

The Madding Crowd

The Truth About the Strikes: Capital's Co' Conny:
The Only Remedy

By JOHN JAGKS

(From the "Labor Leader," August 14, 1919.)

ISN'T it really time that someone told the truth about strikes? Lots of people think it is. But what is the truth?

Here is Sir Robert Hadfield, the great Sheffield steel magnate, telling the readers of the Empire News his idea. It is that direct action is

a deliberate effort to challenge the Government.

Strikes are damaging to industry; they restrict output; they make the necessaries of life scarce, and therefore dear; they shake the stability of industry and they handicap employers in competing for big contracts, and therefore rob the workers of work. The strike is usually an admission that negotiation has failed.

Now all that is true, and if nothing remained to be said, I, for one, should not advocate a strike even as the last desperate hope.

But more does remain. The Hadfields don't hint at the case for the have-nots. Sir Robert Hadfield carefully ignores the fact that there is another side to the strike shield. He does not point out to the Empire News that at the present moment there is more damage being done to industry, more suffering, and more scarcity of necessaries due to the Strike of Capitalists than there is due to the strikes of the workers.

If you total up the numbers of men who were on strike last week in the coalfields, on the Liverpool trams, the police forces, and all the other industries, the result will be found to be less than one hundred thousand. And at the same time there were a million or more workers out of work owing to the strike of Capital.

For every man who is out of work is so because Capitalism is refusing to perform that duty the performance of which is its sole justification. For every man who for one reason or another refused to work there were at least ten for whom Capitalism refused to "find work."

And if it is the duty of the wage-earner to work, no matter how little he may be inclined to do so, no matter how many grievances he may have, it must be the equal duty of Capital to find him work no matter how Capitalism may distrust its ability to earn a profit or a satisfactory profit.

The master class can't have it both ways. They can't say logically or justly, "The workers must produce more and more," and at the same time reserve to themselves the right not to produce at all unless they can be sure of a profit.

Yet that is exactly what they do say or they act upon the assumption.

They expect the workers to go on working without any guarantee that the more they produce the more they will enjoy. They expect the workers to go on working to enable the Nation to pay off its debts. They expect the workers to perform their function, which, they say, is to work without question; but they deny, in deed if not in word, the right of the nation to insist that they perform their self-professed function of finding work unless their remuneration shall be to their satisfaction.

The consequence is that at a time when we are on the verge of national bankruptcy, and when the lords & c. are lamenting over the unproductivity of the workers who are actually at work, the same lords are holding up their capital and declining to allow willing workers to apply themselves to it for the purpose of creating the wealth for lack of which, we are told, the nation will perish.

I am not blaming the Capitalists. I am blaming the Government. Why should a Capitalist risk his money in industry when he can invest it in Victory Loan or Funding Loan at a high rate of sure interest?

And why should the Government not compete with starving industries for capital? It must compete while it continues to maintain an army on the Rhine, an army in Ireland, and two or three armies in Russia. The Government is spending over four millions a day on these enterprises. This means the diversion of capital from production; it means the withholding of the labor of several millions of workers from production; it means the employment of ships on the transport of munitions of war instead of upon the transport of food and raw material.

It, therefore, means such a condition of society that Capital refuses to operate.

So Capitalism is on strike, and will remain on strike until things are more settled. But things will never be more settled until Capitalism consents to perform its sole function of "finding work." This it will not do while it can earn a sure five per cent. by lending to the Government, even though the Government wastes the money on trying to destroy Lenin and Trotsky and keeping Ireland in irons.

How to get Capitalism to perform its function of finding work for the million or more out of work? That is the question upon the successful solution of which the future of the country depends. There is no answer except this: Either Capitalism (the private control and ownership of capital) or the present Government must cease to exist. But as the present Government has no intention of destroying Capitalism by making capital a communal or national possession, both must cease to exist. The present Government—the Government of Lloyd George and Bonar Law—must be wiped out and room made for a Government which will not hesitate to make capital productive, even if it cannot be made profitable.

The needs of the people are more urgent than the need of profit. Capital, under those who at present control it, will not do its duty. It must be taken out of their hands and put in the possession of the democracy, and under the control of those who can use it. The tools to the man who can use them!

The Capitalists are not using capital. They are abusing it by lending it for enterprises in which the democracy does not believe. That capital was produced by the workers. It is necessary to their existence. It is necessary to the solvency of the country. It is necessary to prevent us from degeneration into anarchy, chaos and bloody revolution.

The Government must break the strike of Capitalists. It can do so, only by taking over capital—the machinery of production and exchange—and using it for the purpose of creating a better State in Great Britain—and leaving Russia to Lenin.

This, of course, the present Government will never do, since it is a Government of men more concerned for the maintenance of the privileges of property than for the propagation of the happiness of the people.

But how can this Government be wiped out? It will not obey the mandate of the by-elections, and get out. It recognizes that when it does go, a Government will take its place that will attempt to use the capital of the country for the good of the people of the country. That will inevitably entail the transference of capital to public ownership, and the end of luxurious idleness on the one hand, and starvation on the other hand.

So the Government will cling to office as long as it can, and then it will attempt to get back to power for another lease of life on some scare stunt.

I think the "sensational" stories of Red gold that are now going round are being told for the purpose of making the muddied-minded believe that we are living on a volcano, and that only the strong hand of a Lloyd George can save us from destruction.

As a matter of fact, it is the strong and grasping hand of the Lloyd George clique that is making des-

WHAT OF THE WEST?

Remember those boys in Stony Mountain. Word comes through that they are taking it easy. Ball has definitely been refused. An appeal has been sent out from Winnipeg for demonstrations in their behalf. But whatever is done do not forget the Defence Fund. No effort should be spared to put the stiffest of fights up at the Assizes. This on general principles as well as for the sake of those on trial.

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

Send all money and make all cheques payable to A. S. Wells, B. C. Federationist, Labor Temple, 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.

Lawyers for the defence in Vancouver, Bird, Macdonald & Earle.

Because of discrimination against contributors, whose names have been published as sending in moneys for the defence fund, acknowledgment in future will be made by mail.

TOO FILTHY

We were asked to publish some extracts from a book on the inside history of Canadian Politics, but we refused. This is a family journal.

URGES TRADE WITH SOVIET RUSSIA

Oscar T. Crosby, President of the Inter-Allied Council on War Purchases and Finance at Paris and Assistant Secretary of the United States Treasury during the war, is quoted in an interview in the New York "World," August 3, as follows:

"What we need concerning Russia is the truth only. Sending two or a dozen men to investigate Russia is a grotesque proceeding. Thousands should go—that is, all who want to go..... Russia will work out her own destiny, and we should permit private business to be resumed. Others will trade with Russia, and we will have to, or lose our fair share."

MILWAUKEE, Wis., Sept. 3.—Cudahy Brothers Company, packers, today pleaded guilty in District Court to twenty-three violations of the cold storage law and was fined the maximum amount of each charge, totalling \$2300.

truction of the present state of society not only certain but desirable.

Yes, the putting out of the Scotland Yard alleged "discoveries" as to "Red Gold"—by the way, I've not seen any, and don't I deserve some?—and the simultaneous "determination" to tackle profiteering (which can't be defined) are probably the preliminaries to an appeal to the country in the hope that once again the people can be bamboozled into believing that you can make paradisaical purses out of guinea-pigs' ears.

But nothing is to be hoped from a General Election unless the party which goes into power means to make capital "find work," for Capitalism will continue its partial strike until it can see a certain six per cent. or more as a result of its activity.

And don't forget that when Capitalism downs tools, the Government gives it employment at five per cent. interest. When Labor downs tools the Government gives it—what?

It is not the spasmodic strikes of Labor that are causing the unrest. They are mere symptoms of the social disease due to the fact that Capitalism by going on strike has induced a fever. The bacillus of the present unrest is not Bolshevism but Boss-selfishness.

HOW BOLSHEVISM IS MADE A BOGEY.

(Continued From Page Six.)

Mr. Keeling's Amazing Editor.

Mr. Haywood, like Mr. Keeling, is a strangely endowed writer of history, for after a pious declaration that his book is no attack on the theory of Bolshevism, he writes a 12-page Appendix on "The Theory of Bolshevism" (which he does not at all understand) as a root fallacy, a failure in economic structure and a despising of civil liberty.

