meek maintainer of law and order, as the impartial umpire whose only interest was to see the strike fairly and amicably settled as a sort of terrestrial god whose lofty head towers above the clouds of mortal strife and from whose lips nothing but words of wisdom, truth and justice can fall—it is interesting indeed to observe how this incarnation of bourgeois democracy acted at a psychological moment when absolute impartiality was demanded.

In the first place, there was the advent to the scene of the strike of Senator Robertson, minister of Labor, the function of whose office is, according to popular belief, to see that labor always gets a square deal. This Senator Robertson pronounced himself against the strikers before he had fairly set his feet on the streets of Winnipeg—a very partial act of a supposedly impartial official.

Then when the postal employees went on strike Borden, without more ado, initiated the policy of the government acting in the capacity of strike-breaker, by hiring outsiders to fill the places of the strikers. By this act, the government definitely showed its hostility to the strikers and their aims.

ALLIED DIPLOMACY AND THE BOLSHEVIKS.

(Continued from Page Two)

sent—Russia's seven per cent. of "bourgeois." It did effectively represent Russia's 93 per cent. of peasants and wage-earners.

Certain inert elements among the peasants might not have sent delegates. The really conscious elements had availed themselves of the summons dispatched to all councils of wage-earners and of peasants and had come to Moscow with delegates bearing the documentary evidence of their elections.

From as far east as Smolensk, from as far west as Vladivostok, from as far south as Odessa, from as far north as Murmansk, these delegates of the 93 per cent. assembled. Robins on going out of Russia, met the Vladivostok delegate at Vladivostok and the Irkutsk delegate at Irkutsk. Such encounters merely confirmed his conviction. The Fourth All-Russian Congress of Soviets was not a Congress of Soviets specialists from Petrograd and Moscow. It was a Congress broadly based on the effective mass of Russia.

It was a Congress of a Russia "real"er and "old"er than any Russia of any aristocracy. The great boots rising to the knee, the flannel shirts flowing over the breeches, the broad belts—these were the signs of a really antique country-side crowding the Hall of the Nobles.

The debate on the Peace began on the fifteenth. It continued, with scant intermissions, through to the evening of the sixteenth. Most of the talking was against the peace. At eleven-thirty on the evening of the sixteenth Lenin spoke. After him no one spoke.

At eleven-thirty he was sitting in a chair on the platform. Robins was sitting on the steps of the platform. Lenin waved to Robins to come to speak to him. Robins came.

Lenin said:

"What have you heard from your government?"

Robins said:

"Nothing.....What has Lockhart heard from London?"

Lenin said:

"Nothing."

It Allied itself with the Manufacturers' Association in opposition to the organized workers. This move on the part of the government was not without its political significance. For the relation between it and the returned soldiers was, to say the least, strained. On sending the soldiers to France to fight for bourgeois democracy and to make the world safe for foreign investments, the Borden Government had made them lavish promises: the fulfillment of which it has for the last year been trying to evade. The soldiers' patience has been severely tried by the government's hesitancy in fulfilling its promises. Moreover, the minds of many of the returned soldiers had become gradually disillusioned of their false notions of bourgeois democracy as a consequence of the harsh treatment most soldiers suffered after coming back to Canada. For most veterans had the wholly unwarranted belief that on their return from overseas, they would be laid gently on a bed of roses to be cared for by gentle hands and loving heart; in reality they have been unceremoniously discharged and left to shift for themselves. As much publicity has been given to this, the government was not ignorant of its lack of prestige among the returned men. In truth, it had been looking about for some time for an occasion to perform some glorious deed of heroism, consistent with the dignity of a bourgeois government, that would win back the lost confidence of the heroes of France. So the strike could not have come at a more opportune moment for the government. Hence Borden, with one eye on the possibility of securing a number of votes for the next election by putting a quietus on the impatience of the unemployed soldiers, and with the other eye on

Then Lenin said: "I shall now speak for the peace. It will be ratified."

He spoke for an hour and twenty minutes. He pointedly wanted to know with what resources, with what resources of fighting men, with what resources of fighting materials, the Russians would fight the Germans. He seemed to agree with the private soldiers, who once instructed the learned propagandists of the Petrograd Soviet by saying:

"It's no use approaching German generals with a copy of Karl Marx in one hand and of Friedrich Engels in the other. Those books are in German. But German generals can't understand them."

Lenin spoke, though, above all, for respite—for respite for the Revolution. His policy remained what it was in Petrograd. He would surrender Petrograd—the Imperial, the Revolutionary city. He would surrender Moscow—the Immemorial, the Holy city. He would retreat to the Volga. He would surrender anything, and retreat anywhere, if only, on some slip of land, somewhere, he might preserve the Revolution and create the Revolutionary discipline which did indeed, twelve months later, enable him to fight a war on sixteen fronts and endure all the disabilities inflicted by the Allied economic naval blockade and still precariously revolutionarily live.

He spoke for a necessary peace, a preparatory peace, a peace of respite and return. Red cards rose up in hands all over the house to approve. Red cards rose up to disapprove. The count was had.

Not voting, 204.

Voting against ratification, 276.

Voting in favor of ratification, 724.

Russia was at peace. Russia was alone. Russia was headed for a war with the world.

Robins still sat on the steps of the platform. The count was cried through the house. It was the decision of the most populous white people in the world. It was the decision of the most innovating and upsetting of all peoples in the world. From them, through him, a question had gone to Washington, and an offer begging a response. No response came to him then. No response came to him at any time afterwards.

(To Be Continued in September Metropolitan.)

the chance offered to strike a blow at organized labor; issued his ultimatum to the striking postal workers which gave him an excuse for filling their places with returned soldiers.

As the government delivered the first blow with good effect, the police being sufficiently active and close at hand, it soon resolved on a bolder stroke. This was to summarily crush all those unions which have tired of the miserable commodity struggle and have determined to put an end to it by overthrowing the exploitation system. The O. B. U. had especially incurred governmental displeasure, and official anathema had also been pronounced on all the Socialists who openly praise the efficiency of the Soviets and point out the advantages of a Bolshevik regime. The only labor organizations which were taken under the wing of governmental protection were the old-time trade unions, the members of which spend their time in talking about indifferent reforms and in spinning fine phrases about the brotherhood of man. Indeed, the government has shown an unheard of affection for all the working men who are contented to remain hewers of wood and carriers of water under the supervision of a bourgeois boss.

