

# WESTERN CLARION

822 Ubbill. Thos., Mt. A.  
Legislature Assembly

A Journal of  
CURRENT  
EVENTS

Official Organ of  
THE SOCIALIST PARTY OF CANADA

HISTORY  
ECONOMICS  
PHILOSOPHY

No. 871.

Twice a Month

VANCOUVER, B. C., JULY 15, 1922.

FIVE CENTS

## Human Nature

IF one is intransigent enough to follow the capitalist-minded one through the distractions of "divide up," "the rewards of genius," and the "rights of individual initiative," he will finally come upon the wicket that opens into that great realm—human nature.

To the mind stimulated by capitalist formulae, Socialism is Utopia, incapable of realization by weak and unstable humanity; a fool's paradise, continually voided by the "natural" perversities of the "old Adam." To "sin" is innate in "human nature," says the illusioned wisdom of individual idealism. The erring heart of man must be regenerated before the conditions of life can ever be exalted; and the inordinate greed of desire abrogated before happiness and contentment can reign in the pulsing world of reality. We agree—with qualifications.

There is a proverb that "human nature is human nature." No doubt. But it is something more. It is no constant of creation. It is a product of human gregariousness. It is a result of time and race experience; and it reaches down in kinship to the very roots of life. It is not merely an expression of human society—its negative of generality. It is a concrete, definite character of society. Society is shaped together according to its needs and interests. Those needs and interests determine the nature of the organization, and the nature of the individual is the reflex of the time-group to which he belongs.

In political society there are two economic classes, the master and owner—the slave and worker; and because of that primary division there are innumerable variations of class distinction. And also because of that first division, there is a general ideation, and a general nature permeating through the whole social mass. It is "wrong to steal" because political society has differentiated between "thine and mine"; he who steals becomes degraded, because he suffers the "base" instincts of the fallen man to dominate him, and subvert the morality of political civilization. It is wrong to undermine the foundations of class society, because it threatens the supremacy of privilege; the guilty one is seditious because the "inherent" evil of "human nature" overcame the nobler concepts of property. It is wrong to advocate "free love," i.e., the mutual choice of individual man and woman, freed from all economical compulsion; because it saps the security of the bourgeois state; and the audacious one becomes a particularly conspicuous object of depravity. That is general mass ethic conditioned by interests, and upon it is based "human nature," conditioned by time progress.

Certainly it is wrong to steal—in a society which abhors theft. It is certainly uncomely to invalidate class—in a society of privilege. Certainly immoral to argue economic freedom to the bourgeois state. But, it is a mind characteristic of the time which cannot see that political society is a society of thieves; and that cannot visualize the inherent immorality of a society that imprisons one for taking a loaf and honors another for "acquiring" a railroad. It is a mind steeped in the prejudice of class concepts which is unable to distinguish between owner and master, worker and slave; and whose concept of freedom is the ruling class "right of opportunity." And it is a mind disturbed by flickering appearance, perverted by the sophistries of ideal-

ism, and rosetted with mythical divinities, which is incapable of mastering the fundamental difference—and the inner meaning of its implications—between the ideal love of economic freedom, and the subsidized "romance" of bourgeois convenience.

Time was when the conditions of society were not the conditions of capital. For thousands upon thousands of years Gentile custom held sway over humankind. The ethic of humankind was then the ethic generated by Gentile condition, and the human nature of mortal man was fructified by the conditions of Gentile organization. The means of life were then the common possession of the primitive commune. These means were the simple resource, the crude appliance, and restricted experience of untutored peoples. The standards of life were precarious; the mode of existence humble; the hazards of chance great. Yet the kinship of the group developed a fraternity which has not since been equalled, and will not again exist until society is reorganized on the comprehensive volitions of the civilized commune. There was an equality of relationship which finds no place, and could fill no function, in the unlovely standards of bourgeois success. Gentile society had an ordered, rationale of reason which was submerged in the political exigencies of organized priestcraft. And it had a dignity of character, a spirit of equity, and a bond of communion which became atrophied with the advent of the military marauder and the predatory merchant. To steal, to trade, to own, had no significance; for all that was free to the needs of all. The only privilege that existed was the natural birthright of kindred; and the fundamental passions of humanity were satisfied without the fearful licentiousness of the capitalist world.

Ancient society, with its meagre resource and limited production, with its laws of kin and maternal descent, developed an ethic consonant with its need and interest, and its human nature its time ethic. No full clansman would lie or cheat a brother clansman; but he practised both to a stranger. Within the tribe human nature was kindness and help; to enemies it was malignant and cruel. Save for natural calamities, hunger and want and destitution were unknown, and human nature would have revolted at the idea of individual ownership of the means of life, hoarding wealth, or storing common necessities for the sole use of a particular class. The sophisticated missionaries of political lands were shocked at the sexual relations (what they were wont to call "irregularities") of the "heathen" tribes. But the tribal laws of marriage were sacred and inviolate, and seldom broken, a state to which the humanity of capitalism can lay no claim whatsoever. Even in the realm of religion—mythical as all religions are—it was a worship "in spirit and in truth," reverence for a deified ancestor. Not at all the conventional hypocrisy of mercantile Christianity. But the rugged human nature of capitalist society is equal to almost any burden of imposition.

Human nature is a product of the evolutionary process, and like everything in that process it is adapted to changing environments. Surely there is abundant evidence of that. The human natures of the East and the West are incomprehensible to each other. To the Westerner, the Chinaman is a "yellow devil," to the Chinaman, the Westerner is a white variation of the same order. The human na-

ture of the ecclesiastical middle ages revolted at no cruelty for its superstitious dogma, the human nature of commercialism scorns that dogma and all its works, but is equally hardened in its own field. To the Hindu the cow is sacred; to the Christian it is a form of food. To the modern man, his wife is inviolate; the ancient Greek offered her to his guest. The South Sea Islander cherishes the skull of his father in his hut; we are content with photographs. Some tribes ceremonially eat their dead, we make the solemnity of death a picnic. An Iroquois Indian would not betray a comrade; political times betray even their gods. An Australian aborigine can dine on an antique whale; we—would rather it were canned. Human nature always revolts at the unaccustomed; never at the repulsive. Always it condones its own time usage; never an abstract ideal.

Human nature is not a thing—like a wooden leg or a glass eye. Like digestion or respiration, it is a concrete term for a temperamental function; an expression of the manifest of general environment on particular constitution. Human nature is neither kind nor callous, good nor evil, idealist nor pervert. It is all, or any of those things, according to its immediate circumstances. And its immediate circumstances rest squarely on the fundamentals of life necessity; on self-preservation, food and reproduction. Self-preservation has united man, and most animals, into societies; the search for food has compelled and maintained common endeavor; and the laws of reproduction in association have determined social conduct. Through the countless complexities of continual change; through the interactions of ever varying necessities, and the interplay of their mutual reactions, these three have imposed on social man his nature of virtue or vice: his impulse of generosity or greed; his strength or his weakness; his ambition or his unadaptiveness; and the potentials of the ignoble or wonderful aspirations of the ideal. They are the pulsing theme of sentience; the red threading of reality round which, through which, and on which, life harps her infinite variety of factual existence. And according to the circumstantial vicissitudes of the transient age, and the social complex of man, they flash through the human soul, like the coruscating heavens, lifting it on the wings of sublimity, or dulling it to the deadness of stone.

There are all kinds of human nature in the same society—as there are all kinds of men. Because nature never fashions two things alike. Because in the incessant play of change and necessity, life pivots on the laws of adaptation. Because growth, though it spreads (seemingly) in all directions, is impelled by the need of the passing moment into particular channels—and the cycle, ever growing more complex, starts afresh with the self-same laws and the self-same material, but from a new point of departure. There is an infinite scope and scale of variation, and the same outward environment, acting—and reacting—on a different inner temperament, provokes an unending diversity and pattern of human response. The same cause produced the human races, but local detail differentiated in character and color. A common necessity created God, but different climes clothed him with different attributes. A common motive influences human association, but differing interests checker the web of its destiny.

(Continued on page 2)

# The Origin of the World

By R. McMillan.

## CHAPTER XII.

### PRIMITIVE FORMS.

If you were to see an atlantosaurus now, you would get a shock of terror, for it was almost a hundred feet long, a vast creature unlike anything you ever saw in your life. But the atlantosaurus has passed away, with nearly all his giant relatives, so you will never see him except as I saw him, a monster skeleton in a museum. But he was not a "primitive." Oh, no; he was a giant, who lived a few million years ago. The primitives were very lowly, very simple, and very, very small. If ever you have a friend with a microscope and a love for biology (the science of life), ask him to show you an amoeba.

