The Conflict Between Capital and Labor

MANY people are much bewildered and angrily flustered at the failure of Labor and Capital, to get together on some common ground and settle the strife which undoubtedly brings great hardships on many people. They view with dismay the obvious fact that instead of coming together in amity and the spirit of compromise, the combatants face each other with more and more menacing, hostile, and irreconcilable postures. As scientific Socialists, whose function, in relation to social phenomena, is explanatory, we carry in each issue of this organ, articles dealing with this phenomenon of class antagonism, which attempt to explain the why and the wherefore of its necessity, in the hope that a satisfactory solution to it will be found through the way of knowledge.

We propose in this article to deal with it again trusting to drag the hidden elements of the problem to the surface for observation.

Early capitalism, say of the eighteen century, was based on money-economy, in contrast to late-modern capitalism which is based on credit-economy.

The Utilitarian school of social philosophy was the product and intellectual expression of the money-economy stage of capitalist development. Great founders of this school were Adam Smith, in political economy, and Jeremy Bentham in, its legalistic expression, the theory and philosophy of law. Later, John Stuart Mill was one of its chief protagonists and was instrumental in developing its theories. These Utilitarians based their philosophy on the "material welfare of the community at large," towards which should their theories be adopted, all activities were to contribute "naturally" in an ascending scale according to the degree in which man could refrain from interfering with the "natural" economic laws of what was regarded as a "natural" social order eternal, the work of either the author of nature or of nature itself, according to the religious ideas of the individual, on such matters. It was conceived that national progress was best secured by freedom of private initiative. Self interest was to be the guiding star of the moral world. The greatest happiness to the greatest number was to result from its practice. The body of theory of this school, is not of course, as crude as stated here under the limitations of space.

The famous Laissez Faire policy which dominated British political policies for so long, was its product. Laissez Faire means let matters alone. The State was not to interfere in the business or industrial life of the nation, but was merely to act as a policeman against external agression or internal malignants.

Industry at that time was carried on, on a very much smaller scale than now. With exceptions, of course, and those growing as time went on, the prevailing mode of viewing the purpose of industrial activity, was that men engaged in it for livelihood, which is in contrast to the late-modern way of looking at industrial enterprises as being carried on for profit. "Capital" was then regarded as a stock of material means by which industry was carried on. Much the same as we hear some economists (?) of today speaking of a working man's pick or shovel or the savages' bow and arrows as being capital. However, that was how capital was generally regarded at the stage of early capitalism based on money-economy. Livelihood being the purpose of engaging in production. We have a mass of small producers today who have, perforce no doubt, the same viewpoint. But under the late-modern credit-economy form of capitalism, this point of view is not typical and is considerably over a century out of date, and to the modern business man, it now carries no such meaning. Neither an order of nature nor the well-being of the community are the guiding circumstances of modern business.

"Capital" is no longer the aggregated cost of industrial equipment owned, but the basis of capitalization is now the earning power of the corporation as a going concern. In other words the uses of capital is the conversion of a certain sum of money values into a larger outcome of money values. That is, not community welfare or livelihood, but profits is the first and last concern of the owners of invested capital. Community welfare should it ensue is but incidental to the process.

The purpose of production is pecuniary interest, the accumulation of wealth, i.e., profits, though pecuniary interest of the owners of industrial plants are not necessarily served by an unbroken flow of production.

Contrarilly, if production was carried on primarally for the welfare of the community, uninterrupted production would best serve it. This is a point worth noting in considering the merits of these opposite principles.

We will now consider the Utilitarian's self-interest theory, as the basis of community welfare, and observe its fate.

Like all systems of philosophy, the Utilitarian contained a considerable body of truth, but what its high priests and their disciples were not aware of, was that it was a truth, as all others, essentially of time and place. They mistakenly conceived their order of society as of eternity based on unchangeable natural laws. That man must pursue happiness along the path of self-interest, though, within the bounds of justice of course, was one of these fundamental laws. To do, this man must be free. Free to express his individuality, to give vent to his initiative. In doing this men would find their proper sphere of activity, the best men would forge to the front, all of which would redound to the welfare of the community. And so in serving themselves, men best served their kind. The individuals must be free to contract, to buy or sell their power to labor or merchandise on a free competitive market. The nation must have free trade. So the State, with its mania for conferring prescriptive monopolies and imposing rules and regulations, must be relegated to the role of a policeman on guard, ready to step in when anyone did not play the game according to Bentham et,al.

If we visualize that era of comparatively small-sized production, a century and a half ago, before the invention of the power loom the spinning jenny and the steam engine, we may realize how well-fitted that social philosophy was to the economic environment, and indeed was a direct product of it. Discriptively, it was true in fact to the economic life of that period and it also contained truth as a philosophic body of thought, in that it was itself, in its reflex action on the political life of the time a powerful aid in social development.

But, O' Time, the destroyer; thy dialectic destroys even philosophic systems designed for eternity.

The factory, the machine, the introduction of steam power, these were the agencies. They brought the credit-economy and the profit system into its full flower. They brought the factory hells, with women and children enslaved for twelve to fourteen and even more hours a day, until even the State was compelled at last to step in between the employee and the employer's self interest. It is interesting to note that some Utilitarians were so obsessed with the theory of non-interferance that they bitterly opposed factory acts, although before this new era, the disciples were radicals and reformers.

I wish to show now why it is the capitalist and the workers hold the opposing views they do.

The owner of the industrial plant, brings to the problem his 18th century view of society as a "natural" order, and theories about self-interest, and the Rights of Property as philosophical concepts. But we are no longer in the 18th century. Small-sized production, with its purpose of livelihood, is gone and in its place we have large social production and profits for its purpose. The owners of industry no longer manage. This is left to salaried managers and production experts. The owner possibly knows nothing of the industry, his sole interest in it being profit. Even if he is in business and is not merely a coupon clipper, he is concerned mostly with buying and selling that is, the realizing of profits. The machine industry and credit-economy have torn from him his former moral justification, the welfare of the community, for his claim on the "natural" rights of property and the way of self-interest. Nevertheless, he does not think so, at anyrate possession, is an estimable advantage.

Now for the point of view of Labor.

As an independent political force, Labor appears late on the scene of social affairs. In Great Britain, in 1848, the Chartists gave it its first outstanding expression. Gradually from that time on the movement has developed and is gradually shedding old ideological concepts and adopting new ones inspired by the very machine process of production itself. The old metaphysical concepts of natural rights are loosing their force. The matter of fact materialistic way of looking at things, bred unconsciously into the worker by the machine process, is the reason why he sees production as a means to another end than profits. No glamor of metaphysical "natural" rights obscure his vision and prevents him from realizing that the end and purpose of production must be the welfare of the community.

The foregoing is intended to show how it is that the workers consider livelihood and the welfare of the community at large must be the primary purpose of production. And how the capitalist considers profits, and the accumulation of wealth into a few hands, the primary purpose of production. Two irreconsilable points of view, based on irreconsilable interests, whose realization demands control of the forces of production. So far as the intellectual struggle between the contenders is concerned the capitalist justifies his control of production on ancient metaphysical "natural rights" dogma. And the workers challenge the capitalist's control, on the basis of the modern machine-process-inspired, hard matter-of-fact materialist logic.

Which shall prevail? The machine and the mechanical processes are but in their infancy.

THE ALLIED "COUP" IN HUNGARY.

The Hungarians have been saved from—the Hungarians by the British, French Italian, American, Roumanian, Checko-Slovak, Serbian, Grecian, Austrian, German, and the native junker counter-revolutionary forces, and an Austro-German Archduke placed on the throne. Hurrah for self-determination, Hurrah for freedom, Hurrah for democracy. And a tiger.

While the Liberals are calling for an investigation on the "fixing" of the conscription election and of the overseas vote, they might also call for one on the part the Liberal press played in it. Nothing more barefaced has ever been pulled off. It is known that editorials and other matter supporting Laurier were actually pulled off the press and anti-Laurier stuff substituted.

