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FIVE CENTS

The Evolution of Industry

BL. W. McLAINE.

THE enclosures did not merely end the Feudal system as an economic institution; they produced important results in the towns and the industries. Sheep-rearing required much less labour than did ordinary farming, and more men were free to take part in industrial activity. The growing volume of trade and the widened area of the market gave many of them their opportunity, but the monopolists of the towns stood in the way. The men were there, the opportunity was there, and men and opportunity combined were a force far stronger than Guild regulations or legislative enactments. The towns lost their hold upon industry, and the Craft oligarchy decayed, but before the Craft Guild passed away, the smaller men within it, the journeymen and small masters had already been crushed out of its ranks and had formed the journeymen's associations, as distinct from the larger bodies which had become transformed into the pompous, ceremonial livery companies—no longer progressive, but reactionary to the highest degree.

Domestic Industry.

During the 15th Century, the decay of the towns became pronounced. Enterprising craftsmen who desired to be free from Guild control and hampering regulations, moved out of the towns and settled in the country districts, together with many a newcomer into industry. Industry was still in the handicraft stage technically, but the degree of specialisation was more pronounced, and became still more so as the Domestic system became more firmly established. The country, too, was becoming one economic whole instead of being, as hitherto, a mere collection of almost isolated municipalities, each well-nigh as self-contained as the family or village on a smaller scale had been. In the day of the Guild each town produced practically all it required in addition to the goods passed on to the merchants. With Domestic Industry, however, there began that localising of industry which is so marked a feature of the present, when Lancashire and cotton, Yorkshire and wool, Birmingham and small metal ware, and the Clyde, Mersey and Tyne and ships are synonymous terms. The specialised locality needs a freer movement of people, and a better means of communication than were possible before the 15th Century. Thus did one phase of development make another phase possible just as is the case today.

Some Features of the Domestic System.

Scattered about in various parts of the country, and particularly in rural Lancashire, there are still to be found stone cottages, of ordinary appearance except for the large number of windows contained in the upper storeys. In these upper rooms, and sometimes in sheds adjoining the house, before the factory had come into its own, the domestic worker, aided by the members of his own family or by an apprentice or a journeyman or two, spun wool or wove the cloth for the distant market. In the early days of the Domestic system, the first craftsman either provided his own wool from the backs of his own sheep, or bought and then spun it into yarn. Having thus performed his industrial function, he sold his finished product, which then became the raw material for the weaver, who in turn worked upon it, and then sold it to the dyer, and so on to the finisher, etc. The last craftsman was thus in possession of a finished commodity, for which he had to

find a market. Each craftsman, though a specialised worker in relation to the product, was by no means a worker only. To the extent that he bought raw materials and sold his finished product, he was a merchant. To the extent that he employed a journeyman or an apprentice, he was an employer. To the extent that he supervised these workers he was a foreman, and to the extent that he himself functioned as a craftsman, he was a worker. Merchant, employer, foreman, worker, truly a many-sided industrial figure. The craftsmen at either end of the productive process, those who purchased the original raw materials and those who finally disposed of the finished commodity, in the course of time tended to devote more of their time to the purely merchanting function, and gradually they became wholly absorbed in the work of market finding. Their evolution was accompanied by a corresponding change in the position of the other craftsmen, who became more and more dependent upon them for materials and for the disposal of their goods. This delegation of functions took two forms. There were the merchants who bought raw materials and sold them to the craftsmen, who worked upon them and then sold them as outlined above, sometimes selling them ultimately to the same merchant. There were also those merchants who owned the product at every stage, and only gave it out to the craftsmen to be worked up. This latter class was a distinct advance upon the former and represented in embryo the employing class of today—the class owning the product and paying wages to those whose labour is embodied in it.

It was these merchants, these thrifty-souled individuals, puritanical in outlook and in sentiment because it was economically essential that they should be, who came into conflict with the last refuge of the Feudal System—the Feudal State. Finally, because they had become so important in the economic sphere and Feudal legislation and Government hampered them at every turn, they were forced to oust personal government by kings who believed in their own Divine right. They became the revolutionaries of their day, and carried through the first stage of the Capitalist Political Revolution—the Revolution of the 17th Century. Taxed to support a dissolute line of kings, who, with their hangers-on appeared to have little to do but waste on ostentation and futile warfare the substance of the striving capitalists, obstructed by tolls, fees, and dues on every hand, they, like the townsmen before them, looked ahead and revolted. But, like the townsmen also, when they had secured recognition for themselves, the merchants became as reactionary as those who had been opposed to them, and again and again they compromised with the aristocracy in order that the slumbering fires their own actions had fanned into flames, might be damped down. Revolutionary themselves in their own interests, they did not desire the common people to follow their example, and in the years that followed they or their class descendants crushed out every attempt on the part of the submerged to come into their own.

From village to village, with pack horse or wagon, went the merchants, collecting the goods made by the stay-at-home craftsmen. They amassed wealth in the process, and the industrial workers became more dependent upon them. They formed

their own corporations, and in return for favours given received charters and privileges from needy monarchs. They secured monopoly trading rights in distant lands (Levant Company, 1581; East India Company, 1600. Party sent to Jamestown, America, by London Company, 1607,) and equipped maritime expeditions that sought for new continents, which meant new markets and new trade routes. They bought and sold men in the slave markets of the world with as little compunction as they financed many a privateer whose name is emblazoned upon the scroll of England's heroes. In this they were no worse and no better than the merchants of other lands. "Spaniards and Dutchmen and Frenchmen, and such men," all were engaged in a great contest for the world's best markets, and the contest was made possible by, all the wealth to wage it was obtained from the industry of the people at home, who, because of the greater speculation that had gradually transformed industry, were able to produce a volume of goods infinitely greater than had ever before been possible. But even yet the industrial worker was not completely divorced from control over his own tools. He had very largely lost control over the product (during the 17th and 18th Centuries that movement went on rapidly) but the fact that he owned his own means of production gave him a sense of economic security that he was later to lose. In addition, up to the 18th Century, many, if not most, of the craftsmen could provide to some extent for their wants in the way of foodstuffs. If trade was bad or if some of the numerous wars had closed up some trade route or other, or prevented access to markets, they could still exist upon the produce of their own gardens or small plots. That is not to say that England was a paradise for the craftsman, or that we should emulate those who are for ever looking backward to a condition of things they call "Merrie England," a something that exists only in their own imaginations. Working in a small room or shed was unhealthy, roads were indescribably bad, sanitary conditions were worse, and social intercourse was almost non-existent. But the fact, nevertheless, remains that though "Contentment spinning at the cottage door" is a myth, the industrial population were not completely proletarianised, they were not without some hold upon the means of life, and a journeyman had the knowledge that with reasonable care he could hope to "set up" for himself.

The agricultural population were in a much worse position. Continued enclosures and evictions from the 15th to the 18th Centuries had driven them from pillar to post, had robbed them of practically all their holdings except such as were held at the will of the landlord and could be taken back at his pleasure, and very little indeed was left of the old common lands and the people's rights thereon. Custom and status, the dominant features of Feudal agricultural society, had passed away, and the merchants, traders, and manufacturers turned their attention to land speculation, to marrying into the ranks of the landed aristocracy and to becoming country squires. The methods they had adopted in business with such good results—for themselves—were brought into play in their dealings with the land, which, from being a class preserve of the old

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Political Representation

It is an axiom of political economy that all true political representation must be, and can only be based on definite economic interests.—Marx.

Second installment of chapter 3, Prof. Charles A. Beard's "Economic Basis of Politics."

The next issue will contain the first installment of chapter 2 of the same work. Chapter 2 has for its title "Economic Groups and the Structure of the State" and deals with the character of the grouping of the several economic interests of the national communities and the structure and working of the representative political system in the Middle Age on that basis. Aside from what these essays contain of a general educational value, I have obtained their publication in the Clarion specifically because of what I see as a tendency on the North American continent to a period of re-formation of the lines of political representation by economic groups. The tendency is to the formation of Labor Parties of the wage working interest, of Farmer Parties of the agricultural interest and the gradual merging of the Democratic and Republican Parties in the U. S. and the Liberals and Tories in Canada into a single bourgeois Party in each country by force of defection of farmers and wage-workers. Whether this tendency will develop and mature into a change of the present representative system with whose theory and philosophy, as Beard shows in this and the preceding installment Rousseau had so much to do is a matter for time to tell. But calling attention to my quotation from Marx, I say murder will out, important economic group interest will express itself, no matter how a political representation system departs from reality. In such case, however, there is lag, leak and friction. Better if the appropriate machinery is there to facilitate the translation of economic interest into social fact, as "R" might say. "C"

DOCTRINE OF POLITICAL EQUALITY.