Further, Mr. Haywood tells us that in all his talks with Mr. Keeling, he never detected "the slightest variation in his story." This is curious, as there are several in the book. Mr. Keeling says he was arrested "at least six times" (p. 123.) later that he was arrested twice (p. 175); apparently always for a very short time. More serious is the "variation" between his saying that the Bolsheviks suppressed the Co-operative Societies (p. 137.) a notorious inaccuracy, and his references to Co-operation.

Again, he says that the blockade has nothing to do with the famine (p. 130.) while ten pages later that "the opening up of trade with Western Europe will ease the (food) situation!" Then there are other statements wildly inaccurate, e.g., that there is no lack of fuel in Russia (pp. 166 and 196.) In fact the parentage of the book seems to be a slipshod and ill-tempered mind supplying material and an inaccurate, prejudiced pen writing the material up.

His Charges Against the Soviets.

The serious charges made against the Soviets in these pages can be faced with equanimity. Keeling maintains (what is hard to prove and hard to disprove) that under Bolshevism there is less liberty than ever, and indeed such denial of liberty that Britons would not tolerate it a day. Bolshevism means conscription, which Britons also have still to endure, although their country is not invaded nor in any danger of invasion. Bolshevism means suppression of newspapers. That, also, Englishmen have known. Have not printing plants been smashed and works closed, and poor men been ruined by £100 fines in this land for printing what the government did not like?

Bolshevism means spying on suspects. But is not the British Government at this moment setting up a new and permanent spying department (Special Service) in the Home Office?

Bolshevism means that all sorts of permits are needed to travel or trade. It is just the same here; only it appears that passports are got with less delay and less often refused in Russia than in this land. Bolshevism means many decrees issued, not by Parliament, but by order and bureaucrats. Is it not exactly the same here? Has Mr. Keeling counted up the regulations of D. O. R. A., or can he say how many hundreds were issued by the Food Ministry alone? Really, the argument, here and elsewhere stated, that the liberty of Russia and the souls of her people can only be saved by sweeping away the Bolsheviks is overdone. Alter a few names and dates and transpose a few forms and the restrictions on liberty of which the Bolsheviks are so guilty can be shown to have been achieved also by the British Government; by the French! by the Italians! by the U. S. A. Government! Are they all to be swept away?

In conclusion, let it be fairly stated that Mr. Keeling does not advise military intervention in Russia, though he does not denounce it; he never mentions Kolchak; he never praises the Cadets; he never seems to have heard of Gorki or Martov, the two famous anti-Bolsheviks now working with Lenin against the invaders of Russia and would-be restorers of Czarism; he advocates the sending of British working men out to Russia to show Russians how to work! This is a moderate and sensible programme, and may come when war is over and peace returns. But it is a sign of the futile helplessness of Mr. Keeling and his Editor that he can leave so all important an issue practically untouched.

Current Comment From "The Dial"

With Wilson playing an amiable Alexander I to Clemenceau's Metternich, the first act of the drama of counter-revolution has ended in a brilliant triumph for the Holy Alliance. The history of the pacification of Hungary, now accomplished, is neither very long nor very difficult to understand; and it illustrates very admirably the manner in which bread and bullets may influence the self-determination of a free people. In a speech delivered in Paris towards the end of July, Herbert C. Hoover, Food Dictator for the Allies, remarked that officials of the Relief Commission were maintaining and managing some eighteen separate governments—eighteen well nourished centers of anti-Bolshevism. A few days later (July 26.) the Allies offered to give Hungary a place in Mr. Hoover's bread line on condition that the Soviet government be overthrown. Unfortunately the attention of the communist officials was centered for the time being upon military operations against the most honest of their enemies—the Roumanians. Meanwhile Captain Gregory, an American now functioning as chief Allied bread baiter for central Europe, dangled before Budapest a most generous offer of food—to be had at a price. The combined attack of Roumanian arms and Allied intrigue was too much for Bela Kun; on August 31, his government was overthrown. The Associated Press dispatch that announced the debacle at Budapest proudly pointed out that Captain Gregory should be "credited with a large share in the hastening of Bela Kun's retirement." In the face of a feeble and obviously insincere protest from the Supreme Council at Paris, the Roumanian army now overran Hungary, occupied the capital, and created conditions that made easy the strangulation of the new bourgeois-Socialist government, the return of the emigres, and the complete working out of the counter-revolution. With the Supreme Council still uttering stage thunders against Roumania, Archduke Joseph, "the most popular member of the Hapsburg family," dumped the ad interim cabinet into the discard and became Regent of Hungary. The sincerity of the Allied promises to the first anti-communist government may be judged from the fact that on the day of the Hapsburg coup d'etat, the members of Entente mission conferred with the Archduke, reached "a full agreement" with him on various matters and ended by delegating governmental authority to this new Dictator.

The nature of American activities in Hungary is easily understood when published facts are once gathered together. Information relative to counter-revolutionary operations in Finland and Russia is not so easily obtainable; an interview published in the Suomen Sosialidemokratti, a Finnish newspaper, may therefore be regarded as "a piece of preciousness." The speakers are, first, a Finnish newspaper reporter; second, Magnus Swenson, sometime of Madison, Wisconsin, more recently Inter-Allied Food Dictator for Scandinavia and Finland. To quote:

"Is it true," I (the reporter) asked, "that our getting foodstuffs depends to some extent on the political system of our country?"

"Yes. You know, of course, the wish of America that your country should have a democratic system and that the composition of the government should answer the party divisions in the newly elected Diet. I know that conditions here are not quite satisfactory as yet, but I am sure that everything will be all right very soon. I feel sure that the people of Finland under all circumstances are able to take care of themselves. But we have another danger before us. America and the Entente powers regard the Bolsheviks of Russia as enemies of mankind. The position of your country would become very difficult, and your relations to the Entente countries would perhaps become impossible, if the Bolsheviks should get into power here."

"Do you believe that Finland would be permitted even formally to make peace with the Russian Soviet Republic?"

"I am no politician and I can not give you any definite answer about that. Nevertheless, I believe, that the Entente powers would not approve of such a peace at this time. In regard to the food problem which is the only question within my jurisdiction, I believe it would not be as easy to arrange for food relief in case you would start negotiations with the present Russian Government."

I understand that this a very delicate point. . . . The problem is by no means of a purely humanitarian character—the delivery of the Finnish people from starvation. Rather the object is to make Finland's policies completely dependent on the policy of the western imperialists, and to compel the Finnish people to remain in a state of war with the Russian Soviet Republic.

The war went too far—millions of men and billions of dollars too far. The Supreme Council admits it when it goes about rebuilding what the war pulled down at such a heavy cost in blood and treasure. A monopoly of ruling-class privileges was the reward expected by the victors; actually they have fallen heir to a revolution that threatens the destruction of the very system of privilege. It is the fear of this universal cataclysm that sets the Supreme Council seeking allies among its bitterest enemies of a year ago. With the defeat of Germany, the fears and animosities that so recently divided Europe into two rival political systems lost most of their significance; since that time the fear of the social revolution has tended more and more to replace the old national and dynastic rivalries. The Treaty is the product of the nationalistic system that gave the conqueror the right to grind his defeated rival into the dust. But the counter-revolutionary activities of the Allied powers are of a different order: they belong not to the war of nations but to the class struggle that divides Europe horizontally and gives the lie to nationalism at the very moment when the war has brought it to the height of its development. Mannerheim of Finland, Kolchak of Russia, and Joseph of Austria, have profited in turn by the new diplomacy that joins dollars and dynasties in the defense of privilege. With these alliances of desperation threatened by the rising tide of revolt, how long will it be before the Supreme Council is compelled to acknowledge that from the point of view of the ruling class, the war that started the revolution was a mistake?

We sincerely hope that it is not yet too late for leaders of the Jewish community in America to break off their negotiations with the Kolchak representatives here, concerning which reports have come to us from reliable sources. It is, or it ought to be, well known to those distinguished Jews that the Kolchak regime is thoroughly impregnated with anti-Semitism. This is the chief stock-in-trade of the Kolchak officers. Even the Kolchak press contains Jew-baiting statements worthy of Czarist times. The knout has returned and the machine gun is rarely silent. Liberals, radicals and revolutionaries even of the mildest type are systematically hunted down, kidnapped, and killed by old Czarist officers. The American troops under General Graves are reported to be completely disgusted with Kolchak and his pretensions. How can it help the Jews of Russia for American Jews to be carrying favor with such a regime? We do not wish for a moment to question the motives of the Jewish leaders here. But is their hatred of the Soviet Government—under which no pogroms have been reported to have taken place—so blinding that their only hope is to help the Black Hundreds into power? What other explanation can there be of the recent meeting of four Jewish leaders with the well-known "pogromchik," Metropolitan Plishin?