AN OLD COMRADE.

Rochester, New York, July 12, 1919.

D. E. Batt, Secretary,
National Organization Committee,
Communist Party, 1221 Blue Island Ave.,
Chicago Ill.

Dear Comrade:

At our regular meeting last night I was instructed to inform you that we indorse your call for a convention to be held in Chicago, September 1, to organize a Communist Party, and will send delegates to same.

Comradely yours,
C. M. O'BRIEN, Organizer,
Local Rochester, Socialist Party.

A New Party and a New Organ for Communism

We are in receipt of the first number of the "Communist," official organ of the Communist Party of America. The Communist announces that it is published weekly by the National Organization Committee, 1221 Blue Island avenue, Chicago, Ill. Dennis E. Batt, editor; A. J. MacGregor, business manager. Subscription rates, $2 per year; $1 for six months; single copies, five cents; bundle rates on application. We wish success to the new party and its organ as an expression of proletarian communism.

Communication Presented to the Left Wing Conference S. P. of A., By the Minority Delegates.

Comrade Delegates:

Opportunism and revolutionary socialism are as antagonistic as the interests of the capitalist and proletarian classes. The Left Wing is supposed to represent revolutionary socialism. The Socialist Party stands for Opportunism. We can not join hands with the Socialist Party. We must organize a revolutionary party to carry out the mission placed on the proletariat of the world by the historic march of society. We have made several efforts here. You have refused to listen to the dictates of this historic mission of the proletariat. This compelled us to refrain from participating in the deliberations of the Left Wing Conference.

However, Comrade delegates, at our caucus since your Conference adjourned last night, we have decided to make one more effort to secure your co-operation in organizing a Communist Party, in conjunction with the Language Federations and the Socialist Party of Michigan. The delegates at this caucus, taking the position they do, are convinced not only that it is impossible to capture the Socialist Party, but even in the event of capturing the National Socialist Party Convention the Left Wing will have but gained control of an empty shell.

Our view of capturing the Socialist Party for Socialism is to CAPTURE THE MEMBERSHIP away from the present heirarchy, and form a new party on the basis of the call issued by the Communist International and the program laid down by this Conference on June 22. And we urge you, in conclusion, to reconsider your former action and join with us in the founding of a Communist Party in Chicago on September 1. In the event that you will not co-operate, we must re-affirm our action of yesterday to take no further active part in this Conference.

Presented to the Left Wing Conference in session assembled in New York City, on June 24, 1919, by thirty-one delegates representing the following bodies:

The Socialist Party of Michigan, Local Rochester, N. Y.,
The Polish Federation, Local Providence, R. I.,
The Russian Federation, Local Cook County, Ill.,
The Jewish Federation (Left Wing) Local Rockford, Ill.,
The Lithuanian Federation, Local Nanticoke, Pa.,
The Lettish Federation, Local Kenosha, Wis.,
The Esthonian Federation, Union Local, N. J.,
Left Wing State Conference of Minnesota, Local Milwaukee, Wis.,
The Lettish Branches of Boston, Mass. Local Cudahy, Wis.,
Local Buffalo, N. Y., Local New York.

The above have organized as the Minority of the Left Wing Conference.

KEEGAN, of Buffalo,
A. STOKLITSKY, of Chicago,
KOPNAGEL, of Milwaukee,
Committee.

Chairman of caucus,
DENNIS E. BATT, of Detroit.
Secretary of caucus,
OAKLEY C. JOHNSON, of Ann Arbor Mich.

Collective Bargaining and Socialization of Industry

(From An Article Entitled "Collective Bargaining in Politics," in New York "Dial," July 26.)

"COLLECTIVE bargaining" and "the socialization of the means of production" are the two phrases most familiar in discussions of the international labor movement. Now that war and revolution have restated the Marxian formula with new implications, the gap has perceptibly widened between the American trade-unionist content with collective bargaining, and the proletarian of Europe, ambitious to achieve the control of industry.

From the earliest days of the A. F. of L., the American labor movement has been predominantly economic—or better, mercantilistic—in character. Its ideals have been those of the tradesman—its mechanism that of the trust. To sell labor in a monopolized market; to meet combination with stronger combination and thus to secure a "fair" share of the product of industry—that is to say, a share commensurate with the strength of the labor group: such are the aims that hold craft unionism everlastingly within a system that deals in labor as it deals in hogs—a system born blind to the possibility of the control of industry by the workers.

The Great War gave to American trade unionism a recognized place in the established order of industry. From the conflict Mr. Gompers and Mr. Wilson emerged blood brothers in the business of defending things as they are, intent first of all upon the maintenance of stability. But at the moment when the Federation was beginning to purr contentedly in the lap of a bourgeois civilization, the old ambition of European labor was stirring to new activity. In America reconstruction was to take the form of whitewashing a solid edifice little injured by the war. In Europe the capitalistic structure had been shaken to its foundations. Stability would give the A. F. of L. a sure position among the vested interests; turmoil would offer European labor an opportunity for conquest and control—indefinitely postponed if governmental reconstruction programs were allowed to move deliberately to their common goal.

With much to lose, the A. F. of L. had become conservative in the full sense of the word; it was inevitable that its interests should clash with those of European radicals who, having gained less, hoped everything. Thus there has developed in the two movements a fundamental difference in political policy which has thrown the forces of American and European labor into opposite camps. In Europe the control of government is considered necessary to the full realization of the labor program. Russia and England are not of one mind as to how this control is to effected, but no disagreement as to means can hide the fact that these movements hold their ends in common. The end once achieved, time may forget the difference between bullet and ballot; it can never unite a labor movement content to serve a bourgeois government with a movement that will be satisfied with nothing short of sovereignty.

It is a matter of some interest that labor leaders in England, France, and Italy contemplates the use of industrial means to effect political ends—the stoppage of armed intervention in Russia, for instance. Of far great significance would be a decision on the part of the A. F. of L. to use any means for the achievement of fundamentally important ends of any sort. We have Mr. Gompers' word for it that the Federation is not a non-political organization; since the announcement of its Campaign Program in 1906, the Federation has been instrumental in securing the passage of a very considerable amount of reformatory legislation. Mr. Gompers might have added that the A. F. of L. is not a non-industrial organization; craft unionism has won much for labor in the way of high wages and endurable working conditions. Federated shop organization in industry and party organization in politics hold the possibility of control; but the A. F. of L. is unambitiously content to bargain collectively with the acknowledged masters of production and of government, thereby achieving in the course of long negotiation an occasional reform.

The "Kept" Press

By Jerome K. Jerome, in "Common Sense," July 5.

Nine-tenths of the Press of this country is in the hands of a small group of rich men who mean to rule the nation. It is the Press that has killed constitutional action. The Press seeks to kill Free Thought—to kill Free Speech. And it is succeeding. It has monopolized to itself all the sources of information. It stands between the thinkers and the people. It will not allow anybody but itself to be heard. It poisons the mind of the people with false information. It suppresses facts that it does not wish the people to know. It doles out to them only such "news" as it considers good for them. It colors the truth for its own purposes. It dresses up lies in plausibility. It is the Press and not Parliament that rules England today. Parliament only registers its decrees, and the Government is nothing but its tame executive. No politician who wishes to succeed dare flout its commands. It makes and unmakes Cabinets. The Public Service is its plaything. The Press itself in its turn is ruled by the Capitalists. It depends for its existence upon the great advertisers. In its turn it is the instrument of the great financial interests and their aristocratic dependants. The Press is the enemy of the people. It has usurped the entire authority of the country. Exempt from all responsibility, with neither a body to be kicked nor a soul to be damned, it has become the most dangerous Despotism that Democracy has ever been called upon to face. The Press of today exercises the same vicious tyranny that in the Middle Ages was exercised by the Church: The tyranny over men's minds. It rules by the same weapons: lies and humbug.