(Continued from last issue)

INDEED, as we look at this system, it seems so unreal, so ill-adapted to the world of industry, and trade, commerce and agriculture, that its implications are astounding. We can hardly imagine how it could become the philosophy of any people. An examination into the course of events, however, makes the explanation clear.

Naturally enough Rousseau's philosophy did not appeal to the French clergy and nobility, who were aware of their interests and of their numerical inferiority. To them the social contract was poisonous and impious anarchy.

To the bourgeois, on the other hand, it presented a different aspect. They had grown powerful in numbers and wealth, and they felt keenly the oppressive privileges enjoyed by the clergy and nobility. They were determined to sweep away the discrimination against them, and to control the government in their own interests. If they did not contemplate the destruction of the clergy and the nobility as classes, they did contemplate levelling them down in their political and economic privileges. The clergy and the nobility had a monopoly of the philosophy of divine right—the moral support of their power. The bourgeois had to look elsewhere for a philosophy to justify such levelling as they contemplated. They found it in Rousseau's Social Contract. Searching for an ethical support for their attack upon two powerful groups, they exalted "the people" as against all special privileges. They were playing with fire and they knew it, but there seemed no other philosophy at hand to serve as a foil for their enterprise. Unwittingly they started a conflict, the consequence of which will last until the end of time.

In the shock of the French Revolution the bourgeois overthrew the nobility and the clergy. They abolished the feudal rights of the former and seized the property of the latter. In their fear of the privileged orders they established a legislature of one

chamber and sought to safeguard their property by a tax-paying qualification on the right to vote; but the logic of their position was fatal. They had proclaimed the rights of man as the moral justification for the destruction of the rights of two classes, and they had at the same time coolly repudiated the rights of man by limiting the application of the doctrine to their own class.

Then followed the Revolution of violence and terror in which radical leaders inflamed the disfranchised by appeals to the gospel of Rousseau and to the proclamations of the bourgeois. To save themselves the latter had to resort to that other great source of authority, the sword. This instrument was wielded by Napoleon Bonaparte, a man who understood the relation of property to political power, and who, through his constitution based on checks and balances, gave stability to bourgeois institutions. Even Napoleon, the Bourbons, and the Orleanists, however, could not stay the onward march of Rousseau and his legions.

But it may be asked, how did this levelling doctrine of universal political equality find a foothold in the United States where there were no official clergy and nobility to be overthrown by the third estate? Well, some writers have laboured hard to show that it is a French creation utterly at variance with Anglo-Saxon tradition—whatever that may mean. In the interest of truth, however, it should be said that the free-and-equal doctrine is not French, but English in origin. Its beginnings among English-speaking peoples may be traced to the flood of speculation that broke loose in England during the seventeenth century when the merchants and gentry were engaged in a revolt against the crown and aristocracy, the clergy having broken a century earlier by the bluff king, Henry VIII, who confiscated much of their property. It was from English defenders of revolution, like John Locke, rather than from French authors, that Jefferson derived the gospel of the Declaration of Independence. Moreover the economic circumstances in the United States were on the whole favorable to the propaganda of that word. There was no established clergy here. There was no titled aristocracy. There was no such proletariat as formed the "mob" of Paris. Land was the chief form of property and its wide distribution among the whites (leaving the slaves out of the account) brought about in fact a considerable economic equality to correspond to the theory of political equality.

Moreover, at the time that America was committed to the theory of political equality, the people were engaged in a revolt against the government imposed upon them under the authority of Great Britain. Like the third estate in France they needed some effective and compelling justification for their extraordinary conduct. Of course the leaders of the American Revolution could have said coldly: "We are fighting for the plantation owners of the South, the merchants and landed gentry of the North, and the free farmers in both sections, in order that they may govern themselves."

Obviously, such a chilly declaration of fact would not have thrilled the masses, especially the mechanics of the towns who enjoyed no political rights under either system, the old or the new. It was necessary to have something that would ring throughout the country. Hence the grand words of the Declaration of Independence: "All men are created equal" and "governments derive their just powers from the consent of the governed." There were critics ready to point out that these high principles did not square with slavery, indentured servitude, and political disfranchisement, but they did not prevail. In the fervour of the moment, Jefferson, while bent on justifying the revolt against George III, in fact challenged the rule of property which was guaranteed by the state constitutions drafted by his fellow revolutionists in that very epoch. Even Jeffersonians, when confronted like Rousseau's followers, with the logical consequences

of their doctrine shrank from applying it. Nevertheless the grand words stood for all time, and advocates of manhood suffrage and woman suffrage afterward appealed to them with great effect in attacking property and sex qualifications on the right to vote.

When once the free-and-equal doctrine had been let loose in the New World and the Old, it was impossible to check its course. Steadily it made headway against governments founded upon a class basis. Steadily it supplanted the old philosophy of politics which gave to property and to estates a place in the process of government. Within seventy years after the Declaration of Independence the battle for white manhood suffrage was virtually won in the United States. Some remnants of the old system of class privilege in politics remained, but they were regarded as anachronisms. Time was to dispose of them. America was committed to the great doctrine that in politics all heads are equal and all are entitled to the same share of power in the government.

In Europe also political equalitarianism has done deadly work in the old order. In England it has not been carried to the same degree as in the United States, but the Lords' Veto Act, levelling down the power of the ancient and honourable Chamber of Peers, is an echo of it, full of significance for the future. In Sweden, in 1866, the four-class system was swept away in favour of a general suffrage. Austria abandoned group representation in 1907. The third French Republic abolished the Chamber of Peers and substituted a Senate, now chosen by indirect election. At this moment China is in the throes of a Revolution due to the struggle between those who would establish a stable government on the foundations of effective economic and military interests, and those fired with a passion for "the rights of man."

The logical application of Rousseau's doctrine of complete and abstract human equality is clear. It means that the number of members in any legislature shall be apportioned among geographical districts approximately according to the number of inhabitants without reference to their wealth, occupations, or interests. It means that all high public officers shall be elected by majorities or pluralities. Man is to be regarded as a "political" animal. No account is to be taken of those sentiments and views which, as Madison says, arise from the possession of different degrees and kinds of property. All heads are equal and, from the point of view of politics, alike. The statesman is a mathematician concerned with counting heads. The rule of numbers is enthroned. The homage once paid to kings is to be paid to the statistics of election returns. Surely, in all the history of thought, there is nothing more wonderful than this.

While this political revolution has been going on, have the economic groups once recognized by statesmen and political philosophers disappeared? The answer is emphatic. It is to be found in the census returns, which, as certainly as the doomsday book of William the Conqueror, record the perdurance of group and class interests despite the rhetoric of political equality. It is to be found in practical politics day by day. Does any one think that a thousand farmers or laborers, going on about their tasks, have the same influence in the formation of a protective tariff bill as a thousand manufacturers represented by spokesmen in the lobbies and committee rooms of the Congress of the United States? Does any one suppose that the exemption of trade unions from the provisions of the Sherman Anti-Trust Law was the result of the platonic wishes of "the people," rather than the determined and persistent activity of the American Federation of Labor?

We are therefore confronted by an inherent antagonism between our generally accepted political doctrines, and the actual facts of political life. In the world of natural science men do not tarry long

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Aspects of Social Change

THE problem of social change is a matter of adjustment from two sides, environmental and personal, changes in social conditions, institutional and economic in the main, and changes in human beings. Let us reflect on the problem from the personal side. I read occasional argument that seems based on the assumption that the problem on the personal side is one of change in ideas, that is, a change that is merely of an intellectual kind. Reading or listening to such theorizing I am tempted to ask why some people have one line of reasoning for their social theorizing and another one for work-a-day life when they see human beings as they really are, creatures not moved, controlled and directed by reason in the bulk of activities, but rather their activities, both mental and physical, moving in the groove of habits and conventions that are social inheritance. We are all born into a world ready-made creatures of raw, untutored impulse. Immediately, this conventionalized world seizes upon us and by the time we are a year old we already branded for life. Man is the mirror of his social environment. He reflects the world not alone in a mere intellectual sense, however, but also in all the aspects of his human nature, the world is reflected as from a deep pool rather than as from the shallow surface of a steel mirror.