The amoeba is one of the primitives, but it is not the first by any means. The first living thing is lost in the mists of the world's dawn, and no man can tell you what it was like. An amoeba was one of the very early forms, and it exists even unto this day. I think it is just the same today as it was ages and ages ago, when it developed from other simpler jelly forms in the steaming seas of the infant world. The amoeba is a speck of jelly composed of the gases oxygen, hydrogen, nitrogen, and carbon. But it is not gas now; it is no more an "element," but it is a combination of elements, and it lives. It grows. It is so small that the human eye cannot see it, and I have hunted for it for hours together in the muddy water at the bottom of my aquarium. I would take a glass tube (called a pipette), and stir up the mud, and then remove my fingers from the top of the tube, and allow the mud and water to rush into the tube. I replaced my finger on the end of the tube and lifted it out on the water, and there were the mud and water, and I hoped amoebae, from the bottom.

Then I got my microscope, and put the mud from the pipette on a glass slide, and placed that under the microscope and watched for the living amoeba. It is a slow process, but he who would understand the origin of the world must be in no hurry. When I saw the jelly speck at last, I was as much interested in it as if it had been an atlantosaurus—more so, maybe, for it was one of the world's first children. I watched the speck of life for hours, and the longer I watched it the more mysterious it grew. I watched till I forgot how small it was—till it seemed like some vast amorphous (formless) living thing that was struggling in conscious agony underneath the merciless eye of the microscope.

That jelly speck was really alive! Yet it was formless. It had no mouth, no arms, no legs, no nerves, as far as I could discern, and yet it was alive. If I dropped a speck of nitric acid near it, I could see it retract, as if it felt pain and had feelings just as a man has. It drew back from the acid as a man would withdraw his finger from a red-hot plate. And the movement in each case was the same—a movement which the scientists call "reflex action." When a man gets burnt he does not stop to think why he withdraws from what burns him; it is done by automatic stimulus, by reflex action. So in this jelly speck, invisible to the naked eye, there becomes visible a something which links it to humanity—the power of reflex action.

When the amoeba is hungry it moves; and so does a hungry man. The amoeba has no feet, no legs, and yet it moves. It projects a part of its jelly mass in one direction, and moves after it. When it comes across a speck of food—of what we call organic matter—it pulls itself over the speck and absorbs it. It has no mouth; it is all mouth. It has no stomach; it is all stomach. It has no legs; it is all legs. It is a miracle!

But how does it reproduce itself? All living

things must reproduce themselves, and how can the amoeba do it? It cannot lay an egg as a hen does. It cannot produce an acorn as an oak tree does; but still it reproduces. But how? There is the mystery. Life is all a mystery, and yet it is very simple. When the amoeba is well fed and ready for reproducing its kind, it shrinks in the middle and breaks into two, and so you have two amoebae where there was but one before. And these two divide and make four, and the four make eight, and so on through all human time. The amoeba in my aquarium today is the direct descendant of the one that was born in the grey dawn of life in the world. Is it not wonderful? The amoeba was born in the warm mud of ancient seas, by the combination of gases, driven by electricity. I wonder what gas is, and what electricity is. A friend of mine affirms that electricity is life, and I never contradict him, for I do not know what life is. Ions and electrons are names given to electrical manifestations, and Sir Oliver Lodge says: "It is a fascinating guess that they constitute the fundamental substratum of which all matter is composed." I wonder what ions are, and what life is.

May I assume that you think you understand what an amoeba is? Mind you, an amoeba is not a real primitive, any more than one of our blackfellows is a primitive human being. A blackfellow is a very high form of human life, even though some people say that he is one of the very lowest of human beings. It is all a matter of relativity. There are, and there were, very much earlier things that "lived" before the amoeba did, and the reason why I say so is simply that there must have been.

An amoeba, even though but a speck of jelly, is really very high in the scale of life, and nothing ever came into existence full-fledged and ready for the fight, as Minerva is said to have done from the head of her father Jupiter. Everything had to develop from the simplest beginnings, and an amoeba is not the simplest of all things; so there must have been a simpler. But you can see that the amoeba was one of the very early living things. And it developed. It was born in the sea, and in some cases it clothed itself in a shell of lime, with the jelly protruding through tiny holes. I have towed my silken net in tropic seas, and have captured, this shelly amoeba in millions, so that my net was slimy with them, although they were invisible to the naked eye.

These foraminifera, as they are called, exist in countless numbers in the sea today. To them we owe the chalk hills of old England, which are really composed of what they call "Globigerina Ooze." Think of all the time it must have taken to deposit the "white cliffs of Albion" under the sea, from the shells of these invisible amoebae. What a change it was to make English land out of what used to be the sea bottom! Think of the time! Think of the miracle! Think of the glory of it all in this "sad old world" we live in. It is a miracle world, once your eyes have been opened!

Next Lesson: THE WORLD'S ROCKS.

## ECONOMIC CAUSES OF WAR

By PETER T. LECKIE.

NOW READY.

Preface by the author.  
132 PAGES.

Per Copy, 25 Cents.  
Ten copies up, 20 cents each.  
Post Paid.

## HUMAN NATURE

(Continued from page 1)

The same cause that drove man to his mate, through change of time has diversified its satisfaction. And the same force that urged the haunted man of the wild in quest of physical and social satisfaction compels a continual modification in the conquest of desire, i.e., its attainment.

But precisely the same principle that carried man from the primitive commune to servitude is steadily impelling him from servitude into the higher commune of the social commonwealth. The same necessity that harnessed natural passion with political monogamy is now breaking its long slavery and driving on to the purification of mutual communion. And the same spirit of invention and research which modified the first social industry is again facing man with the need of further centralization of socialized effort. Coming face to face with this necessity, the mind shall see a new light; the beast find a new nature. In the grim hour of necessity we shall discover the regenerating ideal; shall awaken to the conceptual union of matter and spirit; and shall scourge the money changers from the temple courts of humanity. For in the social administration of life's necessities there will be no place for greed, for the ethic of gain shall have disappeared. There can be no burden of privilege, and consequently none of its sordid excess. And the mystery of false desire shall lose its unimaginative forwardness, in the wonder and beauty of natural satisfaction.

Let us have a society where the fear of authority and the spectre of "artificial famine" are not; and the human nature of capitalist exploitation will shed its character of degradation, "as the fig tree sheddeth her leaves." Let us have a society where political devices no longer blight and darken human aspirations and efforts, and man shall reap a new nature as surely as a change of climate induces a new flora. Let us have a society where class and privilege cannot enter; and that society shall be as wholesome like a fertile land. Let us have a society economically free, and the natural passions of humanity shall be ennobled with the new beauty of understanding. Let us have a society whose birth-right is knowledge, and the human mind shall be garlanded and its craven happiness have vanished away; and man shall go, mated with the sweetest happiness. Let us have a world where truth is the final test of things, and the human nature of that world must be fashioned in the image of its creator. R.

## HERE AND NOW

It will have been demonstrated to all and sundry who have given any consideration whatever to the bone-dry results of our Here and Now dissertations recently, that the "Clarion" circulates among those who, one of these fine days, shall inherit the earth, but who in the meantime are not corpulent with wealth and who, in fine, give ample evidence that they at any rate will never be able to buy the capitalist out.

We have ample evidence on hand that these registrations of the "Clarion's" financial pulse are looked for and noted in many places, and we are not a bit displeased at the manifestation of interest in the "Clarion's" welfare. But we need more interest to be taken in it and more effort, where it can be made, towards sales and subs.

Any man of the reputed "deep penetration" who studies our totals can see that the only solution is to increase 'em.

Following \$1 each: C. Redusko, A. Barnes, G. W. Davidge, F. Harman, W. B. Mitchell, R. Sinclair, G. K. R. nald, J. Schultheis, G. Beagrie, M. Goudie, J. MacLean (per J. Hubble), J. Donohue (per W. A. P.), J. Hodges, D. MacLeod, Geo. Paton, F. A. Charters.

J. Falstrom, \$1.50; Harry Williams, \$3; Parry and Sim, \$3; J. A. and T. A. LaFleche, \$2.

Above, "Clarion" subs received from 29th June to 13th July, inclusive—total, \$25.50.

# Concerning Value

BY "GEORDIE"

THE following is the continuation of an article I left unfinished some six months ago\* At that time I closed with the quotation here given which is repeated in order to ensure continuity.

"No matter what may be the way in which prices are regulated, the result is the following:

(1) The law of value dominates the movements of prices, since a reduction or increase of the labor-time required for production causes the prices of production to fall or to rise. . . .

(2) The average profit which determines the prices of production must always be approximately equal to that quantity of surplus value which falls to the share of a certain individual capital in its capacity as an aliquot part of the total social capital. . . . Now, since the total value of the commodities regulates the total surplus-value, and thus the level of the average profit and the average rate of profit—always understanding this as a general law, as a principle regulating the fluctuations—it follows that the law of value regulates the prices of production."

"Capital," vol. III, page 211.

The explanation here given has excited considerable comment to which it is my intention to devote some little consideration, as it helps to illustrate one of the points I have been driving at in this particular article.

Prof. Bohm-Bawerk, for instance, has this to say:

"There can clearly only be a question of an exchange relation between different separate commodities among each other. As soon, however, as one looks at all commodities as a whole and sums up the prices, one must studiously and of necessity avoid looking at the relations existing inside of this whole. The internal relative differences of price do compensate each other in the sum total. For instance, what the tea is worth more than the iron, the iron is worth less than the tea and vice versa.