The Press in every country has got the people down. And until its power is broken it will hold the people down. It uses the ballot-box as a conjuror uses his magic rod. The people may put in what they think. What comes out of it is what the Press chooses. The politicians are its humble courtiers. Behind its screen of falsehood and suppression, the moneyed interests work their will. It has become the fortress of reaction, and there is no power within the Constitution that can hope to make a breach in its defences. The power of the platform can only be exercised with its permission. It has bought up the pen and permits of no new enterprise. Here and there a people's paper continues a precarious existence. Lacking capital, lacking advertising support, its influence is confined to narrow limits. It is the abuse of its power by the Press that is driving the thought and energy of the country to the conviction that if the people are ever really to rule methods will have to be found that are not likely to obtain the approval of the Press.

William Hard in the July 30, "New Republic," deals with the "news" item which was sent on the rounds of the press some time ago, stating that twenty millions of Siberian Co-operators desired the support of the Allies for Kolchak. This "news" item was sent out from the reactionary Russian Embassy in New York. Hard effectually shows the supposed appeal as having no foundation in fact.

The Conquest of Capitalism

(From the Finnish Communist Paper "Viesti," Published at Stockholm.

Translated by O. W. Oksanen.

THE Socialist who does not know Capitalism is a poor Socialist. He gives the working class, which is fighting against the forces of Capitalism, a wrong understanding of the enemy; at the same time persuading it to use methods of attack which lead only to disappointment and defeat—not to victory. He thus proves false to the workers, and betrays them to the enemy; during a decisive battle he will probably join the enemy's ranks and turn his weapons against the workers.

To know Capitalism means to have knowledge of its various phases. It is not an unchanging condition that can be sufficiently understood by an occasional random reading of the Erfurt Program, or by an acquaintance with a few maxims of the bourgeois rule of some countries. Capitalism is an evolutionary process, its development before the world war was rapid, and during the war increased with furious speed.

We in Finland, had the opportunity to observe some of the phenomena: the centralization of industry, the stock speculator, petty grafting, the rapidity with which the peasants became sympathizers with the bourgeoisie and the greater rapidity with which the conditions of the workers deteriorated.

When the Russian revolution become a fact we saw the proverbial treachery of the most liberal bourgeoisie in action. The ravenous wolf emerged from its liberal lambskin. Eventually we were face to face with Imperialism itself, with its usurpation and looting, in the form of German militarism. That was a revelation! Nothing remained vague!

Those "social democrats" who are trying to heal the wounds of the working class with "democracy" do not understand that what has been tried in Finland during the past year is the culmination of Capitalism, and that the workers must struggle directly against it for Socialism. In order to fully understand the necessity of a revolution we must understand the theory of Imperialism.

What is the basic economic principle of Imperialism?

Briefly, it is the centralization of the means of production. We knew this to be the direction of the development of Capitalism, but we were unable to estimate its achievement or observe the rapidity with which it was reaching this end. At home we were familiar with industrial union circles. The match swindler and his accomplices were known by this term. We applied the terms monopoly and trust to sugar and paper products which could be obtained only through one agent, because these products were subject to the protection of duty and customs. There existed mining corporations and logging companies who owned half of several provinces.

But we learned that in other countries there were organizations more powerful than our's: the German syndicate and the American trust. We knew that the oil trust had a complete monopoly, that the capital of the steel trust is reckoned in billions, and that its yearly profits amount to hundreds of millions. The same is true of all industries. These trusts are not separate business concerns, but are united, as for example, the steel trust; it "sells" its products to itself, for it is made up of many companies having a capital of hundreds of millions each, which are trusts in themselves. One of its branches, the agricultural trust, extends its tentacles far outside the boundary of the United States. They are wound around the farmer in Canada, Mexico and even in Finland. It not only controls the prices in America, but it has made agreements with the steel kings of Europe not to underbid them, and for this kindness they have divided the markets of the world.

The steel trust not only produces steel, and all that is manufactured from steel, from a needle to a giant battleship, but everything else imaginable. Over night it has constructed factories, costing millions, and next to these it has built cities, with dwellings, stores, churches, newspapers, saloons and brothels. All these it directs and uses as a means of exploitation. Above all things it produces paper, profitable stock, and other obligations with interest bearing coupons. Its directors are among the world's greatest bankers. At the outset of the war one of the systems of banks in the United States was under the control of Morgan Jr., who is indirectly connected with the steel trust while the other banking system was under the control of the oil trust. These two systems were connected, except in large joint investments, by the government finance committee, which was the center of capitalistic business and which looked after its interests when the national loans were up for consideration.

Banks hold the reins of production of the entire business world. We have examples of this in Finland, where the National Bank is gathering up all the threads of business. Business establishments are unable to get credit, and so are swallowed up. Through its agents the tourist nobility, it bought Swedish real estate. Its branch offices in small cities and villages were devices for getting the money of the people for undertakings which turned out unsuccessful, i. e. went bankrupt, and then were turned over to the bankers at ridiculously low prices. The National Bank was the leader of the opposition to the uniting of the private banks, but these private banks were allowed to join in draining the money from the people for the purpose of "obtaining funds" for the community, or the state. The establishment of an Emission Company meant that the accumulating surplus money in the banks might be used in forming industrial enterprises and new companies, which would then remain in the control, and under the directorship of the banks. The stocks of these banks were circulating on the market as bait for the savings of the credulous people; at the exchanges they were sold at a high price and bought back at a very low figure. Watering stock became a favorite habit; capital was created upon paper without an equivalent investment in the plant or in goods. A company with a million dollars in property could very well pay dividends on five million dollars capital. The small bourgeoisie and the peasants were dragging the same net with the banking capital, the former got its plunder by being a faithful agent of large capital, and the latter had the good fortune to buy and to sell at prices which were controlled by the large capitalists.

As an illustration of the power of the banks let it be mentioned that the directors of banks in every country are the directors of tens and possibly hundreds of corporations; at the same time their servants, bookkeepers, are on the lookout for the smaller undertakings. The supremacy of the bankers is not limited to the boundary of the state, nor even greater boundaries. This is international. "Foreign" capital flows wherever dividends are to be had, as the American dollar was invested in every corner of the "Old World." So had the Czar and the Kaiser invested tens of millions for the rainy day in American railroads and real estate. German capital had secretly and publicly undermined English capital by holding the largest amount of stock in John Bull's corporations and at the same time compelling the proud Englishman to buy the cheaper German goods.

Exportation of goods which was the chief aim of the nation, is now substituted by sending capital into foreign countries to net dividends. The developing industry and the greater exploitation, produce so much surplus Capital that its investment is one of the most serious problems of Capitalism. These "savings" mean something when we learn that in 1910 the approximate investments in the world amounted to 160 billion dollars. The share of the capitalists of England was 28 billion dollars; of the United States, 26 billion dollars; of France, 22 billion dollars; of Germany, 19 billion dollars. The annual interest, which amounts to billions, is invested in the same way as the principal.

What is the good of capital? It is autocracy, monopoly. The beginning of capital was competition, but its later development destroys competition. As a haberdasher thanks God for the failure of his competitor, so Rockefeller rubbed his hands and smiled when he heard that his last competitor had committed suicide. He sent his millions of profit to seek other profit in Central and South America, in Europe, Africa and Asia. That China was conquered by "enlightenment," of a kerosene lamp is a well known story. But in those countries American capital meets English, French and German capital. There exists keen competition in the sale of their "goods"—credits, money, investment and public loans—in which each tries to crowd the other to the side. But as in our economic scheme of competition, the reduction of price and interest would be detrimental to the capitalists of the various countries, they must seek other means to accomplish their purposes. So long there is any part of the earth's surface unapportioned, it is possible for them to separate sections where each can exert its own influence, or consider it a colony where it is possible to have a monopoly on the exploitation. This, however, does not seem to satisfy for they are crowded upon the same areas, and finally they must resort to their political remedies.

