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LEFT TURN, CANADA

LEFT TURN, CANADA

by

M. J. COLDWELL

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FOR MY WIFE

NORAH GERTRUDE COLDWELL

PREFACE TO ENGLISH EDITION

SOME TIME ago Dr. Eric Estorick of New York suggested that I might contribute a volume to a British Commonwealth series which he was editing. This was a task that I approached with some trepidation, because the duties of a leader of a labour and socialist movement in its initial stages are legion. However, with his advice and encouragement, which I gratefully acknowledge, *Left Turn, Canada*, was undertaken and completed.

It is less a treatise than an exposition of the ideas and thoughts of a parliamentary leader who has to grapple with everyday problems and apply the solutions devised by a democratic socialist party in a new country. In some respects the Co-operative Commonwealth Federation is unique among socialist parties, for it had its humble beginnings among farm groups as well as in industrial centres, and gathered to itself the loyal support of some professional and business elements also.

Since this book was finished in April, 1945, great events have occurred; the United Nations established the foundations of a world organization at San Francisco, the war against the aggressor Powers has ended victoriously, atomic power has been devastatingly demonstrated, and a democratic socialist Government has been elected with great strength in the United Kingdom.

These are world-shaking events. And the victory of the British Labour Party, especially, brings into a new focus the relationship of the Dominion of Canada and the mother country. As one of those few wealthy nations untouched by the physical ravages of war, Canada can contribute materially to the economic revival of the United Kingdom. It is the duty of Canadian socialists to ensure this contribution to the great socialist experiment in Great Britain, and to combat every attempt made by reactionary elements here to withhold it.

And in return for any such aid, we Canadians will receive the tremendous impetus and lead which the successful implementation of your programme will mean. So that ultimately we may find ourselves among those historically favoured who will transform an Empire, built originally on profit and exploitation, into a united and self-governing comity of socialist nations.

In Canada, too, a General Election has recently taken place. The war-time Liberal Government has been returned to power with a narrow majority—a majority, indeed, made possible only

by the post-election declaration of some independents who have *thus pledged their support* to the Prime Minister and his policies.

As for the Co-operative Commonwealth Federation, its representation has increased considerably. Conceived in 1932, born in 1933, it elected ten Members to Parliament in the General Election of 1940, and twenty-eight in 1945. In five years its popular vote more than doubled.

It might have done better; indeed, it would have done much better but for the election of a Tory Government in the Province of Ontario one week before the nation went to the polls. But even in that Province, where an intensive campaign of vilification and abuse resulted in a loss of seats in the Legislature, the CCF came within 14,000 votes of its former poll in the Provincial General Election of 1943. But our representation fell from thirty-four seats to only eight. That, in the eyes of the electorate guided only by an antagonistic Press, looked like a serious setback, thus influencing adversely the result of the nation-wide election a week later.

Added to this was the determination of big business to stop the threat of socialism at all costs. In the Ontario Provincial campaign they placed their money behind the Tories because they believed that party could win the Province. In the national campaign one week later they backed the Liberals because they realized the Tories could not win Quebec and thus form a national administration.

It might be noted that the Liberal Party in Canada is not analogous to the Liberal Party in Great Britain. Over here it differs very little, in matters of internal policy, from that of the Tories. Both parties represent equally the static and regressive elements in Canadian political life. The struggle between them rests on little more substantial than the struggle for power.

Reactionary interests financed a smear campaign unequalled in Canadian political history. They formed an ostensibly neutral "Public Information Association" and used much the same type of false propaganda as was used against the Labour Party in the United Kingdom. But with added features of anti-Semitism and racial and religious prejudice of every kind. Millions of copies of an anti-socialist magazine which carried a photograph of Winston Churchill were distributed by mail free of charge to every voter in Canada, and every letter-box was filled with scurrilous pamphlets. They used the privately-owned wireless stations to warn listeners every hour of the day, by short snappy announcements, that the election of a CCF Government would destroy the home, undermine the value of war-savings certificates and confiscate insurance policies and bank accounts. This was

particularly effective in a country where for generations political discussion has been mainly confined to the sham battle between the Liberal and Conservative Parties. Indeed, the old Party managers did their best to promote a discussion of issues which had no real bearing on the future welfare of the Canadian people. Everything possible was done to obscure the real issues that confront the nation.