The first step in this bold enterprise was the arrest of the strike-leaders. But this was only a preliminary to a general man-hunt for Socialists, revolutionists and Bolsheviks, and for documents and letters which might be used as incriminating evidence against the arrested strike-leaders. Indeed it would seem as if the government's plan to crush revolutionary labor organizations was but a veiled attempt to stamp out all revolutionary organizations. At all events the government has done its utmost to intimidate Socialists and suppress all agitation against the capitalist system. It has suppressed most revolutionary publications, and has created a police force whose special function seems to be to spy upon and hunt up class conscious and revolutionary workers. And as a climax to the reactionary activities of the Canadian Government, it was reported just the other day, that the strike-leaders were to be tried not only for what they might have said and done during the Winnipeg strike, but also for what seditious utterances they have made from 1915 to the present time. Nothing could be more reactionary than this. The government could not aim more directly at suppressing every hope and longing for more freedom, more liberty and better living conditions. Indeed, historians can now write of the democratic bourgeois government of Canada, as they do of the autocratic Czarist government of Russia, after the rebellion of 1905, that it tried to put down the rebels against its tyrannical rule with an iron hand.

Such is the bourgeois democracy, to preserve which, the world was plunged in blood and tears for four long years. It has shown so clearly that it is beyond dispute that it is a class institution, that in all disputes between capital and labor involving vital issues it will take the side of the class whose manager it is. It can not do otherwise, no more than water can prevent itself from running down hill, or the sun from giving out heat. It is only those weak sentimentalists that have a greater capacity for shouting catch phrases than for thinking that believe that a bourgeois government could or should take sides with the workers against the capitalist class.

But this belief is an empty dream, as the experience in the recent strike has proven. A capitalist government can not adapt itself to the needs of the working class. The only consistent thing the working class can do with the capitalist government is to overthrow it, and to establish in its place an administration which is under the direct control of the laboring class and which embodies its morals, its ideals and its purpose to make the earth the real home of the workers.

C. W. C.

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Published When Circumstances and Finances Permit
By The Socialist Party of Canada,

401 Pender Street East, Vancouver, B. C.

Editor C. Stephenson

SATURDAY AUGUST 2, 1919

A New Jurisprudence (?)

BRITISH jurisprudence! What a fine old Roman sonority there was in that once familiar phrase. We say was, because it has little but historical interest now. With what pharasaical pride we used to compare our legal system and its administration, to the disadvantage of the legal systems of other less fortunate lands. The organic growth of ages, it was we were told, the very bulwark of liberty against tyranny. Jurisprudence! There is even an aroma of well-seasoned old vintage about the word, no new-brew, rot-gut and hasty concoction for the body-politic. The very name suggests, deliberation, weighty consideration, prudent decision and wise administration. But alas, for human frailty! We have heard it said, even in the good old days before the war, that the blindfolded goddess with the scales, oft-times slipped the bandage, and that she was a mud-bedraggled slut, no better than she should be.

Be that as it may, five years of government by Order-in-Council have brought us to a parlous state. The arrogance of the bureaucrats, increasing with the lust of unchecked power, 'knows' no bounds and even the pretence of jurisprudence has vanished. No longer can it be said that the country's affairs are regulated by a system of laws. The "due processes" have been abandoned for the rag-tag and bob-tailed anarchism of a police spy administration. An arbitrary bureaucracy holds sway whose purpose it is to suppress and curtail those privileges essential to orderly social progress, of criticism of methods and systems of governmental administration, and of the minority privilege, of gaining adherents to their cause by education and peaceful persuasion. We hark back to the star chamber methods of the tyrannies of hundreds of years ago.

Leaving aside the outstanding evidence of this in the case of the arrested men in Winnipeg, we draw attention to the case of a number of foreigners, mostly Russians, now held in the immigration detention shed in Vancouver. These men, most of them members of labor organizations and residents of many years standing, were arrested, taken from their homes and families, on general warrants, containing no specific charges. This was done under the re-amendments to the Immigration Act, which amendment it will be remembered was rushed through both houses of the Federal Parliament in twenty minutes, without consideration or discussion. Yet, as a tyrannical encroachment on the liberties of subjects, no more drastic measure has ever been enacted in any country. Under this amendment it is now possible for even British born persons to be tried under the Act, in secret, without accused being present at the enquiry, the press and the public can be excluded, there is no real court, no trial by jury, the victim may be ordered deported, and there is no appeal to any judge or court in the land. Only an appeal to the Minister of Justice and he, by the way, is the prosecutor. He appoints the committee or whatever the inquisitorial body is called, to try the case. So the appeal is a farce.

All these provisions are being enforced in the case of the men in Vancouver. Friends or families are not allowed to visit them and only a legal advisor is allowed at the enquiry. It is held "in

camera." Also the attempt has been made to keep the informers under-cover. The whole process is non-legal, has no precedent in British Jurisprudence, and is the last stinking word in bureaucratic degeneracy. We hold no brief for bourgeois legal forms, but we hold that the constitutional system of trial by judge and jury, in open court, before the eyes of men is a fully adequate and proper way to deal with these prisoners. Let the stinking curs who fear the light, haunt the shadows.

Leaving on one side the constitutionality of vesting the power of deportation in this inquisitorial body, the less important matter of the power to issue general search warrants was declared, in George III reign, by the British judiciary, as being contrary to the fundamental Anglo-Saxon rights of personal security and property. That old Royal reactionary and his crew of toadies thought to stamp out the advancing liberal thought of that time, but Wilkes, an M.P., and publisher of the "North Briton," hurled defiance in the teeth of the bureaucratic conspirators and took his case to the courts. Chief Justice Pratt, who heard the case, told the jury that if such a power of general search existed, it would be "totally subversive of the liberty of the subject." The jury decided in favor of Wilkes. He afterwards sued Lord Halifax, secretary of state, who issued the warrant, and his assistant who supervised the raid, and a jury fined the former £4000, and the latter £1000, for damages. It was a wholesome and effective check on official oppression.

Even at that date, at least one newspaper in Great Britain was free and independent enough to denounce and challenge arrogant authority. But in Canada today, the press is absolutely shackled to the vested interests and is conniving by its silence, in the suppression of publicity on these cases, where it is not prejudicing them by distortions and misrepresentations. There is no organ of liberal thought in Canada like the "North Briton." Liberalism is dead. Its liberating mission has been taken up by the Socialist movement. We Socialists must inform the people of the straits these men are in. We must warn them that if they allow to pass unchallenged this attempted breach in their ancient legal safeguards, that the day is not far distant when no man will dare raise his voice in protest against public wrong.