What are the politics of financial capital?

It is just that phenomenon which is known by the term Imperialism. This term comes from the Latin word imperium which means empire (imperator, "commander," kaiser,) an aspirant to world power. England is the leader in this field, she has "independent colonies" (Canada, Australia, South Africa,) regular colonies (India and various parts of Africa,) proprietory colonies (Egypt,) and vassal states (Portugal, Norway.) Everywhere—in China, Persia, etc. England is struggling to exert her influence.

PHILIPS PRICE FREE.

Mystery of Nathan, "Chief of British Secret Service in America."

(From the "Daily Herald," July 11.)

BERLIN, July 9.—Philips Price, the Daily Herald correspondent, has been unconditionally released.

The whole affair has been a mistake, and this the military authorities have recognized. As I have already cabled, the German Foreign Office and Civil Government have protested from the first.

As far as the German Government and the Prussian military authorities are concerned, Price is absolved and free to continue his journalistic activities.

The Robert Minor case, the Philips Price case, the Karl Emont case, have all provided evidence that the British Secret Service is linking up its own activities with the repressive work of the reactionary juntas all over the world.

The "New York Call" of June 23 supplies another link in the chain of evidence.

The "Lusk-Stevenson Committee" has officially been "investigating seditious activities" in the United States.

"What forces are at work behind Mr. Stevenson I do not know, but I do know one thing that will astonish every American citizen.

"Associated with Stevenson is a man named Nathan. I was told by one of the raiding group that Nathan is Chief of the British Secret Service in America."

LABOR TROUBLES IN FREMANTLE.

(From "The Christian Science Monitor.)

PERTH, West Australia.—A feud which has been waged between the Fremantle Lumpers Union and the National Waterside Workers Union, has culminated in serious riots at Fremantle, the chief port of the state. An affray between the lumpers and a force of armed police resulted in 33 casualties. Incidently, the riots have led to the downfall of a national government led by Mr. H. P. Colebatch, former colonial secretary, after only 29 days of office and the accession of a new government under Mr. J. Mitchell, former Minister of Lands and Agriculture.

The riots were a sequel to the waterside strike of October, 1917, when the lumpers ceased work in sympathy with strikers in the eastern states. Volunteers were called for by the government to man the wharves, and some of those who responded formed the National Waterside Workers Union, which, after the strike, was registered as an industrial union and given preference of employment, subject to the proviso that returned soldiers should have first preference, whether members of the Fremantle Lumpers Union or not. The existence of the two unions under this system led to much bitterness.

Many lumpers were unable to secure work for weeks at a time, with the result that their wives and families suffered.

FISH AND ARGUE NEW RULE FOR LOGGERS ON SUNDAYS.

(Continued from Page Four.)

bater," he murmured.

"Well, I'm afraid that you are out of luck. The only publications of Marx literature that I know of are from the Kerr presses, and all of the Kerr publications have been barred entry to Canada," he was advised.

"I don't care how much they are barred. I've simply got to have one. I'd sooner take a chance of getting in bad with the police than of engaging in another Sunday morning debate with those braves on the raft without being able to quote passages from Marx," he declared, moving on in his search of the book.

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

EXCHANGE

A Consideration of the Money-commodity—Its Properties and Functions.

III

VERY many commodities have, from time to time and in various parts of the world, acted the part of money. The particular object to assume this function would depend, very largely, on local circumstances and, perhaps, would be very much a matter of accident. Such diverse and, to the modern mind, such unlikely articles as grain, cattle, hides, dried fish, salt, tea, tobacco and practically all the metals in common use have functioned as money. As commerce developed, however the money form inevitably attached itself to that particular commodity which, by its physical properties, was best fitted to perform the functions of a universal equivalent. This special commodity is gold. Silver, which for long held a place beside gold in this respect, has now been driven out of the field except in a few backward parts of the world. Silver is, of course, used in very large quantities as currency in the form of tokens, which, however, are not money by the terms of our definition. To set forth then, the properties and qualities essential to the money-commodity it will be sufficient to enumerate those possessed by the metal gold.

As a commodity it, of course, possesses use-value and value. In addition, however, to its ordinary use-value as material for jewelry, watch cases and dental work,, it acquires, as the money-commodity, "a formal use-value, originating in its specific social function," (Marx.) As the measure of values it must, of course, possess value. No confusion on this point need be caused by the fact that all our business is now done by slips of paper, inasmuch as these slips of paper are quite obviously not money, being merely written or printed promises to pay money.

It is, of course, impossible that any commodity should be invariable in value. Nevertheless, it is desirable that the money-commodity should be, so far as possible, stable in value. This quality, to a greater extent, possibly than any other, gold possesses. This is due to the fact that its cost of production is a fairly constant quantity owing to its scarcity, its state of diffusion and the nature of the extractive processes. These latter, of course, are subject to improvement with a corresponding effect on prices, not, however, to the extent possible with other commodities which can be increased at will. There is also the further consideration that, while gold may be used it is not used up, i. e., consumed. The total quantity of gold produced is still in use with the exception of that which has been irrecoverably lost by shipwreck or in the arts, as in gilding or photography. For this reason, the annual production bears but a small proportion to the amount actually in existance, thus avoiding the disturbances due to the influx of large quantities of new gold.

Gold has also "high specific value," that is, it has high value in small volume. This gives convenience in storage and facility in transport. This property of portability is more important than would at first-sight appear. The expenses of transportation of gold are such a small percentage of its value as to give it practical uniformity of value all over the world.

Gold is "homogeneous;" that is to say that every part of it, providing it be of the same weight, is exactly the same as every other part.

Gold is divisible at will and does not, in the process, lose any part of its value. It is equally capable of being re-united. Gold bullion may be coined into money or coins may be melted up into bullion at a minimum of cost.

Gold is practically indestructible. It is not subject to corrosion or decay. Ancient gold ornaments and Greek coins which have come down to us from antiquity, are as bright and perfect, apart from the effects of wear and tear, as when they left the hands of the maker.

There are other properties possessed by gold which are worthy of note in this connection. It is cognizable, that is, it can, by its weight and color, be readily recognized for what it is: it is malleable and it is readily, though not too easily, fusible.

Now, it is clear that it is the combination of all those qualities in one metal that makes that substance appropriate for use as the money-commodity. For instance, diamonds possess many of the qualities here enumerated. They are however, not homogeneous, as they vary very much in quality, and they are, above all, not divisible without loss. Platinum possesses all the qualities necessary in the material of money but is so refractory to heat, that its use as money had to be given up on account of the great cost of melting it.

The precious metals were first used in bulk form and at every transaction had to be weighed and tested. This must have occasioned considerable inconvenience, nevertheless, the great and powerful nations of Egypt, Chaldea and Assyria, for thousands of years carried on an extensive trade, using the precious metals—(particularly gold, as silver appears to have been scarce in ancient times) in their negotiations, while absolutely ignorant of the use of coined money. This was a comparatively recent invention and dates from about 700 B.C., being ascribed to the Lydians, a people of Asia Minor. This was a gold producing country and being on the trade route between the East and the West, as well as bordering on the great inland sea its people, no doubt, depended more on trade than on agricultural and pastoral pursuits for a living, and thus developed the mechanism of trade.

This money of which specimens are still extant, was made of a mixture of gold and silver, known to the Greeks as electrum and was in the form of rough ingots of a uniform weight and stamped with a seal mark. Later, the coins were made of the familiar disc shape and later still they were milled or stamped on the edges to prevent "clipping" of the coins.

"Coins are ingots of which the weight and fineness are guaranteed by the government and certified by the integrity of designs impressed on the surfaces of the metal," (Jevons.) The work of coinage is the prerogative of the State, which is the most competent authority and the one most likely to be generally recognized.

