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The Development of Policy in Soviet Russia

Editor's Note:—This is the second and concluding installment of I. Maiski's article, reproduced in the Clarion from the "Manchester Guardian Commercial," July 6, 1922. The first installment appeared in the Clarion Aug. 1, and ended with the question: **Can the retreat really end in pre-war capitalism?** There follows now the author's opinion on the matter which, of course, is subject to the judgment of time and events.

Certainly not. It would be an historical absurdity. The enemies of the Soviet Republic count upon the aid of crude counter-revolutionary forces to re-establish pre-war capitalism in Russia.

The Forces of Counter-Revolution.

But do such forces exist?

Certainly not inside Russia. Counter-revolution of every shade and colour has been decisively defeated, and it is vain for the bourgeoisie to hope for its resurrection in the ranks of the peasantry. With the introduction of the new economic policy of the Soviet power the village will never rise up against the proletariat. It will permit the free activity of the Communist town as long as the latter pays attention to its essential and immediate interests. And that the Communist town is paying attention to these interests is sufficiently proved by the recent utterances of Lenin at the Eleventh Congress of the Russian Communist party.

Do such forces exist in the West?

No. It is true that the Socialist revolution in Europe has been delayed; nevertheless, ever since the outbreak of the Great War, the whole of civilised humanity has entered upon the transition from capitalism to Communism.

The Decline of Capitalism.

Capitalism is clearly perishing. A symptom of this was the imperialist war, which made it clear to the whole world what frightful destruction threatens mankind by the capitalist methods of solving international conflicts. Another symptom is that profound economic crisis in the throes of which Europe and America have been agonising for three years. This crisis is evidence that capitalist resource is incapable of solving the greatest of all economic problems—the problem of production. Another symptom is that warm sympathy which the Soviet Republic awakens in the best minds of world culture and civilisation. Anatole France, Romain Rolland, Brandes. Steinmetz and a number of other well-known men of science and literature openly declared their sympathy for the Workers' and Peasants' Republic. We see here a repetition of what occurred at the end of the eighteenth century in France before the great Revolution: the best and the shrewdest representatives of the dying class are coming over to the side of the new class to whom the future belongs.

The Impotence of the Bourgeois World.

Because capitalism is growing decrepit, it cannot sum up sufficient force to annihilate the Communist power in Russia. From 1917 to 1920 the whole bourgeois world levied war against the Soviet Republic; nevertheless the Republic held its own. Why? First of all, of course, because Russian workers and peasants, at the cost of incredible suffering, were able to defend their revolution. But there was another reason. That reason was the impotence of the capitalist world itself.

Today in Europe there are two camps—the bourgeoisie and the proletariat. Neither camp possesses sufficient strength to overthrow its adversary. The Bourgeoisie is already unable completely to maintain its dictatorship. The proletariat is still not strong enough to accomplish the social revolution. Of course, the strength of the proletariat constantly increases and the strength of the bourgeoisie constantly declines, but as yet the strength of the two sides is too equal. Neither can display sufficient energy. Just for this reason the intervention of the European bourgeoisie from 1917 to 1920 was not strong enough to overthrow Communism in Russia. Just for this reason it will be no more powerful in the future. For all who have eyes, it is clear that the force which will crush Russian Communism cannot come from the West.

Russia's Immediate Future.

But if the restoration of pre-war capitalism in Russia is impossible, what, then, will happen?

It is evident that something is going to take place which history has never before seen. The Soviet Republic is the first State in the world where the workers and peasants, not only in name, but in fact, hold power in their hands. It will be an economic structure, embodying a transition from Capitalism to Socialism. It will not be pure Socialism, the day of which has not yet come, and it will not be pure Capitalism, the day of which is already declining. It will be a unique union of the past and the future—the co-existence and intermingling of elements of Capitalism and Socialism. It is upon this intermediary line that the retreat which was begun by the Communist party a year ago will cease. Here is the limit beyond which it will not retire. And the Soviet Republic has now reached that limit.

What the appearance of that State economic organism which has developed as the result of the Revolution will be it is still difficult to say with any definiteness. The Russian Communists are now moulding its concrete outline, and, naturally, like all pioneers, in the process they are making many voluntary and involuntary errors. But the crux of the matter does not lie in the errors; it lies in those essential foundations upon which the workers and peasants' State is to be constructed, and which must combine the inevitable compromises of practical life with the unshakable revolutionary ideal of the proletariat. The Russian Communists consider that at the present historical stage these essential foundations are the following:

1. The nationalisation of the land.
2. State capitalism embracing the basic industries and branches of national economy.

These two fundamentals the Soviet Republic cannot repudiate without repudiating itself. Upon them stands and falls the whole historical significance of its existence.

But are we simply imagining the protracted existence of the Soviet Republic? Are we simply imagining an economic structure combining a powerfully developed State capitalism with a multiform system of private capitalism?

Nobody hitherto could prove with conviction that it is impossible. In fact, why should it be impossible? Is it because it is something entirely new, because nothing of a similar nature has hitherto existed? But is that an argument? Was not the October Revolution something new, something hitherto unknown in history? Yet it came about. Is not the form of the Soviet State something new, without precedent in the centuries of human development? Yet it has been brought about.

Every truly great revolution creates something new, and thereby makes a step forward. The Russian Revolution has also produced its novelty. It gave to the world the Soviet State. That State is now groping forward in the pains and torments of the Soviet economy, the connecting link between two great historical epochs. But it is moving forward, and no obstacle will prevent it reaching its goal.

The bourgeois world is accustomed to think according to its old standards. Its consciousness is a conservative one. It possesses neither elasticity nor enterprise, for it is nearing its decline. Its gaze is not forward, but to the rear. Therefore it will not and cannot understand that new economic and political structure which the Soviet Republic has introduced. It appears to it a Utopia which must end inevitably by falling back into the capitalist swamp. The bourgeois world is terribly deceived. The men who are now directing the affairs of Soviet Russia are not dreamers, and they are not bourgeois. They are Communist realists, and on that account they are capable of constructing a new Russia, a Russia of the toilers, without its parallel in bourgeois countries, representing a great step forward upon the path of the political and economic creativeness of humanity.

Russia and the Capitalist World.

This fact has tremendous significance not only for Russia but for the whole world. For a certain period upon the continents of the Old World there will co-exist two distinct economic systems—the captalist and the Soviet,—and the question of their mutual relationship is of first-class political and economic importance.

The world of capitalist economy at present finds itself in an extremely difficult situation, and the power of the Soviet Republic extends over the richest areas of the terrestrial globe. It is enough to mention Siberia with her inexhaustible soil and timber and mining resources. Every attempt to control even temporarily the machine of world economy inevitably centres round the exploitation of the economic resources of Russia. And therefore that inflow of foreign capital into Russia, the desirability and necessity for which has time and again been expressed, is a matter in which the Soviet Republic and the whole capitalist world is equally interested. This is not a question of charity; it is a question of enlightened self-interest. Worker and peasant Russia does not refuse and never has refused this kind of relationship, as long as it is not accompanied by the restoration of the system of private property. This policy it will maintain in the future.

The Russian Republic and World Reconstruction.

The Soviet Republic is at the present time the advance post of the social, economic, and political progress of mankind. For the moment she stands alone, but one must be blind not to perceive the world-wide influence of Social ideas. The complete

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The Origin of the World

By R. McMillan.

THE JELLY FISH.

CHAPTER XIV.

How did anything originate? Of necessity! How did eyes originate? There is a question for you! The eyes of insects are very different from the eyes of men. The eyes of flies, of beetles, and of spiders are simply amazing in their wonderful complexity; but the human eye is, like everything else about us, a miracle. Mind you, a human eye is a very poor instrument, and its power is very limited. It is apt to get out of order, and a very little renders it quite useless. People have a lot of trouble with their eyes; but science has come in to help us. We have eye-glasses now, and spectacles, microscopes, and telescopes; and we can now help the poor human eye to see things that used to be invisible to it. But how do you think eyes originated at the very first?