The Truth About Soviet Russia

By M. Phillips Price.

(From the "Soviet Russia," Aug. 2.)

All through the summer of 1917, Petrograd and Moscow workmen tried to better their conditions through their own elected factory or shop stewards' committees. But every step they took to control the actions of the employers was met by counter-measures of sabotage and often of open resistance by "white guards," hired by the employers to defend the "sacred rights of property." Heads of the shop stewards' committees were arrested and sent off to the army, raw materials hidden and the men locked out on the plea of no work to be done. The workers replied by organizing Red Guards, seizing the factories and trying to run themselves without a staff and without technical knowledge. Chaos increased. One group of workmen often struggled with another group in the attempt to get hold of the much-needed raw materials. Meanwhile, famine became worse and worse and the Workers' Soviets were in danger of turning into committees for grabbing whatever they could get for their own members. Then the Bolsheviks came along and in October, when they came into power to control the Soviets, gave the latter political as well as economic power, as an organized proletarian mass.

And so with the peasants. During the summer of 1917, the landlords and their agents among the war-profiteer parvenus organized a resistance to the peasant land committees. Peasant elders were arrested and thrown into prison, some were even shot. The peasants replied by sacking the landlords' mansions. Anarchy was raging in the provinces long before the Bolsheviks came into power in October. The latter, restraining the righteous indignation of the peasants, declared their informal committees, the first fruits in the villages of the March Revolution, to be the legal authority, possessing the right to take the landlords' land and work it in the interests of the whole community. Long and difficult has been the struggle of the Bolsheviks with the disorderly forces among the Russian peasantry. The latter, divided into rich and poor, struggled among themselves for the landlords' land, split up into two contending factions—one, of small proprietors and rich speculators the other of laborers or those peasants who hire no labor. The latter group became the "committees of the poorer peasantry," or the reconstituted rural Soviets, whose duty it became to stop the disorderly scramble for land and to create the new communal system of land tenure. Thus the seed sown in the soil of anarchic revolt germinated into the young shoot, which fed in the atmosphere of order and discipline.

The Struggle With Foreign Imperialism.

The regeneration of Russia could only begin when once the Soviets had completed their development and come to the zenith of their political power. After October, 1917, it seemed that order, through the Soviets would prevail over the chaos bred in the first days of the March Revolution. For the working classes, schooling themselves in their factory and village committees, were fighting famine and struggling to raise production. But the war was still nominally going on with the Prussian war lords. The country was open to any tyrant that chose to walk in. The soldiers had nearly all gone from the front by Christmas, 1917. The Bolshevik leaders of the Soviets had now the most terrific task before them. They had to secure some sort of peace in order to give the ruined and exhausted land a breathing space and the workers a chance to repair the damage of the war.

There will probably be nothing more tragic in history than the picture of Russia struggling with the German war-lords and deserted by the Allies. Not possessing any material resources to enforce the justice of his cause, Trotsky relied upon the conscience and sense of justice of the Western world.

This was the time when the Allies, if they had known the day of their visitation, if they had understood what was the driving force of the true Russia, would have declared their peace program and sustaining Trotsky, would have exposed to the world the cynical intrigues of the Prussian militarists. The Allied governments did not do this because they could not. They did not dare face their people and tell them that they had plans of conquest. The moment for uniting the moral front of the Allies with that of revolutionary Russia passed. It never came again.

Revolutionary Russia was thus left alone in the world to face the German war-lords. Two courses were open to it. It could either play the idealist and decline to accept any peace which did not embody its principles in toto; or it could pursue Real-Politik and, estimating all the forces which were making for the internal breakup of their enemies, could make an agreement with them as a temporary expedient. In the days preceding the signing of the Brest-Litovsk peace, two very fundamental human impulses were struggling together inside the Russian Revolution. The one was altruistic, ready for self-sacrifice, Brunnhilda-like, upon the flaming pyre of an idea. The other was wise and calculating, prepared to save what could be saved now in order to gain the surer in the end. The struggle between these two impulses, old as the human race itself, was reflected in the controversy between those among the Russian revolutionaries, who would sign the Brest-Litovsk peace and those who would not. The left socialist-revolutionaries and the anarchists in Russia, like artists, lived only for their ideals, which they would have realized at once or else would perish. The greater part of the Bolsheviks and the hungry masses following Lenin, lived not only for their ideals but for the means to realize them. The former, rather than sign the Brest-Litovsk peace, renounced all claim to participation in the government and resorted to acts of individual terror in the hopes of striking fear into the breasts of the tyrants. The latter recoiled, pour mieux sauter fostered their forces till the day came when they knew they could strike.

The Prussian warlords, not because they wanted to, but because they had to, gave a breathing space to the Russian Revolution. For they were engaged in playing their last card in a terrific onslaught on France. Revolutionary Russia is accused of being responsible for this onslaught, but I submit that its tactics did more than anything else to break the power of Prussian militarism. The very fact that the politically non-conscious elements of the German people got a taste of peace on the East front, broke their will to war. "If we can have peace with Russia," their minds instinctively argued, "why can we not have it also with the Allies." But month after month went by and they began to see that the German army must either conquer the world or else make a compromise peace. They knew they could not do the former, because of America; their own warlords would not let them do the latter. But the example of the peace with Russia was before them, and seeing it, their spirit of rebellion against the war rose ever stronger. The German towns began to fill with deserters, workers struck, discipline collapsed and with it the army. And the Russian revolutionaries knew how to make use of this new psychology in the German people's mind. The peace on the East front was made use of to flood the Ukraine with Bolshevik agents, who spread revolutionary literature broadcast and who, within a few months, had turned the Kaiser's glorious "Heer im Osten" into a little better than a hybrid between a rabble and a revolutionary committee. M. Joffe, while playing at diplomacy with the Kaiser's Ministers, was distributing pamphlets right and left, calling upon the German proletariat to overthrow their tyrants. The fear and hatred in which the propertied classes of Germany hold Bolshevik Russia can be seen by the fact that at the moment of writing, Russian Bolsheviks are now pining in German prisons, are hunted like hares, and murdered by the armed hooligans of the Ebert-Scheidemann-Noske government of "socialist" Germany. I ask an unprejudiced observer: Does this look as if the Bolsheviks are the agents of German Imperialism?

How Bolshevism Is Made a Bogey

(By Joseph King.)

Another type of Anti-Bolshevik propaganda is the book, "Bolshevism: Mr. Keeling's five years in Russia," by H. V. Keeling (Hodder, 2s. 6d.) This book is being boosted as a unique revelation of the truth; the Times and Tory papers go into ecstasies over it; it is held to show that the Soviet leaders can claim nothing save to be justly swept off the earth. What then is

The Strange Tale of Mr. Keeling.

Mr. Keeling left England in February, 1914, to help to establish a patent photo-litho process in Petrograd. He then knew German but no Russian. He was, and still remains, a member of an English trade union, never of a Russian one. He became foreman (p. 56) and says of the Russian workers that "they will never work regularly except under pressure of some external force," he treated them accordingly.

He admits the Czar's tyranny, the miserable wages before the Revolution, the suppression of trade unions, the horrible treatment of the soldiers by the Czar and his officers (p. 77):

the soldiers' punishments make me shudder to think of them.

He hates conscription, and condemns British labor men for not protesting against it in Russia! (p. 180.) Though himself of military age, he did not return to England to join up, but left Petrograd, got good jobs, and eventually, when the Bolsheviks came to power, he worked for them at a salary of £150 (1500 roubles) per month; his excuse

for this is that "he thought it might enable him to get more food!"

He speaks with great admiration and respect of Lunareharsky, the Bolshevik Commissary under whom he worked (p. 149.) but with utter disgust of the other Commissaries, of whom he only heard things and saw nothing. He tells us nothing of the conscription of Englishmen in Russia, save that he was himself liable to it (p. 22.) and seems ignorant that Russians were conscripted in Britain. He abuses the Bolsheviks for having established civil marriage, as in France, Italy and America, but he tells us nothing about the nationalization of woman, for which the government vouches here.

Was Mr. Keeling too prudish to mention so dirty a subject? Or too prudent to tell the truth, which would have annoyed his aristocratic Czarist friends?