"In any case, when we ask for information regarding the exchange of commodities in political economy, it is no answer to our question to be told the total price which they fetch when taken all together, any more than if, on asking how many fewer minutes the winner in a prize race had covered the course than his competitors, we were to be told that all the competitors together had taken twenty-five minutes and thirteen seconds. . . . It is no answer at all; it is simple tautology. For, as every economist knows, commodities do eventually exchange with commodities—when one penetrates the disguises due to the use of money. Every commodity which comes into exchange is at one and the same time a commodity and the price of what is given in exchange for it. The aggregate of commodities, therefore, is identical with the aggregate of the prices paid for them; or, the price of the whole national produce is nothing less than the national produce itself. Under these circumstances, therefore, it is quite true that the total price paid for the entire national produce coincides exactly with the total amount of value or labor incorporated in it. But this tautological declaration denotes no increase of true knowledge, neither does it serve as a special test of the correctness of the alleged law that commodities exchange in proportion to the labor embodied in them."

—(Bohm-Bawerk, Karl Marx and the Close of His System, pp. 72-75).

"A law of value," says Prof. Skelton, summing up the above, "has to do only with explaining the proportions in which separate commodities exchange with one another, not with a total in which all differences are averaged out." (Socialism, a Critical Analysis, p. 132).

The exasperation of the worthy professor will be readily understood when we consider that he was of opinion that:

"Value grows not out of the past of goods but out of their future. . . . Value cannot be forged like a hammer, nor woven like a sheet. . . . What production can do is never anything more than to create goods in the hope that, according to the anticipated relations of demand and supply, they will obtain value."—(Bohm-Bawerk, Capital and Interest, p. 134.)

That is to say that value is generated in the process of circulation; that it is the exchange ratio between commodities determined by the conditions of the market and, by reason of the mechanism of the market, necessarily expressed in terms of money.

\* See Western Clarion 16th Nov. 1921.

Which means that, to all intents and purposes, it is a price. For Marx, on the contrary, value is generated in production. Necessarily so, seeing that it is created by labor. It would appear that Marx and Bohm-Bawerk have something entirely different in mind when they use the term "value."

It is usual to define exchange-value as being "the quantitative ratio in which any two goods or services are exchanged." (Prof. R. T. Ely). "In fact," says Marx, "in speaking of a value, the value in exchange of a commodity, we mean the proportional quantities in which it exchanges with all other commodities." (Value, Price and Profit).

Now a ratio or proportion is neither a thing nor a quality of a thing. It is a quantitative proportion between two or more things or between the amounts of some substance or quality which is common to those things. Further, it does not exist until the things are brought into relation to or compared with each other. That is to say that exchange-value is a fact of the market. It is a matter of perception and can be observed and verified. This brings exchange-value into the same general category as price, seeing that both emerge in the field of circulation as distinguished from that of production.

If now there exists, as I hope to show later on, a difference between the concepts of "value" and "exchange-value," then the statement just quoted from Bohm Bawerk, however correct it may be in itself, entirely misses the point. Speaking to this question Prof. Veblen has this to say:

"Marx's critics commonly identify the concept of 'value' with that of 'exchange-value' and show that the theory of value does not square with the run of the facts of price under the existing system of distribution, piously hoping thereby to have refuted the Marxian doctrine; they have for the most part not touched it."—(Veblen "The Place of Science," etc., p. 422.)

It will be remembered that I pointed out that, at one time, Value, Cost of Production, Exchange-value and Price were, to all intents and purposes, identical, so much so that they were not differentiated. I also indicated a growing divergence between exchange-value (as measured in terms of labor-time) and Price. This led to the formulation of the Cost of Production theory. Prices, in obedience to the conditions of the market (supply and demand) were said to fluctuate about a point determined by the cost of production. At the same time, in strict accordance with the point of view prevalent at the period, the classical economists were wont to impute to the products of labor a "natural" value with which, it was inferred, the market value would tend to coincide, assuming, of course, normal conditions and a sufficient extent of time. Any such coincidence, or lack of it, could not however, be verified seeing that this "natural" value was purely conceptual in its nature. I have already quoted Adam Smith in this connection (see, however, p. 233 vol III of Capital) and as regards Ricardo I find that Marx says "that Ricardo (who doubtless realised that his prices of production differed from the value of commodities) says that the inquiry to which he wishes to draw the reader's attention relates to the effect of the variations in the relative value of commodities, and not in their absolute value." Capital vol. III p. 211.

We may describe all this as a condition of affairs in which, if we may so speak, we find Price, which is a percept—the immediately obvious thing, occupying a place on the right and the concept Value just taking form on the left while exchange-value, resting on Cost of Production, occupies a central position.

At this point Marx takes up the as yet nebulous concept of value and gives it consistency, by pointing out its nature as a "social reality," and validity by demonstrating its serviceability in analysis. Usefulness, by the way, is the only justification for

the creation of such concepts. He further showed the increasing divergence between value and price of production, due to the development of the competitive phase of capitalism, more specifically to the increasing tendency to an average rate of profit in which, moreover, the growing merchant class participated and to the extension of the credit system.

More recently, we observe that the passing of the competitive stage and the development of the monopolistic phase of the capitalist system has the effect of widening the gap between cost of production and price and driving the latter still further to the right.

In view of the line of development here set forth it was, perhaps, only to be expected that the more recent economists should have lost sight of the concept of value and have concentrated their attention on the price-form. "For them," says Marx, "there exists neither value, nor magnitude of value, anywhere except in its expression by means of the exchange relation of commodities, that is, in the daily list of prices current." Capital p 70.

The resulting investigation of prices and of the factors concerned in their formation and, more particularly, the analysis of demand, led to the formulation of that group of concepts generally referred to as the "marginal utility" theory. A more detailed consideration of this theory will, of course, be necessary when we come to discuss prices. In the meantime we may note that the mechanism used, namely, Demand, Supply and Cost of Production is essentially the same as that employed by Marx when discussing the formation of prices, necessarily so, seeing that these constitute the facts of the market.

If, therefore, it should be found that there is anything in the work of the Austrian School, of Jevons and Marshall in England and of Clark and others in America that may be useful to us, and it is my opinion that there is, then there is no reason why we should not avail ourselves of it. In any case the least we can do is to study the science not only from our point of view but also from that of the enemy and, if possible, carry the war into Africa.

On the other hand the concept of value was dropped by the bourgeois economists because, so far as they were concerned, it has not only lost its utility as an instrument in explaining price but had acquired a positive degree of "disutility," as Jevons would say, through its association with the Marxian system, particularly in view of the fact that the only bridge between Value and Price is by way of the law of surplus value, a category which cannot be admitted by orthodox economics.

## BASKET PICNIC

To be held at Second Beach, Vancouver, B. C.  
SUNDAY, 23rd JULY.

Under S. P. of C. Auspices.

The success of the last picnic held by Local Vancouver No. 1, has prompted the cry for another.

So, another is to be held on Sunday 23rd July, at the same place as before.

Directions: Assemble at Second Beach, Stanley Park at 1 p.m. Bachelors are requested to bring fruit. The family baskets will carry whatever else is necessary to the grub supply for an enjoyable day's outing. COME ALL!

## NOTICE

Local (Vancouver) No. 1

Next business meeting of Local No. 1 will be held (July 18th) in Room 12 (First Floor) Flack Block, N. E. Cor. Hastings and Cambie Streets.

## CLARION MAINTENANCE FUND

C. H. Lake, \$5; Jim Lott, \$5; Walter Wilson, \$2.  
C. M. F. receipts from 29th June to 13th July, inclusive—total, \$12.

## Western Clarion

A Journal of History, Economics, Philosophy,  
and Current Events.

Published twice a month by the Socialist Party of  
Canada, P. O. Box 710, Vancouver, B. C.  
Entered at G. P. O. as a newspaper.

Editor ..... Ewen MacLeod

### Subscription:

Canada, 20 issues ..... \$1.00  
Foreign, 16 issues ..... \$1.00

872 If this number is on your address label your  
subscription expires with next issue. Renew  
promptly.

VANCOUVER, B. C., JULY 15, 1922.

### MANITOBA ELECTIONS.

A few days from now will disclose the outcome of the campaign for representation by the various groups and parties of working class opinion in the Manitoba Legislature. The government elected in 1920 had a hard time to hold itself together, since there had been elected several fairly evenly balanced groups, all contending fiercely in the battle of surface politics where no fundamental issue was before them, for dominant position. The year before had been the momentous time of the Winnipeg strike, its effect had been disruptive in the smooth groove of party politics, and the government of 1920 has been embarrassed ever since.