I do not think that anybody really knows. All the same, I have watched the development of eyes for many years, and I will tell you how I think they originated.

Did you ever see a jelly-fish? You live so far far away from the sea that I fear you may never have seen one.

Some of them look just like glass, clear as crystal, while others are quite highly coloured. But there is an immense variety of them, and at times, when the wind blows landwards, they are driven on to the beach in thousands. A farmer once thought they would make good manure, so he carted a great heap from the beach to his farm; but next day they had all melted away. Men and animals are composed largely of water—say from seventy to ninety per cent.—but jelly-fish are nearly all water. I do not know how to count percentages in a case like this, but a jelly-fish is about four hundreds of water to one of solid matter. There is very little of anything in them except water, and yet they live and move, and have eyes and ears, and locomotive powers, and are able to sting, and digest, and reproduce their kind. It is so wonderful to think about that it grows awesome, and I doubt whether I can explain to you all I know and think about a jelly-fish.

You will see long filaments hanging from the bell, like whips. In those whips are the stings, and around the margin of the bell are the eyes and ears of the animal. The eyes are simply spots of colour; they are primitive eyes, I think. the animal is all eyes, to some extent, for a shadow falling on it would affect the whole glassy body; but the pigment spots are more sensitive to light than the rest of the body, and so they are rudimentary eyes.

Look into the eyes of your neighbours—into your grandfather's eyes, for instance—and you will see that his eyes are colour-masses. If you think it out, you will perceive that they are simply a development of the pigment spots on the primitive jelly-fish! The human eye has developed, through millions of years, from such a lowly beginning as that. I discovered early that the pigment spots of molluscs were their rudimentary eyes, and that there are no eyes without colour. That is curious, is it not? The ears of animals are much the same, for they are parts of the animal which have grown sensitive to sound, as the eyes have grown sensitive to light. Other parts grew sensitive to smell, and so the organs of sight and hearing and smell have developed from the very simplest beginnings, and great books have been written about each of them.

What you have got to keep clearly in your mind is this: The world began as a fire-mist, and everything has been developed through untold ages of life and struggle, from the lowest cell of protoplasmic jelly up to man himself, the crowning glory of development. Nothing began as it is today. Nothing was complete from the beginning; everything has developed from the simplest form. The eyes, the ears, the nose, have all grown through necessity in the struggle for existence. Life was dear to the lowliest, because, if an animal did not love life, and was not prepared to struggle for it, there was no hope for its success in a world where every living thing lived on every other living thing. Life lived on life, and love of life grew into a passion, because it was only through a love of life that life was possible. But how slowly that love must have developed during the untold ages of development, and how unconscious we are of its existence even yet! We cling to life with a fierce tenacity which we are mostly unable to explain; but it arose in the ages of strife, long before living things had become conscious, and it exists today as one of the roots of life itself.

The form of the jelly-fish is suited to its wandering, sea-borne, wind-driven existence, and it has probably endured for ages, because it was admirably fitted for the life it lived. We cannot speak with certainty about its age, for the simple reason that the jelly-fish, being almost entirely composed of water, has left no fossil remains; but I am under the impression that it is one of the earliest forms of marine life—that is, of the free swimmers. One of the jelly-fishes begins life fixed on a stalk as a jelly-bell, but it breaks off the stalk and swims away as a little swimming medusa. The free swimmer then develops eggs, or seeds, which grow a little while, and then fix themselves on the rocks again, as their grandparents did. This "alternation of generation," as it is called, is a very curious fact in life, and accounts for a lot of things; but I had better not stop to discuss it now, because I want to tell you a curious thing about the jelly-fish.

I called your attention to the long tendrils which hang from the edge of the bell of the jelly-fish. If you saw them in water, you would think they were made of pure glass; they are so bright and transparent. Yet they are armed with deadly stings. These are the weapons of the jelly-fish, both for offence and defence, and they are also a means of securing food. You may think that eyes are wonderful, and the ears marvellous; but these threads that hang from the edge of the jelly-bell are more wonderful to me. The tendrils are made of water, but they are armed with deadly springs of the most cunning description; and I think the ends of the springs are poisoned, but I am not quite certain about that. The springs are so small that they are quite invisible to our poor human eyes, but, now that we have a microscope to aid us, we can see them. There must be millions of tiny stings on the long, glassy filaments of the jelly-fish.

Scientific people call these poison-arrows (if they are poisonous) "thread cells." In each cell there is coiled a tiny armed thread. When anything swimming in the sea touches the filament, it breaks the thin film of skin, and the arrow flies out and impales the swimmer. It is the most marvellous, wondrous spring that I ever saw, and yet it is made out of water, and quite invisible to the naked eye.

This is the cunningest little arrow imaginable; and if ever you go to the seaside you can experiment with it. You may not be able to get a jelly-fish, but you can try it with an anemone, on the rocks at low tide. If you find an anemone with its tentacles outspread, put the palm of your hand on to it, and you will find that it seems to cling to your skin. It will not hurt you, but it will give you a curious feeling of something uncanny. The cause of the clinging is that thousands of little stings have attacked your skin, but your epidermis is so thick that they cannot pierce it.

Those microscopic stings of anemones and jelly-fish were never intended to deal with human skins, or with great big enemies, for they were developed millions and millions of years before men existed on the earth. They were probably developed before there were any big swimmers in the water. They were so admirably adapted to capture the tiny prey with which the sea swarms that the jelly-fish have flourished all through the ages, and abound in the sea today as they must have done in the earliest ages of the world. And yet the jelly-fishes are almost pure water! Think of the miracle of the tiny springs, made of sea-water! Think of the jelly-fishes floating about in the sea, driven by the wind and the tide, with not enough locomotive power to avoid the beaches or the rocks, and yet swimming through all ages! They have eyes and ears and nerves, and they are beautifully fitted for killing their prey; and they live on life, and they die, and pass away as we do, and leave their children to carry on the struggle as they have done.

You ask about the origin of the world. The development of the gaseous mass was wonderful enough, but it is not nearly so marvellous to me as the development of the jelly-fish. All origins are miraculous to me, and the forms of living things are beyond all human comprehension.

Next Lesson: THE STRUGGLE FOR EXISTENCE

LEAVING "HOME"

A more gloomy view of the actual world situation than that now given by Signor de Michelis, the Italian Commissioner for Emigration, would be hard to find. What adds to the blackness of the picture is the fact that its painter had every reason to give it as cheerful a tone as possible. He is the official of a country which has more inhabitants than it can support, which must find an outlet in emigration for hundreds of thousands of its citizens. Here is his report, country by country:

Albania—Because of the unstable political situation and the grave economic crisis, emigrants are not advised to go to this country.

Austria—The present conditions, made more serious by the recent depreciation of the crone, make Italian emigration here impossible.

Belgium—Though the population has been diminished by the war, it is sufficient for the labor needs of the country.

Bulgaria—Because the labor supply has been increased by the refugees from Thrace, Dobruja and Russia, there is no place for foreign workers.

Czecho-Slovakia—the fall of the mark, which makes it impossible for local industries to compete with Germany, and other factors have here created an economic crisis much the same as that in Poland.

Denmark—Severe economic and industrial crisis throughout the country and much unemployment.

Esthonia—Power of absorbing Italian emigration—nil.

Finland—Can be considered for the present, at least, as a field absolutely closed to our emigration.

France—Superfluity of workmen except in the districts of Dijon and Nancy.

Germany—Less unemployment than in other European countries, but emigration not advised because of the low and changing value of the mark and the regulations handicapping foreigners.

Great Britain—No reason for nourishing hope at present, as unemployed number 1,700,000.

Greece—Critical economic situations, especially because of the conditions in Macedonia and the continuance of the war.

Hungary—More than ever a country of emigration, as unemployed are numerous.

Jugoslavia—Bad economic conditions, overabundant labor supply, low wages and low value of currency combine to make it unadvisable for our enigrants.

