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FIVE CENTS

Paying Our Way

HAVING become possessed of the wherewithal, we betake us to the bargain counter to stock up our pantry (for a day) with the "good things of life." Making our selection, we draw forth the money bag and "pay"—after the wisdom of the bourgeoisie—for our purchases, and sally home to enjoy them in our thrifty fashion. What is this buying and selling? How is it we buy and sell at all?

Every society has its conditions imposed upon it by evolutionary necessity; its conventions, institutions and ethics, the visible reflex of its methods of obtaining the requirements of life. The public sentiment of society itself determines what is "right" and "good" and "lawful" and according to this standard—which is agreeable to the interests controlling the means of life, we comfort ourselves in the full exercise of "freewill" and "liberty." Each of us individually finds ourselves dominated by the social environment we are become members of, and if our "freewill" is exercised in the direction of remaining in the society of life and man it must conform to the criterion of the social organization. The social condition of our time is capital, a social condition where the means of life are owned and controlled by one class in society, the capitalist class, and the other section of society, the producing class, requiring access to those means of life in order to live are compelled "freely" to offer their services for labor to the owning class. By virtue of this social condition the institutions of this society are capitalist institutions, its ethic the ethic of capitalism and its producers slaves, working wholly for the interests of, and according to the conditions prescribed by the master class.

The master class, although reckoned sometimes as sportsmen, do not however own the means of life for sport, but for profit. They produce, i.e., they operate their mills and factories, only at the time this profit is forthcoming, and in the manner of the maximum of production in the minimum of time, at

the lowest possible cost. To the condition of industry the master class applies the term "prosperity," which means that the master class realises profits, contained in commodities, by selling them on the world market, while the workers who produced those commodities realize the price of labor power—wages.

Since the incentive of capitalism is profit, everything within its orbit is commodity production, and as there can be no production without the application of social labor, this labor power also is a commodity traded in market terms in common with other materials. The value of the labor power, in exchange, is the value of its reproduction,—food, clothes and shelter, and as the value of labor power per day, on the average, equals the value of the daily necessities of life, wages represent nothing more than the "keep" of the worker while "free" competition for jobs holds down the value of this "keep" to the lowest possible wage level of subsistence, consistent with efficiency. That is why our "buying" power is so limited.

But the slave produces daily far more values than the mere value of his "keep." By the application of mechanical devices to industry the productive capacity of labor is increased manifold, thereby producing and always increasing the amount of surplus values which, in virtue of the fundamental class ownership of the machinery of production belongs to the same class. The producers of this surplus receive no value for its production—do not get "paid" for it, as we say. On the contrary, it is sold on the world market, the "sellers" thereof, the master class, calmly appropriate it, calling the transaction, "profit."

The capitalist class, because of its ownership of the resources and tools of production, makes the producing class slaves, not only compelling the workers to operate their machinery but also forcing them to yield up the total amount of their production, and like the slaves of all slave owners, of neces-

sity, being allowed the necessities of life in order to fulfil their function of supporting their privileged masters. This exploitation is camouflaged by "wages," but, as shown, wages represent the simple necessities of life, and "free competition" means in reality freedom to work under the conditions laid down by the ruling class—or starve. Hence, when we "buy" from the provision merchant we merely receive in an indirect fashion the necessities of life which, by our own labor, we have produced. And the surplus "sold" by the master class on the world market is the vast amount produced by labor, but for which it has received no return, no value.

It follows from this that "buying and selling" has no meaning, that nothing can be "bought" and "paid for" because the wealth put on the world market for sale represents wealth produced by labor, but for which labor received nothing, wealth, in fact, stolen from the producers thereof. The capitalist class has nothing, owns nothing, produces nothing "of itself." Consequently it can give nothing and sell nothing, save what it has exploited, through the legality of capitalist private property, from the producing class—the only real wealth in the world. All other wealth (so called) being but cyphers on waste paper.

Since nothing can be sold unless it is first stolen, commerce and trade mean nothing else than traffic in stolen goods, and since labor is the sole producer of these goods labor is the sufferer in the transaction, the sole function of the capitalist class being the appropriation of the wealth produced by the slave, required by the slave, but owned and exchanged by and in the interest of the master. "Paying our way" is, therefore, the finest expediency of privilege; the most costly contrivance for the workers, giving the non-producing owning class the rich bounty of the social genius, ability and endeavour, rendering to the all-creating slave class the most pitiful squalor of poverty, the most abject measure of degradation. R.

INDIA is a pear shaped peninsula lying to the south of a portion of Asia and situated between 80 to 37° N. Latitude. It's area is 1,802,639 square miles, and it has a population of some 315 millions according to the census of 1911 and which has probably since been increased. This population is not composed of one homogeneous stock, but is comprised of different ethnic divisions of which the chief are four in number, namely, Dravidians, Aryans, mixed Aryo-Dravidians and Mohammedans, comprised of Afghans, Persians, Moguls and Arabs. This mass of humanity has been fully supplied with food by the natural fertility of the soil which is well watered by the larger rivers and their numerous tributaries.

Although it is bounded by the gigantic Himalayas and the Sulimans, nevertheless such a rich country has always been somewhat of an orchard to the naughty tribes surrounding it, and has therefore been subject to predatory visits time and again from the surrounding tribes, which accounts for the diversified human stock within her borders and the conglomeration of religious viewpoint and social castes. There are seven different religions, known as Hinduisian, Mahommedanism, Jainism, Buddhism, Parsi, Christian and Animism, all of which help to

India

keep their several devoted followers divided into different religious groups. If this were all it wouldn't be too bad, but there is also the curse of the caste system which again helps in maintaining the confusion prevailing due to the religious notions so possessed by this turbulent mass of humanity. The castes are four in number, and are called respectively Brahman, Rajah, Sudra and Vratyas, or to more easily convey what is meant by such names we may call them Priests, War Chiefs, Serfs and slaves. These are symbolical of different parts of the anatomy of a mystical god and correspond to the head, arms, thighs and feet. Needless to say the head and arms portion represent the early conquerors and the thighs and feet the conquered.

The Aryans, who, are supposed to have entered India between the period of 3000 to 1000 B.C., pushed back the aborigines from the well watered district of the Punjab, this part of the country being

very favorable to the flocks and herds possessed by the Aryans who were in what may be termed the pastoral stage tinged no doubt with some rudiments of agriculture. It was this race of nomads who formed the Priest and War-chief class, and their descendants still claim those offices by virtue of their ancestry. The Sudras and Vratyas are mixed, and Dravidians.

But, as has been pointed out above, there have been other numerous invaders following the Aryans, and their descendants form a considerable portion of the population of India today, the Mohammedans alone forming a block of some 70 millions; a disparaging factor when unity is spoken of.

Due to economic causes existing entirely outside of India, people of a different color invaded her shores. Vasco de Gama landed there in the year 1498, followed by the Dutch, French and English in close succession. Plassey, and Pondicherry were the surface bubbles announcing a difference of opinion as to who between the last two invaders should stay there. And the winners are still there collecting the reward which they consider rightly theirs, and showing, or pretending to show an aggrieved air because the dominating elements of the new econ-

(Continued on page 2)

The Origin of the World

By R. McMillan.

CHAPTER XIII.

THE WORLD'S ROCKS.

One day not long since I was talking to a very clever doctor about the origin of the world, and he said: "It is all speculation, and brings you back to the old question, 'Which came first, the hen or the egg?'"