Winnipeg has been during the past few years the scene of industrial dispute and political turmoil. The mind of the workers there in 1920 was agitated over the imprisonment of working class spokesmen, yet the result of the election showed considerable muddle as the prevailing state of mind. Since 1920 they have suffered the influence of programmes and policies to occupy their attention and, from what we can gather by reading their discussions, we miss our guess if they are not muddled still.

There has been achieved, however, a healthy interest in all matters affecting working class affairs, and the task of the Socialist is to help it toward understanding. Comrade Armstrong is described by Lestor as "an old soap boxer of the plug variety," which is akin to the arts degree among Socialist propagandists. Once elected, if a Socialist holds that description and takes every opportunity that offers for Socialist propaganda he shows a proper understanding of his job.

There never was a greater need for unity among working men than there is in Winnipeg now. The unity cry of course has visited that centre, but it has been made without any serious consideration of the basis of unity and it has been handicapped by the recent history of those who have been shouting loudest for it. The variety of working class candidates is due to divided opinion among the workers. Socialist education is the only course open toward unification of that opinion. Our campaign follows that course.

### SECRETARIAL NOTES

Vancouver comrades will observe the notice appearing elsewhere in this issue to the effect that next business meeting will be held in the Flack Flock, Room 12, first floor. The address is 163 Hastings Street West.

For some time Local Vancouver has had in mind the matter of moving to more convenient headquarters where, if possible, a little leniency might be a feature in the matter of rents. Difficulties have been encountered, not only in rental figures, but in the matter of being able to rent a place at all. No doubt had we been of the Apostolic Faith, The Order of the Goose, a combination of perfectly respectable blind-piggers or a company of loan or realty sharks, we would have had welcome entry but, being Socialists, our presence would over-balance all comers in any neighborhood.

However, the last landlord having lost money somewhere and having raised the rent, another had to be found and he has been found at the address given above. In the matter of mail use the P. O.

address: P. O. Box 710, Vancouver, B. C.

\* \* \*

Some enquiries have been made as to Comrade Lestor's whereabouts, and when he is due to arrive. His article in this issue on the Winnipeg election campaign, indicates his present field of activity. The campaign will end, so far as the present election is concerned, on the 18th July, following upon which date we understand Lestor will head west. It is likely that he will stop off at points en route and make speeches, after the fashion of Socialist propagandists and distinguished visitors. Anyway, there will be a big crowd on the corner when he gets here.

\* \* \*

Talking about corners: Local Vancouver's summer campaign of street speaking is showing good results in good addresses and rising literature sales. Mondays, Thursdays and Saturdays at 8 p.m. Here's the place to sell literature. Get in and help; there can't be too many on hand. Here's the place also where you may discover your abilities as a propagandist. Climb on to the box and open up.

:o:

### WASHINGTON AND THE FUTURE OF CHINA.

BY ARTHUR ROSENBERG.

Mr. Wellington Koo, the parade diplomat of the Peking Government, has transferred the field of his activity from Geneva to Washington. The very clever and worthy Chinese was representing his country in Europe in the League of Nations. For some time he even presided over that estimable institution, and thus proved how high a Chinese can rise nowadays within the circles of international diplomacy if he only understands to swim with the stream. Mr. Wellington Koo, further, participated with solemn mien in the decision on the Upper Silesian question. Now he is to participate in the settlement of the Chinese question, and it is perfectly clear that he will have very much less to say in the Chinese question than he did in the Upper Silesian problem. Curiously enough, just twelve days before the opening of the Washington Conference, a very unpleasant accident happened—the Chinese Government has not paid the interest on its American loan which fell due on the 1st of November. To put forward demands in the name of a bankrupt Government is not a very enviable position.

The international position of China, in view of the political dismemberment of that gigantic country, will in fact be extremely difficult. China passed through its Revolution ten years ago. The Chinese middle class at that time overthrew with surprising rapidity the feudal monarchy of the Manchus. The Chinese bourgeoisie was, however, unable to retain political power. In Peking there is a clique of reactionary generals who style themselves the Government of China. Further, in each province of China there is a military governor with some thousands of soldiers. The chief steals precisely in the same manner as his subordinates, and the military governors are fighting one another. The Peking Government has no authority outside Peking. The Chinese Republic serves only as a cloak for a brutal, corrupt, and confused military rule. Only in one part of that country, with its 400,000,000 population, is there a really republican, democratic government, namely, in the big South China City of Canton, where Sun-Yat-Sen is at the head of an independent government. The military governors at all events pretend to recognise the Peking Government as the supreme authority, while Sun-Yat-Sen has openly declared war on the Peking militarists. The citizens of Canton declare that it is their intention to liberate the country from military rule, and to establish a united democratic Chinese Republic. Sun-Yat-Sen was the most prominent spiritual leader of the first Chinese Revolution. He opposed the militarist development, and was striving with his friends of Canton to bring the Chinese Revolution to a successful issue. Sun-Yat-Sen was supported in the first place by the students and generally by the young intellectuals who have grasped the idea that only together with the workers and peasants of the country will they succeed in defeating the Reaction. Thus Canton is giving a new impetus to the Chinese Revolution. At Washington, Mr. Wellington Koo is representing the Peking government. The Canton Gov-

ernment is naturally disliked by the International capitalists because the Chinese Radical Democracy is just as much opposed to the foreign exploiters as they are to the internal oppressors. At Washington the Peking Government has been recognised as the actual representative of China. To this Sun-Yat-Sen answered that he will consider as null and void all the decisions of the Washington Conference regarding China.

The prevailing chaos in China has been very clearly utilised by the Japanese. The Japanese set one governor or ruler against the other, and thus obtained very valuable concessions. For Japanese capital, influence in China is an absolute necessity, because in Japan during the last few years industry has greatly developed. Japan has neither iron nor coal, while China, on the contrary, is very rich in mineral wealth, the exploitation of which in most cases has hardly yet begun. The Japanese are striving to obtain from China the raw materials which they require for the development of their industries. Further, they desire to utilise China as a market for their commodities.

After the victory over Russia, the Japanese in the first place gained the peninsula Liau-Tung, where the Russians had built Port Arthur. At the same time the Japanese obtained the railway line which crosses Southern Manchuria. During the world war the Japanese exploitation of China made great headway. Japan then seized Kiao-Chow from the Germans, and in addition it laid its hand on the railways and mines of Shantung. By such means the Japanese succeeded in actually annexing huge Chinese provinces with a population of many millions east and south of Peking. Notwithstanding the bitter opposition of the Chinese population, which does not wish to be swallowed by Japanese capital, Japan has since the end of the world war obtained still more and more new positions of power in China.

In opposition to the Japanese aspirations for economic predominance in China, America puts forward the policy of the open door in China. Through this open door any one is to be able to enter China in order to do business undisturbed. What American capital means by the open door is obvious from a proposal which recently was put forward by America. According to this proposal, American, English, French, and Japanese banks, which are interested in China, should jointly establish a big consortium. All loans obtained up to the present by China from individual states should be taken over by this consortium. China would then have no longer the separate foreign groups of capitalists as creditors, but united world-capital. The international group of banks would thus establish its guardianship over the economic life of China. It is obvious that in such a fraternity the American capitalists as the strongest would predominate. Thus the open door does not mean free competition, but the replacing of Japanese predominance in China by that of America.

The Peking Government regards American predominance as the lesser evil since America is further off than Japan, and because the American capitalists would carry through their plans in a milder form than the Japanese. America would, if she had her own way, still keep up appearances in China, while Japanese militarism desires to trample down China as it did unfortunate Korea. Wellington Koo, therefore, declared in Washington that China demands unconditional political independence, that China must have control over her own railways, i.e., the Japanese must give up the railways of Shantung and Manchuria. Wellington Koo further demands that the concessions lately granted to foreigners in China should be annulled. This, too, is directed against Japan. It is true the bankrupt gentlemen of Peking by themselves matter little, but the American capitalists like to hear these voices. Hughes, if he wishes to snatch from the Japanese their Chinese booty, can pretend that America, acting unselfishly as usual, appears now as the protector of the suppressed Chinese people. Meanwhile the directors of the American China banks are laughing in their sleeves.

The Communist Review, London.

# Chance

HERE is no question in anyone's mind but that the struggle for existence in highly developed Capitalistic countries is growing more acute each day. For the worker this is especially true. When land—good fertile land—was given away free both in the U. S. and Canada, the chances for a worker to emerge from his class were excellent. With a few years of hard work a worker had an opportunity to become a fairly prosperous farmer. Today, however, the situation is reversed. Land is offered free for the asking but the quality is extremely doubtful or else, even if the land is fertile, it is situated miles away from a railroad or the money required to put the farm on a profitable basis is beyond the means of the embryonic farmer. No longer do we see huge caravans blazing a way to the Golden West. No longer do we see workers trending either by foot or wagon with their eyes lit up by its rosy expectation. Where once were wagon trails we now see snorting, smoky locomotives rushing through pell mell. The west is still here but it lost its golden garments—its golden lure—that is, as far as the worker is concerned. Gone are those days of hope; gone forever.