Lithuania, Luxemburg, Monaca, Netherlands, Norway, Poland, Portugal and Rumania—All suffering seriously from unemployment. No hope, even in the near future, for Italian emigration.

Russia—Until its industrial activity has been resumed, we must limit ourselves to developing any agricultural concession we obtain. Workmen should not go there unless they are strongly backed by capital.

Spain—Industry stagnant, business paralyzed, unemployment general.

Sweden—Possible only for a few artisans skilled in crafts little known here.

Switzerland—About 100,000 now unemployed.

Turkey in Europe—Cost of living extremely high and more workers than work.

Argentina—As in nearly all South American countries, a very grave economic crisis, which is becoming more and more alarming, makes the usual emigration to this nation impossible at present.

Bolivia—Mining industries almost paralyzed because of lack of demand. Offers, however, a magnificent field for colonization by well organized companies with strong backing.

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Capitalism and Coal

BY J. T. WALTON NEWBOLD.

IN the history of capitalist production in this country no other industry has had the same fundamental importance as that of coal-mining. The whole fabric of manufacture and trade has been built up on the use of the one form of fuel that, until recently, was commercially utilisable. The great centres of population (outside London) are on the coalfields or close thereto. Every great industry has developed in an area which is, virtually, co-terminous with a great coalfield.

Not all the coalfields are, of course, of equal importance. Some of them, even, some of the more extensive, have a diminishing influence within the capitalist system.

Those that matter are in: Fife; the Lothians; Lanarkshire; Northumberland; Durham; South Yorkshire; Derby and Notts; Lancashire; Staffordshire; and South Wales.

Having considered the last-named in a special article and nothing of vital import having occurred since that study appeared last October, except that prices have continued to fall and unemployment and low wages to prove themselves a chronic rather than a temporary feature, South Wales will not come in for treatment in this number.

The coalfields with which we are, on this occasion concerned are those which supply the steady demand for house coal, the comparatively regular requirements of the railways, gas and electricity plants, the varying needs of general industry, and of the iron and steel trades, the diminished wants of the ship-bunkering business and the profoundly disturbed export market.

As a general rule, the miner does not trouble himself with any thought as to what becomes of the coal which he cuts and sends to the pit mouth for loading into the wagons in the colliery siding. He applies his toil to the coal and thereby gives it value and, having done that, lines up at the office, draws his pay and goes away to his home or, in some few cases to the meeting of his lodge. He has been so accustomed to a state of affairs in which the coal that he has sent up the shaft has automatically disappeared and the manager has asked for more that he has never worried himself about the disposal of the commodity which his labour produces out of the rock face.

Prosperity and Contentment.

As long as British capitalism was expanding, as long as the market for British-made commodities continued to absorb them and send over here for more, as long as British shipping was busy and prosperous, as long as British coal found a ready sale on the Continent and in South America, so long did the indispensible commodity called coal make its way, unchecked as on an endless band, from the pit-head to the mineral-train and thence by rail and dock to the market.

The British miner had some excuse for taking himself seriously and walking up the floor of every conference serenely conscious that his organization was the back-bone of the working-class movement. The whole structure of commerce and industry rested upon his labours and without his agreement to go on producing the commodity with which steam could be generated, capitalism was helpless.

Industry runs out of coal much sooner than commerce runs out of cotton, woolens, boots and other manufactures. So long as the British miner had a monopoly of supplying coal to the export and home markets he was, given moderate intelligence and honesty on the part of his officials, in an impregnable position.

Causes of the Obsolete Organisation of the Miners.

It is true that the miners were slow to organise into unions and still slower to come together into a nation-wide federation. They had the advantage of working in association and of living in village communities by themselves. They had no lines of demarcation caused by peculiarities of craft and trade to divide them. They had, on the other hand, no particular skill to protect. They lived under degrading conditions and they were constantly being "diluted" by the bringing in of agricultural workers with a much lower standard of life.

In Lanarkshire and South Wales, organisation was only achieved with the greatest difficulty by reason of the fact that, in the former area, masters like Stewarts of Murdostown and Houldsworths of Collness had introduced low-paid Irish immigrants, the victims of famine and poverty in their own country, whose real menace of a lower standard of wages and conditions was disguised and presented as an antagonism of religious faith and national ideas.

Smillie in the Clyde Valley and Richards in Monmouthshire, to whose pioneer work so much of the miners' organisation in these areas was due, encountered almost insuperable difficulties in overcoming the jealousies of religion and of race which, in places like Motherwell and Ebbw Vale, it has for two generations been the calculated and deliberate aim of the master-class to aggravate and prolong.

It was factors such as these, counting for all too much on some of the coalfields, which hindered the effective exercise of an industrial power which economic conditions had placed in the hands of the workers.

Today, when not only has the coal market become international, but the proletariat of Bengal and of Kailan, newly recruited from the rice and mullet-fed peasantry of India and of China, is sending up cheap coal from the rapidly developing collieries of the East to bunker ships, formerly getting their fuel supplies from Durham and South Wales, it scarcely becomes a miner's leader to talk in terms of contempt, of "the Asiatic mind."

With capital flowing steadily from South Yorkshire to Cammel Laird's extensive colliery properties in India where, last year, the wages scaled down from 1s. 1½d. to 11d. a day (see Report of Department of Statistics, India. Prices and Wages, 1922, p. 212) and Ellerman cutting rates at Castleford and going more and more into Indian coal, the workings of Mr. Hodges' agile mind seem a little in need of attention and improvement.

In the nineteenth century it was Irishmen and Lithuanians who were employed to weaken the resistance of the miners. Today, it is Indians, Chinese, and Kaffirs. Only last week there was news of the loss by South Wales of a South American coal contract of thirty years' duration as a result of South African price-cutting. Nantgarw cannot compete with Natal. Black labor is given preference over white because it is cheaper. There can be no hope for a miners' organisation that does not take into consideration the raising of the wages and standard of life of the black, the yellow and the dark-skinned wage-workers of Africa and of Asia.

At this moment, the menace in the mind of every thinking miner is the competition with British coal, of the coal produced by the low-paid and overwrought miners of Germany. A memorandum, prepared officially for the M.F.G.B., states that "it will be seen, therefore, that the total loss of coal exports to Russia, Germany and France, as compared with the pre-war period, amounts (for 1921) to a figure of 19½ million tons of coal."

In France, in Belgium, and in Spain, as in the United States, the miners are, according to "the Iron and Coal Trades Review," being met with demands either to work longer hours—to forgo their eight-hour day—or to accept less wages, to enable their masters to retain their markets. Even the Germans are not exempt from attacks on the eight-hour day, inspired by just the same arguments.

As for the position in Spain, the facts are significant. The Compendium, in December, 1920, recorded that Seymour Berry and D. R. Llewellyn, the South Wales coal-owners, were extending their interests in the Asturia Coalfields of Spain. The same publication, in May, 1922, states: "Coal mining trouble in Spain. The employers have notified their men of the decision, stating that it is impossible to compete with foreign traders unless wages are reduced, the only alternative being to close their mines."

The Bosses' "Double Cross."

Berry and Llewellyn, who know a thing or two, went to Spain. They cut wages in South Wales "to compete with foreign traders" on the Spanish market. Then they even matters by cutting wages in Spain "to compete with foreign traders," presumably from South Wales. Next January they will try to swing it across South Wales once again and so on—till Frank Hodges asks them to refrain in the interests of his Ten Years' Truce of Mammon.

But European competition is not the permanent danger. It may pass. The competition of Africa and of Asia has come to stay, to become more deadly.

The Communist (London)

LEAVING HOME

(Continued from page 2)

Brazil—Local conditions make emigration here most unadvisable. Italians who have lived in Brazil for years are now finding it necessary to return to Italy.

Canada, Chile, Colombia, Costa Rica, Cuba, Nicaragua, Panama, Paraguay, Peru—Economic and financial conditions at present, particularly in Canada, condemn emigrant to hard times.