I was amazed at such a man reverting to the old question, because it meant that he had never discussed, in any serious way, the question of the beginning of life on the globe. The hen and the egg, as illustrations of the methods of reproduction, are comparatively modern; but the amoeba and its divisions are as far as we are concerned, the primitive manner of reproduction. There were millions, maybe hundreds of millions, maybe thousands of millions of years between the primitive habit of the amoeba and the complex fashion of the hen and the egg; but the two fashions were but the expression of the one idea, and that—reproduction.

Life began as a chemical process. You see that! It does not need to be proved. It is self-evident. You have the fiery gaseous mass of the world cooling down by degrees, and the combination of the gases to form water and air and salt; then you have a crust over the mass, and then you have quiet, warm seas, and further combinations, and living jelly masses, and after that more complex jellies, and finally shells and more highly organized forms, until at last, after long ages of strife and stress, after millions of years maybe, you reach the primitive, three-lobed crustacean, the trilobite.

When I began to study geology I had heard of the trilobite, but it was as something I had come across in a dream. When I found a trilobite myself, a little thing nearly the size of a hazel-nut, I was almost delirious with joy. It was to me the most wonderful thing in the world, and I carried it in a little cardboard box, wrapped up in cotton wool. When I showed it to people, I expected them to be enthusiastic about it, and gasp with surprise, "Oh!" But they did not. They had never so much as heard of a trilobite, and they were quite ignorant of what it meant; so they smiled or sneered at my enthusiasm according to their temperaments. I was disappointed, and do you know why? Because I was ignorant of the ignorance of my neighbours; and I was also ignorant of my own ignorance. I had not then learned what poor little creatures of circumstance human beings are, and I was apt to be impatient. But I am older now, and I trust wiser and more tolerant, as well as more conscious of my own shortcomings.

You see I have called it "A Cambrian Trilobite." But I have not told you what "Cambrian" means, and I must do so now, although geology in one chapter seems a great undertaking.

I have told you that a crust formed over the gaseous mass of the earth, and that crust was made from gas, solidified gas, combined gases. There are about eighty "elements" that go to make up the earth, and the sun, and the stars; but the principal ones are very few. Oxygen, hydrogen, nitrogen, and carbon are the chief of them all, and they enter most largely into the materials that form the crust of the earth. Sandstone rocks are formed mostly of silica, claystone rocks of alumina, volcanic rocks of complex combinations, and limestone rocks mostly from organic substances, which once lived either as oyster-shells and sea-lilies or globigerina ooze. The first crusts where life began were washed away and re-formed, and blown to pieces over and over again, for ages and ages; but at last, with the cooling earth, there remained wholly, the basis of our primitive system, and we have the stone books of geology, where we can read the history of life and the world.

The first rocks, the deepest, the oldest, are called the Archean, or Pre-Cambrian, the primitive, the oldest of all. We do not know how deep they are, or how old; but when the first of them were deposited there was probably life. In the later ones, there must have been some sort of life, but all certain trace of it has disappeared. Then came the Cambrian, where the trilobite is found—a sort of primitive crab or simple shell-fish. By that time life of a lowly sort must have been very abundant. It had been growing up or "evolving" through the long pre-Cambrian period. We have vast areas of Cambrian rocks containing the remains of sponges, hydrozoa, actinozoa, annelida, brachiopoda, crustacea, and other kinds of animal, showing that life was then well on its way.

Fish began to appear in the Silurian times—fish with armour so hard that it has been preserved in the rocks. Life must have swarmed then, but geology is so very young—it only began as a science last century—that we have not learned more than a small fraction of what there is to learn. But we know enough about the Cambrian rocks and the Silurian rocks to be sure that life was then very abundant, and was at first of a very low order. Life began in warm set-water; and when you weep very much and taste how salt your tears are, you can remember that life began in salt water.

If you look at your own blood under the microscope, you will see white corpuscles moving in it. You will recognize in these corpuscles the amoebae of our first acquaintance, and you will realize that we are of that dim, mysterious, awful past, part of the lowly life that began in the steaming seas of the primitive rocks. What a wonderful thought. How science is giving us new ideas and new conceptions and new outlooks! It is good to learn what life is, and whence life came, and whither life doth go, for in that knowledge comes the power to order life aright.

After the Silurian rocks, in order of deposition, came the Devonian rocks—the "Old Red Sandstone," as Hugh Miller knew it—with its great lakes and strange fishes, its clubmosses, and horse-tail plants. You can learn about them all if you take to geology. I am writing now about the things I have seen and known and handled and studied myself. The stone books are open to all readers, and in each generation there are more and more readers, while the lessons the stone books teach are growing ever clearer and more simple.

After the Devonian came the Carboniferous group of rocks, with weird animals like the labyrinthodont, vast coal beds and curious lizards, and a steamy atmosphere. The fossils of the Carboniferous rocks include the first air-breathing animals. Then came formation after formation, re-formation after re-formation, and the stone books were laid out for men to read, for men who as yet were not. The air was clearing, and lungs were developing, and ever higher types of life were appearing; and at last came a poor, low, bestial type of man, who has since developed to what he is today.

The study of the stone books is called geology, and the thickness of the stone books is almost twenty-five miles, or, say, 1/160th part of the distance from the earth's surface to its centre. If all the strata were laid on top of each other, like the layers of an onion, it would be an interesting book; but sometimes you are walking on the Archean rocks themselves, and sometimes you are walking on quite a modern deposit. Everywhere you find traces of vast deposits and a consistent development, and you come at last to read the story of the origin of the world as easily and as plainly as if a printer had set it all up in big, bold type for you to read. The runes of the rocks are such as to "wake men's hearts to dreams of things sublime."

Next Lesson: THE JELLY FISH.

INDIA.

(Continued from page 1)

omic classes now being developed among the natives themselves wish to carry on the same game as the English.

The merchant and manufacturing elements, along with the Ryots and proletarians of the big cities are very dissatisfied at the present time of writing. This dissatisfaction arises not from a religious but from an economic cause. The merchant class having been educated in the West and having absorbed the western ideas of civilization have ideas strongly in line with their bourgeois brothers the world over. Like all business men they realize that in order to get rich you must exploit labor, and the sight of all the millions of their fellow countrymen and the rich natural resources of the country have awakened their cupidity. Wishing to gain political control of India the native merchant is chiefly responsible for much of the agitation now going on there. The working population living under the most abject conditions are easy victims of those that wish to exploit them in the place of "perfidious Albion." But they are up against a pretty shrewd government and their job is anything but an easy one. With so many divisions of different kinds existing among the people, England is able to play one religious group off against another, and at all times the majority of the large landholders or Rajahs lean pretty strongly towards England. May be they realize that the fate of the large landholders in France during the revolution may be theirs also, should a similar revolution take place there.

One thing is certain that for a revolution to be pulled off successfully in India, the Ryots would have to be bribed in some manner in order to bind them to the new ruling element and so offset any possibility of a proletarian revolution from immediately following. This would mean the parcelling out of the land and the creation of a small farm-holding class such as at present exists in France. But revolution seems remote, for England is still able to dominate by force of arms.

There can be not the slightest doubt but that England will grant India a constitutional form of government so dear to the bourgeois heart, but she will do this only when she has prepared the ground for such an undertaking. Such a form of freedom does not necessarily weaken the British Empire as some radicals assume.

Rather it is more likely to strengthen the ties that bind. A constitution along the same lines as Canada will only serve the purpose of turning what are now a disgruntled group of exploiters in India into a staunch, loyal, supporting bunch of flag-wavers, after the type of Collins and Griffiths, and like these two Irish "revolutionists," they will be only too pleased to use British troops to help crush any groups that give vent to their feelings of dissatisfaction.