Robbed of his opportunities in the west, the worker sought other means through which he might emerge from his class. He sought the glittering gold of the Klondike—but generally left his bones glittering on some lonely Klondike trail. True, a few attained wealth, but they were very few. The great many starved and suffered untold pains so that they could become rich overnight. They either remained to work for some exploiter of labor or left, rich in experience. Even now workers are sacrificing their all, their very lives, for a chance to find some gold in the dreary and icy lands of North Ontario for a chance to escape wage slavery.

The days of the gold rush are over. So the ambitious worker tries to become a petty capitalist. Sometimes he succeeds, but in general he fails. Not being able to escape wage slavery by means of so-called hard work and frugal habits, he relies on chance. He becomes a gambler, a petty gambler if you will. It seems to the writer that gambling increases directly in proportion to the increase of poverty among the masses. In European countries, gambling is a craze. The peasant or worker will spend his last sou on the lottery. Why? Because the lottery gives him a chance to become rich immediately. In reading about loteries we learn how certain peasants or workers become rich through possessing lucky numbers. That seems to be a strong magnet for the masses. Lotteries are very popular in Europe, so popular that recently even German municipalities are using them as a means for raising revenue.

In this country horse racing is a very popular sport. Thousands attend the average horse races. Horse racing is a profitable business not only to the proprietors of race tracks but also to the government. Those who are familiar with horse racing know that the thousands who attend them are not interested in the game from a sportsmanship stand. They go there for one thing—and that is to win money, and win it quickly. With two dollars, one

may win hundreds at a race track. True the great majority do not win, but that fact does not make much impression upon the minds of its devotees. A few win, and that is sufficient. Although the average bettor on horse races realizes in a dim way that horse racing is more or less "crooked" he still keeps betting expecting his chance to come any day. He is a worshipper of the Goddess of Chance.

Oil stock investments also seem to lure a large number of workers. Here again we see a few workers suddenly become rich through the ownership of oil stock. This is also a gamble. Most of the time the stock the worker buys is valueless. The fact that John Jones or some other miserable worker made a fortune out of oil stocks is more than sufficient evidence that the oil game is reliable as far as the average worker is concerned.

Barnum was credited with the statement that a sucker is born every minute. It is only a part truth. A sucker it seems is born every second. A suit of good clothes, a pleasant smile, a good line of chatter, a few pieces of beautiful engraved paper and presto! you are a stock salesman. It requires very little effort to find dupes. They are everywhere and many are workers.

Real estate seems to attract many unsophisticated workers. Without hesitation they will buy lots in some forsaken place, always waiting for the so-called land values to rise either through the erection of some large factory near by or through some miracle. Most of them are very conscientious in their payments. They live in an unreal world. They have dreams—dreams unfortunately based on thin air. Any land shark will tell you that the average purchaser of lots invariably quits making payments. He soon becomes discouraged.

And then again we have such petty gambling games as cards, roulette wheels and dice. Here we see workers trying to get rich at the expense of their fellow-workers. Here again we find card sharks and dice shakers who use the average player as a dupe as a means of earning easy money.

Despite all their efforts, the fact still remains that the workers as a class are doomed to stay workers the rest of their natural lives. The adage "Born a worker, die a worker," seems to hold true in this country. Gambling on chances is a poor way of getting rich. The game is controlled by unscrupulous men who in the main profit at the expense of millions of dupes. Even if gambling were put on an "honest" basis, it still would help the worker very little as a means of escaping the hard knocks of life. A dollar won today means two lost tomorrow.

Why then depend on luck or chance? Why not depend upon science, which is based upon real, hard, cold facts. Socialism, that is, the science of human society, teaches us that the cause of all the poverty existent in modern society is due to certain well-established causes. The elimination of these causes means the elimination of poverty. Socialism also teaches us that these causes can be eliminated only through the concerted action of the mass as a unit and not through the action of individuals, microscopic parts of the mass, who base their actions on mere chance.

JOHN TYLER.

## Manitoba Election Features

THE stage is now set for the Manitoba Provincial election, and the prospective candidates are already beginning to take the stump and peddle the political wares of the parties they represent. Polling day is on the 18th of July. Up to date there are forty-three chosen for the 10 vacant Winnipeg seats.

Liberal, Conservative, Progressive, Workers' Party, Dominion Labor, I. L. P., Independents, Moderation and S. P. of C.

"You gets your ballot and takes your choice."

There is one thing about it: We shall know how many real Socialists there are on the voters' list in

Winnipeg after this election.

The S. P. of C. candidates are George Armstrong and Sydney Rose. Armstrong, as the Comrades know, served a year in jail following the Winnipeg strike. It was during his incarceration that he was elected to the Provincial house. George is universally respected, even his political enemies paying tribute to his sterling worth and honesty of purpose. He is an old soap boxer of the plug variety, and is one of the best known men in Manitoba. Sydney Rose, the other S. P. of C. candidate, has been a member of the Party for many years, and has done much work for the organization. He has a clear under-

standing of the proposition and should make a good team mate for Armstrong.

### The I. L. P.

Two conflicting elements are trying to reconcile their differences in the I. L. P. organization, the pro and the anti-Socialists. The "pros" are of the Blatchford type and the "anti's" of the Henry George brand, with a dash of Dixonism thrown in. The pro's are in a majority, but the anti's have more hot air and the latter dominate. Some members of the outfit recently wavered and strayed into the Workers' Party, but their love of liberty was so strong that the Dictatorship of the Workers' Party executive caused them to return to their Utopian home, wagging their democratic tails behind them.

The S. L. F. was the ghost of the S. D. P. This organization lost itself in its pants during the war, Queen, Heap, Blumberg and others were members, and when the Workers' Party cleaned it up Heaps and Blumberg found their way to the I. L. P., while Queen, not able to stomach either the I. L. P. or the Workers' Party was left high and dry and is running on his lonesome. The attitude of the I. L. P. towards us is one of fear. The average member of this outfit knows that his knowledge is not equal to that possessed by the average member of the S. P. of C. He is fully conscious of his mental inferiority.

The Dominion Labor Party have two candidates in the field. This bunch is the wreckage left when the I. L. P. was formed. The latter took upon the D. L. P. as reactionary. The difference between them cannot be perceived; they are both on a vote-catching ticket. The feud between them is due to personal matters. Officials of the A. F. of L. are at loggerheads with the O. B. U. The I. L. P. is heavily represented on the O. B. U. central council; the D. L. P. on the Trades and Labor Council. The two men who are running were nominated by a call of Trade Unions by the Trades Council where 30 responded out of 7,000.

### Workers' Party.

The Workers' Party depends for its existence here in Winnipeg upon a fight between a Ukrainian unit of the O. B. U., mostly lumber workers, and the executive of the O. R. U. The latter decided they would not stand for a separate language unit, and demanded that the Ukrainians become part and parcel of the general organization. Mr. Popovich, whose history is one of exploiting the national Ukrainian sentiment, and whose record during the war was a series of retreats into the backwoods every time any patriotic Britisher raised the cry of "foreigner," was not prepared to let the bunch get out of his hands and succeeded in holding them. This was the nucleus of the Workers' Party. Mr. Kaplan, of whom much is known, together with others, not lumber workers or any other kind of workers, dropped into a home amongst these people, and started their machinations. They tried to levy blackmail on Bob Russell during the last Dominion election, and are an unprincipled gang. I have no respect for the Workers' Party. The I. W. W. were bad enough, but they had at least courage. The Workers' Party are yelling about Moscow and the Third International, but they are too cowardly to join it. It is a fly-trap, and may function as a reform agency for a while, but it has no future.

You will see by the above what we are up against and I sincerely hope that the boys in Vancouver will do their best and raise what cash they can to help in the fight. We are putting all there is in us into the conflict, and although we are small in numbers yet we have behind us all the social forces on the planet.

The S. P. of C. never was so strong as now. Amid the wreckage of freak parties it stands amid their ruins stronger in knowledge and consciousness than ever before. Events have vindicated our position and left all our opponents with nothing but a platform of helpless ignorance to stand upon.

Editor's Note.—On account of the deposit required by the Provincial Government of Manitoba, \$200 for each candidate, Comrade Armstrong's name was the only one the Comrades of the S. P. of C. in Winnipeg managed to put forward in official nomination day, July 8th.

# Economics for Workers

BY PETER T. LECKIE.

**G**OLD has many advantages over all previous mediums of exchange.

1st: It is generally accepted and can be used for ornaments and other industrial uses; is easily converted into bullion, or vice versa.

2nd: Is chemically uniform.

3rd: Has great durability.

4th: Has great value in small bulk.

5th: It is recognisable by its weight and through the acid test.

6th: It is beautiful to look at, hard and portable, easy to handle; it retains the government stamp easily and long; it was bound to win out in competition with other money, such as skins, tobacco or cattle money, or other metals.

All previous money fluctuated easily in value, therefore it had less stability than gold. Gold has other remarkable qualities. One grain can be beaten out to the extent of 75 square inches so that it takes 365,650 leaves of decorator's gold to form one inch in thickness or the 1200th part of the thickness of ordinary newspaper.