The legal firm of Bird, Macdonald and Ross, acting on behalf of the interned men have sent a protest to Ottawa, and have demanded a jury trial for them. Let us all do likewise.

Funds are now being appealed for on behalf of those on trial in Winnipeg. These funds will be turned into a permanent general defence fund to be used for all such cases. The prospects are that the number of such cases will continue to increase for some time to come.

Continue to contribute generously to this fund. Exert yourselves to overcome the dangerous apathy of your fellow-workers. Give the utmost publicity to these activities of the authorities and so may you overcome the sabotage of the kept press. Publicity is our stranglehold on the reactionaries. They are afraid of it. They and their hirelings must do their work in camera, and in a fog of lies.

GET THIS PETITION GOING.

The Honorable, the Minister of Justice,
Ottawa, Ont., Canada.

We, the undersigned, protest against the proposed deportation of men held in Stony Mountain penitentiary, or elsewhere in the Dominion, without first granting them fair and open jury trial.

We urgently petition you that, pending such trial by jury, they be released on bail.
Signed:—

Copy the above petition. Get your friends to sign it and mail it to the Minister of Justice, Ottawa. The case is urgent. Act quickly.

OUR LITERATURE.

Back up your argument with a pamphlet. Also a rereading and a fresh study of the standard literature of the Socialist movement, will throw fresh light on our problems. It is necessary for the Socialist to keep posted on fundamentals as it is for the initiated to get a knowledge of them. We now have a stock of literature on hand which should be put to use. Besides the classics we have the pamphlet on Kolchak. It is the best and most authoritative on Siberian affairs published yet. Do not fail to get this pamphlet before the limited stock runs out.

Probably there is not a farm in any already settled community but what is falling short in its possibilities as a production unit because of lack of the necessary human labor power, and yet our "reconstructionists" can think of nothing else but sending the returned soldiers and surplus population into the swamps and logged off lands in the wilderness.

A sane system of production would co-ordinate and concentrate its productive powers instead of dispersing them all over the country, away from the markets and centers of civilized life.

CLIPPINGS FROM THE PRESS.

CAPITALIST NATIONS DETERMINED TO CRUSH WORKERS' REPUBLICS.

LONDON, July 29.—In connection with the recent allied warning to Bela Kun, the Hungarian communist leader, arrangements have been made for a Franco-Serbian advance in case Bela Kun should not meet to allied terms. Reuter's Limited says it understands. The attack would be made upon the right flank of the Hungarian red army.

CHICAGO SOLDIERS LOOKING FOR WORK.

CHICAGO, Illinois.—Because many employers are not carrying out their promises to re-employ returning soldiers and the alleged unsatisfactory services of many who have been employed, a serious situation has come about in the Chicago district in regard to positions for soldiers, according to the Chicago bureau for returning soldiers, sailors and marines.

The above clipping will indicate the cause of the racial disturbances in Chicago as competition for the job. Wage slaves destroy each other as a solution to the problem of unemployment. This is the law of the capitalist jungle. Fang and claw.

FURTHER RETIREMENT OF DENIKIN FORCES

LONDON, England, July 23.—The War Office announces that owing to a further landing from the Caspian Sea of strong Bolshevik reinforcements in the rear of General Denikin's troops, the Denikin forces have been obliged to make another retirement.

THE CAPITALIST AUTHORITIES IN JAPAN EMULATES THE AUTHORITIES IN CANADA.

TOKIO, July 26.—A big mass meeting of the newly organized labor union, called to discuss improvement of labor conditions, was broken up violently today when Sakae Osugi, a prominent Socialist, tried to address the audience. The police stopped the meeting.

Newsagents in Vancouver for the Red Flag.—W. Love, Hastings street, next to Royal Theatre. Columbia News Agency, corner Hastings and Columbia. John Green, Carrall street, near Water street.

Propaganda meetings every Sunday evening, at 8 p.m., Empress Theatre, corner Gore Avenue and Hastings Street.

Thorstein Veblen

(Extract from an estimation by Robert L. Duffus, in the New York "Dial," of Thorstein Veblen's critique of modern capitalism.)

A few years ago it seemed that such a diagnosis of human affairs as that in *The Theory of the Leisure Class* would have as little chance of altering the world for the better as the satires of Swift and Juvenal had of changing human nature. But our age has become dynamic. The world is fluid. The tides of proletarian revolution surge one way, the currents of reaction the other. The gap between the thinker and the doer has narrowed; the idle speculation of yesterday is the political issue of today and tomorrow. Mr. Veblen's latest contribution, *The Vested Interests and the State of the Industrial Arts* (Huebsch,) although it still belongs in the field of inquiry rather than of propaganda, would be the well-worn handbook of Plato's philosopher statesman, were there such a one in power.

"The aim of these papers," the author explains in a brief preface, "is to show how and, as far as may be, why a discrepancy has arisen in the course of time between those accepted principles of law and custom that underlie business enterprise and the businesslike management of industry, on the one hand, and the material conditions which have now been engendered by that new order of industry that took its rise in the late eighteenth century, on the other hand; together with some speculations on the civil and political difficulties set forth by this discrepancy between business and industry." The argument may be roughly indicated for DIAL readers not yet familiar with it. The modern theories of society took shape at the close of the period which connected the decay of feudalism with the beginning of machine industry. There is always a perceptible lag between "law and custom" on the one hand and everyday "knowledge and belief" on the other; the former never quite catch up, and are never quite reconciled with the demonstrable facts of the workday environment. In a period of rapid change there is a greater discrepancy than in static periods, but there is always a discrepancy. The more rapid the mechanical changes in the ways of living the greater the strain that is put upon law and custom. The last great restatement of accepted commonplaces was made in the generations following the Protestant Reformation. It reached its climax in the formulations of Adam Smith, who summarized a set of working principles well adapted to a society still largely in the handicraft stage. The French and American revolutions resulted in the stabilization of a handicraft economy and morality, just as handicraft was about to give way, by a leap more abrupt than any analogous one in history, to a totally different scheme of production. "The modern point of view," thus petrified, "is now some one hundred and fifty years old. There are two main counts included in this modern-eighteenth century-plan, which appear unremittingly to make for discomfort and dissension under the conditions offered by the New Order of things—National ambition and the Vested Rights of Ownership. . . . Both of these immemorially modern rights of man have come to yield a net return of hardship and ill-will for all those peoples who have bound up their fortunes with that kind of enterprise."