After the Armistice, Mr. Keeling says he was liable to be conscripted into the Red Army (an astounding new fact.) but tried successfully to cross the frontier into Finland. He gives a lively story of this venture, though it is hard to credit all in view of such statements as that early in January it began to get dark about 7 p.m.!

Arrived in London, Mr. Keeling soon became famous and feted by reason of the interview with him published by the Westminster Gazette on February 26. Mr. Keeling repudiated this interview in the Forward, of Glasgow, on March 15.

Since that date, this book has been written, not by Mr. Keeling but apparently by Mr. E. H. Havwood, who writes the Preface and Appendix, and explains how the book arose (p. IX.)

(Continued On Page Seven.)

Small Nations and Big Oil Fields---Who Is Hoover?

By J. T. Walton Newbold and G. H. Martin

("Labor Leader," London.)

THE threatened attack upon the Hungarian Soviet Republic has been successfully made, and, from all accounts, the Roumanian Army is in occupation of Budapest, more than willing to act as "bum bailiff" for the idealistic financiers whose executive sits and plans in Paris.

How far the Allied Governments favor the retention of Budapest by their Roumanian mercenaries it would be difficult to estimate. However, of one thing we can be certain, viz., that the Roumanians are preferred to Bela Kun, who put himself hopelessly out of court by socializing the petroleum industry of Hungary.

When Smillie and Smith are seeking to drive Harwood Banner, the Coalition coalowner, out of the Lancashire and Yorkshire mineral industry it would have been too much to expect that Harwood Banner, the Coalition oil magnate, would acquiesce in Kun's dastardly behavior on the very edge of his Roumanian properties. There would have been one less refuge for that capital which he and his fellow coal-owning, oil-sucking exploiters of the Federation of British Industries mean to send abroad when socialization overtakes them.

The assault on Hungary, like the support given by the Allies to the tottering government of Roumania and their decision to transfer Galicia from the Ukraine is part of a combined political offensive conducted over a long period by the petroleum syndicates of Britain, France, Holland, Belgium and the United States.

This astounding conspiracy is so staggering in its cynicism that, since they tell the tale so prettily and so naively, we will let the petroleum newspapers for the most part tell it for themselves.

The *Journal du Petrole*, February, 1919, in an article by J. Crinan on "The Petrol Age," tells us:

This importance of petroliferous deposits that has guided the armies of the belligerents in certain of their efforts towards Galicia, Roumania and Persia, will appear tomorrow as remarkable when we come face to face with that lack of coal and labor which threatens us.

If it be true, as a mineral prospector told me, that, upon the accession to power of the Young Turks, these lax adherents of the Moslem faith disclosed the secret archives of the Ottoman Empire archives kept private, since their capture from the Byzantine regime, to Western prospectors and concession-hunters, the Mesopotamia, Dardanelles and Salonika tragedies have a sinister explanation. We know, because the Mesopotamia Report tells us so, how that Expedition was sent to guard the pipelines.

Mr. Herbert Allen, addressing the Bibi Eital Company's shareholders, spoke of Roumania as "rich in priceless petrol," and the *Petroleum World* for March lamented:

The news of the Roumanian revolution is deplorable from the point of view of those interested in the oil industry, even should some of the messages prove to be exaggerated.

Its April issue tells us that "Roumania" wants the Hungarian state-owned oilfields of Petrochem and the whole of the Siebenburgen natural gasfield in Transylvania.

The June issue, recording the Soviet Republic's decree of socialization, states that the Vacuum Oil Company, a subsidiary of the Standard Oil Company, has large interests in Hungary, as well as owning the Romano-Americana Company.

In Galicia the *Petroleum Times* (26-7-19) reports the British investments in petroleum as amounting to £10,000,000.

President Wilson is desirous of shouldering for America "the mandate of administration" for Turkey and Constantinople and, simultaneously, the Americas, the organ of "Standard Oil's" National City Bank of New York, publishes a glowing ar-

ticled, replete with pictures and a map of the market possibilities of the near east.

An American humanitarian campaign has been worked up to give the United States the mandate, also, the Armenia, and the most cursory glance at the map of Asia Minor shows that region to abut upon the Caucasian, Persian and Trans-Caspian oilfields.

Mr. Hoover in a New Character

When we find this gem bedded deep down in a mineral periodical, we begin to ask ourselves questions concerning America's intentions:

After questions had been asked, Mr. Francis Moore said: "Just one word, gentlemen, before we separate. I should like to propose a hearty vote of thanks to our chairman (Leslie Urquhart)." I should like to add that our friends Mr. Hoover and Mr. Leslie Urquhart, as long ago as Sept., 1914, began work in connection with the scheme which the Government is now putting forward in its Non-Ferrous Metals Bill. They themselves represented to the Government the serious position in which the spelter industry in general was at that time, and they have been working on the scheme ever since.

I myself introduced Mr. Hoover to the Government, and it has taken three years for the Government to bring forward their proposals and to grasp the idea underlying the scheme of Mr. Hoover and Mr. Urquhart. We congratulate both Mr. Urquhart and Mr. Hoover on what they have accomplished in this direction. Mr. Hoover, as you all know, is now the Food Controller of the U. S. A.—*Mining Magazine*, January, 1918.

Mr. Leslie Urquhart speaks of Admiral Kolchak as

A good friend of mine . . . a patriot, who thinks only of the good of his country.—*Mining Magazine*, January, 1919.

Their relations are notorious. Now we know that Mr. Hoover, who is blockading Lenin's Government and the Russian Republic, and was blockading Hungary, is another "good friend" of Mr. Leslie Urquhart.

Turning to page 1335 of "Who's Who in America" (1918-19) we read that Herbert Clark Hoover, now Food Administrator in the U. S. A., was "representative of bondholders in construction of Ching Wang Tow Harbor, 1900, and between 1908 and 1914 was director of

Zinc Corporation, Ltd.; Kyshtim Corporation, Ltd.; Tanalyk Corporation Ltd.; Oroya Exploration Co. Ltd.; Russo-Asiatic Corporation Ltd.

His clubs in New York include "Lawyers" and "Bankers." So far so bad.

Petroleum (Berlin-Vienna) 13th April, 1919. Records:

The news is very interesting that at Paris, through the St. Petersburg International Bank of Commerce, the negotiations which the American petroleum trust (Standard Oil Co.) had already started during the war, for combining with the four formerly Russian Naptha concerns (Russian-General Oil Corporation, Nobel, Shell, Neft) have been renewed.

So the plot thickens the further down we bore.

The Royal Dutch Petroleum Co. controls the Shell Transport and Trading Co., and the Astra Romana Co., as well as the Mexican Eagle Oil Co. Ltd., and the Anglo-Egyptian Oilfield's Ltd. Last year it paid 40 per cent., and in 1917, 48 per cent. Now it has sold a big block of shares to Standard Oil's bankers, Messrs. Kuhn, Loeb and Co., of New York. It has great holdings in Roumania.

Next, for the diplomacy of Paris and the preparations for the general assault upon Hungarian and Ukrainian Socialism.

A telegram from Switzerland states that a French mission, consisting of Captain Dubost and Lieutenant Simon, has arrived at Droho Czer,

these officers having been sent by the Inter-Allied Commission in order to investigate the petroleum question and especially the manner in which the Ukrainian Government has dealt with it.—*Petroleum Times*, April 26, 1919.

Again:

The indomitable perseverance and energy which Mr. Perkins has shown as chairman of the International Committee stands out well, for his has been a steady, uphill work on behalf of the Allied oil interests in Galicia and those of the British shareholders in particular.

At one time—and not many months ago—it looked as if the Ruthenians might have had some chance of obtaining their object but as we then pointed out, if they succeeded, a bridge would immediately be created between the Bolsheviks of Russia and Hungary. Fortunately, the Government realized this in time and have now prevented all possible source of trouble by creating a United Poland, thus sweeping aside what, without doubt, would have soon been a serious menace to European affairs.—*Petroleum Times*, July 26, 1919.

This was the policy which this paper had "constantly advocated" and it claims:

When we recollect that there is more than £10,000,000 of British capital invested in Galicia's oil industry, we feel that we have been more than justified in taking up the attitude that we did.—*Ibid.*

This Mr. Perkins, the indomitable chairman of the International Committee, is a Mr. Charles Perkins. We are not certain, but we suspect that he is Mr. Charles Perkins, of J. P. Morgan and Co. We do know that J. P. Morgan and Co. are at the head of the International Committee looking after Allied interests in Mexico and that the British, French and American Governments are acting in Mexico on behalf of their respective oil companies.