The proletarians are too few and the machinery of production too ill developed to bring about the revolution that we as workers wish to see. Speculation as to the effect it would have on the British Empire must be treated purely as speculation. Our work still lies before us. We have got to develop revolutionists at home where capital has well prepared the way. If we do this and do it well, there will be no need to worry and dwell in the land of speculation. Given a proletarian victory at home, India's freedom is assured, not the freedom wished for by many of their most enlightened members but the freedom of the down-trodden Ryot and proletarian.

He who would free others, must first free himself. Let us on with the task.

J. C.

Current Topics: The Near East.—A Problem for the Near Future

Article 6. BY ROBERT KIRK.

Note to the reader: In the first July issue of the "Clarion," I made an assertion that the area in which capitalism can expand is constantly growing smaller, while, inversely, the proportion of surplus capital is growing larger. The loss of some notes containing approximate figures of recent date prevents me from substantiating the latter part of that statement. But you will recall the phenomenal conditions governing trade and production from 1914 to 1919: the interruption of the exchange system with its regulating effect on prices in the world market and the substitution for this of arbitrary prices. Under such conditions it was comparatively easy to obtain contracts at prices allowing the contractors a wide margin of profits, and through ordinary practices—the use of low-grade material for high-grade, sometimes reaping a much greater profit than the contract price allowed for.

That more new millionaires were made, and more fresh capital produced, during those five years of trade than was ever possible in any similar period in the history of capitalism is beyond dispute—when you remember that the Scandinavian countries, Holland and Denmark, Britain and the colonies, the United States, France and Japan took part in this orgy of trade.

The conditions of trade and production today are no less phenomenal: the exchange system, between several countries in Europe and the rest of the world, is still interrupted; the credit-standing of these is that of "bankrupts." Unable to procure gold in order to buy much needed material to start industry with, they cannot produce goods to exchange in the world market for those they need. Since no solution offered by bourgeois economists satisfies the various national groups of capitalists, it becomes more imperative than ever, that they find new fields to exploit their surplus capital, or consume it without profit. A procedure contrary to all their ideals, and most destructive of all to a system based on profit, and kept alive by profit.

Of these fields there are but two that can reasonably be supposed to offer such opportunities—the Near East with its hitherto unexploited oil fields, and the Far East with its teeming population and vast storehouses of untouched wealth, providing a market that can consume the surplus production of the western world. It is the first of these two which we will discuss here.

* * * * *

The Near East is a somewhat vague term; popular usage defines it as the area covered by such countries and territories as Egypt, Palestine, Syria, Mesopotamia,—until lately outposts of the Turkish empire,—Turkey, as it is now, and Persia. The geographical environment, climatic conditions, the wide waste lands and deserts, the scarcity of water and cheap power, prevent these communities from developing into a capitalist stage of production such as the western world has reached, quantity production or machine production, as you choose. Consequently their economic resources, rich in use-value as some are, on the whole are very limited.

Despite these unfavorable circumstances much development work has changed the industrial character of Egypt, since the occupation of this community by Britain in the days of Gladstone, and increased the output of labor. We read that the Nile is stirred today by steamboats, where, but a short while since, the only things that disturbed its surface, other than the winds, were the prows of Arab dhows. Railroads, long ribbons of concrete, deeply imbedded in the sands of the desert carry freight and passengers from Alexandria to Cairo, and from

Cairo to Bagdad, along routes once exclusively used by merchants with their canal trains loaded down with wares for small and widely scattered markets. Electric street cars carry the sweating slaves to and from work as in less ancient cities of the West. And the Nile,—wise old river! is made to carry her waters to remote spots of the delta cultivated by the fellahin.

Adjacent to this land of the Pharaohs is another resting place of an ancient civilization, that is about to be revived by capitalism, Palestine. This region is now occupied by British troops since the evacuation of it by the Turkish forces in 1917. The first step of the British Government in this country was to revise its tariff system to meet new development work, and enable the British tobacco trust to break a Turkish monopoly. Then to appoint Albert Hjorth, an eminent Norwegian engineer, to draw up plans for a great water and power system, by driving tunnels from the Mediterranean to Jerusalem. To this land the British Government hopes to attract some two million or so of Jew adherents to the Zionist movement. True, all of these developments completed in Egypt, and those contemplated in Palestine, represent rent, interest and profit to the financiers of Great Britain and revenues to the State. But these developments are incidental to the maintenance of an open road for British goods to and from the Far Eastern markets of India and China rather than a direct policy of helping the native population to conquer the forces of nature.

At all times during a century and a half, it has been necessary for Britain to hold the balance of power in the Near East as well as in Western Europe. That result was usually achieved by compromise with Turgey, whose power in the Moslem world is too well known to require any mention here. And so long as the Turk was content to follow in the footsteps of his forbears, India was safe, from this quarter. During all that time, prior to 1914, only once was the monopoly right of Britain in India seriously challenged. This was when Napoleon entered Egypt, 1798; the doorway to the Far East was opened with comparative ease: the rest of the road would have offered little difficulties. Yet, wise as he was, the "man of destiny" gathered up his troops and departed. It was a fortunate whim of circumstance that led to the development of textiles in Britain, for it was the absence of a cheap, useful commodity like cotton in the industrial output of France which prevented Napoleon's dream from materializing. It is one task to conquer a country for exploitative purposes, and another one to provide the people of that country with something they need.

But from 1914 up to the present, the position of Britain in the Near East, as in the Far East, is not so secure. The late Entente countries, Russia, France and Britain, decided Turkey's alliance with Austria-Hungary and Germany. The old Russian regime long desired an easy route to western markets, and recognised that these claims could be met by turning Constantinople into a Russian terminal on the Mediterranean side—whether Turkey was an ally of Germany's or not. We all know what happened, after the Armistice was signed; after the "Peace" conference at Paris, and the signing of the treaty of Sevres. Mesopotamia, Palestine, Syria and Arabia were taken away from the ruling class of Turkey by the terms of the former; and Thrace, Smyrna and St. Sophia, the ancient seat of the Caliphate, by the latter. The disjointed members of the empire were divided between France, Italy, Greece and Britain.

But it is one thing to smash up the domain of another nation and quite a different task to guard against the counter-activities of its people.

The drastic policy of the British Government awoke the smouldering embers of nationalism and fanned them into a fierce living flame, which burned its way clear from the Nile to the Ganges; from Egypt to India, Islam was in revolt against the dismemberment of the Moslem empire; race riots in Palestine, where the ancient grudge of the Arab against the Hebrew people was revived: Moplah uprisings, and the Ghandi movement in India received a stimulus from the action of Britain.

France, who had been fighting the Turks up to 1920, changed her tactics, and hurriedly withdrew her troops; signed a secret treaty with the Turkish nationalists; relinquished her mandatory privileges in the Near East, and quickly French ships lay abreast the British, in the harbor of Smyrna, loaded down with supplies and munitions for her new ally. Why the sudden change in front to an ancient enemy? Where could France, who today is one more competitor among the world's iron and steel producers, exploit the products of Alsace Lorraine—in the United States, Britain, Belgium, China or Germany? They are also iron and steel producers. But the Near East has ever stood in need of such products, had it not been for the scarcity of such the course of history would, long since have changed, and the people of the East would have overthrown the western powers and rid themselves of the baneful influence of western intrigues.

Earlier in this article I spoke of a scarcity of power for industrial purposes; the immense territory not yet explored in the East may yet yield unlimited power for all purposes, if oil can be found in abundance; and the rapid changes in oil-burning engines could then effect the most wonderful changes in the industrial character of those communities. But, while this is still problematical, the needs of Turkey and the vital nature of oil is not to be disputed.