Under the new order "the first requisite of ordinary productive industry is no longer the workman and his manual skill, but rather the mechanical equipment and the standardized processes in which the mechanical equipment is engaged. And this latterday industrial equipment and process embodies not the manual skill, dexterity and judgment of the individual workman, but rather the accumulated technological wisdom of the community." It follows that any system of rewards

What a spectacle this once happy land now presents to the eye! Everywhere we see workers striking, unemployed, and eternally protesting at the "high cost of existence."

Through the want and desperation thus introduced into working class hovels, in consequence of the collapse of "prosperity," we will again see crime, prostitution, and starvation become rampant. And no doubt, as of old, the metaphysicians will discourse on "human depravity" to account for this wave of "criminality."

Anyhow, "the world is now safe for democracy;" it only remains to introduce the democracy. It should now be "a decent place to live in" at least on paper. The Kaiser has gone, and as he was worse than the devil, naturally, we should be justified in expecting the above. However, we are sure of one thing: Mars being vanquished, the "shock of peace" is becoming a dread reality.

Do you remember the wise editorials of last summer, admonishing the "slackers?" You had no right to be idle. It was work or fight—or go to jail. And now, what? Oh, short memory of the working class! Three months ago, any speaker voicing his opinion, of the ruling class as is done today, would have been in danger of lynching. Today, workmen and women, you applaud. Why? Because you feel rebellious. But you have yet to learn that rebellion gets you nowhere. Some speakers will encourage you in those feelings; but let your memory go back to a famous utterance of General Wood, made some three years ago. Said he: "No wolf is afraid of the size of a flock of sheep; he may be puzzled which to take, that's all." And you today, with rebellion in your minds, and no knowledge of your status in society, would be as the sheep before the organized coercive powers of your masters. You can't get away from it. In the last analysis, when cajolery and lying fail to keep you in "the station to which God has called you," the army will do the will of the rulers, and if necessary, make a salutary example of any revolting slaves. The nature of the wolf does not change. Masters, in ages gone, ruled by the sword, and see it or not, the sword is their arbiter of destiny today, when it is needful to use it. The stomach of the slave is still the great source of inspiration to him. Stern necessity teaches him much, but he must learn to know the laws that lie behind the phenomena we daily witness. Knowing, he will smile at the terms of Bolshevism, Communism, etc. Instead of accepting his master's definitions of the words, given through the gutter press, he will investigate the meaning of the hate expressed by the venomous creatures who poison the news.

based upon the assumption of exceptional individual "skill, dexterity, and judgment" is bound to clash more or less with the facts, and it is the nature of this clash to yield what Veblen calls "free income" to individuals who are religiously supposed to have exercised the virtues of self-help in a socially beneficial way roughly proportional to their rewards, but who actually stand rather in the position of obstructors of traffic. Free income is pleasantly spoken of in the business world as "intangible assets," and is commonly "derived from advantages of salesmanship rather than from productive work." Now salesmanship patently aims to sell at a profitable price; it is salesmanship that determines what the rate and quantity of production shall be. Commonly the rate is far below what the mechanical equipment would allow. During the late war, Veblen estimates, the American mechanical equipment was operated at something like fifty per cent. of its technically possible output. "The habitual net production is fairly to be rated at something like one-fourth of the industrial community's productive capacity; presumably under that figure rather than over." From this reduced product "special privilege" takes its due share and

(Continued On Page Eight.)

Human Merchandise

What is necessary, first of all, to arm labor for the oncoming battle? Knowledge that he is but a commodity on a labor market. Knowledge that there is no hope for him, while he accepts this as inevitable, and the present conditions as final; the last word in development. If you think your wages represent the value of the labor you performed, then you are in grievous error. If you make a pair of shoes at your toil, valued at \$3, and the boss pays you the same amount in wages, what incentive is there for him to employ a man? We all know (we were told often enough through the war) that labor is indispensable. The present strike proves it. We further know that industries are not run for humanity's sake, but for one thing only, PROFIT. And this profit is not made by buying cheap and selling dear, as many suppose. It is a fact that most commodities sell, on an average, at their value. So the source must be looked for at the point of production. Karl Marx shows us that it is made from the SURPLUS VALUES created by social labor, which represents UNPAID LABOR TIME; that this unearned increment is derived. See "Value, Price and Profit" for a short study of this. Hence it follows that your wages represent the price of something other than your labor. What is it? YOUR POWER TO LABOR, or in economic parlance, Labor Power. Your energy, your commodity. What is a commodity? Some article of utility, of value, in exchange. How is its value determined? By the socially needful cost of production. Its price, like eggs or butter, is determined by supply and demand. During the war, labor power was high because of demand. Now it is doomed to go down, as supply is coming up. As the term goes, "The market is shrinking."

Now that the war workers look for jobs, and returned soldiers hunt a master, is a fine chance to observe the workings of this economic law. Strikers especially should note. There lies no hope in that direction. You must break the rule of capital, first of all, MENTALLY.

Learn you can get along without the capitalist while he, parasite-like, is dependent on his host. Then, following on your new class outlook, will come the needed solidarity, and industrial and political tactics will develop accordingly, to win the final victory for labor.

F. S. F.

Send for This Educative Literature

- The Communist Manifesto, at the rate of \$8 per 100. Single copies 10 cents.
- Manifesto of the Socialist Party of Canada . . \$6 per 100. Single copies 10 cents.
- Slave of the Farm . . \$6 per 100. Single copies 10 cents.
- Wage Worker and Farmer . . \$6 per 100. Single copies 10 cents.
- The Present Economic System, by Professor W. A. Bonger . . \$6 per 100. Single copies 10 cents.
- Socialism, Utopian and Scientific . . Single copies 15 cents. Wholesale price later.
- Wage Labor and Capital . . \$8 per 100. Single copies 10 cents.
- Capitalist Production, being the first nine chapters of Vol. I. Marx's Capital . . Single copies, paper cover, 50 cents; cloth bound, \$1.00.
- Kolchak, Autocrat and Tyrant. The actual story of Kolchak and his methods told by an American official recently returned from Siberia. With this is included, Anti-Bolsheviks and Mr. Spargo, by William Hard. Taken, with apologies from the July 9 "New Republic" . . \$6 per 100. 10 cents per single copy.