One grain can be drawn into a wire 500 ft. long, and one ounce made to cover a silver wire 1300 miles long, therefore it has many industrial uses combined with the money use.

Diamonds have a number of "gold qualities." They are of small bulk and are portable, but diamonds have not the divisible quality. A twenty carat diamond is worth more than a twenty-one carat diamond, and cannot be converted into coin or bullion.

When tobacco money existed among the Colonists in America we had the value fluctuation so great as to cause riots.

In 1628 the tobacco price was expressed in silver at 80 cents. The cultivation of tobacco increased so rapidly that it fell to 12 cents in 1631. In order to raise the price steps were taken to restrict its growth. Carpenters and mechanics were forbidden to grow it. These measures were ineffective, and by 1639 the price of tobacco expressed in silver was six cents. It was then enacted that half the good and all the bad tobacco be destroyed, and therefore all creditors accept 40 lbs. in place of 100 lbs. and the crop of 1640 be not sold under 25 cents a lb. and 50 cents in 1641. This law also was ineffective, causing great injustice (the historian says) between debtors and creditors by impairing the obligations of their contracts. In 1645 tobacco was only worth two cents a lb., and in 1693 the tobacco price was so low the people wanted its growth forbidden by legislation. The request not being granted, large bands went through the country destroying the crops. This evil had reached such a stage that it was enacted in 1684 that if any persons to the number of eight or more should go about destroying tobacco crops they should be judged traitors and suffer death. In 1727 tobacco notes were issued and legalized. These were in the nature of certificates of tobacco deposited in government warehouses. These notes were convertible into tobacco just as our notes are (supposedly) convertible into gold. Therefore we see the disadvantages of grain or tobacco money.

Platinum was tried as a currency in Russia in 1828 but was a failure. It had many qualities fitted for money, particularly in durability and density, which made it easily distinguishable. It oxidises slowly, but there has been no great amount of use for it in commerce. Because of its high melting point the cost of manufacturing coins was high, and it was not easily converted back into bullion (or vice versa) like gold, so it was abandoned in 1845.

The social monopoly of money has been obtained by gold, or the "token money" which represents gold. Token money is silver, copper or "paper money" which circulates above its commodity value because of its promised redemption into gold on de-

mand. Gold as the basis of our money system is a commodity, its value determined like all other commodities by the amount of socially necessary labor embodied in its production. When we treat gold as a commodity we find an intelligent explanation of the problem of prices. Gold has the two characteristics of all other commodities, usefulness to human society, and is a product of labor.

Marx says: "As a measure of value and a standard of price, money has two entirely distinct functions to perform. It is a measure of value in as much as it is the socially recognized incarnation of human labor. It is a standard of price in as much as it is a fixed weight of metal. As a measure of value it serves to convert the value of all other commodities into imaginary quantities of gold. As a standard of price it measures those quantities of gold. . . . In order to make gold a standard of price a certain weight must be fixed upon as a unit."

Only in so far as it is a product of labor can it serve as a measure of value. The change in the value of gold does not affect its function as a standard of price. Marx says: "With English writers the confusion between the measure of value and the standard of price is indescribable. Their functions as well as their names are constantly interchanged."

"No matter how its value varies, the proportions between the values of different quantities remains the same. However great the fall in value, 12 ozs. of gold will still have 12 times the value of 1 oz. of gold, and in prices the only thing considered is the relation between the different quantities of gold. Since, on the other hand, no rise or fall in the value of an ounce of gold can alter its weight, no alterations can take place in the weight of its aliquot parts. Thus gold always renders the same service as an invariable standard of price, however much its value may vary."

Engels puts it: "The value of the precious metal from which money is coined is itself determined by the amount of socially necessary labor time required in its production." Gold cannot determine its own value. One oz of gold equals one oz of gold does not express value, as value is a social relationship and can only be expressed when a commodity is brought into exchange with another commodity for its equivalent, which is the socially necessary labor embodied in production. Value does not reside in the stamp that makes money legal tender. The precious metal was used as money long before people ever thought of stamping or coining it. The people in Queen Elizabeth's time weighed the silver whether it was stamped or not, the stamp on the coin having no significance.

The names of our coins are traceable to the time when precious metal passed by weight, before coining and stamping existed. The Shekel of the ancient Hebrew was a weight. The livre of France, the pound sterling of England, were all significant weights.

The pound sterling comes from the time when the £ was a pound weight (12 oz.) of silver—troy weight. 20 penny worth: 1 oz.

12 oz—£1—240 penny—480 cents.

When gold was introduced the same ratio of gold to silver was called a £1. the pound sterling has been reduced in weight so that 20 shillings is but 5/16 of a pound weight.

The sovereign equals 123.27 grains 11/12 fine, or 113 grains pure gold.

The dollar equals 25.8 grains 9/10 fine or 23.22 pure gold which equals \$4.866. to the £1.

Dollar and sovereign's relative value is based on the amount of gold in them. One ounce of gold at the U. S. A. mint is worth \$18.60; the price paid in Britain is £3 17/— 10 1/2.

Of course the market price today is higher, but I will explain this when dealing with prices.

The Bank of England pays individuals £3 17/— 9 keeping the 1 1/2 pence for interest, and the Bank Act

of 1844 requires the Bank to receive gold at that price.

The introduction of so much paper money in England not only forced non payment in gold but also lowered the silver standard of the small coins with alloy metals, as they would be melted and sold, as silver had a higher market price, than that of the coin long maintained. Knowledge of money being greater than in previous years led the governments to suspend payment in gold. The reason for this suspension was because they were unable to meet the demand.

Sir Thomas White in the Montreal Gazette of March 5th, 1921 told of the Toronto case where a demand was made for half a million in gold from a bank in Toronto, and to save a panic the Government was forced to suspend payment in gold.

The Canadian law compelled 25% of gold to back the first \$30,000,000 paper above this gold, equal to the excess.

Before the war \$113,000,000 in paper.

Before the war \$90,000,000 in gold.

The people need so little for small change the full amount is never demanded, and while the gold demand has been suspended, the law now allows only 25% gold up to 50 million instead of 30 million as before the war.

In 1919 there were 298 million dollars Dominion notes. 237 million dollars bank notes.

This great increase of currency had a great effect on prices, which I will deal with under prices.

When we go back to the 90's we have a great fight between the politicians of the gold standard and the bimetalists. Governments endeavoured to force the taking of both metals as legal payment.

I think a short history of the failure of legislative law when it conflicts with economic law is pertinent here.

The first secretary of the Treasury of the U. S. A., Alexander Hamilton, because of the great variety of British and Spanish money circulating, inaugurated a gold and silver currency with the ratio of silver to gold 15 to 1.

He fixed this as most close to the value of the two metals at that time, but no gold was taken to the mint because of the inaccuracy of Hamilton's ratio. When his mint was built the ratio of silver to gold was lower, and it was more profitable to take gold and purchase silver on the market, and get the silver minted. A dealer with one pound weight of gold could get it minted approximately into 250 dollars.

If he exchanged his gold for silver on the market, and if the exchange be 15 1/2 silver to 1 of gold, by taking this silver to the mint he coined 260 dollars in silver which had the same face value as gold, which meant 10 dollars more than if he took his gold to the mint.

Then again the Spanish West Indies and American dollars were legal tender in both countries. The West Indies dollar was heavier than the U. S. A. dollar and the merchants were exchanging U. S. A. dollars for the West Indies dollars, melting them and having them minted in U. S. A., receiving more dollars. Gold was driven out of circulation and silver was the circulating money because the ratio of gold was under-rated by the Act of 1792.

When this was discovered President Jefferson suspended the coinage of silver in 1806.

In 1834 the ratio declared was 16 silver to 1 of gold.

This act overvalued gold, and silver became worth more as bullion, therefore the act of 1792 drove gold out of circulation, while the act of 1834 drove silver out of circulation for a similar reason. It was 40 years after before the market ratio reached the fixed mint ratio.

In 1860 \$1,000 dollars in coin was worth \$1045 dollars as bullion.

In 1870 \$1,000 coin equalled 1,027 bullion.

In 1873 \$1,000 coin equalled 1,003 bullion.

In France the ratio was also fixed at 15½ silver to 1 of gold and as the law permitted the payment to any extent in either metal the bank of France always paid out the cheapest metal.

The Act of Feb. 12th, in the United States in 1873 made gold the standard, but as the ratio of silver was quoted 16 to 1 of gold and 16 ounces of silver had a greater purchasing power than 1 oz. of gold, it was the act of 1834 that disposed of silver and brought about the gold basis. The same effect happened in England when the currency changed from silver to gold before the passage of the act of 1816, which decreed gold to be the standard. It, again, was a result of the ratio of silver at the mint being unvaluated and the heavier coins were melted and sold as bullion. Sir Isaac Newton, Master of the Mint, in a report to the Lord of the Treasury stated that silver bullion was worth two pence to three pence more per ounce than the silver coins, face value.