When the British decided upon the occupation of Palestine, and the exercise of mandatory powers in Mesopotamia, France saw her old ally grabbing every available source of this most precious mineral, in Egypt, Palestine, Mesopotamia and Persia. The significance of this can only be appreciated when you consider the far-reaching changes in airships and airplanes as fighting machines in future wars. They are slowly but surely outstripping from their place in national defence, the more costly cruisers and dreadnoughts. Swifter than an eagle in nervous flight, and as silent, they can approach their victims, pause, and drop with deadly accuracy a bomb of high explosives, enough to leave even post-war super-dreadnoughts at the mercy of wind and tide, and sink the smaller craft.

Since Britain can no longer remain the chief exporting nation, it is imperative that she guard with greatest care her ever increasing foreign assets. On the other hand there is France, with an awakened interest in the East, where lies the richest of Britain's possessions, and with claims which she will advance by every means in her power so that friction between these two is most likely to remain constant, unless they can agree upon some kind of co-operation in this matter of oil. They fought each other for the rule of the seas, and judging by late activities, the character of either remains the same, a character which can never arrange a lasting compromise. Above all else at the present moment, oil is of the utmost importance to the great imperialist powers, and if they can not share the world's supply between them according to their respective commercial needs, then war for this mineral is certain; and the explosive nature of it will bring down the tottering social structure, and perhaps carry with it every vestige of civilization.

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DEMOCRACY IN FACT.

MR. Gompers seems to be worrying over the judgment recently rendered by the U. S. Supreme Court, as a result of which union funds may be held responsible for damages accruing to employers as a result of strike activities on the part of individuals. Mr. Gompers and his kind are always swiftly brought to attention when a raid is threatened upon the treasury which sustains them. Being so staunch a constitutionalist Mr. Gompers naturally turns to "American principles as laid down in the constitution" for solace.

Strangely enough, however, the universal "right" to life, liberty and the pursuit of happiness goes pretty hungary nowadays. The pursuit of happiness goes by the name of treason in actual fact, as the miners in West Virginia have found out. Treason simply means doing anything the coal mine owners there don't want done. The order of life and liberty there is described by the "Washington, (D. C.) Daily News" as managed in this way: "The operators seize the government, boss the courts, the sheriffs and other officers of the law pay the deputies, and then have their private lawyers take the place of public prosecutors before grand juries and courts and indict as traitors any who resist tyranny."

The comment of the United Mine Workers' Journal on the judgment referred to betrays a pathetic degree of faith in the law court and its practices as aids to "the fair deal" for wage workers in the U.S. For instance "Thugs and gunmen have been hired and armed by employers many, many times, and they have beaten up and even killed men whose only offense was that they were members of a labor union. Who will say that such acts cannot be made the subject of any injunction and damage suits?" And again: "Without any legal right whatever, some employers evict families of workingmen from their homes and set them and their household goods out upon the roadside to be destroyed by rain and the weather. Who will say that damage suits could not be filed against such employers under such circumstances?" The U. M. W. Journal is innocent enough to believe it can, through the policy of instituting damage suit for damage suit, obtain for what it calls "the splendid manhood and good citizenship of the members of the U. M. W. of A." A "fair deal" in the courts of law, and the employers will certainly welcome them to that course. The art of administering the "fair deal" for working men is outlined in a history of the month of June, by the Civil Liberties Union (U. S.) from which we cull the following:

"In all the months of growing reaction since the war, there has never been a time when the resort to force to suppress free speech and lawful assemblage was more general than it is today. The reports coming to us from all over the country of attacks by mobs particularly in the south and southwest, and the use of military forces in strike areas without provocation, show that the temper of those in power is to put their opponents out of business without regard to law. This attitude is equally true of lawless mobs and of duly-constituted authorities. The many prosecutions of radicals which marked the course of events two and three years ago have fallen

off to a few scattered cases here and there, with the exception of California where a widespread anti-radical campaign has been in full swing for months under reactionary commercial auspices.

"Increasing violence has marked the course of the coal and textile strikes during June, with the outstanding feature the fatal riot at Herrin, Ill., in which more than twenty-five strike-breakers and two strikers were killed. In both strikes the injunction is being used repeatedly by the employers. Mobilization of state troops has just been ordered to deal with the coal strike in Colorado and in West Virginia, making six states in which the troops are on duty in connection with either the coal or textile strikes.

"Thirty attacks by mobs, in which five negroes and one white man were killed, were reported in June. Only nine of the thirty cases involved negroes. The excesses of the Ku Klux Klan, which is charged with the responsibility for the majority of these acts of violence, have caused the indictment and conviction of Klan officials in California, Phoenix, Arizona, and Beaumont, Texas.

"The harvest season brings the renewal of the persecution of I.W.W. harvest hands in the wheat districts of Kansas, Oklahoma and Missouri. On the Pacific coast the persecution of the I.W.W. under the criminal syndicalism laws, especially in California and Washington, continues undiminished. The wholesale arrest and indictment of members of the Socialist Labor Party at Los Angeles brings a new group into the long list of California criminal syndicalist prosecutions. The supreme courts of California and Illinois in June confirmed the convictions in two of the cases, that of Miss Charlotte Anita Whitney of Oakland and of William Bross Lloyd and other members of the Communist Labor party of Chicago."

A summary of the use of military forces in strike districts throughout the United States made on July 12th shows the following condition.

1. Textile Strike: Troops in the Pawtuxet Valley, Rhode Island, where they have been on duty most of the time since Feb. 1st. Virtual martial law, though no actual declaration of it has been made.

2. Coal Strike: Troops sent to Gallup fields April 7th and still there. Martial law declared April 7th but since revoked.

West Virginia: Mingo County under martial law. Troops to Royal on April 3rd. Within the last week to Paint and Cabin Creek districts. Machine guns mounted on jail at Clarksburg by sheriff.

Colorado: State troopers under Col. Pat Hamrock in lignite districts in north and in Huerfano County. Virtual state of martial law, though it is not actually declared. The troops are accompanied by machine gun units and tanks. In local disturbances in the coal fields in Huerfano County, troops used from November 1921, till Jan. 29, 1922, and in the last week in January they were sent into Routt country.

Utah: Martial law declared in Carbon county and troops sent on June 14th.

Kentucky: Troops policing the coal mines at Madisonville.

Pennsylvania: Mounted state police and special deputy sheriffs, armed, and in many cases equipped with machine guns, on duty everywhere in mining districts.

3. Railroad Strike: State troops mobilized in Ohio, Indiana and Kentucky. Actually on duty in Kansas (Parsons, where there is virtual martial law) in Illinois (at Clinton and Bloomington, equipped with machine guns) in Missouri (New Franklin), and New York (Sloan and Hornell). U. S. marshalls are in control in Aurora, Ill., and Slater, Mo. Demands for troops have been made by the railroads to the governors of Alta., Cal., and Ia., in addition to the above named states.

4. Packing House Strike: Troops were on duty in South St. Paul, Minn., for about three months, starting early in December. Troops were sent to Nebraska City, Neb., and martial law declared on January 28th.

5. Local: With one intermission of two days (Jan. 28-Feb. 1.) troops with machine guns and

tanks have been in control in Newport, Ky., during strike at steel rolling mills, since Dec. 25th, usurping civil government despite official protests.

In the meantime, in spite of the general acceptance of the fact that use has been made by the courts of professional crooks and perjurers to secure conviction against Sacco and Vanzetti, now under sentence of death in Massachusetts, and Mooney in California, these men are still in jail awaiting, obviously, not the pleasure of the courts but the pleasure of the commercial interests affected in those areas.