Postage Paid.

Make all Money Orders payable to C. Stephenson, 401 Pender Street East, Vancouver, B. C.

Capitalist Oppression in India

By Dr. N. S. Hardiker, Secretary of India Home Rule League.

(From An Exchange.)

Recent reports from India, many of which have appeared in the American press, tell the story of a wide-spread revolt, of "open rebellion," in the words of the Viceroy of India, of general strikes, of attacks by British machine guns and bombs. Ostensibly, these riots were the result of the passage of two coercive measures, the Rowlatt bills. But to determine the real causes one must penetrate further into the economic and political conditions under which the three-hundred millions of India live.

The government of India is a rule of one people by another for the sole profit and benefit of the administration. The results of such a policy of exploitation are:

I. Abject Poverty.

The people of India have been ground down to dust. Their average per capita income, according to government estimates is \$9.50 a year. Out of this is extracted a tax of \$1.60. This leaves the head of a family with a balance of \$7.90 with which to buy food, clothing, and the other necessities of life. But cost of food for one meal a day is \$10.90 a year, this one meal to consist solely of rice. Obtaining the ordinary comforts of life is out of the question. More than half of the population go to bed with an empty stomach every night. Contrast this with the figures for the United States. The average per capita income is \$372, and out of this but \$12, is paid in taxes. The average American family has at least three hearty meals, sends its children to school, clothing and feeding them until they are 14 years old, and sometimes sends them to high school. In India the average life is 23 years. In America it is 40, at the very lowest estimate.

II. Famines.

Famines have now become chronic and are continually taking a heavy toll of human lives. Famines are caused not by a lack of rain, nor a lack of fertile soil, nor because of over-population, but because of the incessant exploitation by the British of the subsistence of the people of India. The record of famines in India for the period preceding British rule, and a comparison of this with the figures for famines after the British had established themselves in India will serve to show how British rule has sought to oppress the masses of India. Before the British came to India, the records show a series of eighteen famines spread over seven hundred years, from the eleventh to the eighteenth centuries. In the nineteenth century are recorded thirteen famines from 1800 to 1875, with a total of 6,500,000 deaths.

From 1875 to 1900, there were eighteen famines with a death toll of 26,000,000. In the twentieth century there have been famines every year, with distress and suffering that are indescribable. The latest reports from India tell of another famine, worse than any that India has ever known, with heavy losses, and great suffering. The causes of these famines are to be found in the scarcity of money rather than of food. There is plenty of food in the country, but the wherewithal to buy this food at prices demanded by exporters and dealers is lacking. If the peasant, in good seasons, could get a little ahead, he could, in times of famine, draw upon his savings. But as things are, there is not sufficient upon which to live in good seasons.

III. Industries.

The industries of India have deliberately remained undeveloped through all the time that the industrial revolution was working so rapidly in England, and on the continent. Yet India possesses all of the raw materials necessary for the manufacture of goods which she is at present forced to purchase from England. The exports of raw materials from India and the import of manufactured

products is the cardinal feature of Indian foreign trade. The markets of India are controlled by the British merchants. Free trade policy forced upon her by Britain prevents the growth of infant industries through protection. Agricultural progress is retarded by lack of means with which to buy new machinery and new tools. Natural resources lie undeveloped.

IV. Prevalence of Diseases.

Cholera, influenza, plague, malaria, all of these and many other diseases flourish undisturbed in India. No efforts have been made to check the spread of these deadly diseases. Sanitation is neglected on the plea that the government has not sufficient funds for improvement of living conditions of the masses. The simplest instruction in hygiene is denied the people. Food and proper living conditions alone can combat the ravages of the diseases. But both are lacking. The deaths from influenza alone for the past year are calculated at 6,000,000. During December of 1918, eight per cent. of the population of Bombay died from cholera. The total number of deaths from cholera for the first 14 years of the enlightened 20th century is 5,128,000. The prevalence of cholera in India, when it has been eradicated in all civilized Western countries is but one example of the indifference of British officials to the life and health of India. Although the germ of the cholera was discovered in 1883, and the immediate eradication of the disease begun in Europe it was permitted to flourish in India, and is taking tolls of human lives every year.

V. Indebtedness.

Bondage and death are gradually causing the deterioration of the entire population of India. A continuation of such policy can have only one result—the wiping out of the race.

While claiming that there is no money for education or sanitation, the government is constantly increasing the military expenditure in the country. In the proposed budget for 1919-1920, nearly 48 per cent. of the total revenues are to be spent on the military and navy alone. Next to the military charges the biggest item on the budget is the sum allotted to the railways. On the ground that the government has not spent enough money on railways during the war it proposes to spend about 27.1 per cent. of the total outlay now. Thus the military and railways alone consume about 75.38 per cent. of the proposed revenues. From the remaining 24.62 per cent. they wish to improve agriculture, irrigation, education, industries, sciences, and sanitation.

With a military strength unsurpassed in Indian history, the government has seen fit to pass a law which is so drafted that any one whose writing or speaking is disliked by officials may be arraigned and tried by special processes, which in effect abolishes all ordinary law. The passage of the bill was bitterly opposed by all of the Indian members of the Legislative Council, who voted against it. Five of the members in the legislative and executive council have resigned their seats. Passive resistance movements have been started. On April 6, a national "Humiliation Day" was declared. All shops were closed, and in many provinces fasting was observed. Strikes, riots and revolts have been taking place all over India. To quiet the restless people, the government has employed bombs, machine guns, armored cars, and has succeeded in fanning the flames of revolt. In the revolts at Ahmedabad and Amritsar, a total loss of 400 lives was the result of the government efforts at subjection of the people. Floggings and imprisonments are the order of the day.

V. Indebtedness.

Indebtedness is chronic with the Hindu agriculturist. As soon as his crops ripen his first concern is to sell his produce to pay the landlord his rent, and the government its revenue. There is no pro-

SOVIET RUSSIA IS BONE DRY REGIME.

(From the Vancouver "Sun," July 13.)

NEW YORK, July 12.—Soviet Russia is bone dry. One can not get a drop of vodka anywhere. There is no wine nor beer, either.