It must not be supposed, however, that the State can make money. It can not, for the simple reason that it can not create value, at least in this way. Its sole function in this respect, is to regulate the coinage; to fix the weight and fineness of the coins; and to actually turn them out with its guarantee.

Gold, being the money-commodity, can not, of course, have a price. Therefore, it is a mistake to suppose that the government purchases the gold which it coins. The gold coined at the mint is so coined "on private account," that is, there is said to be "free coinage." This does not necessarily mean that the coinage is free of charge but, as a matter of fact, the coinage of gold is both free and gratuitous.

These points are important: (1) that the State can not and does not fix the value of money; (2) it merely coins, that is, divides into ingots of a definite weight and fineness any gold which may be brought to it by private persons, and supplies its guarantee.

Next week we take up "token" and "paper money," so-called.

GEORDIE.

THE RED FLAG

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

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

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Editor ..... C. Stephenson

SATURDAY ..... AUGUST 9, 1919

The Liberal Convention

TO add to the tedium of life, as depicted in the newspapers, comes the reports of the proceedings of a Dominion Convention of Liberals (?) who are trying to resusitate the Liberal Party. Up to date, the convention displays all the aggressiveness of a mud-puddle, and a mental grasp of modern social needs and aspirations such as might be expected of a denizon of the same.

Amid laughter, John Oliver declared he would like to smash the monopolies. The Vancouver "Sun," report says that several remarks about the government "were severely critical." Oh, Percival! Some grave and reverend seignour no doubt with due pomposity, said that the question of the proper relation of Capital and Labor was of "grave importance and should receive the best consideration of the convention." Bet cher the rest of the convention would never have thought of that by themselves. There is always one tree that towers the rest. The H. C. of L. got his 'n as usual in a 'ell of a verbal drubbing. Resolutions drastically worded contained proviso's in the nature of this: "That, insofar as may be practicable, having regard to Canada's financial position, etc., etc. Not a word of course that the same people who would decide on financial practicability, are the same people engaged in forcing the standard of living down of the masses.

To show that the Liberals are "keeping up" with the times, two ladies were present as delegates who sponsored resolutions, which might have been endorsed any time during this last two thousand years, in any gathering of persons from the "respectable class."

The matter-of-fact proletariat applying its own matter-of-fact logic, learnt at the machine, to these Liberal (?) resolutions and programs will "consign to contempt and disbelief, the host of make-believes."

Progress of the Trials

BECAUSE it is conducted "in camera," we have little to report on the enquiry into the case of the fourteen Russians now in the Immigration detention shed in Vancouver. Bird, Macdonald & Earle, are engaged in the defence, and have been successful in having the enquiry conducted with some semblance of legal procedure. The men are now to have charges laid against them, and are to be tried on that basis, whereas the original intention of the Committee of Enquiry was to act upon information laid against the men, and upon the results of cross examination. This shows how jealously persons vested with authority must be watched, and such safeguards as the legal system may provide be invoked against them in defence of our fellow-workers.

The interned men are suspect, on information laid by informers and the secret service of the State. This in itself should be a sufficient reason for the invoking of every legal safeguard. By their very occupations, the men of the secret service are biased in favor of these who employ them. And in addition to this, they belong to a particular psychological type. In other words this human material, volunteering or selected for secret service work, is of a peculiar spiritual fitness for this predatory employment. Normal, healthy, social types of beings, have always, in all ages and in all countries, looked upon such people with aversion and even horror. Because secret service men are as a rule, an abnormal type, their evidence, which very often consists of mere expression of personal opinions and animus, should be put to the severest test of even hostile critical examination. In short, considering all the features of their case, the interned men may be regarded as in the clutches of a malevolent power from which it is our duty to save them.

The trial drags on its weary length. The prisoners are now charged with belonging to a secret organization. This alleged organization is supposed to be the suppressed Russian Workers' Union. Some literature, which was found in the possession of some of the prisoners, has been submitted against them and they are charged with secretly circulating it. Among this literature are the leaflets "The Shame of Being a Scab," and the "Death Train of Siberia." The first leaflet, we believe, was published by the Vancouver Trades and Labor Council, and the latter by the Logger's Union. Both of them have been distributed openly in the streets of Vancouver. The "Death Train of Siberia" was taken from the American Red Cross Magazine, and was written by an American Red Cross worker.

In the interior of British Columbia, Romeo Albo, of Italian nationality, long resident, and well and very favorably known amongst all workers in the interior, well-educated, speaking seven languages, has been sentenced to deportation by the local tribunal. His lawyer has been instructed by the committee in charge of the B. C. Defence Fund to proceed to Ottawa to lay the case for appeal before the Minister of Justice, who is the only Court of Appeal, and who is also, by the way, also the prosecutor. The lawyer is instructed to break his journey at Winnipeg and confer with the lawyers in charge of the defence of similar cases in that city. On request from Albo's defence a sum of $600 has been forwarded by Victor Midgely, treasurer of the B. C. Defence Fund, on instructions of the defence committee. This is a large sum of money but, in view of the important bearing of this case on others yet to be tried, and in the interests of Albo himself, the committee felt they could not do otherwise. We understand that the grounds of the complaint against Albo was a letter from him, which was published in the B. C. Federationist. No action was taken against the Federationist for publishing it.

Letters from the Comrades in Winnipeg, report them as all in good heart, and as desiring their thanks to be conveyed to all who are so generously rallying to their defence. As to the progress of the trial, the letters add little to the reports of the press. They, however, warn us that the latter agency, is as usual, on its job of giving one-sided accounts of the trial. Mere statements and opinions of crown witnesses being featured without a showing of how they came out under the cross-examination of the defence.

Comrades and friends, show your sense of working-class solidarity by raising moneys for these members of your class now in trouble.

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

Send all money and make all cheques payable to V. R. Midgley Defence Fund, P. O. Box 679, Vancouver, B. C.

Collection agency for Alberta: A. Broatch, 1203 Eighth avenue east, Calgary, Alta.

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

Contributions will be acknowledged through Labor and Socialist Press.

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

Fish and Argue New Rule for Loggers on Sunday

(From the "Vancouver Daily Province.")

In pre-prohibition days the boss of a logging outfit had to be a two-fisted fighter able to punch the head of the biggest bully in his camp. But times have changed—yes indeed, and at least one camp boss is vainly trying to adjust himself to the new conditions.

He explained his troubles at the Labor Temple the other day.

"I'm looking for a copy of Karl Marx's 'Capital,' he explained to a labor leader who recognized him as a former member of the Legislature and representative of large financial interests.

"You want to read Marx?" exclaimed the labor man in astonishment.

"Yes," answered the camp boss. "You see it is this way:

"When I took hold of the camp, I moved the bunkhouse from tidewater to rafts on the lake where we are working. We move these rafts up and down the lake as desired and on Sunday the boys sit on the logs and catch fish. As many as thirty will be fishing at once—By jove, I've simply got to get that book!" he exclaimed, interrupting himself.

"Yes, but what have thirty loggers fishing on a Sunday got to do with Karl Marx?" queried the labor man. "You don't mean to tell me that the boys are eating fish that has not been canned?" he questioned.

"They do," replied the worried employer, "and the trouble is I can't figure out whether it is fresh fish or prohibition that's responsible for the change in them."

"And what is the change?"

"Well, you see, instead of carrying on as they used to do, punching one another when there was a reasonable chance for a row, they've got to calling each other 'Brother,' and there hasn't been a fight in the camp for a month."

"Well, what do they do instead?" asked the laborite.

"They spend their spare time reading economics, and by heck! They're getting the best of me in the arguments. This has got to stop. I simply can't hold up my end any longer against those thirty argumentative fishermen on a Sunday morning, unless I can get a hold of this book and post myself. . . . And I used to think myself some de-

(Continued on Page Five.)

MACHINE-GUN STATESMEN.