Gompers & Co. will continue to prate about equality before the law in spite of the fact that there can be no equality anywhere between the wage worker and his master.

SECRETARIAL NOTES.

FINAL returns of the Manitoba elections are not yet to hand, the figures so far as we at present are aware being, for Comrade George Armstrong, 1275 votes, which represents ninth on the list of 43 candidates in the city of Winnipeg for 10 seats. The surplus of votes from Dixon seems to go to Farmer and Ivens, and we may say in passing that we have no kicks to register on that account. Some other surplus votes have tagged themselves on to Armstrong's name, second choice ballots placing him at 1570. These figures must not be taken as complete, as the official returns are not yet compiled.

Comrade Lester has left Winnipeg and is now in Calgary, where he has already had several meetings on the street corner and on St. George's Island. He will stop off at Kamloops for a day or so, meetings having been arranged there by Comrade C. F. Orchard. We expect his arrival on August 1, and that he will speak in Vancouver at the Star Theatre, Sunday August 6th at 8 p.m., subject: **Two Years Abroad.**

Speaking of Calgary, it should be noted that the Headquarters of Local No. 86 are at 134a 9th Ave. West. Business meetings are held every alternate Tuesday, at 8 p.m. Propaganda Meeting every Sunday, St. George's Island, (under the big tree) at 3 p.m.

All members-at-large in Alberta and Saskatchewan should note that the secretary of the Alberta and Saskatchewan P. E. C. is R. Burns, same address as above.

HERE AND NOW.

It looks as if we'll have to call in the Salvation Army finance commander or call in the literary undertaker to perform the solemn rites. Either that or appeal to the honorable the Mayor for the freedom of the city to have a tag day. The results of our perpetual monetary sermons under: "Here and Now" would wear the edges off the conscience of Mark Tapley.

It occurs to us that perhaps nobody knows what "Here and Now" means. Not many appear to know anyway, and we present the figures to prove it. "Here and Now" means Clarion subs.

Every other paper but the Clarion regularly boosts itself. Every other paper has to. The Clarion readers attend to that job. Send for sample copies and increase the number of readers by distributing them.

Following \$1 each: J. A. McDonald, T. Regan, Wm. Thomas, R. Sinclair, Wm. Cunningham, S. P. Oakland, D. J. Sullivan, Wm. J. Kennedy, J. J. Albers, Alf. Lieu, Mrs. Griffith, T. R. Salusbury, S. Williams, R. Emery, Harry Snell, C. C. Wellerman, R. Garden, R. O. Robson, Wm. Murray.

Following \$2 each: J. Bennett, J. Olson, D. Stewart, Sid. Earp, Alex. Shepherd, J. C. Blair.

Wm. Pardy, \$1.75; W. Hoare \$2.25.

Above, Clarion subs. received from 14th to 27th July, inclusive, total \$55.

The Development of Policy in Soviet Russia

Editor's Note. — The following article, by I. Maishi (Chief of the Press and Information Dept. at the People's Commissariat for Foreign Affairs) appeared in the "Manchester Guardian Commercial," July 6, 1922, and is reproduced here (in two issues) because it comprises a brief, comprehensive statement from a Soviet official, tracing the development of policy in Soviet Russia from February, 1917, to date.

THE changes which Russia has undergone during the Revolution have been so tremendous in their depth and scope as to give rise in many people's minds to a feeling of fantastic unreality. Only six years ago Russia was ruled by the despotism of the Tsars—today she is the first and only Socialist Republic in the world. At that time she was the bulwark of international reaction—now she is the standard bearer of world-revolution. There is no instance in history of a similar transformation. It is not, therefore, surprising that the Soviet Republic has hitherto in the eyes of the rest of the world been surrounded by a halo of legendary myth. Through the mists of legend it is impossible to see her clearly. But since the iron necessities of economic, political, and commercial life demand that the civilized States should as quickly as possible renew the broken relationship with Russia, it would not be out of place here to consider what in reality has taken place and is still taking place in that "mysterious" country.

The Provisional Government

In February, 1917, the Government of the Tsarist despots was overthrown by the united efforts of the workers, the peasants, and the liberal bourgeoisie. The Provisional Government which came into power embodied economically the interests of private ownership, and politically professed the principles of a moderate democracy. It is enough to mention that during the first five months of the Revolution the Provisional Government could not make up its mind formally to declare Russia a republic.

During the course of its short existence (from March to October, 1917) the Provisional Government more than once changed its character. At first it consisted almost entirely of the big liberal provincial bourgeoisie: at the head of the Government stood Prince G. E. Lvov; the Minister for War was A. Gouehkov, the Minister for Foreign Affairs was P. N. Miliukov. The more democratic elements had only one representative in the Government—namely, the Minister for Justice, A. Kerensky. Such a Government could not maintain itself for two months. For a country in the grip of revolution it was far too moderate, and towards the end of April, 1917, under the pressure of the masses of the people, the Provisional Government underwent its first reconstruction: into its formation now entered, together with the liberal bourgeoisie, Right Wing Socialists also i.e., representatives of the Socialist Revolutionary party and the Social Democratic party (Mensheviks). The new Provisional Government styled itself a "coalition," and economically represented the interests of the large and small propertied town bourgeoisie. Politically, however, it maintained its course towards a bourgeois democratic republic. During the subsequent months it more than once changed its personnel, and to some extent its party composition, but remained unvaryingly a "Coalition" Government uniting Liberals and Right Wing Socialists.

But even this Government, more democratic both in composition and outlook, could not satisfy the wide circles of workers and peasants, for it was unable to give a satisfactory reply to the masses upon the burning questions of the moment. The peasantry coveted the land; but the Provisional Government could not at once make up its mind to give them the right of ownership, and put off the solution of the agrarian question for the Constituent Assembly, the exact date of the summoning of which was unknown. The proletariat desired the nation-

alization of the factories and workshops; but in the Provisional Government the inviolability of capitalism was openly declared, and here again the introduction of every important social reform was postponed for the Constituent Assembly. The whole country was united (with the exception of a few handfuls of privileged persons and a part of the intelligentsia) in demanding the cessation of the imperialist war, but the Provisional Government announced an offensive upon the Russo-German front. The whole of its policy was feeble, nerveless, and provocative. It seemed to set out deliberately to irritate the masses and to expedite its own downfall.

The Soviet Power.

Subsequent events are well known. In October, 1917, the workers and peasants of Russia rose up. The "Coalition" Provisional Government fell, and in the person of the Council of People's Commissaries the Communist party came into power. This party embodied the interests of the town proletariat more than any other, but it also based itself upon the wide masses of the revolutionary peasantry, and upon the many millions of soldiers at the front. It was the mouthpiece of the masses, and when it found itself at the helm of the State it quickly and decidedly responded to their demands. The war was brought to an end and the army demobilized. The ownership of the land was transferred to the peasants. The proletariat was guaranteed security of its interests and, assured a controlling hand in production. In contradistinction to the policy of the Provisional Government, the policy of the Council of People's Commissaries was firm, decisive, and consistent. It destroyed much: many a Gordian knot it cut with a stroke of the sword; but this is essential to every revolution. To assure that its policy should be executed, the Communist party established the dictatorship of the workers throughout the country. This was achieved by the aid of the Soviets, which are distinguished from the parliaments and the municipal governments of the West chiefly by the fact that the right of election to them is limited to toilers (workers, peasants and employees). For non-toilers and exploiters there is no place in the Soviets.