It must be remembered, in this respect, that certain fundamental differences exist between the Labour Party in Great Britain and the CCF in Canada. During elections we receive absolutely *no* support from any major newspaper. All either actively oppose the CCF, or try to condemn us by indifference. There is no equivalent newspaper to the *Daily Herald* or to those journals in England steeped in the great tradition of objective public service. The most we can count on is the normal support of the provincial CCF weekly newspapers, largely restricted to CCF members.

The CCF is truly a national party built on the individual "nickels and dimes" of its supporters. Our budget and funds are skimpy. We have not received the comparable backing from the relatively recently founded Canadian Trade Unions that the Labour Party has from the principal and politically-conscious British organizations.

Great Britain, further, is a small country. It is racially homogeneous, and its national problems overshadow all but the most significant regional considerations. Canada, on the other hand, is a vast and sprawling land. Its small population spreads over 5000 miles from east to west. Its people originating from many racial stocks, its federation as a nation dating back only to 1867, the country knows a diversity of local and regional problems unequalled in any Western democracy. This consideration must underlie any political approach. Upon the broad lines of general socialist policy the CCF must superimpose specific policies dealing with the diversified and specialized needs of the various sections of the country. When this has to be done without benefit of a proper utilization of the normal propaganda methods of Press and radio, an indication of the problems involved can be seen.

There was, too, the carefully cultivated opinion that Churchill would be swept into power in Britain. The cry was loud that Britishers would not change horses in the middle of the stream. The Tories tried to capitalize on Churchill's supposed certainty of victory because they were Tories too; the Liberals because Prime Minister King had co-operated with Churchill during the

war, and thus should be allowed to co-operate with him in the making of peace.

Had the British elections come first, it would have changed the picture considerably. It certainly would have doubled the CCF representation in Parliament, and forced the Liberals and Conservatives into the coalition they are perpetuating in two of the Provinces—Manitoba and British Columbia, where the CCF is becoming a threat to the vested interests.

One other factor must not be overlooked. The Communist Party, outlawed in Canada before Russia was attacked, emerged two years ago under a new name—Labour-Progressive. For a few months they denounced the CCF, as their counterparts in Britain denounced the Labour Party and its leaders. But after the Teheran Conference they followed the "line" laid down by Earl Browder, the American Communist leader, urging collaboration with the capitalist parties. In the recent elections they nominated against CCF sitting members in order to elect Liberals in many constituencies, and in some instances actively supported Liberal candidates, as they did in a bye-election in February, 1945, when leading Communists openly urged the election of the Government candidate and the defeat of the CCF nominee. In the Province of British Columbia, where the CCF elected four Members in the sixteen Federal seats, the Labour-Progressive Party definitely caused the defeat of seven others.

Now the war has ended and the American Communists have reverted to their pre-war line, the Canadian Labour-Progressives are busily organizing mass meetings against lay-offs in industry and reduction in wage schedules. Their subsidiary organizations are crying aloud for unity with the CCF, whilst Communist Labour leaders are endeavouring to undermine non-Communist union leaders and the Co-operative Commonwealth Federation. As a part of the current campaign, and because of the close affinity of the CCF to the British Labour Party, the Labour-Progressive newspaper, the *Canadian Tribune*, is bitterly critical of the new Labour Government.

The rank and file of the CCF was never in better heart. Far from being discouraged, the Labour victory in the United Kingdom and the fine ability of the twenty-eight new Members elected to Parliament combine to inspire confidence in future success. Perhaps the most encouraging feature of the General Election was the soldiers' votes, counted separately in the constituencies. In the overseas theatre of war, including the United Kingdom, the Service personnel gave the CCF the largest number of votes. It is significant that those troops who had lived for some time in

Great Britain should vote strongly CCF, while those others, who were not subject to these varied and often new influences, should vote in the traditional manner. In the total Service vote it came a close second to the Liberal Government, the Tories being a bad third. It might be noted, too, that the Service vote, when added to those obtained by the CCF candidate in the city of Prince Albert, defeated the Prime Minister, who subsequently sought, and was elected in, a safe Liberal constituency elsewhere.