Mexico—Workmen not counseled to go here, in view of the grave situation which the natives are in, but the country offers an outlet for business men with capital or with goods to sell.

TRADE UNIONISM FROM 1825-1835.

BY W. W. CRAIK.

THE Acts of 1799-1800 had been designed to extinguish trade unionism. The Acts of 1824-1825 were involuntary confessions of the failure of that design. If trade unionism were still an evil, it now seemed to be a necessary evil. While it might be kept in hand, it could not be destroyed. One could not have the god, capital, without the devil of organised wage-labour.

The year 1824 had been a year of "good business," of constant employment for the "hands,' of rapid accumulation of profits, and of reckless speculation. So it continued, until nearly the end 1825. Then, at the moment when perpetual summer seemed most assured, the crash came. Industry was brought almost to a standstill. The hands had produced such an abundance as to make themselves superabundant. Four years elapsed before any appreciable recovery was made. During this period, trade unionism fared disastrously. All resistance failed to prevent a general fall in wages. Organisations perished in attempting to stem the tide of depression. Many angry disturbances occurred, in which hunger-maddened workmen answered violence with violence.

"Wretchedness, ruin and misery swallow up all in their vortex," said a Member of Parliament. "A very large portion of the working-classes were approaching starvation," declared another; "the best workmen could not find employment; the large farmer was reduced to a small farmer, the small farmer was becoming a labourer and the labourer was becoming a pauper."

It was at this time that the movement for Parliamentary Reform was rapidly increasing in dimensions and vigour. The Industrial Revolution had made the old electoral arrangements for representation in Parliament hopelessly inadequate. Large manufacturing centres like Manchester, Leeds and Birmingham had no independent representation, while places barely discoverable on the map had such representation.

The misery and discontent of the time and the popular colour given to the ideals of the Reform agitation, drew many of the workers to look to political reform for the redress of those economic grievances that trade-union action had failed to secure. The Liberal and Radical leaders of the middle-class

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ELECTION DIAGNOSIS.

AN analysis of Manitoba election returns shows Comrade George Armstrong, S. P. of C. candidate in Winnipeg, to be counted out. George will very likely enter a vigorous denial at the use of the words "counted out," but we are in the realms of arithmetic now and are under the spell of the figures on the proportional representation election return sheet, which looks like a book page of logarithms.

Winnipeg sends ten members to the Legislative Assembly, and for the ten seats there were nominated in this election (July 18) 43 candidates.

Of the 43 candidates two received the required quota, only one of them—Dixon, I. L. P.—receiving a surplus over the number required to secure election, the quota being 4030.

Comrade Armstrongs first choice ballots totalled 1273 and at his highest point, after thirty other candidates had been counted out, leaving twelve besides himself, he reached 2126, which left him 1904 short of the quota and 636 under the next highest total. He received, therefore, 853 second choice or surplus votes. Of these 853 second choice or surplus votes 558 were apparently inherited from labor candidates, so-called, of one sort or another, and 295 attached themselves from other sources. Thus he received:

First Choice Ballots	1273
From Dixon (I. L. P.)	187
From Hammond (Workers' Party)	4
From Henderson (Workers' Party)	14
From McCarthy (Labor Party)	4
From Popovitch (Workers' Party)	261
From Sullivan (Labor Party)	24
From Winning (A.F. of L. & I.L.P.)	64
From Others	295
Total	2126

Of the 43 candidates 13 saved the deposit of $200, that is to say, only three of the thirty-three candidates not elected saved the deposit, Comrade Armstrong's name being among the three.

Of the first choice ballots cast for the 43 candidates, Armstrong's 1273 stands ninth. Comparison between this and the votes recorded in the name of the Workers' Party has been asked for from us, and here it is. The W. P. had three candidates and their first choice ballots recorded these totals:

Hammond	102
Henderson	194
Popovitch	788
Total (first choice)	1084

This shows a difference of 686 between their high est and lowest candidates.

The comparison shows, therefore, that Armstrong's first choice ballots alone totalled 189 over the total combined first choice ballots cast for the three candidates of the Workers' Party.

Of the second choice, or surplus ballots cast for the three W. P. candidates Hammond received 10 (all from Dixon), giving him a total of 112; Henderson received 88 (from various sources), totalling 282; Popovitch received 251 (from various sources), totalling 1039. The total vote cast for the three W. P. candidates, including second choice and other ballots, totalled 1433, the difference between their lowest and highest candidates on second choice and other ballots being 927.

The comparison shows further, therefore, that Armstrongs final total covers a majority over the final combined total of the three W. P. candidates of 693.

The first choice ballot is, of course, the real gauge of working class opinion from our point of view, and in the jumble and medley of such a variety of candidates of all shades and colors the Winnipeg result has certainly shewn some appreciation and understanding of our work and outlook. Our tactical critics and opponents will surely see now the importance of working-class education and understanding, and devote their attention to the reality of the problem at hand, which is to remove the mass ignorance of the working class concerning its status as a class of propertyless wage workers producing the wealth of society, and without knowledge of the real basis upon which society carries on all its operations.

Winnipeg has been recently the battleground of dispute over organisation, policy, international affiliation, tactics and what not, and a serious examination of the representation sheet we have just been studying shows the measure of influence the dispute has had on our fellow workers outside. They are apparently unaware of any need for tactics as we understand the use and application of the term; they are certainly unaware of the nature of the problem of which they are the most important part. The evidence as we see it is all our way and emphasises the importance of an educational programme which strikes at the root of the problem confronting us: working class ignorance.

The disparity between the votes cast for Hammond, or Henderson, on one hand, and Popovitch on the other, all members of the same organisation and sponsored by it, is indicative of confusion where complete organisation was supposed to exist. Our attention is drawn to this particular feature especially following the continuous advertisement these same men have given to the importance of organisation and their own ability to build it. We gently remind them of it for their good and for their consideration.

* * * * *

So the election is over, and the propaganda keeps on more vigorously than ever.

HERE AND NOW.

We record a somewhat better assay this issue, and cheers (and further efforts) are in order. Optimism, subject to encouragement, will prompt its bearer to inordinate tasks, and the bearer, well primed, may see possibilities anywhere. The matter of getting Clarion readers brings the Clarion to queer places and sometimes to places where it is not a welcome guest. When we find that the Clarion has been lodged in a place where it is not a welcome guest we readily recall the biblical instance of the gross wastefulness of casting pearls before swine.

However, a letter lies before us in which extensive references are made to Miss Christobel Pankhurst and the Prince of Wales. Comment of the Vancouver "World" on a speech by Miss C. Pankhurst (July 1st) is enclosed. Prepare: "Like the fire of Prometheus and the electricity drawn from Franklin's kite her fire was from the height; her remedy of the empyrean, from the source of universal dynamic, and to be conducted along a strained dialectic from the universal to the particular." Our unkind letter-writer compares such wisdom as this to the soothing effect upon him of a Chinese orchestra. This, we suppose, is the purpose of the news-clipping enclosed with our correspondent's letter—to show the influence of the press on those "in high places," and that the P. of W., as one of such is not to blame if he gets queer notions of "democracy" from such reading.

The result being, of course, that we are asked to play schoolmaster to the prince and send him a Clarion. Well, the sub. is paid for, but we'd really be so glad if the prince were a coal miner, a logger, a farmer or, in fact, anything useful.

Well, as we said, the assay comes up a little this time, and the rise is long overdue after all the digging. Efforts for subs. on the part of our readers are appreciated, not alone by us but by the new readers. They'll never be happy 'till they get it.

Following, $1.00 each: J. Ross, E. W. Fane, B. E. Polinkos, J. Wilson, F. Varney, H. J. Edwards, C. F. Orchard, F. Reynolds, A. E. Cotton, G. Wallack, T. Hanwell, R. Brown, J. T. Redfern, J. Lavery, R. M. Alexander, J. Stark, D. T. Blackie, T. Benninger, L. Betsworth, A. C. Binson, R. Maxwell, C. O'Brien, T. Scott, A. Griffin, G. Gemmell, G. G. Ross ("R"), J. A. Mitchell, Arthur Jordan, Ben Dworkin.