Mr. Churchill has been talking of a cordon across Europe to interpose a military and political barrier between Bolshevism and the West. It is a barrier of Paris chosen Poles and Paris supported Roumanians. It is to interpose a barrier between the Soviets and Smillie, between the socialization of petroleum wells and the nationalization of collieries.

The whole cackle about small nationalities is a device to secure the establishment of small States under "League of Nations" auspices and by military means, small States that, like Azerbaijan, in the Caucasus, exist only to counter-sign the decrees of the international exploiters. The Balkans have been cleared of the Ottoman Empire to make room for the Oil Trust. Simultaneously, we imagine, we shall hear that the "cross" has triumphed over the "crescent" and the combined choirs will render those touching lines from Mrs. Ward Beecher's "Battle Hymn of the Republic":

We are trampling out the vintage in the Garden of the Lord,

As our God goes marching on!

TORONTO STANDING BY

TORONTO, Ontario.—Contemplating trouble in the future, the executive of the Trades and Labor Council here has formed a committee for political defense, its aim being to resist all government action in the way of making arrests and to collect funds from Labor organizations throughout Canada so that plenty of money would be on hand to defend any Labor man who might be arrested. It is the intention of the committee to call a mass meeting on Aug. 29, to protest against the detention of Winnipeg strike leaders in Stony Mountain Prison, while awaiting trial and also to send a protest to the United States authorities against the life sentence pronounced upon Thomas Mooney, for alleged complicity in a bomb outrage in San Francisco in 1910.

THE RED FLAG

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

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The Socialist Movement and Mr. Cahan

OUR attention has been called to an article on revolutionary conspiracies in Canada in McLean's Magazine through reading a leader in the Vancouver "Province" of Sept. 4. The "Province" article is headed Mr. Cahan's Version, and version is right. Mr. Cahan's version, as rehashed in the "Province," originally appeared in McLean's Magazine. Mr. Cahan's version in McLean's Magazine is a rehash of series of hysterical articles he wrote for the Christian Science Monitor during the war, when he was Director of Public Safety in Canada. By the way, is this the McLean's Magazine which, during one of the most critical stages of the war attacked virulently the British War Office, said in fact that it and its policies were dominated by skirt and that the English officers and the class they were drawn from were degenerates. We remember: Yellow, neurotic, sensational dope it was too. Such as it pays our magazine editors to publish and upon which they fatten their circulation, by flirting with the obscene in politics or in human relationships in such fashion as is more obscene than stark-naked lechery itself.

To return to Mr. Cahan and his assertions that hundreds of thousands of dollars in German money entered Canada during the war and that Bolshevik money was now coming into the country. Where is it? He makes general charges, naming certain working class organizations, yet he fails to produce one specific instance although a single case in itself would not support his sweeping charges. To us it appears strange, that for over five years while the country was flooded with police spies, with posters calling for amateurs to take up the same service and in spite of what he says about the press that organ strained the facts to absurdity to arouse hostility and suspicion against all radical organizations—in spite of all this, not one case, so far as we know, can be shown as proof that anyone in Canada was being suborned either in behalf of the Germans or the Bolsheviks. Not among the working class anyway. Why was every working class organization, labor or Socialist, instantly suspect? Was it a case of bad conscience on the part of our rulers, in view of the manifold injustices the workers endure and that they could not in truth conceive of them as being loyal.

It will be useless to deny that the Socialist Party of Canada or its members received any of the alleged funds, because our enemies would say that we might be expected to deny it in any case. We will point out, however, that, we have been under surveillance by the secret service, not to speak of enthusiastic amateur sleuths, for five years. Our meetings have been under observation. Our mail, both of the party and of individual members, has been scrutinized. For more than three months at a time every letter was opened. The headquarters of the Party and of its Locals and the homes of its members have several times been raided and correspondence and account books attached. Yet it has evidently not been found possible to put us without the law. We are a highly unpopular organization, even in the labor movement, because the difference

in principles between us and those who disagree with us runs too deep and sheer to admit of merging or of compromise. This last five years especially, feeling has run high, hate and passion and prejudice have run riot. We have been, as a lone barque on tumultuous seas, buffeted from every side. We understand, none better, that the people are not with us. We understand the State, it is our especial study, and we realize more than any one its ruthlessness and power. Is it reasonable to think that we should put ourselves in its power, an insignificant minority of theorists, by setting afoot conspiracies to overthrow by violence this State, and this order of society which is supported by a huge majority of the people. Loose flippant conversation and scrag ends of such pieced together by interested persons for ulterior motives, we submit are no criterion of our settled policies as a party. These policies are educational and above board. If our theories are wrong let our opponents meet us on public platform or in the columns of the press. For twenty years, while we have seen the working class movement struggle and develop, that challenge has been open. Our opponents have wealth and can buy brains in their defence. If they have any case at all they will resort to that method. If they resort to force and lies instead, then they have no case but possession, and they are already defeated.

They charge us with desiring the downfall of the present social order and the establishment of a new one. Is that a crime? Do they conceive that the hellish thing, which is thrusting civilization out into the void, will last for ever? And socialism, which is the critique of the present order, can they, by suppressing a few individuals or an organization, suppress it? This communism, which is the ideal of a new social order, can they by any manner of means kill it. Nay! they must first kill the human spirit, for while it lives, socialism and communism issue out of capitalism as a child from its mother's womb, follow capitalism as daylight follows the night.

In the Christian Science Monitor of August 30, there is an editorial on "Ideas and Tanks," and whoever can, should read it. It quotes Lord Robert Cecil as saying, in the British House of Commons in his protest against intervention in Russia, "you can not stop the course of an idea with a machine gun." Says the "Monitor," which by the way is no friend of the Bolsheviks, in comment: "The religious world, indeed has spent centuries endeavoring to convert heretics to orthodoxy with the help of lions and stones, fires and racks, excommunications and disabilities . . . Nor, when it comes to politics has the effort been so immensely dissimilar."

"It is possible, indeed, it is easy enough, to drive Bolshevism under surface in Russia, and communism in Budapest; but is it going to effect the idea? Nero gave the Christian to the lions, the Inquisition sent the Protestant to the stake. Did Nero extirpate Christianity, or did Rome destroy Protestantism?"

"There is Bela Kun, Lenin's other self. A month or so ago he was threatening to make the physical frontiers of the Empire of Lenin match with those of Switzerland. Today he is an outcast, in an Austrian prison, and why? Not because the communal idea has been discarded by the people, or even by the mob, but because the Rumanian cavalry rode into the suburbs of the capital, and because the Council in Paris made it perfectly clear that a Communist Government in Budapest meant no recognition—no trade, above all no food. But does any sane person suppose, for a single instant, that the mental frontiers of Bolshevism have been pushed back a single yard by such tactics."

At the same time, would anyone like to guarantee the unacceptability of the Rumanian troops to the communist idea, and to undertake that presently a Bela Kun will not lift his head in Bucharest. You can not fight an idea with Rumanian cavalry and Paris rescripts. . . . Until such time as the world desires communism, if it ever does desire it, it will not get it; when it does so desire, nothing will prevent it getting it."

DOING BUSINESS

The official organ of the Russian Soviet Bureau, "Soviet Russia," in the Aug. 16 issue, announces that:

A communication just received direct from the Soviet Government in Moscow, authorizes the Russian Soviet Government Bureau in New York to offer upon the American market a great quantity of raw materials now ready for immediate shipment from Russia. Our communication states: "We have here ready for shipment 432,000,000 pounds of flax, 216,000,000 pounds of hemp and a great amount of furs, bristles, hides, platinum and unlimited amounts of lumber."

We have just received a cable from the representative of the Russian Soviet Republic in Stockholm advising us to ship merchandise immediately. Mr. Strem, the Soviet Representative in Stockholm, states in this cable that he is authorized by the Moscow Government to guarantee payment for such merchandises in Petrograd and to issue the proper permits for importation into Russia. Mr. Strem also states that he is making arrangements for establishing credits in Stockholm for the Bureau to draw upon.

Initial orders have been received by the Bureau from Moscow for purchases amounting to \$150,000,000 for railway material and equipment; \$30,000,000 for agricultural implements and tractors; \$10,000,000 for machinery and machine tools; \$5,000,000 for hardware and metals; \$30,000,000 for boots and shoes; \$20,000,000 for textiles; drygoods, etc.; \$5,000,000 for paper, rubber, etc.; \$25,000,000 for cotton; and \$25,000,000 for foodstuffs.