How did our statesmen stand? A question was asked in the Senate in reference to the Government and the Winnipeg strike. The representative of the administration in that august body gave an answer which bids fair to vie in fame with that of Mr. Patton. I have not got his actual words before me, but he said, in effect that the government were quite prepared to handle the situation. He then proceeded to enumerate the number of machine-guns and soldiers that were on hand in Winnipeg! Does the honorable gentleman really believe that the way to attain and maintain social peace is to suppress every expression of discontent? If so, he should retire and seek a job in—China (which is, apparently, the nearest approach to an autocratic state now in existence) and he would probably be an invaluable asset to the government of that country. There were a thousand steps which could have been taken to settle the strike, but the government did not try to settle it. It set out to break it. It tried machine-guns, not statesmanship; perhaps because it had a greater supply of the former material. (J. T. M., in Turner's Weekly.)

Ten Minutes' Talk With the Workers

(From the Glasgow "Socialist," June 19.)

Markets and Capitalist Anarchy.

If you pay attention to the various controversies which spring from the discussion of economic and political questions you will notice notonly how frequently the word markets is used, but what a tremendous influence it has upon social life. The recent war for example, with the awful waste and slaughter, is now generally agreed to have had its origin in the struggle for markets between rival groups of capitalists. The Peace palaver was hung up because our international masters were not agreed upon their various spheres of influence, which simply means the monopoly by particular capitalist groups of certain markets.

The idea of a market with its transactions of buying and selling has become so familiar that it may be difficult for you to amagine a time when buying and selling did not exist. Yet a slight acquaintance with good books on history and economics would teach you that the present system and manner of trading is quite recent. Of course when we say recent you must bear in mind that the history of society goes back at least a hundred thousand years. In such a period to talk of three or four hundred years is like speaking about yesterday. So we may say our present capitalist system, with its production of commodities for markets instead of immediate use, and its consequent buying and selling, is quite young. That is, of course compared to the duration of society as a whole.

The capitalist apologetic writers of university text-books on economics very conveniently forget all this. And just as they try to make you believe that the stone picked up by the monkey, or the club used by the savage, are primitive forms of capital, so they would have you believe that the rude forms of barter carried on by savages represents the markets of today. Of course these analogies are intended by such hack writers as has been mentioned, to prove how the present system of capitalism has its roots in "nature." That is to say, has always existed, and always will exist. Such ideas being intended to discourage any attempts of Socialists to change it.

Barter and Exchange.

You would do well, however, to have it clearly fixed in your mind that there is a big difference between what economists call "barter" and our modern methods of exchange. Barter, among primitive peoples represents the direct exchange of one article for another, say, beads for fish. Only those things are exchanged after the personal needs of the individual or group are satisfied. The transaction is always a direct exchange of one use-value for another. In our day, however, exchange is a highly-developed process. Normally, commodities are not exchanged direct with each other. They have first got to be converted into money, either actually or imaginary. Then, with the money, the desired commodity is purchased. In other words, the products have got to be sold for money first, and then, with the money procured by the sale, other commodities are bought. In all cases money is the intermediary.

Nor must you think, as some writers would have you believe, that in the schoolboy practice of "swapping," say, a bit of string for a piece of pencil, you have an illustration of an inborn tendency to marketings; and, therefore, a justification for all the over-reaching and trickery that goes on in modern business. If you reflect on your own experience of "swapping" you will find that the impulse was invariably prompted by the fact that you had no money to procure the coveted articles possessed by your chums.

Origin of Commodity Exchange

The story of how the idea of barter gradually arose, changed its character and finally took the form of our modern method of exchange, is one of the most interesting pages in economic history. And since economics are closely linked with the industrial life of a people, the change from barter to our monetary system likewise affords an interesting sidelight on social evolution.

As we have seen in previous talks, all property in primitive society is held in common, each community and tribe being self-supporting. But there are certain things foreign to some places and native to others. This difficulty is got over by the process of barter, which takes place at the boundaries of the territory occupied by the respective tribes. This need for alien objects of utility gradually becomes established, and by constant repetition eventually becomes a recognized social practice. Later on the custom of producing for immediate wants, and exchanging the surplus, alters to the practice of producing for exchange rather than the direct satisfaction of human needs. Out of this habit comes the great fairs, "markets," etc., with their booths, games, and social amenities, many of which persist even to this day.

Rise of World Market.

But the isolation of village life is broken down with improvements in roads and means of transportation. The rise of towns and the discoveries of foreign lands gives rise to a national and—eventually—imperialistic, outlook, in contrast to the parochialism of the rural economy which dominated in the earlier days. The local fairs and markets decay before the rise of the great world emporiums; until, today, the whole industrial and commercial system is largely dependent upon foreign markets.

The production of wheat, copper, iron, steel, tin, for example, is largely controlled by the messages which are cabled from the other ends of the earth.

Thus you have the curious spectacle of tens of thousands of the cotton workers in Lancashire walking about unemployed waiting on messages coming from abroad to say that there is a demand for cotton goods. When you realize that this also applies to nearly every industry in the country, you can understand something of modern industry. It is this production for the world market instead of the direct satisfaction of social needs, which explains the insecurity that is so marked a feature of present-day society. It is this which brings international rivalry, jealousy, and hatred in its train, and periodically breaks into war.

The Fetish of Imperialism.

These things may appear to you to be unavoidable, but that is only because you look at things from an employer's standpoint. When you come to realize, however the manner in which your whole life is dominated by the fluctuations of these markets, and how things could be more sensibly arranged, you will see how insane and stupid it is to worship this fetish of imperialism, which is manufactured and encouraged for private greed. You will come to recognize that all this "marketing," trading, and huckstering, as carried on today, is only necessary as long as we allow private individuals or groups to control the forces of wealth production.

You will come to recognize, in a word, that for you as a worker "commercial supremacy" has nothing to offer. This must be so, since, as the world markets expand, international competition becomes more and more intensified. Undercutting on the market leads to the passion for cheapening production. The cost of production can only be cheapened by the worker agreeing to accept a smaller share of his own produce, or increasing the amount handed over to the employers.

Capitalist Anarchy.

In any case you stand to lose, and since this process of cheapening is going on in every country, can you wonder at the feverish anxiety of our commercial sharks to watch the markets, and, if possible, to manipulate them to their own advantage?

When, finally, the markets get glutted periodically, thanks to the growing disproportion of what the workers produce and what they receive in wages. Does not the anarchy and chaos of capitalism not stand revealed as a reproach on civilization?

T. B.

INDIA.

In a letter to the Vice-roy of India, Rabindranath Tagore the well-known poet philosopher, says in part as follows:

"The enormity of the measures taken by the Government in the Punjab for quelling some local disturbances has, with a rude shock, revealed to our minds the helplessness of our position as British subjects in India. The disproportionate severity of the punishments inflicted upon the unfortunate people and the methods of carrying them out, we are convinced, are without parallel in the history of civilized Governments, barring some conspicuous exceptions, recent and remote. Considering that such treatment has been meted out to a population disarmed and resourceless by a power which has the most terribly efficient organization for destruction of human lives, we must strongly assert that it can claim no political expediency far less moral justification.

"Knowing that our appeals have been in vain, and that the passion of vengeance is blinding the noble vision of statesmanship in the Government, which could so easily afford to be magnanimous as befitting its physical strength and moral tradition, the very least that I can do for my country is to take all consequences upon myself in giving voice to the protest of the millions of my countrymen, suprised into a dumb anguish of terror.

"The time has come when badges of honor make our shame glaring in their incogruous context of humiliation, and I, for my part, wish to stand, shorn of all special distinctions, by the side of those of my countrymen who, for their so-called insignificance, are liable to suffer a degradation not fit for human beings."

YAH! BOLSHEVIK.

London Bank Clerks Organize.

(Special to The Christian Science Monitor.)

LONDON, England.—The movement which is taking place among the employees of the great London banks to organize on a large scale is steadily growing, and the number of clerks of all grades who have enrolled in one or other of the guilds now reaches several thousands. At present there are two guilds.