Following $2.00 each: John A. Beckman, F. W. Moore, S. J. Rose, John Rivers, Tom Sykes, John Nelson, W. Fleming.

Following $3.00 each: E. Simpson, Sid. Earp, E. M. Carruthers, J. M. Sanderson.

J. Knight, ('Frisco) $7.20.

Above, Clarion subscriptions received, from 28th July to 9th August, inclusive, total, $62.20.

CLARION MAINTENANCE FUND.

Following $1.00 each: T. Richardson, Ben Simpson (per Sid. Earp), W. Clarkson, S. J. Rose, Catherine C. Rose, R. M. Alexander, John Nelson, Ben Dworkin.

Following $2.00 each: H. G. Churchill, Katherine Smith, "B. L. J."

John A. Beckman 50 cents; A. Tauren 50 cents; John Rivers $8.00.

Above, C. M. F. contributions, received from 28th July to 9th August, inclusive, total $23.00.

DEVELOPMENT IN SOVIET RUSSIA.

(Continued from page 1)

transition from Capitalism to Socialism is only a question of time, and this is clearly felt not only by the working masses, but also by the more far-sighted representatives of the Old World. Naturally, the fact that the Soviet Republic exists cannot but expedite and facilitate the transition from Capitalism to Socialism.

Nearly half a century ago, the Russian Nationalist Socialist N. K. Mikhailovski, in a letter to Karl Marx, showed that Russia, basing herself upon the peasantry, might make the transition to Socialism sooner than the West European countries, and avoid the intermediary stage of Capitalism. Karl Marx replied: "Theoretically, it is possible that, basing yourselves upon revolution in Western Europe you may make the transition to Socialism and avoid Capitalism, but I can hardly believe in such a possibility."

Today, not only among the advanced elements of the bourgeoisie but in the ranks of a considerable section of the proletariat, the idea of a possible passage from Capitalism to Socialism without a social revolution is widespread. To this pacifist Socialism the Russian Communists, paraphasing the words of Karl Marx, might say: Basing yourselves upon the Soviet Republic, try by peaceful methods, without blood or violence, to achieve the reconstruction of the world. We do not believe in the possibility of such methods, but we shall welcome your proof to the contrary. Prove it if you can.

ECONOMIC CAUSES OF WAR

By PETER T. LECKIE.

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Wherefore Rejoice!

BY C. LESTOR

THE PROBLEM OF TODAY.

Sir:—"Current Topics" on Monday called attention "to the most awful problem that has ever been presented to a nation." Are we down and out? Is England, for a century the lighthouse of the world, to be eclipsed? Will the millions of unemployed walking our streets ever find full employment again—or starve?

Truly the problem is awful and appalling, and, unfortunately, "Current Topics" leaves the problem with us unsolved.

The population of England has enormously increased with the discovery of a plentiful supply of coal. Sheffield in 1801 had a population of 45,000, in 1911 454,000. England and Wales, 1801, eleven millions, principally a rural population, supported by the land; today we have in this tight little island a population of forty-five millions, out of which only eight millions are rural population—the remainder must buy, beg, or steal the food by which they live from other countries. Formerly by the abundance of our coal, we have by our exports been enabled to purchase our food, but at the present time we are not doing so, and gradually we are starving. Truly this is the most difficult problem that has ever faced a nation.

In France the rural population is twenty-two millions, the town population eighteen millions (1911). France has very little coal. Italy the same. But take away the coal of England (or coal value) what can support us? Back to the land say the Government, but it is not the land of England. Australia or Canada, and the Government will shortly tell us to emigrate—or starve.—Yours etc.,

FOUNTAIN PEN.

THE above, taken from the Sheffield "Daily Telegraph" of May 23rd, will give you an idea of the thoughts that are beginning to take shape in the minds of the un-class-conscious slaves of Britain.

At the last election Lloyd George received the backing of those who acquired wealth by shady transactions during the war—the newly rich. Today the big financiers are demanding that things shall be put ship-shape and the champion bull pedlar of the world is wondering what kind of bubble he will have to blow next. The international situation is so complicated and so delicately balanced that without the support of the Labor Party no capitalist government in Britain can stand. Consequently, plenty of soft soap will be used when treating with the "sane" labor leaders. Also, it is quite certain that Lloyd George will retain power if possible, even if it is at the head of a Labor Government The pie-counter is narrowing, and the late friends of the Prime Minister who have been pushed off the end are ready to do anything for anyone who will promise to allow them to suck at the teat of a government job.

Serious troubles are developing in China. The "Chink," with the American capitalist backing, has won the first round of the new scrap, but the Jap-British combination cannot allow this. Uncle Sam is manoeuvring to get the Japs and the Russians fighting in Siberia.

We should worry! When it comes to paper playing the Russians have got everybody else skinned, still at the same time the show is worth watching; lightning change artists are on the political stage. One thing is certain—things have reached a crisis in England. Everything points to another miners' strike this fall. The South Wales miners cannot generate the quality of labor-power demanded of them upon the wages they receive. Now is the time when the fools in the movement are the most thoughtless and those that are wise are the most thoughtful. Take the economic situation in Britain. I quote from Sir Robert Horne:—

"We are suffering today from a failure of trade and from the lack of industrial enterprise. These conditions affect us more than they affect any other great nation in the world. We depend more than any other nation upon the flow of international trade. We have built up on a very narrow base of agricultural life a huge and top-heavy superstructure of industrialism, and whenever there is depression of trade we feel it worse than anybody else.

"If you can compare our condition with that of France you will find that France has a very much larger part of her population engaged in agriculture and therefore these great depressions of trade do not affect her appreciably, as compared with the results of our own industrial life. Accordingly, until this great depression disappears we cannot look for any great improvement in our condition.

"There is another circumstance to which reference should be made. Britain has built up her great position in the world by the fact that she has financed and carried out industrial enterprises in every region of the globe. The railways, docks and bridges of the world stand to the credit of British enterprise and manufacture. From out of the City of London there has flowed more money to fructify the earth (and to exploit the slaves—C.L) than out of any other city in the world.

"Unfortunately, there is no longer a flow of capital to such enterprises; indeed the capital is not being asked for. People are not in a position to borrow as they were before, almost upon any terms, without the assistance of the government, and in many cases they are unwilling to borrow at this time because they would have to pay too high a rate of interest."

Meanwhile, slaves are existing on the dole. At one city recently 15 babies died at birth or were born dead, and the medical officer stated that their mothers had been starved to such an extent that the children were too weak to live. Capitalsm can no longer feed its slaves. Emigration is being encouraged to Canada, New Zealand, Australia, anywhere to get them scattered, so that they may starve quietly or so that they will be in a position to defend the "Bloomin' Hempire" in the next scrap, and help to balance things politically between the Reds and the ruling class of those countries in the meantime.

Britain wants peace because she is economically and politically bankrupt. The situation in Egypt, Ireland, India, and South Africa, etc., keeps her statesmen busily engaged trying to hold back the advancing tide. Keep your lamps trim and burning, study and work as you never did before. We cannot know too much. When the earth resounds with the crash of the falling system with its outworn creeds and moth-eaten gods it behoves us to be ready. Those who understand will, if society survives the shock, be called upon to direct the rebuilding of a fallen world, and to apply the accumulated knowledge of the working class to the task. The task that history has bequeathed to the proletariat: The abolution of wage-slavery, of capitalism, by making our class owners in common of those things upon which they in common depend.

TRADE UNIONISM FROM 1825-1835.

(Continued from page 3)

did not hesitate to rouse the antagonism of the workers to the landed interests and to urge upon the workmen, as a means of their liberation from the oppressive laws of the aristocracy, a radical reform of the franchise.