GENERAL ELECTION, 1945

VOTES OF ACTIVE SERVICE ELECTORS COUNTED IN EACH VOTING TERRITORY AND GIVEN ACCORDING TO POLITICAL PARTIES

	Lib.	CCF.	Prog. Con.	Soc. Cred.	Others.	Total.
United Kingdom	20,363	24,108	17,367	1,951	2,449	66,238
France	27,904	37,257	24,067	3,296	3,737	96,261
Italy, Middle East, Far East, Australia, British West Indies	2,070	1,705	1,075	105	194	5,149
Newfoundland	3,139	2,354	1,657	170	360	7,680
Maritime Provinces	18,841	11,875	12,030	784	1,678	45,208
Quebec	8,760	1,780	2,727	382	2,828	17,477
Ontario	22,957	14,154	17,905	852	2,230	58,098
Prairie Provinces	7,500	9,535	5,478	2,483	890	25,886
British Columbia	6,536	6,911	5,534	887	1,042	20,910
Total	118,070	109,679	87,840	10,910	16,408	342,907

Members of the CCF regard the victory of the Labour Party in the United Kingdom as the most encouraging and significant political event since the Russian Revolution. At last a socialist party has the opportunity of building a new social order by consent in a great industrial democracy. Already there are potent signs in North America that the task will not be made easy by our strongly entrenched vested interests. The public opinion poll taken in Canada after August 7, 1945, indicated, however, that nearly one half the Canadian people welcomed the result of the United Kingdom elections. This emphasizes the belief that had the Labour victory preceded the Canadian elections the CCF would have fared much better. People were persuaded that Churchill would win; hence the war-time Government should be re-elected to work with him.

But if our reactionary interests try to place difficulties in the path of the new Labour Government, the CCF has a corps of able representatives who will assist in educating Canadian public opinion in favour of Labour's programme. We know that Britain's economic position has changed during the war. Her loss of foreign investment and other factors will compel the United Kingdom to export some 50 per cent more than she did before

the war. If she is to compete successfully for markets to enable her to buy raw materials and food, she must replace obsolescent machinery which her capitalists maintained. When the necessity for rebuilding the devastated areas is added, the problem is obviously tremendous. It is clearly the privilege and the duty of socialists in countries which have escaped the physical destruction of war or, like Canada, have added greatly to their capital equipment, to see to it that every assistance is given to the people of Great Britain in their great adventure. Indeed, the future of democratic socialism everywhere depends on the success of the Labour Party's programme.

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CHAPTER ONE

BY WAY OF INTRODUCTION

THIS IS the story of a people's movement, its rise to power, its policies and its programme. It is, too, an account of my own part in it.

As a young man and a student my interest in political affairs was aroused by the social and economic conditions which surrounded me in England. As a participant in college debates when I had to argue against well-informed young radicals, I was compelled to examine their statements and their arguments. To these early discussions I attribute my present views.

Emigrating to Canada in 1910, at the age of twenty-one, I became a teacher in a rural school, when the people were just emerging from the homesteading era of Central Alberta. Homesteaders who had obtained their titles to one-hundred-and-sixty-acre farms were mortgaging their lands in order to get stock and equipment. The end was not difficult to foresee. The economic institutions which oppressed the masses in industrial areas in Great Britain were present in a somewhat different form, but the possibility of exploitation in the new country was there.

I do not intend to write an autobiography. Therefore, suffice it to say that after several years of teaching in Alberta and rural Saskatchewan, I became the principal of a city school in Regina in 1919. Two years later, the ratepayers in the working-class district where I taught asked me to seek a seat on the City Council, to represent their needs and views. In December of 1921 I was elected an alderman of the capital city of Saskatchewan. In the elections which occurred every two years I was re-elected at the head of the polls until I retired in December, 1932.

Meantime, after the last war the Progressive Party was organized in Western Canada by the prairie farmers. I joined this movement. In 1921 we succeeded in electing to the House of Commons sixty-five members of this party. Two Labour men, the late J. S. Woodsworth and William Irvine, were elected at the same time. The Progressives were sent to Parliament in protest against prevailing conditions, but having no common philosophy, they were led to believe that the important thing was to keep the Conservative Party from office. Their leader joined the Liberal Government, which was maintained in power by a majority

of the Progressive members, and the movement disintegrated rapidly. Under the leadership of the late Robert Gardiner, a minority known as the "Ginger Group" co-operated with the Labour members of Parliament. As a result, Mr. Gardiner's farmers found they had much in common with Labour. Together, they forced the Liberal Party to adopt a few reforms, notably Old Age Pensions, in 1926. Their experience between 1921 and 1932 convinced them that the problems of agriculture and labour were not different problems but two aspects of the same problem. The onset of the depression, the failure of the Liberal Government to inaugurate unemployment insurance or to support farm prices, and the election in 1930 of a Tory Government, caused many forward-looking Canadians to consider the advisability of organizing a people's party to secure sorely needed reforms.