Naturally, when the Communist party came into power it could not do otherwise than embark on a Communist policy. However Utopian they may have been, it is not true that the Communists in twenty-four hours decreed the complete abolition of private property in Russia. But it is true that they consciously and definitely placed before themselves the task of socializing the means of production and exchange.

In the beginning the Communists manifested in this respect a certain degree of foresight and caution. During the first eight months of the Communist Revolution only foreign trade, banking, the railways, water transport, and certain less important branches of industry were nationalized. Most branches of industry were put in charge of mixed directorates, consisting of representatives of the workers and the owners. Private internal trade was maintained, as was also the acquisition of food by the State by means of purchase and exchange of goods. There was also promulgated a decree on the food tax very similar to the decree of 1921.

The Influence of the Civil War.

This cautious policy had, willy-nilly, to be abandoned the moment the civil war broke out. When the Czechoslovakian army rose up against the Soviet power on the Volga, when later began the attacks against the Workers' and Peasants' Republic by Kolchak, Denikin, Wrangel, Yudenich, and other White Guard generals, subsidized by the Entente, the first duty of the Republic became to create an

armed force capable of beating off the enemy and of defending the conquests of the Revolution. The difficulties of the task were colossal, but they were overcome. Within two years eighteen armies were created, literally out of nothing, and flung against the oncoming reaction. At the conclusion of the civil war the Soviet Republic was maintaining more than five million persons under arms.

The army had to be fed and supplied with boots, clothing, and rifles. In view of the inadequate resources of the Government it was difficult to purchase food from the peasants, and therefore recourse to the method of requisition became inevitable—i.e., all superfluous food was compulsorily confiscated and only partially paid for in money and goods. The production of clothes, boots, and war materials was hindered by the sabotage of the owners still remaining in the factories and workshops, so it became necessary to nationalize the industries supplying the army, and these consisted of no less than three-quarters of all the large industries. In addition, in the interests of the front, it became necessary to impose strict control even upon small and home industries, with the result that these lost their independence and might almost have been regarded as nationalized.

As the result of all this, towards the end of 1920 the Soviet Republic had the appearance of a country in which the State was an undisputed monopolist in the economic realm; it directly managed trade, transport, and industry, and its policy of requisitions produced such profound effects upon peasant economy that it, too might have been considered as a component part of general State enterprise. For a country in which four-fifths of the population consist of small proprietors, such a system was undoubtedly premature, but it was brought about by the necessities of war, and was maintained in the hope of an early world-revolution.

The New Economic Policy.

But the war came to an end, and the country was again enabled to begin its transition to a condition of peace. Now that all the enemies of the Republic were overthrown and its independence secure, the question of the restoration of the national economy became one of first importance. Seven years of ceaseless war and three years of merciless blockade had severely shattered the well-being of Russia. Hundreds of factories and workshops were either closed down or destroyed, railway transport had considerably deteriorated, and the construction and the repair of buildings had almost completely ceased. In addition, thanks to the terrible losses in workers upon the field of battle, and also as a result of the military necessity for requisitions, agriculture had fallen into decay: the area of cultivation had decreased almost by half in comparison with pre-war days. The number of working cattle had been reduced still further. Decisive measures were essential for the restoration of Russia's war-shattered economy. And as in view of the political situation in Europe it was useless to count upon a world-revolution, the Soviet Republic recognized the advisability of adopting the so-called "new economic policy" set forth by Lenin in March, 1921, at the Tenth Congress of the Russian Communist party. The significance of the change amounted to this: as the complete realization of Socialism in Russia, while capitalism still existed in the rest of the world was impossible, the Soviet Republic with her advanced economic position—and because it is advanced therefore difficult of defence—must retreat to its second line defences. Here she will remain until the hour of revolution shall have struck for Western Europe.

Since that period a whole year has elapsed, and
(Continued on page 7)

Economics for Workers

BY PETER T. LECKIE.

PRICE.

THE subject of Price should be more readily understood after the discourse we had on money, but before we study the subject from the Marxian standpoint it might be as well I should give a summary of one of our Toronto College professor's lectures to get his viewpoint.

His subject was "Competition and Prices" and the illustration was an isolated community. In this community were four people with varied technical skill called A. B. C. D. He assumed the four hat makers produced all the hats necessary for that community making a living and some a profit, selling the hats at \$1.80 each.

A. (a superior workman) Cost is \$1.40—40c profit.

B. Cost is \$1.50—30c profit.

C. Cost is \$1.60—20c profit.

But D. can only make a living at \$1.80.

The others, making a profit, secured an advantage, and their capital grows like a snowball, it being easier for A to save than the others owing to his efficiency. In this isolated community note—the professor says—an influx of emigrants with no hat makers amongst them; the demand for hats sends prices up.

E. who is called a potential producer could not produce hats at \$1.80 but can do so now because prices have risen to \$2.00, E. can now make a living; the profits of the others increase.

He said that is what happened in Canada in munitions during the war, but he forgot to explain why munition prices fell. A. has accumulated capital and wants to make more profit; goes to B. (a good worker but of poor business ability), and asks him to come in with him and not have the worry of selling his hats. B. probably produces more hats through the aid of A's machinery and A. B. have more hats to sell than they had as individual producers. They offer to take in C. and buy him out with 8% bonds. A. B. C. now control the hat trade, assuming no imports or emigrants.

This puts the price of hats very high. People may stop buying hats and wear caps. They find they have overshot the market and, although there is a big individual profit, the total profit may be less than if they sold the hats cheaper through having a bigger turnover or before the monopoly. Monopolists realize they must sell to realize money. They cannot sell above the competitive price previous to the monopoly. To wind up the price question he said, "When F. G. H. started producing hats, prices would fall, maybe below the original \$1.80, and then the howl went up about the immigrants or foreigners."

The above is practically a learned professor's lecture on prices. It is simply the fallacy of price being value determined by the law of supply and demand. This law is only a regulator like the pendulum of a clock, but we know that the winding of the clock is the cause of its motion. So with value; labor is the winder, or the cause of value; supply and demand is the pendulum, to regulate the law of value.

Let us see the difference between our theory of price and that of the professor. Price is the monetary expression of value. Gold and silver are measures of value because labor is embodied in their production, and this labor is compared with the labor embodied in other commodities.

Although gold has become the universal commodity and equivalent, expressing values into price, it cannot determine its own value, as an ounce of gold is still an ounce and its value can only be expressed when brought into exchange with another commodity for its equivalent. Some people argue there are still 100 cents in the dollar. It does not mean any more than that 16 oz. still make 1 lb.

Every trader knows that he is far from turning his goods into money when he expresses their value into price or imaginary money. It does not need a great quantity of gold to estimate in that metal millions of dollars' worth of goods. Marx tells us in Vol. III of "Capital": "A thing can have a price without value."

Marx says: "Objects that in themselves are not commodities, such as conscience, and honour are capable of being offered for sale by their holders and thus acquiring through their price the form of commodities."

"Hence an object may have a price without having value. The price in that case is only imaginary like a certain quantity in mathematics. On the other hand, the imaginary price-form may sometimes conceal either a direct or indirect real value relation, for instance the price of uncultivated land, which is without value, because no human labor has been incorporated in it."

To make gold a standard of price a certain weight had to be made as a unit.

One ounce of gold therefor equals \$18.60 or £3 17/10½.

Marx says: "A general rise in prices of commodities results from either a rise in their value while the value of money remains the same, or from the fall in the value of money while the value of commodities remains constant."

Because gold has a fixed price people are apt to believe it has a fixed value. But things are not what they seem to be on the surface, and the belief in the stability of money is analogous to the belief of our ancestors with regard to our solar system being stationary. Today we still talk of the sun rising although we know it does not, but our poverty of language has not been able to change this phraseology since we discovered that the rotation of the earth was the cause of day and night and not the sun rising.