In 1832, the Reform Bill was passed amid an excitement that bordered on civil war. The middle-class had not failed to exploit all the misery and despair of the working-class, and they had not been at all backward in encouraging even disorder and violence, so long as it was directed against the opponents of reform. When the Bill became law, it was found that the working-class had not been included in the franchise. The Act signalised only the victory of the middle-class, as a whole, over the landed aristocracy.

In what circumstances did trade unionism revive after 1830?

The recovery of trade, on the one hand, and the disappointment and distrust created by the results of the Reform movement, on the other, served to effect a revival of trade-union activity. From 1830, production increased and employment extended. The revolution in transport especially raised the demand for labour. In 1830, the Liverpool and Manchester Railway was opened. The depression in agriculture was also passing away. Another period of prosperity had set in. Trade-union organisation again came to the fore, to participate in this prosperity.

In what form did the revival of trade unionism manifest itself?

The failures of the past had impressed themselves upon the minds of the active trade unionists at this time, as failures arising from lack of cohesion. Success in the industrial struggle demanded a changed structure. Local organizations engaging in local strikes could not hope to succeed. Large-scale national organisation was required in order to ensure effective action.

In 1829, the Grand General Union of the United Kingdom was formed to include all male cotton-spinners and piecers. The Lancashire cotton-spinners, who had experienced more than once the weakness of local unions, took the lead in this new formation. The organisation, however, never went beyond the limits of a federation and in the end resolved itself into a federation of Lancashire local unions.

In 1830, the National Association for the Protection of Labour was formed with the idea of including all wage-workers. This also became a federation, embracing about 150 more or less local unions belonging to the textile and other industries. Its scope was confined largely to Lancashire and the Midlands. In the course of a couple of years, this organisation, as was the case also with the Grand General Union, decayed.

In 1832, the Builders' Union, representing most of the sub-divisions of the building industry, came to the front as a militant body. It was also a federation of more or less local unions. It had an elaborate and fantastic ceremonial, secret signs and passwords, and the usage of the oath, customs carried over from the period prior to 1824. In the early '30's, the Builders' Union became notoriously abhorrent in the eyes of the masters in that industry. The union rapidly grew in members and in militancy. The thoroughly aroused employers retaliated with the "document"* and the "lock-out." The workmen were called upon to sign a document renouncing membership in the Builders' Union, with the alternative of being locked out. Robert Owen associated himself with the work of the Builders' Union. In 1833, he expounded his communistic policy to a delegate meeting of the organisation. The failure of two large strikes, however, and the growth of internal dissensions, had, by 1834, reduced the Builders' Union to impotence.

By far the greatest experiment of the general union type was the Grand Consolidated Trade Union of Great Britain and Ireland. It was founded early in 1834. It was in connection with this organization that Robert Owen figured most conspicuously in the field of trade unionism. The Grand National was, for him, not merely a means for securing immediate improvements, but much more, for the communistic reorganization of society.

ALBERTA NOTES

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

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

Economics for Workers

BY PETER T. LECKIE.

PRICE (Continued)

WE have had platform, press, etc., haranguing over the increased prices of commodities during the war, as if it was something new.

The position was such in Canada previous to 1914 that a "High Cost of Living Commission" sat in 1915, to find out the cause of high prices previous to the war period.

I am going to deal with the prices of the last century up to 1914 and endeavour to elucidate to you all down these years the various factors having their effect on prices, viewed from the Marxian standpoint. I have painted numerous charts for my classes that are easily understood but, unable to reproduce them in the Clarion I will deal in as simple a manner as possible with figures. If we follow the production of gold with the rise and fall of prices there is a striking similarity. We have of course some variations in the ups and downs of prices due to other factors. From 1800 to 1810 prices rose in Britain 85% due to the Napoleonic wars. Prices took a sudden fall due to the depression of trade following the termination of the war; owing to the war market being cut off something similar to what we have experienced after the Great War took place. From 1810 to 1850 prices fell 60%. In that time we had variations due to the following factors.

High prices in 1818 due to bad harvest; a great fall of prices in 1823 due to tariff reductions. An increase during the trade boom of 1825. A fall in prices duirng trade depressions and financial crises, with a very bad trade depression and low prices in 1850.

We find high prices during the Civil War in America as a result of the inflated currency in the sixties.

If we study the various countries we find a close relationship in the rise and fall of prices.

If we take from 1890 to 1900 as the zero mark and call it 100 we find the following:

Years.	Germany.	Britain.	U. S. A.
1840-50	.....	136	128
1850-60	130	145	131
1860-70	130	151	140
1870-80	132	144	137
1880-90	108	113	115
1890-1900	100	100	100
1900-1910	115	110	117

The above shows us how prices increased after 1850 caused by a great industrial development which was instigated by an increased production of gold, through the discovery of the California Gold Fields.

This increased gold production which makes a demand on commodities sends prices up, and you have a thorough going trade prosperity with an increased employment of the workers. On the other hand an increase in prices resulting from a limited supply, through a bad harvest for example produces greater misery.

We notice that prices fell from the seventies to 1896. The factor which caused this fall was not only the stagnation of gold production but also the improvements in the machinery of production causing prices to fall to the new value. Through the improvements in the means of transportation with the building of railways and ocean liners, the opening up of large tracts of land in Russia, and America supplying the world's market with abundant food supply and raw material, prices fell to their lowest mark of the last century in 1896. The same facilities of communication and transportation brought into close proximity those lands which, under the spur of gold production since 1850 had greatly extended capitalistic industry with enormous forces of production in England, Germany and the Eastern portion of the United States. After the crisis of 1873 the wildest industrial competition broke out among them, which at times reduced prices below cost, which ended in tariff wars to limit the home market to foreign competition; Germany 1879, , France 1891; and America reached its extreme tariff (McKinley Tariff) 1890.

A protective tariff only temporarily raises prices and cannot throw off the effect of a world's falling market. Through the great increased production in the seventies with a stagnation in gold production when the new need of it arose, production far outran that of any previous period.

Prices fell rapidly, especially in foodstuffs and raw material, because those commodities poured in to the world's market from the new cultivated lands of Russia and America. Beef fell fast owing to the introduction of the frozen meat of New Zealand; likewise sugar, owing to the growth of the beet sugar industry and bounties to sell cheaper abroad.

The difficulty of increasing the supply of animal products kept such commodities from falling as fast during the falling prices previous to 1880, and animal products rose faster during rising prices.

Animal products, with the exception of wool, had fallen very little throughout the eighties, and not until the eighties were well advanced did they fall, as a result of the transportation facilities and the introduction of frozen meat. Tea also fell because of the better machinery and improvement of cultivation in India which placed a better and cheaper tea on the market than that of China.

Foodstuffs rose per unit in Minnesota from 1873 to 1896 owing to demand. Although the farmer received more for his grain, it could be put on board ship at a less freight rate owing to the railway-building after the Civil War. This was severely felt in Europe, resulting from the railway and ship building mania which had helped the boom of 1869 to 1873 and which became the leading factor in still further reducing commodity prices.

Prices therefor fell until 1896. With the discovery of the Rand gold fields and the introduction of the Cyanide process, we have another increased gold production accompanied with increased prices, which caused such great discussion previous to the war that the Canadian Government appointed a High Cost of Living Commission which brought in its report in 1915. In its report it showed how universally prices were affected, thus:—

11 articles at 100 in 1900 rose to 134 in Canada and Wurtemburg.

13 articles rose from 100 to 138 in Canada and Vienna.

20 articles rose from 100 to 140 in Canada and Hungary.

11 articles rose from 100 to 154 in Canada—152 U.S.A.

The world price was 131 to Canada's 140.

We find that U. S. A. and Canadian prices rose higher than the most of other countries, especially in food stuffs. The cause is to be found in the following factors:—

The supply of meat declined relatively per capita of the population; an increased immigration, with an increased urban population from 14% to 45-5% between 1871 and 1911. Loans to build railways, with a 2½ times increase in the currency. The new facilities of communication and transportation, with Canadian trade entering the world's market which regulates prices.