Back in the country small groups were engaged in political activity. After the disintegration of the Progressive movement in 1925, when I was defeated as a candidate for Parliament in the city of Regina, small groups of farmers organized the Farmers' Political Association, and in the cities we organized the Independent Labour Party of Saskatchewan. I became the vice-chairman of the Farmers' Political Association and the president of the Provincial Independent Labour Party. Our activities consisted of talks over a small radio station and long drives into the country to meet and address small and scattered groups of farmers. My week-ends were almost entirely occupied in rural activities.

In July, 1932, the Independent Labour Party held its annual Convention in the city of Saskatoon; simultaneously, the non-political United Farmers of Canada, which had been considering entering into politics, met in the same city under the leadership of Mr. George H. Williams. Independently, two political programmes were adopted, and it was found that they were almost identical in every particular. Thus, before the adjournment of the Labour Convention, the United Farmers suggested that a joint meeting be held, to discuss ways and means of co-operation. This resulted in the formation of the Farmer-Labour Party and the election of a Provincial Leader. I was nominated for office by Mr. G. H. Williams and elected. A Western Labour Conference was to meet in Calgary, and the United Farmers of Alberta, the new Farmer-Labour Party of Saskatchewan, suggested that this be expanded into a meeting of persons interested in the formation of a National People's Party. On August 1, 1932, such a meeting was convened in the Labour Temple at Calgary. It was small but enthusiastic, and it was decided to organize

a political party, which we named THE CO-OPERATIVE COMMONWEALTH FEDERATION (CCF), under the leadership of the late Mr. J. S. Woodsworth, M.P. The programme outlined was one upon which farmers, workers and small business people could unite. In general aims and character it was similar to the programmes of democratic socialist parties in other parts of the British Commonwealth of Nations. Because it was democratic it was immediately subjected to bitter attacks by the Communist Party, which denounced the CCF and its leaders as "reformers". The Communists saw the threat against their attempts to bore into labour and other mass movements of the people, for the purpose of promoting their revolutionary activities. They were then engaged in propagandizing for the establishment of a proletarian dictatorship, which was and is their aim, even though their current "line" is the maintenance of the *status quo* everywhere.

The CCF grew because it was democratic and gave expression to the hopes of the Canadian people. In rural areas, in hamlet, town and city, its self-sacrificing supporters organized study groups and clubs, to formulate its policies and programme. At Regina, in July, 1933, a representative gathering adopted a manifesto based on the programme formulated at Calgary. This Regina Manifesto was later described by Walter Nash of New Zealand, one of the leading statesmen in the British Commonwealth, as the finest modern political document in the English language.

Then followed a difficult and interesting period of great activity. Teaching school daily, I devoted spare evenings, week-ends and holidays to intensive educational work over the very large geographical area which comprises the Province of Saskatchewan. My own experience was that of many others who devoted their time, their energies and their abilities to what we believe to be a great cause. Often, trips of 100 miles were taken to speak to twenty or thirty farmers in a country hall or rural school-house; but the people themselves were reading, they were thinking, they were organizing and developing their co-operative institutions, and in the CCF many saw the political instrument to achieve better social and economic conditions. This was a time of drought, of grasshoppers, of crop failure, when people had no money and poverty was extreme. In these years vast accumulations of unsold and almost worthless grain filled the elevators and granaries on the farms. Wheat dropped to less than twenty cents a bushel at prairie points; eggs were traded in the country stores for two and one-half cents a dozen; horses, cattle and hogs were almost worthless. Yet in

the cities long lines of unemployed sought relief. The man on the land could not dispose of foodstuffs which the man in the city could not buy. This was a practical demonstration of the interdependence of farmer and worker.