The intellectual, as an aspect of our nature, is an important one, our hope of the future largely rests upon its achievements. But to reflect a little on the factor of habit in relation to the problem of change, may be worth while. As a base from which to reason from: The psychologists tentatively postulate that in the process of biological evolution thought itself is born of inherited or balked action. May be. And sure enough feasibility is lent to the postulate when, putting cause and effect in the following relation, the phenomena of our mental reactions fall into line with it. So long as our impulsive energies run freely in accustomed and habitual ways of action to the realization of our desires and purposes, so long does thought lie dormant in its critical and enquiring functions.

But let some obstacle block or impede the flow of energy in the channels of habits, or accustomed ways of doing cease to bring us satisfaction, or some great expectation fail of realization, it is then that thought becomes stimulated into activity, real thinking begins and a solution of a problem is sought. If habits are flexible and intelligence is equal to the occasion, a way around the obstacle may be found, the old ways become modified and so still serve the ends of life; or failing that the old way of action may be discarded and new ways adopted which, in time, by interest and repetition, take on the character of habits. But the panorama of history exhibits many civilizations perishing encrusted, hidebound in habits that had crystallized, as it were, into rigidity and thus become unadaptable to the demand of new situations, too deeply engrained in the character of their people to permit of change. We know such habits, as social usages, conventions, customs and institutions, etc. To scrutinize those institutions, etc., is to see that at bottom they are habits of thought; that is to say, our conventions, customs, and institutions are not, at bottom, something outside us, but are we, ourselves. As a social being, man is a cultural being. Comrade Inglis speaks of "cobwebs" and "illusions" as holding the workers in mental bondage. They count for something but not all. If he should think over the nature of social habits, he may apprehend in them one of the forces resistant to change in Russia now, as elsewhere, and sense why the "Age of Reason" is not here yet for all of French revolutionary idealism and zeal. Also, he might not be then so sure about a social and economic system collapsing. The factor of habit is one of the secrets of what we call the "elasticity" of capitalism, and partly the reason why the system did not succumb under the stresses and strains of the war and post-war years, but on the contrary, survives in spite of revolution-

ary attack, and the incredible follies of bourgeois statesmen, politicians and governments. Social systems do not collapse; they die long lingering deaths, if they pass away at all of their own inherent contradictions. "Rome fell, and great was the fall thereof." There is such magic suggestiveness in that phrasing as to deceive those who are not acquainted with the history of that civilization's agonizing centuries of decay.

And yet, this question of "habits" has another and brighter side. Habits, it might be said, to reverse the usual statement of the paradox—habits have the virtues of their defects. Without the capacity to form habits, life would be impossible—either for an individual or a group; or, at best, without the capacity we should be forever fumbling novices in the game of life. Social habits are a kind of skills or arts, much as that of the craftsman. They facilitate life; men's actions become calculable. In group life, they represent organized activities, common ways of life, usages, accommodations, tacit agreements and relationships, economic, industrial, legal, political, educational, scientific, artistic, recreational, vocational, religious, etc., etc. Prof. Jenks calls institutions the organs of the body politic and compares them, as functions, with organs of our bodies. The problem of progress is to keep habits flexible and, so to speak, informed. It is said that in this modern changeable world people are becoming more and more familiarised with the idea of change and therefore less fearful of it, and that opinion gains force in modern communities at the expense of habit. The contention seems reasonable. Stagnant, exclusive communities move in the grooves of custom; and it often either takes the intervention of more progressive peoples from outside to enforce change, or the explosive force of internal revolutions. Modern communities are neither stagnant nor exclusive, though it is to be doubted if they are safe from violent eruptions on that score alone. Life and growth are at the price of continual adjustments to new situations. It is so with Parties, no less than with societies.

Whatever the growth of opinion as a force in political and social affairs, for the bulk of life we shall continue to remain dependent upon habit for carrying on our activities. The conditions of life, institutional and chiefly work-a-day conditions, are the discipline that forms our habits of life and thought, competitive, on the one hand, as the price system under which we live; and on the other, co-operative, as the system of socialized production under which we also live. The Socialist, judging between the respective effects of the principles of competition and co-operation, desires a co-operative society as a good life, he desires the extension in social life of a principle which he has experienced as good only in a fleeting way. One of the ways to that good life is by changes in the conditions of life, environmental changes that form and strengthen good habits of life and thought, habits of social control, the habits, skills, arts of co-operation. For environmental changes, to bring them about and make them work, we must have levers within our personality. Habits are among such levers. Habits once formed have propelling power, they ride us as a rider riding a horse; they are dynamic for progress or for retrogression, according to their character. Every environmental change that creates new habits of co-operation or strengthens old ones, creates or strengthens levers for fresh changes in the environment in the same direction. From the side of habit, I have given in a slight measure the philosophy of reform: the immediate and continuous struggle for the gaining of social controls for the common weal. From that point of view, the revolution is on now, not around the corner where the Wilkins Micawbers wait for a collapse and for luck in the reign of chaos and accident.

Not always however, do frustrated actions or unrealized expectations arouse enquiring and critical thought. Such thought means labour which is

irksome, and painful to our conceit when ideas and concepts are to be reviewed which conform to our desires and prejudices, conform so well that we might a priori suspect them, and have been nursed so long as to take on the character of self-evident truths, requiring no evidence to support them. In such case, often we take the pleasing way, the line of least resistance, and ignore the challenge of experience, shout down disturbing criticism and enquiry as of the very devil—or the bourgeoisie, and even, by implication in refusing to consider it deny there has been any science in a fundamental sense since the first half of the 19th century. That's we Socialists. How prosaically human of us. And we call ourselves scientific Socialists, advanced and revolutionary!! Pish! We be common as muck, level with the rest of the unsophisticated unintrospective herd.

Supervening upon the theorizing pre-war years, came the war in 1914, came the Russian revolution and the stresses and strains of the post-war years—all pregnant, we theorizers of pre-war days would have said, with tremendous and potent revolutionary consequences, but which, as the days went by, gave birth instead to socialist disappointments and disillusionment, and to fresh divisions of the revolutionary Left into warring factions all over the world—Marxians all, the new factions still claim to be, as did the old ones.

Well, old as I am in years, I find I am still responsive to experience, still sufficiently docile to learn a little. This last decade has been a brooding time during which I have been reading what the science of our day has to say on man and on his social groups, his institutions and civilizations. For one thing of importance I find that the labours of the anthropologists and the psychologists have resulted in a new department of science—social psychology—and that under its informing inspiration fresh insights into history have been obtained. Those who follow the pursuits of historical research and criticism, and even the economic theorizers, are coming more successfully to deal with their matter, having actual human beings in mind rather than some distortion of the reality. Moreover, I find that much of Marxism, the economic-materialistic interpretation especially, has been absorbed into the general body of science. The strain of Hegelianism in Historical Materialism has been dropped, its mode is obsolete and the theory of history has become modified, built up by additions through the later work of anthropologists in their investigations into the effect of material (productive, etc.) and immaterial culture (religion, art, science, etc.) upon group psychology, taking habits as the chief interest. These specialists are the so-called culture historians. I speak of this modern science of society and recommend its study, because I know there is a neo-papist attitude towards it among all the left-wing groups. Nevertheless, an increasingly complex world and changeable beyond precedent on its material productive side, a social system made up of a world-wide intricate web of vital relationships, predicated an experimental future and invites that kind of a mind to deal with its problems of social change. The closed mind and fixed ideas invite continual defeat.