In Britain these facilities of transportation had the opposite effect as she was a country depending on her foodsupply from overseas, and prices did not rise so fast during the same period.

The production of gold was enormous, reaching 700 tons yearly in 1910.

On long periods we find, then, prices

Rose 85% from 1800 to 1808.

Fell 60% from 1808 to 1850.

Rose 34% from 1850 to 1873.

Fell 40% from 1873 to 1896.

Rose 47% from 1896 to 1914.

The value of silver which was 15 to 1 in 1870 was 38 to 1 of gold 1911. Prices in 1896 fell in gold standard countries and rose in silver standard countries. This gave rise to the Bimetallism movement of 1896.

A. J. Balfour at Manchester October 27th, 1892 speaking on the subject said he would prefer such a system of currency if it could be shown to give absolute permanency, and added, "But of all the conseivable systems of currency, that system is assuredly the worst which gives you a standard steadily, continuously, indefinitely appreciating, and which by that very fact, throws a burden upon every man of enterprise, upon every man who desires to promote the agricultural or industrial resources of the country and benefits no human being whatever but the owner of fixed debts in gold."

This movement (bimetallism) was a reflex of the economic conditions of its time. Gold had so appreciated in value that it took twice as much in farm products to buy an ounce of gold in 1892 as it did in 1873; on the other hand silver and farm products' exchange equivalents had not greatly altered. This meant that the debts being paid in gold in the nineties which were borrowed in the seventies could purchase twice the quantity of commodities, while if they had been paid in silver the purchasing power would have varied little.

With the increased gold production and the rise of prices after 1896 to 1914 the Bimetallism movement died because the repayment of loans had been beneficially transferred to the debtor side owing to increased prices. The following table taken from the United States Labor statistics of April 4th, 1913, No. 114, shows the following prices:

	Farm products.	Clothing.	Metal.	Bldg. lumber.	All commodities
1890	110	113	119	111	112
1896	78	91	93	93	90
1912	171	120	126	148	133

If we analize the above from the Marxian standpoint the different variations in price become clear. We find farm products had fallen the lowest because of the great increased supply of Russian and American wheat, frozen meat, beet sugar, etc., with the increased facilities of transportation, causing a greater fall in value in 1896. Clothing fell in price as a result of cheaper raw material and improved machinery.

The same causes affected Metal and Lumber. The great increased production of gold with accompanying higher prices after 1896 sent farm products up highest, followed by lumber, metal and clothing in 1912.

Farm products not being adaptable to increased production by machinery to the same extent (e.g., you may have milking machines but you cannot grow cows with machines, or grow grain with machinery) therefor the depreciation of gold could not be offset to the same extent as in manufacturing clothing which rose the least.

Next to farm products came lumber. Again you cannot introduce machinery to the same extent (e.g., to grow lumber) and the bush is still going further back giving a greater distance of transportation. Metals, belonging to natural resources, are also limited to machinery of transformation and transportation; so that we see commodity prices are dominated by value, which we have already had under consideration.

Next Article: Prices continued; from 1914 up through the war.

Paying Our Way

PART 2.

THE same principle which governs individual payment, applies similarly to nations. The unit is merged in the collectivity; individual enterprise summarised in trade statistics. The merchant class gather up the production of their respective countries and exchange it with each other, securing in the process profit and livelihood. They neither cut, nor carve, nor carry. They merely translate incorporated value into market price, expressed in national currency, but in the terms of international exchange. In the terms of international exchange, because market price is not set or controlled by individual or nation, but by the continually fluctuating conditions of the world market.

This process of exchange is based on money value, on the par value of gold. That is, the unit of national money—the £ stg. for instance—indicates a precise quantity of social labor. The value of gold—in its time-setting—may be "regarded" as constant, but price is always changing in accordance with market necessities. And although over a period of time, value and price equilibrate, in the transient conditions of actual practice, they never do. The technique of social production of a given time puts the hall-mark on commodity value; the volume of trade and state of the market govern price.

Capitalist exchange is based on sale; on exchanging all its production for gold. And in terms of gold, payment is made. But with the mighty expansion of capitalist commerce, actual gold became inadequate to the circulation of commodities. More and more credit became a necessity, and only by continual extensions of credit could business be carried on. Paper became legal tender, therefore, in token of payment in gold, while gold itself—in bar or coin, passed into the passivity of reserves, i.e., it acts in commerce as the gryroscope in mechanics as a stabiliser, steadying the constantly growing baloon of credit. So that, roughly, movements of specie correspond with movements of commerce. Potentially, they correspond exactly. But in the actual ebb and flow of trade, with its shifting balance of "invisible" returns, this correspondence does not always appear.

Consequently, the wealth of capitalist nations appears as an increase of exports, not at all as an increase in production. And it is calculated in the moonshine of money profit; not in the fundamental essential of social use. Obviously capitalist production is stimulated by the incentive of gain, not for the benefit of capitalist society as a whole, but for the benefit of the capitalist class in particular. As obviously, the advantage of the capitalist class can only be secured in the exploitation of the governed mass. In this servitude is the key to the whole position. Without this exploitation there could be no buying or selling. For in a society economically free, the principle of service would take precedence over the interest of profit, and it would be accounted in the terms of value, not by the ratio of price.

In commercial practice, consequently, commodities are not actually exchanged for gold, but, in effect, for other commodities. It is only in the final balancing of international accounts that specie is shipped—and then not always. The "settlement" is frequently postponed (especially in continental Europe) even when, seemingly, it would pay better to ship gold and gold is actually in existence. The process of commerce is carried on by bills of exchange. These bills are precisely similar to checks on a local bank. They are orders to pay stated monies to named individuals. They are bought and sold in the open market, at the current price of "money" in international trade. They represent exchange commodities (in goods, services or securities), and the condition of trade between two countries is reflected in their prices, in the prevailing rate of exchange. If one country exports more to another country than it imports from it, the rate of exchange will move in favor of the exporting country, and the price of bills of exchange will move in sympathy. If, for example, Britain imports more from America than America imports from Britain, then the price of dollars, as measured in sterling, in London, will rise, and the price of sterling, as measured in dollars in N. Y. will fall; because, since bills of exchange represent commodities shipped there are of necessity, more bills on London, in N. Y., than there are bills on N. Y. in London. Sterling in N. Y. is weak, and the supply strong, because buying in N. Y. has been light, and few people have payments to meet in London. While conversely, dollars are in demand in London, and the supply "wan as the pale moon," because buying in London has been heavy, and many people have payments to make in N. Y.

The rate of exchange is determined, mainly, by the volume of commerce, and the "mint par" around which the exchange fluctuates is determined by the social labor in the gold unit (£, $, mks., or kr.), of the respective countries. The mint par of dollars and sterling is $4.83¾; cost of shipment is 2⅝, making par exchange of £1—4.86 2/3. If, therefore, exchange moved in favor of London, i.e., if dollars in London fell to—say—$4.90, N. Y. would lose gold to London. Conversely, if exchange favored N. Y., and sterling in London fell to $4.80, London would lose gold to America. The mint par of the franc is 25f 22c, shipment 8c: equals par of exchange * 25f, 30c; of the mark: 20m, 43p; ship 5p.: equals 20m. 48p. And trade vicissitudes happen to all alike. Gold is lost on an adverse rate, because for an equal value of gold of the same weight and fineness, one receives a lesser value in exchange.

Let us translate this by the "moving finger" of today. Sterling in N. Y. is quoted at $4.45 i.e., £1 stg. is worth in N. Y. 18/— (about).

The franc at London is, 55f 60c; i.e., £1 sterling is worth in Paris 44/— (about.

