

# Wages and High Prices in Russia

By M. Bronsky

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ONE of the most important questions in the economic life of a country is that relating to the struggle against the high cost of living. The wages of the workers do not keep pace with the high cost of living which is moving forward with terrific speed. No matter how much wages are increased the price of the articles of prime necessity increase much more swiftly. The increase of wages is not moving parallel with the growth of high prices, but it moves by jumps, under the pressure of struggle, strikes, threats and all sorts of administrative demands.

During the period of eight months of the bourgeois revolution in Russia, the workers obtained a number of changes in the scale of wages, and in this manner they met the high cost of living; they tried to insure themselves against a return to the old, terrible conditions of labor and wages by "tying" the capitalist with "regulations" for a definite period of time.

But the "regulative" contracts are of value only when the prices on the products of consumption are more or less stable. As soon, however, as this stability disappears, when prices on bread, meat, butter, wood, rooms, clothes, shoes, and other necessary articles are changed not daily but hourly, then these "regulative" contracts become obsolete and insufficient before the expiration of the time limit, and they appear to be only an obstacle in the struggle of the workers, rather than a weapon for curbing the capitalists. This brings a condition where, in spite of the contracts, the workers, here and there, demand an increase in wages in order to prevent their condition of life becoming worse.

It is clear, then, that to fight the high cost of living one must choose another path, and the increase of wages at the present time, a time of paper-currency, does not guarantee the worker from the high cost of living. The oftener the wage changes, the more influence it has on speculation, on the increase of merchandise prices and it would have required a most strict and exact regulation of fixed prices in order that the increase of wages should not effect, in its turn, the worker as a consumer, in the form of an avalanche of high prices on all products of consumption.

The increase in wages because of the paper-currency circulation, the tendency of a sudden drop in the rate of the ruble, does not increase proportionally its purchasing power. As a matter of fact, the continuous jump in the high cost of living is chiefly the result of the dropping in the value of the ruble. The other side of this drop in the value of the ruble is speculation, the struggle against which must go simultaneously with other means of fighting the high cost.

And to fight high prices one must proceed from two ends at once: by raising the value of the ruble, its stability, and, on the other end, by the increase of real wages.

It is necessary, in short, to try to make things so that one could get more products for a ruble and that wages should not only be given in paper tender, but represent real purchasing power.

It is clear that this program of fighting high prices cannot merely go on within the boundaries

of one factory, or one city, but is an economic program on an all-Russian scale.

We have already pointed out that to raise the value of a ruble can be only achieved by increasing the mass of products in the merchandise market.

And this is why the ruble drops in its purchasing power, because having been forced to issue paper rubles during the war in great quantity, we at the same time used up a great mass of products in the war.

Even now we shall be compelled to issue paper money, but our economic problem is the production of merchandise, necessary not for war, but for the requirements of the country. If these hundreds of thousands of workmen who work in the war factories, will begin to produce products for consumption or machines, which lighten labor and increase the productivity of labor; if these millions of soldiers who are listed in the armies, will return to productive labor,—then the value of the ruble will rise. For only then the supply of merchandise will be increased in comparison with the demand, only then will those who purchase products also be in some degree the producers of these products.

Thus, the most substantial means of fighting high prices, that is, to fight the decrease of the purchasing power of the ruble, is the increase of the country's productivity, by means of increase in the number of persons working on productive needs of the people's economy.

It is understood, that this path is long, and that one cannot expect in the near future apparent results. But this is the only path leading to the goal.

But the workers cannot wait. Their wage scale established a few months ago, can scarcely meet the systematic rise in the prices of products of first necessity.

It is necessary to take extraordinary measures, in order, on the one hand, to safeguard the workers' families against a lack of products of prime necessity, and on the other hand, protect the country against industrial disorganization.

Especially now, political power is in the hand of the proletariat and peasantry, it would be folly and incompetence for the proletarian government to allow the closing of factories and plants, lock-outs and strikes, as a means of the economic struggle of the proletariat.

The strike is a method of struggle of the proletariat in bourgeois society, is a means of compelling the capitalists to make concessions, under the threat of holding up the source of profits—a method which costs the worker very dearly, and affects the whole of society. If the government now is in the hands of representatives of the working class, and if the class interests of the workers coincide with the interests of the whole of society, it would have been a crime on the part of the proletarian government to let the workers defend their interests by the costly and difficult way of strikes—the way of closing the factories.

We are face to face with the problem of solving the high cost of living from an absolutely differ-

ent angle; owing to the unreality of the increase in wages it is necessary to provide the workers with these products which compose the greater part of expenditure in the budget of the worker's family.