Well, while I have been studying the moderns I have also thought over the Marxian philosophy and the Party and Party positions and attitudes, and rather to my surprise I find I do not differ so much with Marx as I do with the Party. Both modern science and I are nearer to Marx than is the Party. Where we do depart from each other, in so far as doctrinal influence is concerned, Hegel is responsible. But then, as I see it, what at bottom was Hegelianism but a magnificent rationalization of the real world to fit desire? Marx was too powerful an intellect to remain under the tutelage of Hegel. He escaped further from under Hegel's influence, I believe, than his critics think, and in building up his science he was too modern, too scientific in his tem-

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VANCOUVER, B. C., SEPTEMBER 2, 1924.

NEW ASPECTS OF AN OLD PROBLEM

WE are in receipt of the following letter which we set forth here as indicative to our readers of the problems facing the British Labor Government:—

House of Commons, London.
1st August, 1924.

E. MacLeod, Esq.
Secretary,
Socialist Party of Canada.

Dear Sir:

I am instructed by the Labour Commonwealth Group of the British Members of Parliament to write and ask your views with regard to the prospect of our different Labour Parties entering into closer relations with a view to the formulation of a Labour Policy for the Empire.

The Labour Commonwealth Group was very sorry that the projected Inter-Dominion Conference was postponed and would like to hear from you whether delegates from your Party could attend early next year. It would be of considerable assistance to us if you would forward any pamphlet publications or newspaper articles which you may have, laying down the policy which you pursue, or propose to pursue, in Imperial matters.

The Labour Commonwealth Group consists of about sixty members of the British House of Commons and we meet regularly for the exchange of opinions and information and have been hearing short addresses from experts on various aspects of Imperial affairs. The Chairman of the Group is George Lansbury.

Yours truly,

L. HADEN GUEST, Hon. Secretary.

Dr. Haden Guest, M.P., is an old time propagandist of the British I.L.P. and member of that organization and is present co-editor with Sir Harry Johnston of "The World Today." The Inter-Dominion conference of British Empire Labor and Socialist organizations was to have taken place some time ago but has been postponed, until now it is set off until 1925.

At first sight it would seem that a body such as our own would find itself palpably unable to associate with outside labor bodies when it finds it impossible to agree with those of a similar kind just over the way. Yet that in no wise detracts from the interest we may manifest in the matter concerning the possibility of a common policy to be pursued within the British Empire among the respective working class organizations which suffer its rule.

It is very true that there is nothing soft and lovable about that word empire. With it we think of Denahawi, Amritsar, Somaliland, The Rand, the present Sudan. The crown, its colonies, dependencies, territories, possessions, protectorates, mandated areas and spheres of influence, all these have endured the visitations of the Bible, the sword, industry and finance capital—in sequence or in whatever order or guise capitalist civilization might at any time find suitable and needful. After fulminating against the ravages of empire these many years it would seem at first sight to be the task of socialists or well intentioned labor men to break its bonds asunder as soon as might be, but to set to at once and with a will. Yet, if it be granted that the British Labor Party must accept the responsibility of government office under such circumstances as present themselves, the fact must be taken into consideration that together with domestic problems and the administrative aspects of home affairs they inherit as a government the administrative problems of empire, some of them unhappy problems—even to the man Thomas.

Although no effort so portentous has hitherto been made by British labor groups to formulate an inter-empire practical labor policy, British empire affairs, particularly as affecting labor operating un-

der the exactions of capital have been the subject of past labor conference resolutions, and individual analysis and interest has been shown from time to time. Thus H. M. Hyndman became something of a recognized authority on Indian affairs, Sir John Gorst on Egypt, R. B. Cunningham-Graham on Morocco, Sir Sidney (now Lord) Olivier on the British West Indies. Now we have Dr. Haden Guest, George Lansbury, John Scurr, M.P., J. T. Walton Newbold and Thomas Johnston, M.P., all very much concerned as to labor's policy concerning empire, the last mentioned pair being busily engaged over a discussion relative to empire dismemberment, each seemingly agreed that British empire dismemberment is not necessarily a point to be aimed at by workers who live and are ruled under the British flag. For the present, that is.

Says Johnston: "What I sought to show was that an Empire of Nations under a socialist inspiration with Home Rule all round and a federated Parliament dealing with Imperial affairs of common interest to all the federated nations might be made a great lever of human emancipation. I challenge and deny the assumption that the dismemberment or abandonment of the Empire into fifty separate states would make either for Peace or for Socialism. (Forward, August 9, 1924).

Says Newbold: "Canada, Australia, New Zealand, Newfoundland and South Africa—these overseas extensions of British settlement, self governing dominions that are as much England (and more Scotland) as Northumberland or Devon, may well remain federated in a Workers' Union with England and Scotland and Wales as any of the component parts of Great Britain or of Ireland. The Dominions are a part of what is today an Empire which can tomorrow—with advantage and without any outrage of principle—be as much integral units of a British Union as Azerbaijan or the Ukraine are of the Central Union of Soviet Republics. But there is a distinction as well as a difference between the Great Settlements and the Empire of India." (Forward, August 9, 1924).

Says John Scurr: "There is a direct relation between economics and politics. Imperialism is a development of capitalism, and the workers may rest assured that any proposals made in the name of Imperial unity of an economic character are in the interests of Capitalism." (This with reference to Snowden's acceptance of Baldwin's proposed Imperial Economic Committee. Ed. Clarion).

Again: "If labor is to control the destinies of this country it will have to face the fact of the British Empire. A mere gesture of negation is impossible." (Socialist Review, August, 1924).

So we are not surprised to find that inter-empire labor unity has a tendency to follow in the footsteps of inter-empire economic unity. With the war the British continental market vanished and set the capitalist interests of that land to worrying over the possibility of Imperial economic unity, with trade facilities, preferential tariffs, extended credits and whatnot. Apparently British interests, industrial and financial, have been at loggerheads over foreign policy as for instance concerning Germany, and from the "settlement" on the Dawes basis it may be supposed that finance has entered into a new capital control (see M. Phillips Price in this issue). But colonisation, erecting markets, exporting machinery, extending credits—all together have made rival industrialists and financiers. Thus Canada's output runs into four billion dollars annually. But she finds her credit mainly in the United States, almost 75% of her securities being held here. Which is an indication as to the result of colonization in producing capitalist competitors.

Imperial preference under the pressure of such circumstances as prevail today internationally in financial control would seem harder to bring about than heretofore. And John Scurr's "direct relation between economics and politics" has been very well shown in the last Imperial Conference by the attitudes of Mackenzie King of Canada and Bruce of Australia, each of whom struck a note of political independence which arose from the gradual severance of their respective economic ties from the capitalist money-bags of the motherland. So with labor, al-

though not exactly so. While John Scurr proposes an empire universal forty-eight hour week where the hours of labor are now more, and proposes likewise that where white and colored labor together are employed over the same tasks in the same place the white wage standard in that place shall prevail the British Empire Steel Company of Nova Scotia, with special sanction from the Canadian Federal Government discharges white employees and engages coolie labor. And concerning rates of pay also as between whites and others and the problems of employment—gaining employment at all—did not the Rand trouble circle around that two years ago? This is not to say that Scurr has not a good knowledge of economic and political matters at home and abroad. He makes a good analysis of the Empire problem confronting Labor. But like all unfortunates who have to commit theory to practise in his practical proposals what's good appears practically impossible and what's possible of no very great moment. There is apparent in all these affairs a consideration given to the working out of Labor and Socialist strategy in and out of office. For ourselves, our working class view has been world-wide and all embracing in that sense. So it has served us in educational propaganda work to which our activity has confined itself. Impossibilism, however, is making practical inroads among those groups who are frankly reform advocates, from which we are able to extract and give sympathy. Dr. Haden Guest's "various aspects of Imperial affairs" have a hard face at present and he and those who are with him have no easy task. They have our consideration.

HERE AND NOW

Time was when fearless men, visioning a writhing Clarion editor consumed with nickle and dime problems, summoning to their aid a bold or enticing manner of address set out in quest of Clarion subs. In those days we had a "who's who" Here and Now which in figure and quality would lend grace to any column.

These days our figures are more eloquent of distress than advertizement of aid. As witness:

Following \$1 each: R. C. McCutchan, C. Lestor, O. Mengel, Norman Tallentire, A. C. Cameron, J. F. Knorr, G. A. Brown, J. Pollock, D. MacPherson, A. F. Hawkins, H. Webster, J. Knight.