Marx says: "A change in the price of commodities is always traceable to actual changes in the value of commodities that is to say, to the changes in the socially amount of necessary labor time required in their production."

"Although a general rise in prices of commodities is caused either because they rise in value while money remains constant or from a fall in the value of money while commodities remain constant, it does not mean a rise in money value will necessarily mean a proportionate fall in the price of commodities. Such proportion only holds good where the value of commodities remain constant."

If commodities fell in value proportionate to the fall in the value of gold, prices would remain constant, e.g.:

1 unit gold—1 dollar—4 lbs. butter—25c lb.

2 hours 2 hours 2 hours

If values fell proportionately to 1 hour:—

1 unit gold—1 dollar—4 lbs.—25c lb.

1 hour 1 hour 1 hour

A rise and fall in the prices of commodities is in the last analysis determined by the rise and fall of their value. Once we realize and understand that the value of the precious metal, gold, from which money is coined is determined by the socially necessary labor embodied in its production, we will not be confused by the palliatives put forth by our reform tinkers.

If the price of wheat has changed alone while all other commodities remain constant, the conclu-

sion must be drawn that the change was due to causes affecting the wheat alone.

If the price of wheat was much above production cost there would be an abnormal profit. Capital and labor would be attracted to that line of industry and prices brought down through competition. If prices were below cost of production capital and labor would withdraw, supply would be cut down and prices would rise. This is how the law of supply and demand regulates prices and compels commodities on the average to sell at their value.

If the quantity of gold in circulation increases, prices rise. This rise in prices affects all implements and material used in gold mining, as well as the wages of the miners, and diminishes any extra profit obtained with increased gold production. If increased gold production did not increase prices, labor and capital would find better employment in gold mining with abnormal return. If the price of commodities is out of relation with their value those producers who obtain a price less than the value will transfer their energy to the production of commodities where the price is superior to their value. Hence the supply of the latter commodities increases while the former decreases and the process continues until the commodities are exchanged at their value on the average.

This was well illustrated at the outbreak of the "Great War" when munitions were selling at an abnormal price and profit. We saw a number of firms transferring their activities from producing agricultural implements to that of munitions, until those who were last in the field found the profit was no larger than it was in their peace industry. Capital and Labor left other industries to enter munitions. It is through this transference of capital and labor that the production of any given commodity, gold included, is automatically regulated.

The European mines had to close up in the 16th Century when the great stream of precious gold and silver entered Europe from the newly discovered lands of America.

Adam Smith tell us in his "Wealth of Nations," "After the discovery of the mines of Peru, the silver mines of Europe were for the greater part abandoned. The value of the product was reduced so much that it could not pay the expense of working there."

If the miner produces more gold in a given time it is extra profit to the mine owners, but this condition cannot last long because it surely will increase prices if production in other commodities has remained constant.

The peculiar difference of an increase of gold to that of commodities is this: If gold production increased 100% while commodities remained constant, prices would double; gold's utility in exchange would not alter, but if wheat production be doubled from one to two bushels it would have twice the utility of satisfying hunger even although its exchange value fell.

The stream of new capital and labor to the gold fields or any other industry that is paying above the average rate of profit will continue until the rise in the price of other commodities reaches such a point that the extra profit in gold mining will cease. This is where the law of supply and demand function in regulating prices so that commodities on the average are sold at their value.

To illustrate let us say gold mining is profitable and capital and labor leave the production of boots which is not profitable. You will have a lessening in production of boots and a greater demand with the growth of a gold community, with its retailers to serve the gold miners with boots. The price of boots rises until, perhaps not only the average rate of profit is obtained but an abnormal profit, then labor and capital will leave gold mining and return to the boot industry.

If, however, the increased demand for gold was met by an increased production of commodities and the earlier abnormal profit in gold mining restored, you have capital and labor flow once more to gold mining with an increased demand for commodities and a thorough going era of prosperity, with increased prices.

The gold producer is the only producer that does not have to sell his product, as his is money, and enters the market not as a seller but as a buyer. The demand he makes is quite independent of the market conditions in so far as he is the only producer who does not need to sell before he is able to buy.

Some people put forth the argument that production throughout the world has increased enormously: iron 70% increase; coal 45%; while gold is only 32%, and gold is only 1½% to the total of all commodities; how can gold affect prices? The reason is, the yearly production of gold is not set off against the yearly production of commodities and the significance cannot be measured by the quantity of yearly production. Commodities make a trip through the market, are consumed, and therefore disappear, but with gold, once on the market always on the market; it does not leave it but augments all previous yearly gold production.

Prices state the value relationship, or ratio between commodities as measured with the dollar's worth of gold.

In the Canadian Bankers' Journal I once read: "Changes in price levels are usually the result of the disturbance existing between the quantity of purchasing medium afloat in a community and the quantity of commodities or purchaseable goods that are offered for sale. When two pieces of money are running after one loaf, one piece of cloth, etc., where before there was only one piece of money, goods get dear and money cheap. Wherever there is more money of one kind and another, seeking to buy goods, than there are goods seeking to buy money, prices must rise."

An increase of prices on account of a large addition to the money supply has more than a national effect. If for instance one country had a large increase in its gold supply which sent its prices up, the demand for imported cheap goods would be made, and exports would fall as a result of high prices at home. The result would be an export of gold to pay the balance of imports over exports. The country receiving that gold would have an increase of prices. Therefore, the only advantage a country derives from an increased gold supply is simply that it is the first to feel the effect of increased prices, but it cannot expect to retain more than its share of the increased gold supply so long as trade remains international.

An increase in government paper money has the same effect, by raising prices in the home market exports fall and imports increase; the balance, having to be paid in gold will increase prices in the other country. When the price of wheat goes up abroad it correspondingly rises or falls at home, for the price is governed by the world's market, we are so interrelated one country with another, that a trade depression in one country soon affects the mechanism of all countries. I will leave off here to continue prices up to 1914 in our next lesson, following same with a history of the war prices from 1914 to date.

ECONOMIC CAUSES OF WAR

By PETER T. LECKIE.

NOW READY.

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Blue Book Misery

By C. LESTOR

I got hold of a Blue Book the other day and I understand now why Marx had the patience to wade through so many of them in his day. The one I was looking at is over six months old, but it is packed with useful and amusing matter. Take Sir Robert Horne, speaking on the Trade Facilities Bill, 25th October, 1921:

"It will be said, no doubt, as I see it frequently stated in the press, that it is no good doing these things until you have stabilized the exchanges. The state of the exchanges is a symptom, it is not a cause which you either eradicate or alter. You might as well ask the master of a ship in the middle of the Atlantic ocean to stabilize his craft as to ask somebody to stabilize the exchanges of Europe."

Colonel Wedgewood:

"Stop printing paper money."

Horne: "If you have an adequate production of wealth you will not require to print paper money."

Sir Donald MacLean: "Since the days of the armistice up to the end of the present financial year we have spent on the navy, the army and the air force very little short of £1,000,000,000, and our example has been followed or worsened by the efforts of European countries, small and great, old and new."

Sir W. Raeburn: "A great many of the trade union leaders who speak with one voice here and another voice outside are maintaining a constant demand for the abolition of the capitalist system. In other words, they are wanting constantly to abolish us and at the same time they expect us to show them good will and to co-operate with them. The feeling on our side is one of goodwill."