MILITARISM ON THE INCREASE

Lloyd George's statement that England is facing ruin is doubtless but little exaggerated. But who is responsible for this terrible situation? Why, primarily those who made the secret treaties and indulged in the secret diplomacy with Russians and French, and then Lloyd George himself, who carried on the war long after it could have been wisely settled to the satisfaction of all friends of France and of Belgium. But these are vain regrets now. The truth is that Europe is on the verge of ruin and that England herself fears financial collapse—and the peace treaty not only does not give assurances of peace and good will, but has sowed the seeds of bitter hatred and future wars, and involves the maintenance of large armed forces. But the smugly satisfied Lloyd George sees nothing of this. He preaches harder work and greater savings, lest America carry off England's foreign trade. The best thing about his speech is the flat assertion that if the great nations should increase their armaments, "the League of Nations would be a mere sham and a scrap of paper." What nation is increasing their armament today? Why, the United States. Our navy, so Washington dispatches report this week is pressing England's hard for first place. Mr. Newton D. Baker, formerly a charter member of the League to Limit Armaments, is urging Congress to give him twice as many regular soldiers as the United States ever had before and universal military service for our youth. And the great man in the White House remains discreetly silent, ready to jump either way.

To hear our reactionaries bewailing and threatening, one would think that Canada stood alone in having advocates of a new social order. As a matter of fact, not Germany or her Allies, not Great Britain or her Allies, nor any neutral country, nor any people since the world of men began have escaped from the age-long struggle between protestantism and orthodoxy. And, in the interest of human progress, it is to be hoped that they never will until the end of time. Only stagnating peoples could have uniformity of ideas.

But, there are medieval minds with congested one-celled brains who can not see that so we must bear our woes as best we may—and carry on.

Ten Minutes' Talk With the Workers

(From the "Glasgow Socialist.")

IMPORTANCE OF THE WAGES QUESTION.

WHATEVER may be your views upon Socialism, general politics, religion, or anything else—and it is to be hoped you have definite opinions upon all of these things—there is one subject which you can not afford to ignore, and that is the wages question.

Try as you may to dodge it you are met at every turn with the bugbear of wages. Should you, in a flight of imagination, allow your thoughts to travel out to suburbia, and for a moment imagine yourself in a nice house amidst trees and flowers and away from the evil smell of the city, you are brought back to earth with the bitter reflection that you can't do it. Or it may be a case of necessity, when, say, the doctor urges your missus or some of the children to the country to brace them up for the struggle of life, again the answer is "it can't be done."

It may be, as is the case with most men of character, that the wanderlust crosses your mind. You have been reading the adventurous stories of Robinson Crusoe, Jack London or some favorite author, and you would like to "go away." You decide to save a few shillings and are on the point of realizing your ambition when you get the "sack" and you are "done" again. Thus your whole life is colored and shaped by the eternal quest for wages.

As is the case with all things common and familiar, their very familiarity obscures their importance, and since we are born of wage-working parents the tendency is to ignore the significance of the wages issue and look for the explanation of our various grievances elsewhere. In this direction you are encouraged, of course, by the politicians, professors in economics and other "kept" representatives of the employing class, since it is to their interest to have you chasing all kinds of will-o'-the-wisps.

If, for instance, you ask for a rise of wages, you are immediately told it is bad policy, since the "boss" will only tack it on to prices. If you complain that your wages are too low and that you are unable to get ends to meet you are at once told that your difficulty is due to high prices. In all cases you are advised to do anything but interfere with wages.

Basis of the Labor Movement.

Now it is just because of this wages issue that there is a Labor movement, in fact, the wages issue is the basis of the Labor movement, with varying opinions as to how the question is to be tackled. Some believing, as, for instance, the Conservative Trade Unionist, that all would be well if only we could get a fair day's wage for a fair day's work. Others, called extremists, like the S.L.P.-ers, believe that there is no permanent remedy for the many grievances arising out of the wages system so long as profit-taking is allowed to exist. But, pending the time when a complete remedy is found, that is to say, when our class controls all the instruments of wealth production and operates them for common and social purposes there are one or two things concerning wages you would do well to get acquainted with.

Conservative Trade Union View.

You may have heard some of the old people of our class—indeed it is common argument of theirs—when discussing wages and prices, to talk of their young days and how they used to live on very much less than you are getting at present.

If you are a tradesman and getting, say four pounds a week, they take a delight in bragging about how small their wages were thirty years ago—and you can depend upon them making it as low as they can. But, discounting their somewhat curious kink of vanity, and assuming they got thirty shillings a week, they conclude and insist that you are now better off than they were by at least a hundred per cent.

Common Fallacies.

The fallacy they make, and one which you would do well to avoid, is failing to distinguish between the different forms that wages take. Here, perhaps, the truth of our observation upon things familiar is best illustrated. You know that what you get on a Saturday in the form of £. s. d., buys more or less of particular articles at different intervals, according to whether prices are high or low. In other words, the money form of your wages and what they can buy are two totally different things. Thus, before the war, you could get a half-decent suit of clothes for about three pounds. Today you have to pay five pounds ten or six pounds for an inferior cloth. There is nothing original in this to you because you are familiar with the circumstances. But in the language of political economy we are working out a particular form of wages. That form is called the nominal form of wages. From the foregoing you may now guess what in economics is meant by talking about nominal wages. Briefly defined, nominal wages is the monetary expression or form of wages. That is to say the actual £. s. d. or coins that you receive in your envelope or tin on a Saturday.

Things Versus Names.

You can readily see at a glance how many workers might very well be deceived in merely fixing their eyes on the actual coin and not thinking about what these will purchase. A safe method in reckoning your wages is rather to think always in terms of the things you are accustomed to procure rather than dwell on the names or number of coins you are getting.

If, for instance, before the war you were accustomed to getting butter, beef, milk, eggs, etc., and

your wages were, say, two pounds, can it be said that your real standard of living has been maintained, even if you have four pounds today, while you have to put up with putrid margarine, bully beef, patent condensed milk (which must not be given to infants) and catch the glimpse of an egg on a Sunday morning.

The Trick of Percentages.

Another point connected with the question of nominal wages is the matter of percentages. On this point you would do well to stick a pin. If, for instance, your wages have risen from two to four pounds a week, your nominal wage has risen one hundred per cent. Reverse the process and reduce your four pounds to two pounds a week, the fall is only fifty per cent., though the actual variation in each case is two pounds. While such an illustration may appear simple enough in the form given, when it is not so easy to see through the trick, as many piece-workers know to their cost. Again, you would notice all the bother at present over the decision of Bonar Law to put six shillings on the ton of coal. This juggling with prices is intended to intimidate those who are inclined to be upset by any proposal to make it more difficult for the money-wages to go round.

You would do well, however, not to be alarmed at such threats, since the ultimate decision as to whether coal can stand the extras proposed, is determined by forces much stronger than even a Cabinet Minister can command. Such little tricks in conjunction with the various movements in prices go a long way to aggravate the life of the wage worker. That is why it is not worth pottering with the system, rather should we bend our energies towards rooting it out for good. T. B.

In Sight of Bankruptcy

(From the "Common Sense," Aug. 9.)

AMONG "the Immortal services" which Mr. J. L. Garvin declares the Prime Minister to have rendered the country must, of course, be included the economic and financial condition of Great Britain. Mr. Asquith carried on the war for over two years on the principle of sacrificing "the last man and the last farthing" in order to gain a crushing victory over the Central Powers and to carry out the Secret Treaties with Russia, France, and Italy. Mr. Lloyd George improved upon this by proclaiming the doctrine of the "Knock-out Blow" and prolonged the war for two years more at a greatly increased expenditure of British life and treasure. Not content with this, he continued war expenditure on a prodigious scale after the Armistice, and his Government since April has been spending at the average rate of £4,442,000 a day and is still employing conscription for the purpose of fighting in countless wars of the most costly and indefensible kind. The results are now visible to the naked eye. No microscope is required to detect the mischiefs at home—no telescope to discover the ruin abroad. All his promises of an Industrial Paradise have faded away from the horizon on which they were painted in such glowing colors at the last general election. Though the taxpayer's money matters not at all to either Mr. Lloyd George or Mr. Churchill, and every kind of military and naval and civil extravagance is in full swing, all our social troubles are being aggravated. Thanks to the inflation of prices by war borrowing and trade embargoes, the grand housing scheme is a glaring fiasco and the only result so far has been to make it impossible for the building trade to supply houses in the ordinary way.