J. A. McDonald \$2; Jim Fletcher \$2; S. Clements 50 cents. Above, Clarion subs, received from 16th to 28th August, inclusive, total \$16.50.

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The Experts' Report

BY M. PHILIPS PRICE.

Enter the International Bankers

Part II.

THE Experts begin their report by saying that they have examined the reparations problem from the point of view of business and not of politics. They are out for "the recovery of debt" and not for the "imposition of penalties." They then proceed to proclaim, as an established axiom, the obligation of Germany to make good war damages, and they base this axiom on the assumption of Germany's sole war guilt. In other words they use the claim of the politician to advance their "business claim." A Marxian can chuckle at this sophistry, knowing full well that no political power is worth anything unless it is based on economic power. And here are the Experts in the opening lines of their report using political means to advance economic ends. We, however, are concerned with examining the source whence these economic demands on the population of Central Europe come, and the objects for which they are advanced.

The report makes its first concrete proposal by demanding the establishment in Germany of a Central Bank of Issue. This bank is to have the entire control over the issue of currency in Germany, to decide the rate of issue, the ration of power to gold reserve, the method of granting credit to the German government, of which it is to have an entire monopoly, and the bank rate. In fact it is to become the financial nerve centre of Germany. On p. 16 of the official English translation it says: "The Bank is to be entirely free from governmental control or interference." This is not to be wondered at, for, when one reads a little further on that control over the bank is to be given to a General Board consisting of seven Germans and seven foreigners, who are to watch over the interests of the creditors of Germany, one has more than a shrewd suspicion, in view of what comes later, that they are merely nominees, both the Germans and the foreign members of the Board, of the international banking houses, who are promoting this scheme. At a time when the Labour movement is demanding in England greater control for the Government and Treasury over the Bank of England and the "Big Five" our government is asked to sanction exactly the reverse process in Germany, and the liquidation of the slender public control which the Reichstag has been able to exercise over the operations of the German banking and industrial monopolists. But, of course, the pill is to be sugared, and we read further on that the Experts lay great store on the balancing of the German Budget and the maintenance of a stable currency and go so far as to quote the statements made to them by German Trade Union leaders. And the danger lies in the fact that large sections of the workers and small middle classes may be prepared to accept the Experts' Report, not because they approve of it, but because they would sooner have anything, however bad, than the horror of another period of inflation. The real object of the Experts in standing out for a balanced Budget and a stable currency is not the altruistic one that they would have us believe in this passage. This is seen in a later passage (p. 19), where in defending balanced Budgets and a stable currency they say: "When speaking of the adoption of such a method for 'a considerable period,' we are thinking primarily of the period which lenders and investors, whose money is required as a part of our scheme, will have in mind. There lies the rub. The object of this plan is, therefore, revealed as an attraction to the investment of capital, now outside Germany, to come and invest in that country. A stable currency will stop the speculators who have been battening on the

falling mark and franc and will attract those who would invest their money once more in Prussian Consols and German Threes. The fixed interest-bearing capitalists, as represented by Pierpont Morgan and the Bankers' Committee set up in Paris in the summer of 1922, leave their tracks all over this page, as they do over the whole of the report.

A scale of payments is laid down, in Part I, Section IX., which Germany is to make. These are scaled according to her probable Budget surpluses. Here are two very interesting points, which disclose the objects which the Experts are after. On p. 22 they announce that these payments are liable to additions varying with the "index of prosperity" (of which more anon) and that the "Supplementary payments should be made automatically in correspondence with the changes in the general purchasing power of gold." That, of course, leaves it open to the bankers to manipulate the reparations payments, as they think fit. A change in the purchase power of gold, artificially created by them, would be reflected at once in the obligations imposed on the population of Germany to hand over in taxes or mortgages in their national assets values to the international bankers. The other point on p. 23 is contained in the following passage: "Even insofar as the sums paid in reparation cannot be transferred, they can, under certain conditions, be used by the Allies for internal investment in Germany." Previous to this the Report had pointed out the difference between the "taxpayers' capacity to pay in Germany and Germany's capacity to pay the Allies," and had shown that there would be a grave danger of the whole stabilisation scheme collapsing, if Germany was made to transfer large annual surpluses in marks into foreign currencies. The Experts, therefore, are not concerned in securing cash payments from Germany to France to enable the latter to balance her Budget and support her franc (that will be provided for by an international loan to France, for which good interest will be obtained no doubt). The object of the reparation payment is to release sums in Germany which can be used for the purpose of investment in that country to the credit of the international bankers. Once more one sees that it is the investor of passive capital, who is concerned in finding gilt-edged securities for sterling and dollar bank balances in Europe that is being considered here.

And the guarantees for the reparation payment and the loan, which is to be raised for Germany, are still further proof of the objects which the Experts and the people behind them have in view. In Part I, Section B., the great prize for which the bankers have been waiting for so long is claimed. The great transport system on the Continent, the German State Railways, are to be de-nationalised and made over to a Board of Management, which shall be entirely independent of the control of the German government or Reichstag. It is true, the German government will be allowed to hold the whole of the Common or Ordinary stock in the new company (13 milliard gold marks), but $\frac{3}{4}$ of the Preference Stock (2 milliard gold marks in all), are to be sold on the European Stock Exchanges and the whole of the Debentures (11 milliard gold marks) are to be handed over to the Reparations Commission, the interest on which is to come from the earnings of the railways and to be credited to Germany's creditors. In other words there is to be a wide field thrown open to the European Stock Exchanges and investors generally to buy gilt-edged Bonds, secured on the German transport systems assets. What more proof do we want that passive capital, concentrated in Pierpont Morgans, Rothschilds and the "Big Five" are behind this, for who else could find these gigantic sums for investment?

In Part I, Section C., the Experts propose a somewhat similar transaction to that concerning the railways. They state that since the war German in-

dustry has escaped all its former liabilities to the German banks and to the holders of Debentures in their concerns by the process of inflation which has gone on. The German industrial and speculative capitalists and holders of Ordinary shares have had their holdings increased enormously in value and this is largely due to depreciation to the point of wiping out the First Charges on their industrial undertakings. It is only fair, say the Experts, that these obligations should be reimposed, but the new mortgages which the German industrial capitalists are to take upon themselves shall be in favour not of the former mortgagors, the German banks, but of the creditors of Germany, that is the Reparations Commission. And they go on to propose a general mortgage of 5 milliard gold marks at 5% and 1% sinking fund on all industrial and agricultural property in Germany to be handed over to the Reparations Commission. Presumably the Commission could sell these mortgages on the open market to get cash to balance the French Budget if needed, and once again one can see that another opening is made for the investment of passive bank capital in gilt-edged securities in Germany.

In regard to the actual balancing of the German Budget the Experts admit that German industrial capital has escaped its fair share of the burden. Indeed they are obviously concerned to reimpose burdens on the war-time speculators and inflation-mongers in Germany, thus disclosing the rift in the ranks of the European capitalist class. But when it comes to taxation of incomes and estates, the Experts do not do more than give advice. They can impose mortgages on the property of the companies and individuals operating in the vital industries of Germany, in order to force their economic power on that particular class of capitalist in Germany. But heavy taxation of all property in Germany would not suit their book, for that would hit them, as well. Both passive and industrial investments must be protected. It is true, this is not said in so many words, for there must be some window dressing. But beyond a platonic remark that death duties are too low and the income tax has not been collected on large incomes for some time past on account of inflation, the Experts have no definite plan, which they demand to be imposed, of direct taxation. They advise a levy on "windfalls" and propose that the German Government should revalue industrial mortgages at 15% their gold value and levy a duty of 2% on the sum obtained. But this would affect gilt-edged investments in Germany. It would only hit the persons who have made money out of inflation and war-time speculation. The Experts would impose some burdens on this class of capitalists and that is so much to the good. But the bulk of the burdens of balancing the German Budget is to be borne by the producers and consumers. This is seen well in the proposals of the Experts to estimate the "index of prosperity," on which the final reparation charge is to be based, on the figures annually obtained for railway traffic, increase of population, foreign trade, consumption of alcohol and tobacco and not the figures which could be obtained in the books of the German banks, showing the incomes assessable for income tax. Moreover, while only advice is given to the German government, as to how it should make capital bear its share of the burden of balancing the German Budget, the same mild tone is not adopted in the plan proposed for the imposition of new indirect taxation. Here definite machinery is demanded from the German government to secure the attachment of certain revenues derived from indirect taxation to the Reparation Commission and a special machine for the collection from a Tobacco Monopoly. Customs and excise are to be raised and the burden will fall solely on the consumer. Unemployment doles are to be cut down and dismissal of railway and state employees are to be demanded and can

Continued on page 8)

*This, written before the agreement reached by the Allies at the London Conference, appeared in The Plebs, (London), August 1924.