In the first place are the expenses of subsistence: bread, meat, potatoes, butter, etc.; further, the expenses for room rent, heating and lighting; then follow the expenses for clothing, shoes, underwear, etc.; and then expenses for cultural needs: schools, newspapers, books, medicines, etc. Thus, the nominal wage of the workers is divided into its component parts and must cover all the above-named expenses. If, instead, part of the money-wages is paid to the workers in products for which they spend their wages, and on the rest of the products to establish fixed prices,—then as a matter of fact the nominal rise of wages measured in rubles can be stopped, increasing its real power, and providing the workers with products of prime necessity. By organizing public restaurants for all categories of workers and their families, it is possible not only to lessen the burden on the workers' wives in preparing breakfasts, dinners and suppers (economy of labor and fuel); but it is possible to provide their subsistence and in fact to raise the purchasing power of that part of wages which is being spent for subsistence. The public lunch rooms which can be established at the factories, or in the working quarters, can actually increase wages materially, and not simply nominally in rubles.

In this manner could be solved the question of rent. Here, more radical means will have to be employed. The expenses for rent are going directly into the pockets of landlords who collect from the tenants the rents on the capital invested in building the house. This is one of the sources of the capitalist's profit, which less than anything else has the right to exist. The question of nationalization or municipalization of houses is a question of the near future. The moratorium on the rents is only a temporary measure and must give way to municipalization of the houses and State monopoly of the city real estate. By instituting socialization (municipalization) of houses,

**we, in this way, decrease that part of the wages which is being expended for rent. Simultaneously with this the income of city and State will be increased (rents considerably lessened go to the city and State treasures); in this way the city and the State will be able to put into life such institutions (free schools, dispensaries, theatres, museums and so forth), which, in their turn, absorb great sums from the wages of the workers.**

Only in this way is it possible to fight the high cost of living.

As a necessary form of the transition period and as a means of fighting speculation, it is necessary to establish fixed prices not only on the chief products of food, but also on products of consumption in general.

In a word, the struggle against the high cost of living by the proletarian-peasant government cannot tread the old path of increasing the nominal wage, but it must follow the path of establishing a real wage by providing all the working masses with the necessary means of consumption.

## The Class Character of Bourgeois Mercy

By N. I. Hourwich

THE meaning of life to Mooney is still—prison! "Clemency" means a living death—to an innocent man!

Could we expect anything better from capitalist "justice"? Of course not! For the release of Mooney, or even a new trial of his case, would be at the same time a verdict of "guilty" for the whole system of "capitalist justice." A new trial, on the eve of the execution of the death sentence, would mean putting on trial all those who, during two and a half years, kept Mooney in prison, energetically denying him justice, and who for a long time tried to fasten the noose around his neck, and would have succeeded had it not been for the intervention of organized labor, in America as well as in other countries. Granting a new trial would mean "undermining the foundations of law and order," and not a single defender of "law and order" would, of course venture upon such a sacrilegious task.

Two and a half years ago Capitalism, with the aid of its mercenary agents and lackeys, wrenched Mooney from the ranks of the fighters in the cause of labor. And now the same predatory interests favor "clemency" for Mooney—and the purpose is the same—striking at labor.

The Governor of California, in granting "cle-

mency" to Mooney, declares he ventured on that act of "mercy" upon the "urgent requests" of President Wilson. But President Wilson has more than once appealed to the Governor to pardon Mooney, and the last request of this character was sent as far back as March of last year. A question arises, then, why has California's Governor met the request of President Wilson just on the eve of a threatened general strike throughout the land? Are we not justified in suspecting that the threat of a general strike and not the "urgent requests" of President Wilson has been the whip that lashed the "merciful" governor on to act?

True, the Governor, foreseeing the possibility of such "unfounded" suspicions, attempts to produce some sort of explanation of his tardiness. But the "explanations" are so empty that they will convince no one.

In order to do away finally with any "unfounded" suspicions regarding the true character of the matter, the Governor solemnly declares that he "refuses to recognize this case as in any fashion representing a clash between capital and labor." But if this is so, if the Mooney case is one of the thousands of ordinary "criminal cases" having

nothing in common with the struggle between labor and capital, the question arises: Why did President Wilson in the letters to Gov. Stephens printed in the papers, constantly allude to the "international significance" of the Mooney case.

What, one may ask, is the international significance attached to the pardoning or, on the contrary, the sentencing of an "ordinary criminal" as Governor Stephens is picturing Mooney?

And what a pigmy is this unfortunate governor who attempts with all sorts of absurd-comical assurances and caricature "grand" gestures to get rid of that indisputable fact of life—that it was not the requests of any sort from above, but the working classes, their just and severe wrath, which stopped the hand of the executioner.

But, of course, the working class will not be deceived by this tawdry act of "mercy"—a bone thrown to the dog. The workers' threat of a general strike, the evident determination to immediately begin to act, only owing to this did they succeed in wresting this act of "mercy" from the strong claws of the capitalist Cerberus. And the working class will not stop at that; with energy multiplied by this first victory, the working class will continue the struggle, until Mooney shall be set free and return to the ranks of the fighters in the cause of labor from which he was snatched.