It is surprising to find the water-wagon compulsory in that wild land, where anarchy is what one anticipates.

No W. C. T. U. could have been more diligent in enforcing the bone-dry law than the Bolsheviki. Russia never had saloons, but the cafe where the Russian formerly had his "nip," is closed up and the doors are locked.

According to eye-witnesses, lovers of the "social glass" almost rioted against the Bolsheviki when Lenin ordered all the bottles and barrels of fire-water poured into the gutters.

In place of vodka the Russian drinks tea several times a day. To satisfy that "craving" for alcohol he sips it through a lump of sugar held between his teeth. In all institutions and industries operated under soviet rule, tea is served to employees at least four times a day.

The Bolshevik reformers did not stop with voting the country dry. They are waging a war against begging and prostitution, and have succeeded to the extent that there is less of either in evidence in Moscow or Petrograd than in other European capitals. According to authorities, the decrease in prostitution and begging is due to two causes. In the first place, the leisure class that supported these occupations is gone. Secondly, fear of harsh Bolshevik punishment has driven parasites to work.

LABORITE DEFEATS COALITION CANDIDATE IN LANARKSHIRE SEAT.

LONDON, July 29.—(Reuter's.) James Robertson, Laborite, has been elected to the Rothwell division of Lanarkshire in a bye-election—the result of which was announced today. The vote stood: Robertson, Laborite, 13,135; T. Moffatt, Coalition Liberal, 5,967. The seat was previously held by a Coalition Unionist.

The tide of popular feeling continues to run against the Imperialistic junkers in Great Britain.

vision for storage of the grains, to enable the agriculturist to get advances for payment of revenue pending profitable sale at good prices. More often than not the ryot sells at low prices and then buys at high rates to supply his own needs and those of his family. The need for capital with which to purchase grains for the next crops forces him to go to the money-lender who exacts the very life blood of his victim. The lack of capital for new implements and for new experiments hinders the progress of the agriculturist and the fear of fresh taxes destroys all initiative. The utter lack of education in scientific agriculture is still another cause for the backwardness of agriculture.

VI. Illiteracy.

Out of three hundred million people in India, 295 million can neither read nor write. After 160 years of enlightened rule in India, the British have enabled 6 out of every 100 to be educated. An admirable record, indeed, for a progressive Western nation. Education is neither free nor compulsory in India, except in the native states. Five out of every hundred girls get common school education. The expenditure on education in the United States per head, is \$4. In India, it is two and one-half cents! Within 20 years, the people of the Philippines have reduced their illiteracy to 55 per cent. Now 44 per cent. of the people are educated. Within eight times that period, England has produced a nation of illiterates numbering 94 per cent. of the population. The repeated requests for free compulsory education have been met with the same objection—insufficient funds. Yet there is always sufficient for the military.

Ten Minutes' Talk With the Workers

COST AND PRICES.

If you look into the so-called "text books" of those modern writers on political economy who are interested in confusing the minds of working men on questions of economics you will observe one thing common to most of them, and that is the frequency in which they refer to Robinson Crusoe for illustrations. These continual references to Robinson Crusoe are often excused on the grounds of simplicity, i.e., a desire to borrow simple illustrations instead of resorting to ponderous scientific arguments. But you must not believe such is the case. The original use of the "Robinson" illustration may have been due to an inability to explain the historical beginnings of capital.

But since then a great deal of study has been given to the question of capital and its origin, as well as to its influence on modern society in general. So much so that references to Robinson Crusoe in modern books on political economy immediately raises suspicion in the minds of those who are familiar with the subject and disinterested in teaching it.

You will be wise therefore when asking questions or making inquiries to borrow illustrations from the workings of present-day society since you are likely to see things in their proper light and not get confused.

Cost a la Robinson Crusoe.

It would be foolish, for instance, if you wanted to know how the cost of the pipe you are smoking was made up to pick down your Robinson Crusoe from your bookshelf. The manner in which Crusoe set about to procure something like a pipe is entirely foreign to our modern factory system. Even so with the bread you eat. Compare, for example, the methods adopted by the imaginary Robinson with the huge machine bakeries of today and you will see at a glance how futile your attempts would be to get a clear understanding of what say: "cost" actually means by reading such an otherwise delightful novel. Nor would your understanding be any clearer were we to agree that "cost" represents "effort." To say that the "effort" to procure an article represents its "cost" appears indeed to be simple, but in reality it is presumptuous wordiness and gets nowhere.

Real Cost Defined.

For the moment you must not think in terms of money, since there is a big difference between the cost of an article and its price.

If you pick up the loaf, for example, which may be on your table for breakfast, and examine it, you may not notice anything very peculiar about it, but if you begin to ask yourself questions as to how that loaf came to be made and finally placed on your table, you will marvel at the enormous amount of human labor-power alone that must have been set in motion before that loaf was produced.

Not only have you to think of the vanman and the various distributing agencies for bread, or of the baker or other workers actually engaged in the productive process, but you have to think of the machinery and implements of the plant, the flour and auxiliary materials needed, as well as, finally, the factory proper itself.

If, for instance, the machinery is driven by steam, then the boiler for holding the steam has got to be fired, it may be, with coal. This coal is as much an element in reckoning up the cost of the bread as the baker who shapes it. And so all along the line. Thus we may define the cost of producing an article under three headings: First, the sum of the raw materials used up; secondly, the wear and tear of the machinery, implements, buildings, etc.; and, thirdly, the actual labor-power applied to or spent on, these first two factors.

How Price Is Made Up.

When the sum of all these factors is expressed in money we get the idea of price. Price is there-

(From the Glasgow "Socialist," June 12.)

fore seen to be but the monetary expression of the cost of production of an article.

From this you may think that in paying a price for a loaf all the various factors, human and material, have received an equivalent or been duly compensated; in other words, that price and cost always represent the same thing. This, however, does not follow, as you may immediately grasp when we qualify the word "price" by saying "natural price" or "market price."

As you may have observed on going to market at this season, when there has been a big catch of fish, prices vary from day to day. The rise and fall of prices due to the supply and demand for an article give us the term "market price" as distinct from the actual cost of an article expressed in gold, which represents its natural price.

Another point worth noting here is this, that the price of an article is no indication of how the workers are paid, or whether for that matter they have been paid at all.

Capital and Cost.