The Decay of Business Enterprise

BY THORSTEIN VEBLEN.

(Continued from last issue)

THE barbarian virtues of fealty and patriotism run on national or dynastic exploit and aggrandizement, and these archaic virtues are not dead. In those modern communities whose hearts beat with the pulsations of the world-market they find expression in an enthusiasm for the commercial aggrandizement of the nation's business men. But when once the policy of warlike enterprise has been entered upon for business ends, these loyal affections gradually shift from the business interests to the warlike and dynastic interests, as witness the history of imperialism in Germany and England. The eventual outcome should be a rehabilitation of the ancient patriotic animosity and dynastic loyalty, to the relative neglect of business interests. This may easily be carried so far as to sacrifice the profits of the business men to the exigencies of the higher politics.

The disciplinary effect of war and armaments and imperialist politics is complicated with a selective effect. War not only affords a salutary training, but it also acts to eliminate certain elements of the population. The work of campaigning and military tenure, such as is carried on by England, America, or the other civilizing powers, lies, in large part, in the low latitudes, where the European races do not find a favorable habitat. The low latitudes are particularly unwholesome for that dolicho-blond racial stock that seems to be the chief bearer of the machine industry. It results that the viability and the natural increase of the soldiery is perceptibly lowered. The service in the low latitudes, as contrasted with Europe, for instance, is an extra-hazardous occupation. The death rate, indeed, exceeds the birth rate. But in the more advanced industrial communities, of which the English and American are typical, the service is a volunteer service; which means that those who go to the wars seek this employment by their own choice. That is to say, the human material so drawn off is automatically selected on the basis of a peculiar spiritual fitness for this predatory employment; they are, on the whole, of a more malevolent and vagabond temper, have more of the ancient barbarian animus, than those who are left at home to carry on the work of the home community and propagate the home population. And since the troops and ships are officered by the younger sons of the conservative leisure class and by the buccaneering scions of the class of professional

politicians, a natural selection of the same character takes effect also as regards the officers. There results a gradual selective elimination of that old-fashioned element of the population that is by temperament best suited for the old-fashioned institutional system of status and servile organization.

This selective elimination of conservative elements would in the long run leave each succeeding generation of the community less predatory and less emulative in temper, less well endowed for carrying on its life under the servile institutions proper to a militant regime. But, for the present and the nearer future, there can be little doubt but that this selective shaping of the community's animus is greatly outweighed by the contrary trend given by the discipline of warlike preoccupations. What helps to keep the balance in favor of the reversional trend is the cultural leaven carried back into the home community by the veterans. These presumptive past masters in the archaic virtues keep themselves well in the public eye and serve as exemplars to the impressionable members of the community, particularly to the less mature.

The net outcome of the latter-day return to warlike enterprise is, no doubt, securely to be rated as fostering a reversion to national ideals of servile status and to institutions of a despotic character. On the whole and for the present, it makes for conservatism, ultimately for revision.

The quest of profits leads to a predatory national policy. The resulting large fortunes call for a massive government apparatus to secure the accumulations, on the one hand, and for large and conspicuous opportunities to spend the resulting income, on the other hand; which means a militant, coercive home administration and something in the way of an imperial court life—a dynastic fountain of honour and a courtly bureau of ceremonial amenities. Such an ideal is not simply a moralist's day-dream; it is a sound business proposition, in that it lies on the line of policy along which the business interests are moving in their own behalf. If national (that is to say dynastic) ambitions and warlike aims, achievements, spectacles, and discipline be given a large place in the community's life, together with the concomitant coercive police surveillance, then there is a fair hope that the disintegrating trend of the machine discipline may be corrected. The regime of status, fealty, prerogative, and arbitrary command would guide the institutional growth back into the archaic

conventional ways and give the cultural structure something of that secure dignity and stability which it had before the times, not only of socialistic vapors, but of natural rights as well. Then, too, the rest of the spiritual furniture of the ancient regime shall presumably be reinstated; materialistic scepticism may yield the ground to a romantic philosophy, and the populace and the scientists alike may regain something of that devoutness and faith in preternatural agencies which they have recently been losing. As the discipline of prowess again comes to its own, conviction and contentment with whatever is authentic may return to distracted Christendom, and may once more give something of a sacramental serenity to men's outlook on the present and the future.

But authenticity and sacramental dignity belong neither with the machine technology, nor with modern science, nor with business traffic. In so far as the aggressive politics and the aristocratic ideals currently furthered by the business community are worked out freely, their logical outcome is an abatement of those cultural features that distinguish modern times from what went before, including a decline of business enterprise itself.

How imminent such a consummation is to be accounted is a question of how far the unbusinesslike and unscientific discipline brought in by aggressive politics may be expected to prevail over the discipline of the machine industry. It is difficult to believe that the machine technology and the pursuit of the material sciences will be definitely superseded, for the reason, among others, that any community which loses these elements of its culture thereby loses that brute material force that gives it strength against its rivals. And it is equally difficult to imagine how any one of the communities of Christendom can avoid entering the funnel of business and dynastic politics, and so running through the process whereby the materialistic animus is eliminated. Which of the two antagonistic factors may prove the stronger in the long run is something of a blind guess; but the calculable future seems to belong to the one or the other. It seems possible to say this much, that the full dominion of business enterprise is necessarily a transitory dominion. It stands to lose in the end whether the one or the other of the two divergent cultural tendencies wins, because it is incompatible with the ascendancy of either.

(The End.)

ASPECTS OF SOCIAL CHANGE.

(Continued from page 3)

per to be greatly swayed by desire from the line of objective truth. But how about the Party? It seems to me that the original message of Marx and the tradition of his practice has degenerated in transit through successive generations by a straining through the sieve of lesser minds.

I have been expressing my discontent, it seems, for a couple of years in the Clarion. But I have attempted to be constructive in my criticism, casting nothing down without setting up that which I considered superior. Where I have taken issue with a fatalistic theory of determination by material forces in which men were mere drifters on the tides of change, I have sought to express a fighting philosophy in which men count for something in the complex of things: Where I have decried dependence on impulse and the desperation of belly hunger as the hope of victory in the social revolution, I have tried to point out the unfavorable nature of a modern community for the success of violent methods and expressed my faith in a growing intelligence of a strong and virile working class and the superiority of non-violent means. If I have argued against revolutionary socialist Parties standing in opposition to labor political reform Parties of principle, I have also held it to be their duty to the working class to

maintain their identity as "impossibilists" specializing on the ultimate ideal of Socialism, but realizing that like all ideals its realization is one of working it out by the masses through their mass organization. I have argued that any social group or class becoming conscious of common interests will begin the creation of its institutions as instrumentalities for furthering its interests and that practice in using its institutions is indispensable to the development of its group or class consciousness and its progress and well-being generally. The function of revolutionary Parties is not to destroy those mass organizations of the workers but to act as a special environment of education and criticism from the revolutionary standpoint along with the complex of forces making for socialism. If I have tried to show that there is a social drift towards a new order of social life, as Marx contended, that the tides of change are flowing in a myriad ways other than by political means I do so that we may wage the political struggle with all the more faith and courage, knowing that. If I argue for revolutionaries to influence the future by advocating non-violent methods of change, I do not throw down the class-struggle but only desire it to be waged in ways that are feasible in modern communities. Among the particular issues I have raised on Party positions and attitudes, three are principal:

1. The Anti-Labor Party position.
2. The Anti-reform, and
3. The Party's lack of a whole-hearted support of constitutional and non-violent methods of change as against the methods of violence.

No. 1. I contend is distinctly not Marxian.

No. 2. I contend is not Marxian. Marx justified the struggle for revolutionary reforms in his day to the extent of commending the communists and workers for helping the petty bourgeois of Germany, for instance, in their struggles with the old order.