The mark at London is 2200, (about) i.e., £1 sterling is worth in Berlin £100 (about)

Kr. at London is, 94,000 (par 24) i.e., £1 sterling is worth in Vienna £4000 (about)

Lire at London is 98.25 par (25.22) i.e. £1 serling is worth in Rome £4 (about)

Florins at London is 11.48 (par 12) i.e. £1 sterling is worth in Amsterdam 18/6 (about)

That is to say, that Britain is losing gold to Holland and the States. The others quoted are all losing to Britain.

The N. Y. quotations on Foreign markets, are, (European) in cents.

Franc 8.25 (par .20) the dollar is therefore worth in Paris $2.50. (about)

Italy 4.67 (par .20) the dollar is therefore worth in Rome $4.50 (about)

Belgium 7.75 (par 20) The dollar is therefore worth in Brussels $3.00 (about)

Holland 38.80 (par. 40)

Germany .14 par 96)

Austria .00030 (par 24).

Hence Europe is losing to America.

Normally, an adverse exchange can be rectified by gold shipments and so equalise prices (of commodities bought in exchange). Unless that, for purposes of credit security, or rate of interest, or stock exchange ventures, the losing country deems it prudent to take the loss, hoping to recover itself later. But in the cases given above, merchants in Britain who go into the market for bills on N. Y. (i.e. for dollars in America) must pay 22/6 in the £ stg; while the liberty loving Frenchman who draws on London must relinquish for £1 stg—£2. 4/—; and the banana man must give £4; while Germany and Austria may be reckoned as bankrupts. The relation of Europe to America is similar. Clearly, Britain can buy cheaper from Europe than from America. Yet, she buys to her destruction. For it closes the doors of her own factories, cuts off the foreign market, and prevents the functioning of her slaves. To agree to trade almost seems to agree to war. For to be effective it must be world wide, and go with a swing. The scanty trade of cautious "agreements" and diplomatic "settlements" is worthless as a broken wheel. Clearly there can be no specie shipments to such an extent. Gold does not exist in sufficient quantity. And clearly there is no prosperity in the transhipment of goods, on a credit which demands such enormous interest on exchange.

*—Gold point.

The Allied war debts run into fancy figures. Allied Europe is alleged to owe Britain about £1¾ billion. France owes over £500 million; Italy £500 million; and Belgium £9 million. The war debt of Europe to the U. S. goes into billions, (dollars). Britain owes at least a billion dollars; France $200 million; Belgium $100 million and Italy $11 millions. And there are other debts outstanding, and millions of dollars of accrued (unpaid) interest. Looked at in the terms of present exchange, those figures sparkle like an April morning.

Canada and the states are about the only countries with a favorable trade balance—and that precarious. The exports of all others have declined, in some cases, almost to nonexistence. But without exchange of commodities on a large scale, not only will exchange not maintain its present level, but will totally collapse; or it might be balanced by cancellation of all war and floating debts. But that would be a violation of the property right on which the whole edifice of capital stands, and none but the strongest monopolies could weather the storm. If budgets cannot be balanced without cancellation, they will never be balanced at all.

To safeguard property right—that is what stands at the back of every political utterance, international conference and diplomatic intrigue the world over. That is what inspires the Franco-British controversy on Alien property in Russia—the oil and minerals of the unexplored Middle East. The Hague conference was but a smoke screen to hide the movements of Dutch shell, Empire steel and coal, and the syndicate of the "big five" (British finance). That is why Rapallo was denounced and condemned. It was a threat against private possession. That is why Britain and France quarrelled over the French Treaty with Angora. It was a menace to the "mandates" of the Near and Middle East, i.e., the newly acquired resources of British exploitation. That is why Poland received support and "presents"—of munitions—from the Allies. As a bulwark against Soviet Russia. That is, against the principle of social possession and social production for social welfare. That was why the Allies supported the "white "Republic of Georgia. It was a means to crush Russia in the interests of private property, and validate the fruitage from the immense oil investments of the Caspian. Greece and Turkey battled for Armenia and its borders and laid it waste—under the auspices of Britain and France respectively, because, from the first France had acquired the "right" to exploit part of ancient Syria, and from the Greek, Britain (Anglo-Persian oil) had the petroleum rights of Macedon. That is why the "unspeakable Turk" is allowed his foothold in Constantinople. Because the rivalry for the hegemony of Europe has now divided the war victors: while mortal fear of the "great king of the North" holds them in a common sympathy. That is why there are, everywhere, wage cuts and strikes in resistance. Because the cost of production must fail to meet foreign competition. The cotton mills of Lancashire are idle, because profit distribution prevents the absorption of their products. Reparation coal has paralysed British mining and brought "prosperity" to the gunmen and sheriffs of West Virginia. The British engineers were locked out because the acquirement of the German merchant marine has tied up millions of tons of shipping in British harbors, and the slump in the war market prevents production for profit. The whole world has been sacked, that profit and privilege might retain its "right" to the

(Continued on page 8)

PLATFORM

Socialist Party of Canada

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

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

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

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

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

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

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

1—The transformation, as rapidly as possible, of capitalist property in the means of wealth production (natural resources, factories, mills, railroads, etc.) into collective means of production.

2—The organization and management of industry by the working class.

3—The establishment, as speedily as possible, of production for use instead of production for profit.

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PAYING OUR WAY.

(Continued from page 7)

life of man, and its ownership in the wealth of society.

But the fundamentals of social necessity are not thus voided and broken. They are but stemmed back and in due time they will burst through the frail bonds of legality, imposed by temporary interest, and take their toll of reality in the broad field of social principle. No man, however great, can fling social necessity aside; no financier, however wise, restore the delicate mechanism of exchange without the full application of social labor. The application of that labor—in terms of profit—is an impossibility. The wheels of industry cannot turn till the market demand is effective. And the market is dead beyond resurrection; for it has been stripped of the wherewithal to "buy," stripped naked, because the labor of the world is the wealth of the world, and if the labor of the world is idle, the market of the world must be stagnant.

The ruthlessness of war shattered the conventional refinements of plunder and brought the necessitarian economic squarely to the front. And the logic of "the peace" is forcing the lesson home to our consciousness. The commodities of the war are gone, leaving behind them a long trail of astronomical figures. The debt represented by those figures cannot be "paid," for there is nothing wherewith to "pay." They are but a mortgage on the industry of posterity, a burden on human effort, and even at that, the authority of capitalist society cannot permit social effort, for it can only function at a loss to private property. The "wealth," which those figures show once existed, is all consumed, absorbed into the life and effort of society, and they can be reproduced only by the service of new life and effort. For "payment" consists in the bondage of man to the interest of class, in the further looting of social production. If iron or cotton or wheat is "bought" they can only be "paid for" by the reproduction of equivalents, i.e., by the expenditure of more labor. There is nothing outside of labor; and it is plain as the sun in heaven that if social labor received the total value of its production there could be no surplus, and consequently no "sale." Payment is wholly a matter of credit; of borrowing from the future; of continually augmenting the volume of indebtedness. And it is this immense augmentation of credit that is swiftly driving capitalism to bankruptcy and ruin. Just as the same cause precisely humbled the power of Rome and the pride of Greece; made Thebes and Memphis names; and buried Babylon and Nineveh and Ascalon deep in the dust of centuries.

The "romance" of commerce is the tragedy of slavery. Its enterprise is exploitation; its objective, money success; its honor a legal process. Its "glory" rests on degradation; its Empires on the bleaching bones of misery; its power on cultivated ignorance; and its wealth on the broken lives, the ruined hopes, and the unconsummated efforts of men, struggling under the impulse of must for the idealisation of reality. It has wrung wealth alike from the tyranny of need, and profit from the aspirations of hope. It has planned and created, toiled and accomplished; lifted society—potentially—from the limits of want and hardship to an almost fabulous bounty of abundance . For its blood stained gold it has traded and triumphed. For society it has accomplished the economic revolution—the social perceptions of social harmony in human satisfaction. And its end, flashed world-wide on its jangling wires of trade, and written in the language of exchange, is posted daily in the wonderful cities it has conjured for its profit—and their desolation. R.

MANIFESTO

— of the —

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