The rise of prices and the exorbitant cost of living have caused continual and increasing discontent among all classes of wage-earners. The loss of a great part of our foreign trade follows naturally on the following circumstances:

1. The loss of London's financial supremacy and of the gold standard.
2. The ruin of many of our foreign customers.
3. The loss of shipping during the war and the diversion of merchant shipping to feed Mr. Churchill's Russian and Asiatic expeditions.
4. The elaborate system of embargoes and restrictions by which the Board of Trade is strangling our foreign commerce.
5. The reduction of the coal output.
6. The employment of hundreds of thousands of able-bodied workers in military occupations who should long ago have returned to productive work.
7. As a consequence of all these, the highest cost of production.

Let us trace the results. The wealthier classes, who provide a large amount of the capital required for trade and employment, are now taxed from six to ten shillings in the pound on their incomes during life, and from one-fifth to two-fifths of their capital at death. The plight of the middle classes is deplorable, and the Free Churches will soon find that half their ministers can hardly keep body and soul together. The working classes are taxed to the hilt on their comforts and luxuries—such as tea, sugar, beer and tobacco—and all the things they need are doubled or trebled in price—boots, clothing and food. Nevertheless, there is a yawning deficit between the public expenditure and the public revenue.

Meanwhile, the Government gets more and more unpopular, and is already driven to restoring D. O. R. A.*

MANIFESTO OF THE SOCIALIST PARTY OF CANADA

A statement of the theories and conclusions of Scientific Socialism.

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Professor Leacock and the Unsolved Riddle

THE Vancouver "Province" of Saturday, Aug. 30, contained the first of a series of articles entitled the "Unsolved Riddle of Social Justice." The author of the series is Stephen Leacock, Professor of Economics in McGill University. The articles will appear in each Saturday's issue of the "Province" until the conclusion of the series.

Judging by the first installment, Professor Leacock's contribution to the discussion of the social problem will be well worth the attention of every worker. To Socialists, the series will be welcome as a new departure for the Canadian press which has hitherto suppressed any discussion which would tend to uncover the connection between our perilous social conditions and the present capitalist system of production and distribution. Socialists have been abused for using this "economic interpretation" because it leads to a questioning of the social validity of the very foundation of the present social order. Evidently those who are responsible for Professor Leacock's articles appearing in the press are realizing the futility of abuse-misrepresentation, and the appeal to ignorance and prejudice for combatting the scientific education carried on by the Socialists on the political field, and so they are bringing on their intellectual big guns to challenge our educational monopoly of that field. We gladly welcome their change of policy, tardy though it be. We have persistently pointed out that the surest means to peaceful progress is free and open discussion of matters upon which men find themselves in disagreement and that if there are untruths and anti-social ideals being propagated, then the open forum is the surest place to kill them.

The problem today is not a question of suppressing a minority whose opinions may challenge the present order. As pointed out by Professor Leacock, it is the conditions of capitalism which arise out of its own inherent contradictions, that constitute the real danger to society. A danger whose magnitude grows more menacing as the days go by. One of these contradictions is the poverty which exists alongside a boundless capacity to produce wealth. Curtailment of production, mines, factories, workshops closed down, human labor power unemployed, while social wants, even the very necessities of multitudes go unsatisfied. The truth, which no militarist government can suppress, is that considering society as a unit, the owners of the means of production are sabotaging on the rest of society. It is estimated by some experts that the productive equipment is only exercised to the extent of 25 per cent. of its possibilities and others say it is nearer 10 per cent. Why is this? Because profit is the aim of capitalist production, and profit entails a curtailment of production in view of the market. To flood the market is to send prices down and extinguish profit. The capitalist studies the purchasing capacity of the market, not the consumption capacity of the community.

In this first of his series, Professor Leacock makes a sweeping survey of the present state of affairs and the conditions out of which they have arisen, and traces the development of the modern social productive processes from the individual handicraft stage. In this sweeping survey, cramped by lack of space, he perforce, misses much that is necessary for a proper understanding of the problem, but, he also, what is hardly excusable in a man of science, in one or two instances, sacrifices accuracy to picturesqueness of phraseology. Near the beginning of his article he says, "Strike follows strike. A world which has known five years of fighting has lost its taste for the honest drudgery of work. Cincinnatus will not back to his plow, or at best stands sullenly between his plow handles arguing sullenly for higher wages." We submit that that is a drastic misstatement of the cause for strikes or of unemployment. We also deny that his other flamboyant statement regarding Soviet Russia is in accord with facts. However,

he does better when he touches on matters germane to his own field of the science of economics. Nevertheless anything of consequence he has to say there, has already been said by Marxian Socialists. He tells us nothing new, only restating it in his own way. He concludes this first article by saying that he can not agree with the Socialist solution for the evils of the present regime. This of course, to Socialists, will make the progress of his argument more interesting, both as to how he will avoid their conclusions and as to his conception of what the Socialist solution really is. In terms too vague for criticism he says it is "a beautiful dream, only fit for angels." Other people have defined it as one long continued round of materialistic idleness and gluttony at the expense of the State. Both of these definitions look like straw socialisms erected to be knocked down. Peradventure the Socialist solution is described by neither. Professor Leacock, however, has already made one fundamental concession to the Socialists, in that he is using the "economic interpretation" on his problem. We shall watch with interest when and where he uses it and when and where he refrains from doing so. Here follows a few comments on points raised in his article.

Comments.

After passing notice on rising prices and wages, and inferring a connection with that and a world flooded with depreciated paper money, he says, "under such circumstances national finance seems turned into a delirium. Billions are voted where once a few poor millions were thought extravagant. The war debts, not yet fully computed, will run from twenty-five to forty billions apiece. But the debts of the governments appear on the other side of the ledger as the assets of the citizens. What is the meaning of it?"

Since August, 1914, the world has been expending the products of labor in the wasteful, unproductive expenditure of war from which there are no returns in materials embodying values with which to cancel the debts on the ledger. Labor products expended productively, as in a weaving loom, reappear as values in the cloth. The values of labor products, as in munitions of war, disappear for ever. Nevertheless, as those values are on the ledger in money of account as debts, they must be liquidated. They are a mortgage on future values known as surplus values over and above wages, which the capitalist class will realize from future productive operations. In reality, the capitalist class owe the debt to themselves. This, however, is not to say that they will not try to impose the payment of some of that debt on the workers by forcing their standard of living down. Regarded socially, of course, the war debts represent values which are a total loss.

His description of the introduction of the machine-age, lacks at least one essential factor which should have been noted as an effect of peculiar historical significance to the student of sociology. That is, that it was the machine age which produced the modern propertyless industrial proletariat. Small handicraft production betokened that the producer owned his own tools and consequently the product. But as the mechanical production processes developed, the cost of them became more expensive, required great capitals and so became vested in fewer hands. The hand loom weaver found it more and more impossible to compete as time went on, until he finally disappeared. The factory hand took his place. It is recorded that the cotton machines of Lancashire tore the means of existence from the hand loom weavers of India in three short years and that millions of the Hindus perished from sheer starvation who had formerly made a comfortable living. And to what effect? That the factory workers of Lancashire might have one so-called prosperous year in ten. So the process went on all over the world, until now, even

"the personal employer-owner has virtually disappeared from the great industries. His place is now filled by a list of corporation securities and a staff of corporation officials and employees." . . . and "the personal note is no longer to be had in the wage relation, except in those backward, obscure and subsidiary industries in which the mechanical reorganization of the new order has not taken place." Ownership has no function in the processes of production of the machine industry and large scale organization. It is now absentee ownership having only an interest in the earnings of the corporation. In short, the coming of the machine produced two separate and distinct classes. The thing of significance in which is, not that one is rich and the other poor, but that the members of the capitalist class are the owners of society's means of production, though taking no part in its operation and that the workers, while operating industry are divorced from ownership and control over it. Out of this condition arise conflicting interests between the two classes. One, because of the wage relation which exists between them and another more fundamental one in their conflicting interest in the means of existence. To the workers' production is a means of livelihood. To the capitalists a means of profit. In order to realize profits, production must be regulated, curtailed in the interest of price. The market, the purchasing capacity of those in it, sets the pace in quality and quantity, not the social capacity in consumption.