Now this is where our penny-a-liner economists try to confuse you. They admit that the efforts of the man who sows the corn, of the man who reaps it, of the sailor who may transport it, of the miller who grinds it, of the baker who bakes it, or the vanman who delivers it—that the efforts of all these workers should be duly compensated. But what of the capitalist who owns the mill, the capitalist who owns the ships, the bakehouses, etc.? he cries. His legal right he assumes as unquestionable. But what is his economic right? Has the capitalist not abstained from spending all his "income?" And in investing his surplus income in the business is he not entitled to the wealth-creating powers of his capital?

But as we have seen in our previous talks, capital creates nothing. Its value is carried forward

into the new product, and is accordingly compensated for on the basis of equality in exchange, a principle so dear to our capitalistic apologists.

Not so long ago it was argued that "the divine right" of the capitalist as a property owner was a justification for his extortion of profit. Since, however, intelligent people no longer respect "the divine rights" of property any more than "the divine rights" of kings, it has become fashionable to rant about the "business capacity," "organizing ability," and all these other alleged qualities of our capitalists as a plea for their existence.

Services of the Capitalist.

There is no need to convince you as a worker about the qualifications of our capitalist. Every observant worker knows how these qualities are like the qualities of a Charlie Pease. They are the base qualities of the cheat, the fraud, and the "bester." To ask that the capitalist should be compensated on these grounds is to attempt to buy out or pension off all the professional crooks in society.

Where the capitalist actually renders any service in the labor process he is generally compensated under the heading of "directors' fees." There his wealth-creating efforts cease and find their expression in the price of the article. But "price" includes something else. It includes efforts put forward by the workers which is not paid for, since, if the workers got the natural price of their labor-power and the other factors were duly allowed for, there never could be a rich idle class.

It is out of the difference between the natural price of the workers' labor-power put into production and its market price that our parasitic capitalists are maintained. To repeat, then, the cost of production of an article is made up of the three factors—(1) raw materials, (2) wear and tear of implements, (3) actual labor (paid and unpaid.) When expressed in money that article is said to have a price. T. B.

YELLOW TERROR LET LOOSE IN SIBERIA.

"Overrun By Japanese With Consent of Allies." WORSE THAN UNDER TSAR.

(From the "Daily Herald," London.)

We have received a letter written by an Englishman in Harbin (Manchuria) to a relative in London, from which we publish the following striking passages:—

"Here in Siberia and in all places connected with the Siberian Government it is worse than in the time of the Tsar. People here are hung and shot simply for saying one word, and the worst of it is that we know that they would not have the power to do such things if it were not for the help that the Allies give them.

"Ninety per cent. of the bloodshed in this present civil war in Russia is due to the interference of the Allies, and the hatred against them is terrible. The Allied Governments told their nations that they came to Russia to make order in the land. Oh, my God, what an order they have made."

Japanese Village-Burners.

"They have put into power and are helping a Government that is worse than the old Tsar's. With the consent of the Allies, the Japanese have overrun Siberia, and are burning the villages and killing the people all over the place. The Yellow Terror has been let loose against the white races in Siberia.

"Meanwhile the Russian workers here are not sleeping. The old Nihilist terror is being revived. Bombs are already being thrown right and left, some successful, others not. Large bands of men have been formed; some of them are even led by women. They are infesting the steppes and forests of Siberia and are causing lots of damage by tearing up the railway lines and bridges.

TREAT ALL AS ENEMIES.

W. Lunn to Ask Churchill About Japanese Methods In Siberia.

Mr. W. Lunn, M.P., will ask the War Secretary today whether his attention has been called to a proclamation issued by the Japanese authorities in Siberia stating that, as it was impossible to distinguish between Bolsheviks and non-Bolsheviks, all armed bands operating against the Omsk Government were to be treated alike as Red Guards; and that any village whose inhabitants gave assistance to the enemy was to be burnt to the ground; and whether this method of terrorism employed by our Japanese Allies is approved by the representatives of the British Government in Siberia.

He will also ask concerning an order published by the Chief Officer of the General Staff in the Yenisei district, under the control of Admiral Kolchak, to the effect that commander of garrisons in that area are to consider the Bolshevik political prisoners in the various districts under their control as hostages; and that for every act of violence committed against the anti-Soviet Government three to twenty of these prisoners are to be shot.

JOIN BOLSHEVIKI.

Russian Troops Mutiny and Surrender the Town of Onega to Reds.

LONDON, July 24.—The government has received a dispatch from Major-General William E. Ironside, commander-in-chief of the Archangel front, stating that the Russian troops have mutinied and joined the Bolsheviks, handing over the town of Onega and the Onega front to the enemy. The latter also tried to take the railroad front, but were repulsed.

EXCHANGE

The Practice of Primitive Barter of Products and Commodity Exchange Reviewed

THORSTEIN VEBLEN

(Continued From Page Five)

As Preliminary to a Consideration of the Money-commodity—Its Properties and Functions

II

AS we have seen the inconveniences attending the process of barter led to the break up of this process into, what for our present purpose may be considered, the independent acts of sale and purchase. This change was effected by the adoption of some one commodity which gradually acquired social recognition as general equivalent and finally became, by general consent, the money-commodity. The advantages to be gained from the use of the money-commodity, may, perhaps, be better studied by taking up separately the various functions of money.

Money, then, in the first place, functions as a "measure of values."

All commodities are products of labor and possess exchange value. As values, however, they would be of varying magnitudes. For instance, 10 lbs. each of wheat, tea, iron and silver would be of very different values. In definite proportions, however, they would be equal in value as, for example, 50 lbs. of wheat, 2 lbs. of tea, 10 lbs. of iron and 1 oz. of silver. The number of value-relations grows enormously as the commodities on the market increase in number. "The necessity for a value-form grows with the number and variety of the commodities to be exchanged." (Marx.) With 10 commodities, the number of ratios would be 45; with 20 commodities there would be 190, and so on. So soon, however, as the money-commodity is set apart and recognized as such the number of ratios or value-relations to be remembered by the trader are immediately much reduced and the whole process immensely simplified. In the case, for instance, of the 10 commodities, the number of ratios is reduced from 45 to 9 and in the case where there were 20, from 190 to 19. The remaining ratios become a mere matter of simple arithmetic. "Knowing how much corn is to be bought for a pound of silver and also how much flax for the same quantity of silver, we learn without further trouble how much corn exchanges for so much flax." (Jevons.) From the way in which it acts in this particular function, money is sometimes referred to as the "common denominator of values."