IN THE FREE UNITED STATES.

All Men Are Born Free and Equal.

(From "Christian Science Monitor," Aug. 1.)

WASHINGTON, District of Columbia.—Negroes would be prohibited from enlisting in the army and navy under a bill introduced by Thaddeus H. Caraway, democrat, representative from Arkansas. The measure also would provide for the discharge within 60 days of all Negroes now in the service and prohibit any from receiving appointments to the naval and military academies. Another bill by Mr. Caraway would prohibit intermarriage of whites and Negroes in the District of Columbia.

Tens of thousands of discharged commissioned officers are looking for work in Great Britain many of them in desperate circumstances. The London Daily Herald gives instances. In one case an ex-captain was begging a crowd to give him work. "We shall not forget you." An ex-officer's association is being formed. They hope to work in harmony with the Men's Federation, and rely on support of the Labor Party.

The Racial Problem in the States

A thorough discussion of the Race Problem of the United States would involve a consideration of many factors and unlimited space. However, it is not possible to discuss this phase of the Social Problem from the workers' viewpoint without consideration of historical details.

Most every worker is aware of the fact that the Negro has recently—since 1861-1865—emerged from Chattel Slavery and also that the negro slave was imported into America from Africa by Slave Traders, principally British of the Elizabethian Era and later.

The system of education to which the worker is indebted for a knowledge of these details can be accredited with the failure of the worker to understand the pecularities of the negro's position more thoroughly in relation to cause and effect.

The school histories of the United States are written from a viewpoint of pro-Americanism and stress the details of past events which can be utilized in propagating American ideals. This failure on the part of modern text books to record the full truth can be ascribed to the fact that it would not be conducive to governmental control of the populace in any exigency. It is only the patriot of the most highly developed type who will recognize friend or foe in accordance with governmental decree. To develop this degree of patriotism it has been necessary to ascribe the progress of a country to the genius and morality of the forefathers of the scholars and likewise to ascribe any panic or plague to the wickedness or immorality of the outstanding personalities in the histories of other countries. The United States on its entry into the European War, found it necessary to revise its school histories which were permeated with anti-English sentiment, and the anti-American sentiment, prevalent in Great Britain before the entry of the United States into the war, was easily reversed by the British press.

This method of education, which is in vogue in every country, is itself a cause of phenomea which is observable from time to time. This phenomena generally is manifested by the attitude of the populace, of any country, with regard to occurences of international moment. As examples:—(1) If the workers of one country go on strike, the workers of any other country consider it patriotic to take advantage of this incident to produce commodities for the market formerly supplied by the striking workers. This is called "Capturing Trade," although it has a semblance of scabbing. (2) Their support of tariffs against competing nations and trade agreements in general.

In fact modern education develops a psychology which is regulated by officialdom.

The ignorance of the white worker with regard to anything except that which the educational system of the northern and western whiteschools, inculcated into his organ of thought, enabled the American employing class to have a working class divided in the event of industrial disputes or any other expression of the common social aspirations of either element of the working class.

Let it be understood that the education of the negro was not of the same standard as that of the White worker, because the negro did not require the same degree of technical training as the white worker. Technical education is necessary for the machine worker, either factory or agricultural but the agricultural pursuits of the negro i.e., cotton and cane production and to some extent tobacco, is not as dependent on the machine as is the grain production of the northwest. Agricultural machinery in the south, to the extent which it now exists, is a comparatively recent innovation.

This factor of education has been considered because it is contributory to an understanding of the negro's position in North America. Although contributory causes are many, the basic cause of social tendencies, economic development, proceeds in its logical course. The development of this factor tends toward a common or universal understanding on the part of the dominated element of all nations. The degree to which this factor has developed in spite of obstructive or reactionary factors is evident today to the most servile slave and the most arrogant master, and so a situation of factional strife between the workers of any country, stands out in contrast to the general tendency of the times.

Some few years back Race Riots in the United States would not have been noticeable, a great distance from the point of occurrence. Furthermore, Race Riots could not develop to the same extent or in the same localities as recently. The conditions did not exist five years ago to produce a Race War in Chicago. Five years ago, Negro Police, Mail Carriers, Street Railwaymen were noticeable in Chicago and Negros were generally accepted in the upper strata of labor's ranks without comment. The Great War produced the conditions of the recent troubles in that city.

The war was a test of patriotism of all elements and the negro, being subjected to the training necessary for the development of patriotism, was not found wanting in this respect.

The negro evidenced his patriotism by enlisting in the Armed Forces of the U. S. A. There were limitations however, placed on the recruiting of negros, as an Armed Force. A capable Armed Force of 3,000,000 American negros could have been easily recruited from the 12,000,000 negros in the United States. This would, however, have been a menacing force after the cessation of histilities in view of the history of the American negro. It will be appreciated that it was necessary to utilize the energy of the negro in another manner. This was accomplished by transporting negros from the south of the "Mason-Dixon" line, to the industrial centers of the north. The negro found his way into such industries as did not require mechanical skill and thus the white worker in these occupations was displaced for enlistment in the Armed Forces. The stockyard district of Chicago was a large field for negro labor. The negro of the south has always been subjected to a very inferior standard of living and when the labor market became glutted by the return of white workers from the war, the negro had an advantage. The patriotism of the employers would not justify them in replacing the negro by ex-soldiers and sailors, as the negro could best suit the employer's needs by working cheaper. In addition to this factor, the negro had become familiar with and competent in the work during the absence of the white worker. There was no way the white could displace the black, so the former resorted to shooting the negro out of his industrial and social position. The negro's low standard of living would assist him in saving from his war-time earnings which were relatively high, and thereby procure property in the residential, and frequently, semi-aristocratic districts. The packing-house foreman, manager or clerk living next door to a negro, could not feel comfortable or make his predicament coincide with his cherished ideals. The origin and development of anti-negro sentiment was ignored by authorities, and the patriotism of the negro during the war was forgotten and patriotism on the part of employers was stored away for future use. Officials could not of course countenance lawlessness but they could of course be otherwise engaged e.g., propagating the League of Nations. This was apparently the attitude of Law and Order until after the shooting methods had made an impression on the negro.

Another factor in this situation is the social position of the negro since his transformation from a Chattel Slave to a wage slave. There is no doubt in the negro's mind with regard to his position. He knows he is at the bottom and he is very disappointed with his emancipation. Disappointment with Freedom and Democracy is menacing to the extent to which it is prevalent. The negro has never been in a position to manifest his disappointment, because there has never been a time in the United States, prior to the war when it has been in the interests of the dominant class to permit the negro and white worker to meet on a common basis, or to come to a common agreement on any matter. During the war, the negro developed in many respects and this development was evident by the fact that, for a time, the shooting was being carried on by as well as at the negro. This is unknown in the past history of the American negro. He has always been the submerged, socially, by his poverty, by the educational system he has been subjected to and by the pecularities of his environment, i.e. by the climate of the southern states, his agricultural occupation, and his Chattel Slave traditions.

Such of the negro population of the United States, as existed in the north prior to the war, were developing a class knowledge, and the white and black were meeting on this basis. This was a menace aggravated by the influx of negroes from the south, to the industrial regions of the north during the war. The negro who has lived in the industrial centers of the north for a considerable period becomes an educator of his fellows. It is noticeable that the Race War epidemic did not appear in cities where there has always been more or less friction between the races e.g. in Cincinnati, Louisville, St. Louis, etc., or the industrial cities along the north of the Mason-Dixon Line.

As before stated, it is not possible here to give full consideration to all factors of the question in their relationship but a study of the proposition from an unbiased workers' viewpoint will result in a reasonable conclusion.