Mr. Lambert: "I listened to my hon. friend on the labor benches the other day who said the local authorities were at the end of their tether. So they are, but is not the government at the end of its tether too? To imagine that the government has an inexhaustible store of revenue to pour forth to a hungry world is, to my mind, quite beside the mark."

Mr. Samuel: "If we look at the position of the markets in nearly every part of the world, South America, India, China, Japan, Australia or wherever you go, it is an extraordinary fact that, where we thought that the markets were going to be depleted of stocks after the war, in nearly every case there is sufficient stock to carry on and to supply the needs of the people of the country."

"When the war was ended there was an enormous rush for stocks in this country. Everybody thought it would be very good business to buy up those stocks and ship them out to the different mar-

kets. They did so, but the markets did not respond, and a great deal of the stocks which were sent out remain in those markets unsold. The consequence is that the merchants have large stocks on hand on which they have taken advances from the banks."

What do you think of that now? When the British House of Commons starts worrying it is a sure sign that the trouble must be bad.

Lieut.-Colonel Hurst:—"From a Lancashire point of view the key of commercial prosperity lies in India. It does not lie at the present time in the impoverished countries of Central Europe, and the ports of India are simply blocked with manufactured goods sent there from Lancashire in pursuance of orders received from India at a time when cotton stood at a very much higher value than at the present time. . . . 'The fall in the value of the India currency has had a terrible effect on Lancashire, and you have to correlate the effect of the boycott by the Swadeshi movement run by Mr. Gandhi. In any country except our country Mr. Gandhi would have been hanged long ago. It is toleration of that kind which makes this Empire what it is. During the war we talked a lot about self-determination. It was very useful indeed as a solvent in fighting against the Central Powers. Unfortunately, the war cry of one year becomes the folly of the next, and we are now paying all over the world, particularly in India, for having preached that doctrine in an emergency."

Sir Arthur Michael Samuel:—"Money has been lent abroad by British investors, and the loans have been arranged in the City of London, and this money has done a great deal to build up our export trade.

The money did not go out in bags tied with ribbon—in bags containing yellow gold—it went out in rails, in machinery, in locomotives and in rolling stocks. We lent money to Canada. We lent money to Mexico, to Queensland and other countries, and now we see, having lent money to those countries, they have attracted our capital from us and they only confiscate it or destroy its earning power. . . . So it is with Canada. We have lent money to Canada to develop her country. We built her Grand Trunk Railway; she takes it without paying for it. These are the markets which of late have failed us."

I think this is long enough, but I hope I have interested some of the boys sufficiently to induce them to spend six cents occasionally on a government Blue Book.

The system has reached that stage when the House of Commons is compelled to discuss openly economic questions, and this provides the class conscious slave material for good propaganda.

DEVELOPMENT IN SOVIET RUSSIA.

(Continued from page 5.)

much has been changed in Russia in this short interval. Requisitions have disappeared, giving place to the food tax; free trade has come into existence and is strengthening itself; markets have revived, and the streets are enlivened by signs and shop fronts; private trade has begun; banks have opened; co-operative societies have revived; and the monetary system is returning more and more into force. At the same time the State has begun to reduce its economic activities and to surrender a number of functions which it formerly fulfilled, and in its practical work is adopting the methods and customs of State capitalism. The essence of the evolutionary process which Soviet Russia has undergone during the past year may be briefly stated thus: The Communist power has entered upon the path of the partial restoration of capitalism, adopting some of its more important characteristics and methods.

The Limits of Retreat.

Many people, especially among the opponents of Communism, observing this process of retreat, maliciously point their fingers and assert that Communism is bankrupt. They further declare that Com-

munist will now be obliged to retreat until capitalism has been fully restored.

Is this really so? What are the limits to the retreat which the Soviet Republic is now making?

Let us attempt to answer this question.

History affords indisputable evidence that revolutions, especially those profound truly mass revolutions, invariably leave marked traces upon the political and economic structure of the countries in which they have taken place. Even where the revolution is followed by counter-revolution, development never returns to the point at which the revolutionary process began. Even less is such a result to be expected where the revolution has been triumphant and has overthrown its enemies. Such was the case with the Russian Revolution. The motive force of the Russian Revolution was, and is, the ideology of the proletariat. It sought to find its expression in the stormy incidents of the last four and a half years. The Revolution triumphed. Can it be that the economic and political structure of the Republic will remain as though victory had never been? Can everything return to its former condition? Can the retreat really end in pre-war capitalism?

(To be concluded)

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-increasing 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.

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"It will do a wonderful work in this the greatest crisis in all history."—Truth.

Through the kindness of a friend, we have come into possession of a story which is really too good to keep. The hero of the tale is a certain Mr. Stevens; we have forgotten his first name but no doubt our readers will recognize him as the representative at Peking of the American banking-group in the new International Chinese Consortium. Following the fashion set by Mr. Thomas F. Lamont, Mr. Stevens was engaged one day in entertaining a group of acquaintances in Peking with an account of all the great things that the consortium would do for China. Among those present was a reporter, properly characterized as blunt and British. At the close of the sermon, he said to Mr. Stevens that he supposed the bankers expected, after all, to collect interest on their money; and to this remark Mr. Stevens replied, "By God, sir, I've never been so insulted in my life," and immediately thereafter departed in a fury of righteous anger.—The Freeman (N. Y.)

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DISTRIBUTION.

BY SID. EARP.

THE President of the United States of America recently declared that the problem of distribution "is one of the greatest economic problems of modern civilization." This is simplicity with a vengeance and, coming as it does from such an authoritative source, the proposition is worthy of attention. Perhaps, in the near future, a conference will be held where the problem will be given the same deep consideration as were the questions of disarmament, German indemnities, recognition of the Russian Soviet, etc., etc., with which the newspaper reading public have been entertained of late. Set down in more comprehensive language, the utterance of President Harding implies that the greatest difficulty at present before mankind consists in the failure to regularly dispose of its socially created wealth.

Now, the recognition of any difficulty also carries with it some knowledge of how the difficulty arises, as well as an opinion relating to its solution. As a representative of the governing interests of America, any opinion expressed by the President as to the solution of this "greatest problem" would naturally contain certain reservations which, from a social point of view, would cause the opinion to be treated as impractical and valueless. And rightly so. However, stating the problem is as far as the President goes in the matter; whether he is correct or otherwise is a point that might be profitably discussed by others.

In the different ages through which mankind has passed many difficulties have been encountered and overcome in one way or another. But in no instance has the question of the disposal of a surplus of wealth caused the anxiety or uneasiness that it now does. Unconscious of the cause, modern society is striving by various methods to solve its own problem: how to find markets for the sale of its wares. For in this process of buying and selling is bound up the welfare of the whole of society under Capitalism.

A time will come when the disposal by sale of surplus wealth will be an impossibility; and the problem will become one of ownership. A solution will be found, as it must. But not by conference and debate will it be found. A superior force will triumph as it ever did, and there will be no place for neutrality. In the clash of conflicting interests society may rend and tear itself to utter exhaustion, but it will live. With a consciousness of their social value, and recognizing the power which is theirs to wield, freedom will come to the working class. At the present they passively accept a rating of inferiority; they do not realize their worth. An equitable distribution of wealth can only come in a classless society where the producers of wealth will have free access to that which is socially produced.

In the Capitalist system, with its payment of wages to the working class, is to be found the cause of the problem of distribution, and in the abolition of that system will the problem be solved. Modern civilization has reached a point in its development when world wide disaster can only be averted by a widespread understanding of the true character of Capitalism in the minds of its slaves. In their ignorance lies their weakness and servitude; in their knowledge will they find strength and independence and a fairer world to live in.

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