The second function of the money-commodity is that of a "standard of price."

Price is the value of any commodity expressed in terms of the money-commodity: say, gold, for instance. In order, however, that gold may serve as the standard of price a definite quantity of it must be fixed upon as the unit. This being done, the prices of various commodities or different quantities of any one commodity may be expressed by multiples or by aliquot parts of the given unit. These unit quantities, originally designated by the weight names of the quantities of the commodity usually traded in, were gradually superseded by definite weights of the metal fixed by government and having specific coin-names. Thus, instead of saying that a bushel of wheat is equal in value to 23.22 grains of gold, we say that the price of a bushel of wheat is one dollar.

The third function of money to be considered is that of a "medium of exchange" or "circulating medium."

It has been already mentioned as one of the inconveniences of barter that there is likely to be a lack of coincidence in wants. Let us suppose that a certain individual has a pig he wishes to dispose of. He is in want of a pair of boots and a jug of whisky. Now, it is very unlikely that he will find on the market someone, who, at that time, wants a pig and has any of those articles to dispose of, still

more, anyone who has both. Nor can he divide his pig in the event that he found two individuals, one of whom had whisky and the other boots and who wanted his pig, which, in any case, is worth more than either of these articles.

The case, however, is very much simplified by the use of some one commodity which serves as a medium of exchange. Let us assume that silver is that commodity in this case. Our farmer, then, bringing his pig to market, sells it for, say, five ounces of silver, which we will assume is its value at that time. Then with the silver in his pocket, he proceeds to find a shoemaker and purchases a pair of boots for which he pays, say, three ounces of silver. In the same way, he goes to the publican and buys a jug of whisky for two ounces of silver. Or, if he sees fit, he may purchase his shoes forthwith, and put off buying the jug till he needs it for his daughter's wedding coming off next month. It will be observed that our farmer exchanges his pig for something he does not want, i.e., silver; nevertheless he accomplishes his object more readily and conveniently. Furthermore, he knows that the shoemaker and the publican will accept his silver for the same reason that he did; they know that, in return for it, they can obtain any article they may be in need of.

Another important function of money is that of a "means of payment" or, as it is now generally expressed, a "means of deferred payment," a term somewhat more comprehensive.

This function of money arises in a more complex form of society than those already considered. Money functioning in this capacity is the consideration involved in all credit transactions. All promises to pay in the future, and "instruments of credit" such as notes for goods sold on credit, mortgages, money lent, insurance policies, etc., are habitually expressed in terms of, and call for ultimate payment of money.

All the documents which pass current as "paper money," so-called, are made out in terms of, and are redeemable in money. Whether this is possible or not, is another question. International balances must also be settled in real money if the parity of exchange is to be maintained.

The function of money as a means of deferred payment has acquired considerable importance with the development of modern industry, which is based very largely on credit operations. It is due this particular function that it is so essential that the money-commodity be stable and unvarying in value, so far as possible. Stability of value, while desirable, is not really essential in a measure of value or in the medium of circulation. In the event, however, of money lent to be repaid in a number of years or of any contract involving the payment of money after a lapse of time, it will be readily seen that any fluctuation in the value of money in the meantime will affect adversely either the creditor or the debtor. In the case of a rise in value of money, the debtor will lose and in the case of a fall in value, the creditor will lose. Arising out of this function also is the quality of "legal tender" usually given to money by legal enactment. This defines the kind or form of money that may be tendered by the debtor and which must be accepted by the creditor. These two points will come up for discussion at a later stage in our investigation.

Finally, money functions as a "Store of Value." Money may be hoarded and in this form is a means by which value may be kept for any length of time or transferred from place to place.

it retains its grip on that share by an habitual, though quite lawful and even blameless, restriction upon output. For a concrete illustration of the author's point we have only to observe the current housing shortage, which has been brought about by the refusal of business men to build houses (that is, by businesslike sabotage) until a sufficient amount of "free income" was assured. Human needs can cut no figure in these calculations.

Akin to the rights and perquisites of business men in the national field, and both have the practical effect of preventing the full use of the gigantic productive apparatus—and the more important body of technological skill and knowledge that perpetually re-creates it—which have developed since those rights and perquisites were guaranteed. Insofar as the league of nations turns out to be a league of governments and not of peoples it sanctions and encourages this vast system of international sabotage. The net profit of competitive nationalism has ceased to be apparent, but there remains at least a "psychic income" which the conferees at Paris were extremely solicitous to protect. This may content the dominating classes; as far as the welfare of the common man goes "the most beneficent change that can conceivably overtake any national establishment would be to let it fall into 'innocuous desuetude.'"

There are some points in this explanation upon which Lenin and Veblen might shake hands, others concerning which they would necessarily disagree. As to probabilities in this country, Veblen is no alarmist—or, as some would say, no undue optimist. He sees no rapid discrediting of the old laws and customs in America, except among the comparatively few and outcast I. W. W., and perhaps among the members of the Non-Partisan League. The American Federation of Labor and the majority of the farmers, though hard-pressed, are still uncorrupted. Yet, as he has pointed out in a more recent discussion published in THE DIAL, there is already on foot a project for a coalition between the industrial workers on the one hand and the engineers and production managers on the other which may, peaceably and without social disruption, come to the same thing.

The Vested Interests and the State of the Industrial Arts, by Thorstein Veblen, (\$1), B. W. Huebsch, publishers, New York.

PROSTITUTION.

At one time prostitutes were a class between beggars and thieves, they were then an article of luxury. Today, they are no longer a product of the slums but working women who are compelled to sell their bodies for money. This latter sale is no longer simply a matter of luxury; it has become one of the foundations upon which production is carried on. In many a thriving branch of industry it is found that working women would starve did they not prostitute themselves. And the owners of the industry will tell you that "high wages would ruin the industry." To preserve their property, personality must be ruined. "God bless this system!" So deep are the defenders of capitalism sunk in the putrid moral sink of the system, that they agree in declaring prostitution to be a necessary thing.

The proletariat in power, implies the abolition of prostitution along with the economic conditions which give it birth.

We are now in a position to define the term "money," and our definition will probably be sufficiently comprehensive if we say that—Money is that particular commodity which, in any society, serves as a measure of values, as a medium of exchange and as means of deferred payment.

GEORDIE.