The negro today is a wage-slave, different from the white wage-slave by color only. Their interests are identical. They are both exploited by a parasitic social element and neither will have an opportunity to assert themselves as men and women, either white or black, until they recognize this identity of interests. It is quite possible that those white workers in Chicago, who became enthusiastic over the color issue, will go to work in the place of negroes who have been eliminated and that the surplus of their labor will sustain in excellance a black, brown or yellow parasite as well as the white parasites who laughed in fiendish glee at their antics in "shooting up the coon."

The orgy was stopped by the owners of both white and black, when property became jeopardized, at least such property as was not as easily replaced as was any which would cease to exist as a result of a rifle bullet.

Race Riots, Strike Riots, etc., will occur until the handicap of a fallaceous education is overcome by a realization on the part of the workers that they have, nothing under capitalism, hence nothing to loose. This is more obvious to the negro, and it is this fact which makes the negro element of this continent worthy of special consideration.

KINNEY.

A SIGN OF GRACE.

The "Christian Science Monitor," for July 29, carries an article, covering five columns, by Mrs. Gertrude M. Tobinson, wife of a Soviet Commisar, on her experiences in Siberia. Her account is entirely favorable to the Workers' Republic, which so far as Siberia was concerned was rapidly on its way to a re-organization of the country's affairs on a satisfactory basis, when the Allies intervened, and their tool Kolchak and his forces reintroduced the anarchy of militarism again.

To publish the other side of the Russian question is a new departure for the "Monitor" and we hope it will continue to do so in the interest of truth.

According to a British White Paper issued at Breslau, British officers found babies from three months to three years old sucking spinach soup out of bottles, instead of milk. Great is war, the moral uplifter.

Conflict Between Capital and Labor *Ten Minutes' Talk With the Workers*
The Conquest of Capitalism

THE RED FLAG

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

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A Siberian Protest Against Intervention

(From the "Nation," New York, July 26.)

THE following proclamation, issued by the farmers and workmen volunteers of the province of Primorsk, Siberia, was brought from that country by an official in the service of one of the Allied Governments.

Shikotovo, Siberia.

We, farmers who aim to effect the Revolution of Farmers and Workmen, issue the following proclamation:

We do not recognize any Allied command, because the Japanese, English, Italian and American Governments are endeavoring to bring pressure against the great Russian Revolution, which marks the beginning of liberty for the working classes of the whole world. Profiting by the state of chaos in Russia, the allied countries, with false promises of not interfering in the internal affairs of the country, have invaded Siberia with troops. In reality they desire only to satisfy their ambitions and to seize the railways, mines and riches of Siberia. The capitalists are temporarily in power, thanks to the Allied forces and the capitalists, and have begun the extermination of the workmen and the farmers. It is in vain that these foreigners seize railways and the wealth of Siberia, in conjunction with the so-called government of Omsk, because the workmen and farmers do not recognize it.

According to your proclamation, you are placing troops here for the purpose of maintaining order, but on behalf of the workmen and farmers, we ask you the following questions:

(1) Who has asked you to re-establish order in our country?

(2) Who has given you the right to do it?

(3) How is it that the Allied troops take upon themselves the task of maintaining order in our country?

(4) Is it for the purpose of maintaining order that they establish themselves through Siberia, lending a strong hand to the Kolchak troops, knocking down peaceable people, and shooting them? Perhaps you excuse the burning of villages in the maritime provinces by Japanese troops by saying it is for the purpose of maintaining order.

The workmen and peasants of Russia who have a real Soviet Government, have been neither injured nor humilated as these have been by your troops and those of Kolchak. It is no longer only Bolsheviki and the Red Guard who oppose you; it is also the farmers and workmen. You ask us to give you full control of the Souchan railway and the main Siberian line, in order to be able to move freely your troops and Kolchak troops, who wish to wipe us out. This is not only childish, but insolent. Orders should come from us and not from you. We demand that you evacuate our territory, and go back whence you came. If you will not submit to this order, we will not give you one inch of the railway we have built with our very blood.

We declare war on you to the death. Remember that in this we are not alone, but the working classes of the whole world are with us. No matter how great our sacrifices may be, victory finally remains in our hands. We accept your challenge to engage in battle. Our aim is not only Shikotovo, but also, as you may know, Vladivostok, which is your main base of operations. Just as the Allied troops have left Odessa and Archangel, so you will be forced to leave Vladivostok. Until that time, we will never lay down our arms.

(Signed by) Schevchenko,

Commander-in-chief of the Army of Volunteers of Farmers and Workmen of the Province of Priamur, in the name of the Federal Soviet Republic of all Russia.

WARNING.

IF YOU WERE ACCUSED of a crime, how much would you give for the right to be tried by a jury of your peers? Under the infamous amendment to the Immigration Act, men not Canadian-born, Britishers and others, have been robbed of this right. No one is now safe. It may be your turn next. Do unto others as you would be done unto. Help to secure a fair trial for the Winnipeg men arrested during the strike by sending a donation to—

James Law, Secretary Defence Fund, Room 12. Labor Temple, Winnipeg.

(Winnipeg Strikers' Defence Bulletin.)

Soviets' Care of the Mothers

(From the "Daily Herald," London.)

Among the most interesting of the true stories told recently of Soviet Russia is a history of the work of a revolutionary Russian woman, Alexandra Kollontay, the People's Commissary of Public Welfare in Petrograd.

It is to the indefatigable worker that we owe the following remarkable decree, published last year by the Soviet Government a few weeks only after its establishment:—

"Over two million young lives have been hitherto sacrificed every year owing to public indifference and class legislation. Over two million tragic mothers have yearly watered the soil of Russia with their tears, and have with their labor-wearied hands closed the prematurely opened tombs of those innocent victims of a hideous social order.

"Among the most striking examples of Capitalist 'morality' are those 'homes' for orphans, overcrowded far beyond their limits, with their enormous death-rate and their odious methods of upbringing which were an insult to the sacred feelings of these poor resourceless mothers, transformed thus into mere stupid producing machines.

Fading of a Nightmare.

"Happily, since the victory of the Workers' Revolution, this fearful nightmare has faded into the mists of the past.

"Workers! Citizen-mothers! Brave, tender-hearted creators of a new social life! Doctors, teachers, nurses! New Russia calls you all to build up the splendid edifice of the well-being of the future generations.

"All central and branch institutions connected with the Commissary of Public Welfare concerning child welfare are now united in one organization, under the control of the Department for the Protection of Mothers and Children. This is in order to link them up with the lying in institutions, and to create strong healthy citizens, both mentally and physically.

"The Petrograd Lying-in Hospital—hitherto a private establishment—will in future be included in this system, and will go by the name of the Children's Palace. Its twin at Moscow will be known as the Moscow Children's Institute.

Specialists at Work.

"In order the quicker to bring about the needful reforms in the safeguarding of Russian children, a special committee has been organized in connection with the Department for the Protection of Mothers and Children. This committee is composed of representatives of the Soviets, delegates from workers' organizations and specialists on the question of education and infant hygiene.

"The following principles will be adhered to by the committee:—

"1. The safeguarding of the mother for the child.

"2. The upbringing of the child in an atmosphere of Socialist Communism.

"3. The creation of conditions which for the child will serve as the basis of physical and moral development, and a clear understanding of life."

State Wages to Mothers.

But the activities of Alexandra Kollontay do not end with a mere edict—which is valuable to the outside world chiefly as an indication of the mind underlying the Soviet Government, which, though tormented by a thousand unparralelled agitations, never for a moment forgets the welfare of the most helpless citizens.

Practical measures have been started—100,000 children are fed daily from the vast kitchens of the Winter Palace; creches and lying-in hospitals are in full swing and free to all; and the State pays prospective mothers their full wages for a minimum of six weeks after child-birth.

"TEN DAYS THAT SHOOK THE WORLD."

(By John Reed.)

John Reed was in Russia during the Bolsheviki Revolution and this book records his observations. He is a journalist, thus a trained observer but besides this he had the advantage of understanding the historical nature of the forces at work. Price, $2. Postage paid.