We saw something similar with gold cropping up during the late war, in England. In May 1920 six men were implicated on a charge of melting gold sovereigns into bullion; they were found guilty and received 6 month's imprisonment.

They obtained somehow 110,000 sovereigns, which the authorities confiscated, and at the trial it was proved that they had drawn from the Bank of England during 1919 gold weighing 18 hundred weight. During December alone it was charged they disposed of bar gold worth 914 pounds sterling. You will readily understand the reason these men, diamond merchants and barristers, did this, when gold had risen in the market from the mint price of £3 17/— 10½d to as high as £6—0—0. Many people were surprised to learn that as much as 29/— 6d was being paid for a sovereign (illegally of course) but that is one reason why the law was passed to stop gold being paid on demand, as sovereigns would have all gone to the melting pot. This is an abnormal incident of gold leaving its fixed price of that given at the mint, or Bank of England.

We see therefore when the legislative law is in conflict with the economic law it is obsolete and that the gold standard of the various countries was brought about by economic law before legislation made it legal.

This fixed price of gold confuses the best of our economists. Professor Fisher of Yale University is one who was very confused when he entertained the idea of stabilizing the dollar, because he fails to differentiate between value and price. He spoke before the Ottawa Canadian Club in 1912 in a manner as if because gold had a fixed mint price it should be made to have a fixed value, and most people are apt to think that way.

Let us not forget the fact that gold is a measure of value because it is a product of labor, and that it is a standard of price because of a fixed weight, that it has become a measurement of value precisely as a yard is a standard of length, the pint the measure of liquid, or the pound of weight. As length and distance can be stated longer and shorter than each other expressed in yards, so the relative worth of commodities can be expressed in money. Thus money is merely the expression of value, but labor is the source of that value.

Professor Fisher in 1912, said: "I believe the two great causes of the high cost of living is the great production of gold, and consequently the expansion of the world currency, and the increase in the use of cheques which are used as substitutes of money, and therefore tend to have the same inflationistic tendency." He then illustrated this by the story of a domestic servant having 100 dollars in the bank for 15 years at compound interest, who would draw 150 dollars, yet who was swindled out of her interest by the depreciation of the dollar. He wanted to stabilize the dollar by adding or subtracting the amount of gold grains to keep prices at 100.

He stated the government paid \$16.80 an ounce and asked if there should be any difficulty at fixing the price at 5, 8 or 10 dollars. "We talk about the law of supply and demand," he said, "yet the great supply of gold does not lower its price because we

artificially hold it up." This is confusion with a vengeance, as to have a measurement of value expressed in prices you must have some zero point to measure from, just as length or weight, or zero on a thermometer. Although you have an abundance of summer weather it does not change the freezing point of 32 on the thermometer. Fisher says, "If we discovered gold in sea water tomorrow so that gold became as common as sea pebbles, it would still be worth \$18.60 cents an ounce."

The war has disillusioned Fisher on the stabilizing of the dollar. However, the "Ottawa Citizen" quoted him frequently at this time, and in a letter to the "Citizen" I endeavored to point out that value is not measured by money, that the value of the gold in the dollar has no genetic relation to the value of a dollar as a standard of price, as the price is fixed by law, but that gold would have a lower value in its exchange for other commodities that had remained constant. Therefore the amount of gold necessary in exchange for other commodities being greater, it expressed itself in a higher price because the value of gold which is its relationship in exchange had fallen.

To put it plainer, let me use the following illustration:—

1 unit of gold—1 dollar—1 hour labor.

4 lbs butter—1 dollar—1 hour labour.

Butter would be 25 cents a pound.

If we had an enormous increase in gold production and no increase in commodities which, for simplicity, we will call butter, we might get this effect with double quantity of gold produced in the same time of 1 hour.

2 units of gold—2 dollars—1 hour labor.

4 lbs. butter—2 dollars—1 hour labor.

Butter would be expressed in 50c a lb., yet there has been no increase in the value of butter because it still takes 1 hour's labor to produce 4 lbs., but the value of gold has fallen, 2 units being produced in the same time as the 1 unit previously. This question will be dealt with in more detail under price.

To understand the problem intelligently we must also remember "that the quantity of money functioning as a medium of exchange is equal to the sum total of the price of all commodities, divided by the number of moves made by the coins of the same denomination, and the circulation of commodities can only absorb the necessary quantity."

For example, if 1,000 dollars express the total value of commodities, 100 dollars with 10 turnovers might be sufficient currency. The inflation of the currency during the war absorbed more than the necessary quantity expressed in the face value of the dollar. This seems a contradiction, but the system is full of contradictions and our opponents point to Marx as being contradictory because he points out contradictions. The explanation of the above contradiction is because the fundamental difference between paper money and gold money briefly stated is:

Paper currency is only a value in circulation, and has this value because it circulates.

Gold has value in circulation because it meets commodities as an equivalent of value because of its labor source of value, and, unlike paper, if it could not obtain its equivalent value in circulating as money it would be melted and leave the circulatory function, as we saw it illustrated in England.

The changing quantity of paper in circulation changes the prices of commodities.

The circulation of commodities can only absorb a definite quantity of gold, but will absorb any amount of paper. The reason a definite quantity of gold can only be absorbed is because gold, being a value itself, can realize its equivalent as bullion and leave the circulating function, as we have seen when government attempted to fix the ratio of silver and gold.

You would have to add an enormous amount of paper money before its intrinsic value as a product of labor would be reached, as paper is of very low value; that is why it is possible to carry on inflation with paper money.

I have endeavored to prepare you to deal with our next subject: **Price.**

## Book Review

**HUGO STINNES:** By Hermann Brinckmeyer. New York, B. W. Huebsch, Inc. Cloth, 150 pp. \$1.50 (U. S. Currency).

THIS is a brief story of one of those men who stride the world like a colossus, but in a different sense than Caesar did. The modern masters of the earth are not soldiers, nor are their armies composed of such. They are at best insignificant looking enough, and often so in every other sense. But their ownership of large industrial plants confers upon them all the powers possessed by the master of thirty legions two thousand years ago.

How much fiction and dramatic atmosphere might be written into the personality of our "great ones" is common knowledge to readers of the "Clarion"; of little concern then are the little anecdotes which portray Stinnes as the hard working director of industry. That he rides on a street car and dresses like a foreman might furnish a text for a Sabbath sermon, or as an example to the extravagant slave; singular, if true, but it is not the source of his wealth.

While peculiar to industrial magnates in this country, the captains of industry on the Rhine, we are told, are invariably of this breed. When we recollect what half-baked fools possess enormous industrial plants, we lose interest in those industrial people who work eighteen hours a day and do their figuring when they sleep. Of more interest to us is the statement of Stinnes himself: "When I am about to start a new enterprise I always ask two preliminary questions. In the first place, **where is the man to organize it?** Secondly, **where are the efficient workmen?** (Emphasis ours) Like Byron's little urn, these words say "more than many homilies."

The Stinnes fortune commenced early in the 19th century with Mathias Stinnes, who operated a small fleet of barges on the Rhine. Its history is the epitome of capitalist development in Germany. We read of Mathias, riding rough-shod over petty government officials at the borders of the many principalities which then comprised the German Empire; of his taking trips to Berlin and, in the seat of bureaucracy, overawing the pompous officials there. A verbatim account of what old Stinnes said to those retainers of the non-steam age would be of infinitely greater value than what Wellington said to the Guard at Waterloo. But, although our author deals in generalities, we can well imagine what the old fellow said. Steamboats had visited the Rhine in the year 1830, but Stinnes was the first to apply steam to hauling barges. His first tug-load, displacing the labor of many workers, met with armed resistance from those displaced. The pilot-house had to be iron-clad, but finally the steam-tug proved itself to be the fittest to survive. Not only did it overcome the antipathy and energetic resistance of the slave, but it pushed the old natural boundaries of the German people into the limbo for things lost and, with its steam companions of the land, set at naught the deliberations of the wise men who sat at Vienna to determine the boundary line of nations.

From transporting coal in barges, Stinnes, in tune with the infinite—or is it the times?—proceeded to mine coal, build ships and produce iron. Parallel with Stinnes there developed those other great fortunes, Klockner, Krupp, Siemens, and Rathenau. Of the last mentioned we had the news recently that its representative was assassinated by monarchists. As with these other families, the children of old Stinnes carried on and extended the enterprises thus begun,—no doubt to the tune of "Where are the men capable of handling the job? Here we read of gigantic merges familiar to us in the steel and oil trust, where, within the confines of a single company every particle is used up, passing as it were from the great bridge girder and plate steel mills down to the pin and nail factories. Coal and iron mines, railroads and shipping, harbours, chemical plants, paper mills and newspapers,—

(Continued on page 8)

## Children's Corner

### THE HOTEL CAPITALISM

By C. LESTOR

ONCE upon a time there existed in a very large city a very large hotel. This hotel contained over three thousand rooms. It covered an acre of four acres and was sixteen stories high. So you can see that it was no small affair. Everything worked tolerably well, and although the numerous families had their quarrels and petty grievances still they managed to overcome these without disturbing the general harmony. One day, however, the foundation of the structure started giving way and the building assumed an uneven and curious appearance. The inhabitants all started complaining to the janitor. In some rooms the stove pipes had become dislocated; in others the water pipes had burst. Doors would not latch. Some would not open and others would not close. The different families started quarreling as they never quarrelled before. Children started fighting. Working men, heretofore sober, began to drink because they had no comfort. Everything seemed to go wrong. Pendemonium reigned.