Professor Leacock draws attention to a great paradox of the system, in that, though our ability to produce goods to meet human wants has multiplied thirty or forty times, we yet find the masses of the people suffering from a lack of these goods.

The roots of that paradox lay in production for sale. The command of the working class over the means of life is determined by the purchasing capacity of their wages. To the extent of that purchasing capacity are the goods produced in industry for them. Labor power is a commodity and its price is determined primarily by its cost of production in those things necessary for its reproduction, and secondly, by the effect of supply and demand on the labor market. As there is always an over-supply of labor power, this operates effectually in preventing a rise in wages beyond that which is necessary for the bare support of the working class as a whole. That is why if society's productive power was ten thousand times greater, it would not relieve the poverty of the working class. Not so long as labor power is bought and sold. Our forefathers, in the low productive days, perforce received sufficient of the necessaries of life to live and work and propagate their kind to meet the needs of their masters industries. And so must we of the modern proletariat.

ITALIAN PEASANTS.

The agricultural populations are the brake on the forward movement to a new order. But according to reports from Italy, in that country at least they are coming into line with the industrial proletariat. The Peasants' Congress at Bologna, representing 400,000 members, has declared for the immediate socialization of the land—not for the purpose of dividing it up in the fashion beloved of the peasant, but for a system of social ownership and working. In particular cases it is said the peasants have begun the process of "socializing" already. The Directing Council of the Italian Confederation of Labor and the Executive of the Socialist Party were present at the Bologna Congress, and a joint manifesto has been issued. "Avanti" expects a complete linking up in consequence, and when that happens results may be looked for.

Newsagents handling "Red Flag" in Vancouver, W. Love next to Royal Theatre, Columbia News Agency, cor. Columbia and Hastings, John Green, Carrall street, near Water street.

Ten Minutes' Talk With the Workers

The Socialist Movement and Mr. Cohan

Professor Leacock and the Unsolved Riddle

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MODERN BUSINESS METHODS

From the Point of View of the Common Good

Extract from Thorstein Veblen's
"State of the Industrial Arts."

[Veblen's theory is that the late-modern outlook on social institutions is that they are to be justified only in terms of output or service, in contradistinction to the older metaphysical ones of "natural right" or "divine right." The most advanced expression of the former conception are the industrial proletariat who have come to hold that materialistic conception through their close association with the mechanistic processes of modern production. In consequence of this, they view livelihood as the primary purpose of productive activity. On the other hand, the bourgeois view production in terms of profits which they hold to be the "natural right" and outcome of invested capital.

[Referring to the necessary practice, under capitalism, of curtailing production in the interest of business-like profitable sale of products on the market, Veblen discusses to what extent the resultant loss to the community as a whole is greater than the business community's gain.]

The question as to how much this "incapacity by advisement" has amounted to may be attempted somewhat after this fashion. Today, (Oct., 1918,) under compulsion of patriotic devotion, fear, shame and bitter need, and under unprecedentedly shrewd surveillance of public officers bent on maximum production, the great essential industries controlled by the vested interests may, one with another, be considered to approach perhaps even conceivably to exceed a fifty per cent. efficiency; as counted on the basis of what should ordinarily be accomplished by use of an equally costly equipment having the disposal of an equally large and efficient labor force and equally good natural resources, in case the organization were designed with an eye single to turning out a serviceable product, instead of, as usual, being managed with an eye single to private gains in terms of price.

To the spokesman of "business as usual" this rating of current production under the pressure of war needs may seem extravagantly low; whereas, to the experts in industrial engineering, who are in the habit of arguing in terms of material cost and mechanical output it will seem extravagantly high. Publicly, and conceivably, this latter class will speak of a 25 per cent. efficiency; in private and confidentially they appear disposed to say that the rating should be nearer to 10 per cent. than 25. To avoid any appearance of an ungenerous bias, then, present actual production in these essential industries may be placed at something approaching 50 per cent. of what should be their normal productive capacity in the absence of a businesslike control looking to "reasonable profits." It is necessary at this point to call to mind that the state of the industrial arts under the new order (machine production) is highly productive, — beyond example.

This state of the case, that production in the es-

sential industries presumably does not exceed 50 per cent. of the normal productive capacity, even when driven under the jealous eye of public officers, vested with power to act, is presumably due in great part to the fact that these officers, too, are capable business men; that their past training has been given them by long, exacting and successful experience in the businesslike management of industry; that their horizon and perspective in all that concerns industry are limited by the frame of mind that is native to the counting house. They, too, have learned to think of industry and its administration in terms of profit on investment, and, indeed, in no other terms; that being as near as their daily work has allowed them to take stock of the ways and means of industry. . . . In so characterizing the situation there is, of course no desire to impute blame to these business-like officials.

"They are all honorable men." But like other men they are creatures of habit; and their habit of mind is the outcome of experience in that class of large, responsible and remunerative business affairs that lie somewhat remote from the domain of technology, from that field where the mechanistic logic of the industrial arts has something to say. . . . To return to the argument, it may be conceded that production in the essential industries, under pressure of war needs, rises to something like 50 per cent. efficiency. At the same time it is presumably well within the mark that this current output in these essential industries will amount to something like twice their ordinary output in time of peace and business as usual. One-half of 50 per cent. is 25 per cent.; and so one comes in sight of the provisional conclusion that under ordinary conditions of business-like management, the habitual net production is fairly to be rated at something like one-fourth of the industrial community's productive capacity; presumable under that figure rather than over.

If the account as presented above does not appear to foot up to as much as the conclusion would seem to require, further account may be taken of that side-line of business enterprise that spends work and materials in an effort to increase the work to be done, and to increase the cost per unit of the increased work; all for the earnings of the concern for whose profit it was arranged. It may be called to mind that there still are half-a-dozen railway passenger stations in such a town as Chicago, especially designed to work at cross purposes and hinder the traffic of competing railway corporations; that on the basis of this ingeniously contrived retardation of traffic there has been erected a highly prosperous monopoly in the transfer of baggage and passengers employing a large equipment and labor force and costing the travelling public some millions of useless outlay yearly; with nothing better to show for it than delay, confusion, wear and tear, casualties and wrangles, twenty-four hours a day; and this arrangement is, quite profitably, duplicated throughout the country as often and on as large a scale as there are towns in which to install it. So again,

there is an exemplary weekly periodical of the most widely reputable, and most profitable class, with a circulation of more than two millions, which habitually carries some 60 to 80 large pages of competitive advertising matter, at a time when the most exacting economy of work and materials is a matter of urgent and public need; with nothing better to show for it than an increased cost of all the goods advertised, most of which are superfluities. This too, is only a typical case.

Indeed the whole business community is run through with enterprise of this kind so thoroughly that this may fairly be said to be the warp of the fabric.

All these intricate arrangements . . . are by no means maliciously intended. They are only the ways and means of diverting a sufficient share of the annual product to the benefit of the legitimate beneficiaries, the kept classes. But this apparatus and procedure for capturing and dividing this share of the community's annual dividend is costly — one is tempted to say unduly costly. . . . And yet as a business proposition it seems sound enough, inasmuch as the income which it brings to the beneficiaries will presumably foot up to something like one-half of the country's annual production.

There is nothing gained by finding fault with any of this business-like enterprise that is bent on getting something for nothing, at any cost. After all, it is safe and sane business, sound and legitimate, and carried on blamelessly within the rules of the game. One may also believe dutifully that there is no real harm done, or at least that it might have been worse. It is reassuring to note that at least hitherto the burden of this overhead charge of 50 per cent. plus has not broken the back of the industrial community. It also serves to bring under a strong light the fact that the state of the industrial arts as it runs under the new order, is highly productive, inordinately productive. And, finally, there should be some gain of serenity in realizing how singularly consistent has been the run of economic law through the ages, and recalling once more the reflection which John Stuart Mill arrived at some half-a-century ago, that, "Hitherto it is questionable if all the mechanical inventions yet made have lightened the day's toil of any human being."

MR. GARY WILL NOT DEAL WITH UNIONS

NEW YORK.—Elbert H. Gary, chairman of the board of the United States Steel Corporation, made public yesterday a communication sent by him to a committee of the American Federation of Labor, which is organizing workers in the iron and steel industry, asserting that his corporation would decline to discuss business relations with trades unions as such.

Mr. Gary's letter was addressed to John Fitzpatrick, chairman of the committee and his associates. It was a reply to a request for an interview to take up with him the questions of hours of labor, working conditions, and union recognition.