No. 3. I have quoted Marx's favorable opinion in another issue, as to the revolutionary possibilities of constitutional methods, but it is not the opinion of a man of half a century ago I rely on, it is the social situation in modern communities that influences myself in favor of non-violent methods. I have other reasons also which I may put forward later.

Next issue I propose to reply to Comrade MacDonald's article of last issue, "Was Marx a Reformer?" He challenges my contention that the Party is Anti-Reform and asks for the evidence in Party literature, etc. Let him meanwhile read the last paragraph under heading "Politics" in the Party Manifesto.

Blatherskites

BY F. W. MOORE.

THE word "blatherskite," according to Webster, means a noisy, talkative, fellow; whereas "blather," is the foolish, nonsensical prattle in which he engages.

In this article we shall concern ourselves altogether with journalistic blatherskites as having an extensive field for the circulation of their blather in comparison to the diminutive area at the disposal of those harmless specimens of humanity who gather fame where'er they go, at least, to the extent of earning a distinguishing sobriquet, such as "windy," a term that proclaims to the denizens of the little worlds in which they flourish that when other amusements fail, there are always the yarns of the "white liar" to relieve the local ennui with amusing untruths that are never expected to be believed.

On the other hand although the journalistic romancer may not be an intentional liar at all, but the victim of class propaganda merely, yet he expects his fairy-tales, concerning the causes of war, etc., etc. to be accepted as truth, and for that reason it is our duty to trip him up and show him and his credulous victims that his philosophy—we hope he will excuse us for being so rude—is blather, of the worst description, for reasons which we shall state a little further down: in the meantime since he may be a victim of propaganda we have no grudge whatever against him. Like every other class of wage victims, he is paid for a particular kind of work, and like them he possesses value in proportion to his ability to make his work effective in the interests of his employer. He must always be ready to sing with the soldier, when the interests of the employer and employees clash—that is perennially—(Ours) "not to reason why, (Ours) but to do and die, etc.," and in connection with his blather we might add that when the man in the street is satisfied with it, we are safe in concluding that he is getting the mental pabulum he deserves and that he must be living on a mental plane complementary to that affected by the hireling blatherskite.

But we refuse to believe that the satisfaction with it is general, and we strongly suspect that a deal of resentment is beginning to be felt at the manifest distortions of the daily press on such subjects as "war," for instance,—distortions well calculated, at times, to keep men in darkness as to the real causes of war, so that its instigators may work behind the scenes in making preparation for it as they are doing today in every important country in the world, in order that each, if necessary, may be in a position to demand with a display of force such trade-routes, natural resources and other benefits needed in making this world fit for democracy—the democracy of monopoly, in which the common man could expect to play no worthy part whatever.

Here is an excerpt taken from the leading article in one of the Vancouver dailies concerning the late anti-war demonstration in Stanley Park: if it were an isolated instance we would take no notice of it, but it is quite the commonest kind of propaganda on the subject: "Every demonstration against war such as that planned for Sunday afternoon in Stanley Park, leaves its mark on the great world conscience." Pay particular attention to the next few lines—"Modern war springs from mass passion and hatred. Often the hatred is based on fancied grievances—sometimes even it is deliberately organized, but in one way or another it is fanned to flame. The antidote is not prohibition of war, but promotion of world friendliness."

It would be just as sensible to say that to stop two dogs from fighting for a bone, a good plan would be to promote friendliness between them, but how, we might ask, is that to be done in the face of Nature's first law, i.e., self-preservation?

In alluding to world friendliness the writer must be thinking of a very small percentage of the inhabitants of the world. The international monopolists, who were fighting for privileges, were the

only factors of the human race amongst whom friendliness could, during the wars of recent years, have any effect at all in stopping, or preventing the start of them: but business is business, and on its successful transaction depends the friendship of the participants; but since this successful transaction was precisely what could not be arranged, war was inevitable, and to gain for it the sanction of the unthinking masses, who were willing to give their sanction to any atrocity as long as they thought it was in the name of God and of justice, an international propaganda, which had been veiled for years, was now laid bare as each set of nations accused the other of being incarnations of the fallen angels while the accusers were nothing less than paragons of perfection.

In this way the sanction of the common people for the perpetration of war was obtained, and the war between two sets of capitalists made of Europe a continental shambles where men were slaughtered apparently in the interests of justice and right; that is, each set of allies said that their own people were slaughtered by a diabolical enemy, when in reality the subtle monopolists on each side had tricked their unsophisticated compatriots into shedding blood in the interests of big business, but, after all, what did it matter? Were not their relatives consoled by the oft-quoted text: "Greater love hath no man than this, than a man lay down his life for his friend." We take it for granted that the kind-hearted financiers, who gave him a right to demonstrate his great love were his friends.

That the war had little to do with sentiment, justice, or right, but was a result of rivalry between the nations for natural resources and markets we shall now try to prove by re quoting well-known capitalistic authors, from Peter Leckie's valuable little booklet: "Economic Causes of War": In the London Times for March 8th, 1917 we read: "There are still, it seems, some Englishmen who greatly err as to the reasons that forced England to draw the sword. They do not reflect our honour and our interest compelled us to join France and Russia even although Germany had scrupulously respected the rights of small nations. We felt in honour bound to keep the word we had given, in keeping it self-interest had gone hand in hand with honour. They were not reasons of sentiment, they were self-regarding and even selfish reasons."

Again from the pen of A. G. Gardiner, in the Daily News we have the following: "The riches of the Lorraine iron mines are the real heart of the war controversy."

The next excerpt is taken from "The Daily Chronicle War Book" It reads as follows: "Statesmen have had brought home to them the supreme urgency of the economic necessities to the modern state. The modern statesman has to think in terms of commerce, about raw material for his country's products, and markets for the manufactured goods. The security of overseas trade depends on a strong navy. Hence the appetite for colonies and trade goes hand in hand with naval ambition."

Concerning Germany Roland G. Usher, in "Pan Germanism" says: "The population of Germany has increased so rapidly and increase in industry has grown at such a stupendous rate and is enormously in excess of the needs of her population; her prosperity will mean bankruptcy unless some outlet is found for her surplus production and an extensive market found for this surplus production. Germany, to use the Channel, forces her to expose her commerce to the assaults of the English fleet so long as the latter controls the Channel. To secure a world trade in some fashion which will not expose her to attacks from the English fleet, an overland route to the East must be found. Pan Germanism is, therefore, in the first place, a defensive movement for self preservation. In the second place an offensive movement, directed against France and Britain. Its

object is to capture English possessions in the Mediterranean and Asia. She expects thus to obtain an outlet for her surplus population and manufactures."

Whoever wants to pursue the subject further can do so by consulting the pamphlet mentioned. In the meantime, are we not fully justified in stigmatising the supposed causes of the war as stated in the daily press as "blather," and pernicious blather at that?

POLITICAL REPRESENTATION.

(Continued from page 2)

with hypotheses that will not square with observed phenomena. Shall we in the field of political science cling to a delusion that we have to deal only with an abstract man divorced from all economic interests and group sentiments?

PLATFORM

Socialist Party of Canada

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

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

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

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

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

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

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

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

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THE EXPERTS' REPORT.

(Continued from page 5)

be carried out, when it is remembered that the railways are to come under the control of a body responsible to the Reparations Commission, while the Bank of Issue, with its nominees of the banking trust controlling it, can bring the government to its knees and make it dismiss its employees by simply stopping the payment of salaries.

Speaking generally the effect of the Report will be to make Germany an area for the investment of bank capital. It will give to that bank capital a security which may be of the utmost value to it in stabilising its position internationally. If the "Big Five" in England decide that the hours of labour of the British worker ought to be lowered and the rate of his wages is too high, it is possible for them to stop the industries in the Black country, Lancashire, Yorkshire, South Wales and Lanarkshire by the simple process of calling in the credits which they have advanced in recent years to these industrial concerns. They can then employ their capital in buying up the mortgages on German industry and German railway debentures, which this Experts' settlement of the reparation question lays down at their feet. And when the British workers agree to accept the long hours and low pay of the German workers, then this international passive bank capital may consent to dump down its investment in Germany and graciously permit the wheels of industry in England to run round once more. This is no idle dream, but grim earnest. We had a taste of it in the preparations which led up to "Black Friday."