The janitor kept sending for plumbers and carpenters and workmen of every description, but as soon as they had got one room fixed another would go wrong, and sometimes when they had made a special effort and apparently got things ship-shape the foundation would give way a little more and everything would go wrong again.

At last it dawned upon the tenants of the hotel that they would have to either make the foundations good in some way or another or find another residence that was more reliable. They started to examine the foundation themselves and found that it was absolutely impossible for any building to stand upon it and permanently retain stability, and they told the owner, through the janitor, that they were going to have another place to live in, and if he didn't provide one they would build one themselves. The owner and the janitor both protested that it was the best hotel, the biggest hotel, the finest hotel that could be built, and they said the tenants were unreasonable and hard to satisfy, and called them all manner of names. The tenants, however, met together and talked the thing over and set certain of their number to find a suitable locality where an hotel could be built, and gave careful instructions that the foundation was the main thing. Having found what they required they all set to work with a will and on firm solid rock they erected a building suitable to their requirements. The new hotel which defied both storm and frost stands today, and will stand for many generations. It is so much superior to the old that the older inhabitants are surprised. "To think," they say, "that we were so fooled as to think the old building was a home when it was in reality broken down."

Now, children, we are today living in an hotel called Capitalism, and just you notice that everything in the world is going wrong. We have wars and suicides, unemployment, murders and robberies, diseases and poverty and wretchedness of every description. Even you children are far from happy because you feel and know there is something wrong. You know and feel in a dim way the worries and cares of your parents.

The foundation of Capitalism is giving way. It is based upon slavery and no form of society based upon slavery can stand long. The slave owner is the capitalist. He can command the services of the working man and take from him what he produces. The owner of the chattel slave could do no more than that.

Some people are trying to repair the building, they are called reformers and are hoping to be permanently employed, but they can't reform the system. The only thing is to have a new structure, and therefore the Socialists have decided to build one, but not on the old foundation.

The Hotel of the Co-operative Commonwealth is going to be built by working men upon a foundation of liberty so far as liberty is possible. The working men and women are going to live there, and the key will have stamped upon it "Working class ownership of the means of life."

### BOOK REVIEW.

(Continued from page 7)

though our author suggests that the reputed recent purchase of sixty newspapers is exaggerated.

There is also a new line in trusts in this regard—horizontal and vertical. The first applies to those which merely produce the main article; the second to those which, to use up all the scrap, take in all manner of by-products.

There is some valuable information bearing upon the disposition of property in Belgium during the War, and also the development of industry since the declaration of peace.

There is an extended account of Stinnes' argument before the Allied Council on German coal reparations, and the outcome of the stand taken by him—that the demands could not be met.

It is interesting to note that Allied politicians did not harbour the same animosity toward Germany's capitalists which their working class at that time manifested.

The position taken by Stinnes on the After-the-War problems is that of a hard headed industrialist, and we make no apologies for quoting it in full (page 123)

"We are merely losing time through the chatter of politicians who are wound up like automatons by parliament and the newspapers. What we need is a conference of business men who can talk to each other without hate. There must be no more conferences at which everybody lays down his revolver at his side. This sick world can only be saved by a consultation of a few physicians behind closed doors. It would be insane on the part of Germany to declare its willingness to pay even the interest on a loan of 50,000,000,000 marks. If the Allies are figuring on any such sums they are going to have another disappointment. France could have had material and labour for construction two years ago, and no German would have refused to deliver them. France, however, was not really interested in reparation, but was seeking to humiliate Germany. At the present moment there are only two kinds of countries in the world—those which can buy raw materials because of the state of exchange, and those which can not do this. Both are bound to perish unless some form of co-operation can be agreed upon. Money is to be found, but only by giving the world an example of perfect co-operation. Every business man knows that money is to be had, only the politicians do not seem to know it. I am trying to save my country from destruction, and at the same time save the other countries."

Full of real meat for the Marxian student, it is a valuable book for the library. It contains the same material on a scantly scale than De Gibbins' "Industrial History of England," and, dealing with facts which can be applied to a proper understanding of society, would find a proper place beside De Gibbins' on the shelf, to be read in conjunction with the latter portion of that excellent book.

We can fully recommend the purchase of this book where possible.

J. HARRINGTON.

## Literature Price List

Cloth Bound	Per Copy
Positive Outcome of Philosophy	\$1.85
A. B. C. of Evolution (McCabe)	\$1.15
Economic Determinism	\$1.65
Evolution of the Idea of God (Grant Allen)	\$1.15
Darwinism and Race Progress (Haycraft)	\$1.15
Evolution of Property (Lafargue)	\$1.15
Critique of Political Economy	\$1.65
Revolution and Counter Revolution (Marx)	\$1.15
History of Paris Commune (Lissagaray)	\$1.50
Ancient Society	\$1.85
Philosophical Essays	\$1.65
Theoretical System of Karl Marx	\$1.65
Landmarks of Scientific Socialism	\$1.65
Socialism and Philosophy	\$1.65
Essays on the Materialistic Conception of History	\$1.65
Capitalist Production (First Nine and 32nd Chapters "Capital," vol. 1, (Marx)	\$1.00
Savage Survivals (Moore)	\$1.00
Vital Problems in Social Evolution	80c
Science and Revolution	80c
The Militant Proletariat	80c
Evolution Social and Organic	80c
Puritanism	80c
Ethics and History	80c
Germ of Mind in Plants	80c
The Triumph of Life	80c
Anarchism and Socialism	80c
Feuerback	80c
Socialism Positive and Negative	80c
The American Empire (Nearing)	60c
Eighteenth Brumaire	80c
The End of the World	80c
Science and Superstition	80c

Paper Covers	Per Copy
Two Essays on History (C. Stephenson and G. Deville)	5c
Communist Manifesto	10c
Wage-Labor and Capital	10c
The Present Economic System (Prof. W. A. Bonger)	10c
Socialism, Utopian and Scientific	15c
Slave of the Farm	10c
Manifesto, S. P. of C.	10c
Evolution of Man (Prof. Bolsche)	20c
Causes of Belief in God (Lafargue)	10c
The Structure of Soviet Russia (Humphries)	20c
Shop Talks on Economics (Marcy)	15c
The State and Revolution (Lenin)	25c
Value, Price and Profit (Marx)	15c
Economic Causes of War (Leckie)	25c
The Protection of Labor in Soviet Russia (Kaplan)	15c
Civil War in France (Marx)	35c
Eighteenth Brumaire (Marx)	35c
Christianism and Communism (Bishop W. M. Brown)	25c
Psychology of Marxian Socialism	30c
W. A. Pritchard's Address to the Jury, (State Trials, Winnipeg, Man., Fall Assizes 1919-20)	25c

### Quantity Rates on Paper Covered Pamphlets.

Two Essays on History	25 copies 75c
Communist Manifesto	25 copies \$2.00
Wage-Labor and Capital	25 copies \$2.00
Present Economic System	25 copies \$1.50
Socialism, Utopian and Scientific	25 copies \$3.25
Slave of the Farm	25 copies \$1.50
Manifesto of S. P. of C.	25 copies \$2.00
Evolution of Man	25 copies \$3.75
Causes of Belief in God	25 copies \$2.00
Value, Price and Profit	25 copies \$3.25
Economic Causes of War	10 copies \$2.00
Christianism and Communism	6 copies \$1.00
Psychology of Marxian Socialism	10 copies \$2.50
W. A. Pritchard's Address to the Jury (State Trials, Winnipeg, Man., Fall Assizes 1919-20)	10 copies \$2.00

### All prices include Postage.

Make all moneys payable to E. McLeod, P. O. Box 710, Vancouver, B. C. Add discount on cheques.

All above literature can be obtained from P. L. Davidson, Box 2354, Winnipeg, Manitoba.

### SUBSCRIPTION FORM.

(This is as handy a way as any to send your subs.)  
Western Clarion, P. O. Box, 710,  
Vancouver, B. C.

Official organ of the S. P. of C. Published twice a month.

Subscriptions: Canada, 20 issues, \$1; Foreign: 16 issues \$1.

Enclosed find .....

Send "Western Clarion" to .....

### Socialist Party of Canada PROPAGANDA MEETINGS STAR THEATRE, 300 Block, Main Street

Sunday, July 16th

Speaker:

W. A. Pritchard

MEETINGS EVERY SUNDAY.

All meetings at 8 p.m.

Questions. Discussion.