Germany is becoming what Marxist writers would call a colonial area. But it is not a colony in the sense that India and large parts of Asia and Africa have been to the industrial capital of the last hundred years. When Rosa Luxemburg wrote her *Accumulation of Capital*, she described the operation since its earliest growth of industrial construction capital in the primitive communities of areas where as yet no capitalism existed. She showed how the early mercantile accumulations were derived from trade in articles of consumption, how this was exported later in construction goods, like railways, harbours, etc., from the land of accumulation and broke down the primitive self-sufficient social systems of these colonial areas. But Germany is not a colony in this sense. Here is a country with highly skilled artisans, with a highly developed industrial capitalism which has arisen alongside of agrarian privileges on the land in Prussia, but which has swept this away and consolidated its power by the war and by post-war inflation. Rosa Luxemburg and Marx did not live to see this new stage of capitalist development which, it seems to me, we are entering today. In this stage speculative industrial capital is being pressed out by the bondholder and the highly industrial lands, in which the coal and steel kings dominated, are going to be invaded by the investments of the passive capitalist, bondholder and banker. In this sense Germany is becoming a new colonial area and not in the sense in which Luxemburg used that term in her day. But this contains also a warning for the Labour movement. We must not underestimate the power of this passive capital which has ruled jointly with industrial capital in England and America for some decades past and which is now stretching its tentacles across to Central Europe, where it has never had real monopoly powers before. It is strong, it is young and it has the whole machinery of the State in England, America and France at its back. It may be that we shall see several decades of its rule yet.

What then should be our tactics in face of this situation? The greatest peril seems to me to be that the Labour movement in this country should make this Report its own and innocently help this international banking oligarchy to get into power on the ruins of half the industries of Europe and at the expense of an enslaved working class. For this enslavement may come not in the way that the enslavement of the Red Indians and negroes to mercantile and industrial capital came, i.e., by massacres and burnings, but by sheer exhaustion of the masses and their readiness to accept anything rather than die

of hunger. At the same time we must realise that we may have to see this Report put into execution owing to the relative strength of the classes throughout Europe not being in our favour at the present time. It is our business to see that the Labour Government, while being forced to accept it, does so under protest, just as Lenin accepted the conditions of the Brest-Litovsk Treaty, being unable to summon up the strength in Russia to resist them. If these tactics are adopted, the movement does not become compromised and it can reopen the question again whenever the relative strength of class forces is more in our favour. Furthermore, it is possible to see in the Report several points which may be used for our own purposes. The German Socialists have for years been demanding a State mortgage on industry in favour of the German Treasury. There is the kernel of this highly revolutionary measure in the Experts' Report. We might accept it on condition that the mortgage is made in favour of the German State, and any revenues paid out on reparations account from this source should come through the German Treasury. Then there is sound advice given to the German government about raising death duties and income tax. Let us demand that the balancing of the German Budget be made from this source in the main. Let the advice be turned into demands and this will assist the German Socialists in their struggle. It is ridiculous to pretend that the Report must be accepted without any alteration, when the Report leaves several points in connection with the balancing of the Budget undecided, throws out only suggestions and advice there. The general principle may well be accepted even for a Socialist Commonwealth that the public revenues should balance the expenditures. It is to the method by which this is to be carried out that we must object with all emphasis and if we do this, we shall save the Labour movement from becoming the handmaid of one set of capitalists in its struggle against another. We should, in fact, if we study history from the Marxian perspective, utilise the struggle within the capitalist ranks to our advantage.

FACTORS IN DEMAND.

THE demand for any commodity or other article of commerce depends, first, upon its use-value, since it is clear that no one would willingly pay for something which had no utility, real or imaginary, for him. It may be necessary to note here that the above statement implies that the word "demand" as here used means what Adam Smith called "effective demand," that is to say, that the desire to possess must be accompanied by the ability to pay. Secondly, upon a number of considerations such as the state of the industrial arts and of efficiency in production; the standard of living and the greater or less diffusion of wealth. All of them, since they affect the ability to pay of the purchasers, may be summed up under the head of general purchasing power. The demand for any commodity will be greater or less according to the diffusion of wealth in the community. This will vary, however, with the nature of the commodity. Thirdly, the demand will vary with the price. In this last case and, generally, in the other two cases as well, the word "demand" means the quantity demanded. As a matter of fact the intensity of demand can only be estimated in terms of the quantity taken off the market, but if we should find that the quantity purchased at a given price increased then only could we properly say that the demand had increased. Nevertheless, as a general rule, it still remains true that, as Marx puts it, "at a certain price, any kind of commodities may occupy (only) so much room in the market." (*Capital*, vol. III p. 210). It will now be necessary to go more into detail on these three heads. First, as to utility.

When discussing the act of production and the creation of Value it is sufficient to note that only a use-value can be the depository of Value and that, therefore, use-value need only be considered objectively. The producer is not concerned about the nature of the use-value he makes other than that he must make something people want, something which satisfies "some social want or other." So far as any given use-value is concerned it is an accum-

ulation of physical properties, in a certain form or condition, occupying a place in space and time, that is to say that it possesses elementary, form, place and time utility in the proportions in which these complementary utilities are necessary. On the other hand the demand for a commodity arises from the wants and subsequent desires experienced by people for certain use-values. The word use-value or utility therefore implies a relation between the object of utility and the use thereof. "Use-values become a reality only by use or consumption." (*Capital*, vol. I p. 42). Utility from this angle is a subjective phenomenon. "The use-value," says Marx, "of the individual commodities depends on the particular need which each satisfies." (*Capital*, vol. III p. 745).

You see, the problem here is to make price and utility in some way commensurable. But we cannot do this so long as we regard utility as a purely objective phenomenon since those things which possess the greater utility are precisely the things which have a very low price or no price at all. It can, however, be done when we consider utility from the subjective point of view. We thus get the theory of diminishing utility and, as a consequence, the concept of marginal utility. Taking this particular standpoint then we find that, as Prof. Pierson says, "it is not in virtue of their properties alone that things become goods (use-value), but in virtue of those properties as related to our wants" (*Principles of Economics*, p. 56). But since the use or consumption of an object of utility satisfies the want to which it ministers it is clear that the desire will diminish with the approach of the point of satiety. It is important to notice here that this is only true of a given individual at any given time seeing that wants are recurrent. We want to eat say three times a day but, on the other hand, we do not want a coffee quite so often. We have also to remember that utility in general is a vague and indefinite concept and that when speaking of use-values we must always think of them in terms of quantity—so much of this or that use-value. "When treating of use-values we always assume to be dealing with definite quantities." (*Capital*, vol. I p. 42). It is not a matter of the utility of things in general," says Prof. Pierson, "but of some particular unit; not a question of bread in general but of the number of loaves." Atmospheric air, for instance, being indispensable to life has absolute utility but its marginal utility is nothing at all. We shall next have to consider in more detail the theory of marginal utility which, if not so important as its proponents at one time thought, is still worth some consideration.

This, however, will have to do in the meantime. I find this mosaic work stuff exceedingly laborious. However, lest anyone be disturbed, I may say that I am not going to say that Value, or, for that matter, Exchange Value is determined by Marginal Utility. It's not done any more. The days have gone forever when it was customary to refer any given effect to some antecedent as being its efficient cause and when the verb "to determine" was used more recklessly than it is today. It is probably more convenient to regard any given phenomenon as being the resultant of a multiplicity of factors which form the medium in which it develops, conditioned by all co-existing phenomena and colored by the processes of consciousness. I don't know whether there's anything in that but, such as it is, I make it a present to "C."

GEORDIE.

THE EVOLUTION OF INDUSTRY.

(Continued from page 1)

public families became much more a profit-producing means of investment and any remaining ties which kept lord and retainers or peasant together were parted asunder. It was in every sphere the formative period of capitalism with the capitalist reaching out at every hand.

(To be continued.)

CLARENCE MARSHALL'S FUND.

J. P. Knorr (1), Harry Adams (2), G. E. White (3), 1915. Above, C.M.F. receipts from 1911 to 1914. Total, inclusive, total \$425.

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