The movement grew. It brought together men and women who had been divided politically in one or the other major parties. One found everywhere a kindly welcome and assistance. My nights away from home were spent in humble farm homes, sharing the simple food and hospitality of farm families. Often the prairie roads were almost impassable after the spring thaw or the summer rains. I remember that one evening I had to drive from one prairie town, where I had spoken in the afternoon, to another some fifty miles away, where I was to address an evening meeting. The spring thaw was upon us. The countryside was flooded, but we believed we could get through. We ploughed along for thirty miles, when suddenly the car settled in water and mud above the running-board. Night had fallen, but a light a mile or so away indicated a prairie farm home. One of the lads who was with me volunteered to go for help. Sometime later we saw the light of a lantern coming towards us, and a farmer with a team of horses and a hired man came to our rescue. The team was hitched to the front of the car. We were pulled out of the hole and then on to a high spot 100 yards or so away. The hired man began to unhitch the horses, when the farmer, looking into the car, inquired, "What are you fellows doing here at this time of the year?" I replied, "We are trying to get to Wilkie." He queried, "What for?" I said, "A public meeting." "Oh, are you Mr. Coldwell?" I replied, "Yes, I am." Immediately he called to the hired man, "Joe, don't unhitch those horses"; and then, turning to me again, said, "Just a minute; start up your car, and follow the horses slowly." I did so, and soon we were ploughing through mud and water for a considerable distance. When we reached high ground once more, I got out and said, "What do I owe you?" He said, "Nothing, Mr. Coldwell; but don't try to get to Wilkie. There is a little town near here where you had better stay all night, because you will never get through, and I will telephone Wilkie and tell them where you are." Then, with a laugh, he turned to me and said, "You know I thought you were collectors, and I was going to charge you five dollars to get out of that hole over there, and another five to get out of the next one. But, seeing it's you, if you would like to give the hired man a dollar, for I have been able to pay him no wages this winter, that will be jake with me." I gave the hired man the dollar and thanked my kind friend and proceeded to a little town where we stayed all

night and ploughed the roads next day for nearly 300 miles back to Regina. Through mud and snow, and dust and grasshoppers, we carried the message of the CCF to every part of Saskatchewan.

In 1934 a Provincial General Election was due. It was decided that, since I was entitled to Sabbatical leave on account of my long service to the city schools, I should apply for six months' leave of absence to conduct the campaign. My application was refused. The election was to be held on June 19th of that year. A series of public meetings had been arranged for the six weeks before the General Election. It was important that I should address them. A former pupil owned a small plane, the use of which he offered to enable me to fulfil the itinerary. Each evening, from May 4th to June 19th, a plane was ready at the Regina Airport and I flew to address the meetings as arranged. This was paid for by collections at the public meetings and among supporters of the movement, and on June 19th we polled 104,000 votes out of approximately 300,000 votes cast, and elected five members to the Legislature of Saskatchewan. The Conservative Party was wiped out, and has not succeeded since in electing a single member to the Saskatchewan Legislature.

In 1938 we elected eleven members, and in 1944 forty-seven members in the fifty-two seats. The Liberals succeeded in electing five.

In 1934 I was defeated in the provincial election, but immediately, with a Dominion election in prospect, I was invited to contest a seat in the Federal House of Commons. I accepted Rosetown-Biggar, where, in 1935, I was elected with a substantial majority. The years which preceded our spectacular gains of the last two years were vital, challenging, and interesting. The story of the rise to importance of the CCF is a story of the self-sacrificing efforts of thousands of humble and obscure persons who have devotedly given of their time and slender resources to the building of a party which hopes to lay the foundations of a Canada in which men and women may find happiness, security and peace.

CHAPTER TWO

CANADA'S NEW POLITICAL PARTY

SEEN FROM the outside, Canadian politics must have appeared in the past to possess the virtue of stability and the vice of dullness. There have been no revolutions in Canada for a century, but

neither have there been any adventures in politics such as the American New Deal or Sweden's "Middle Way". Very little has come out of Ottawa that is politically colourful or economically imaginative. Two parties, the Liberal and the Conservative (latterly rechristened the Progressive-Conservative Party), have alternated in office ever since Canada became a Confederation in 1867, save for a brief period of Union government during the last war. From Laurier's first administration in 1896 until today, a period of nearly half a century, there have been only five Canadian Prime Ministers. Mr. Mackenzie King has already held the office for a total of nineteen years since 1921. All third-party movements in the past, such as the French-Canadian Nationalists led by Henri Bourassa in 1911, the Progressives who had a meteoric career after the last war, or the late Mr. Aberhardt's Social Credit Party, which still holds power in Alberta today, have failed to create more than a temporary or local disturbance in the political arena.

This regularity of political behaviour over a long period of time suggests either that new ideas find a proper outlet within the ranks of the two major parties, or else a remarkable resistance to change. The barrenness of the social philosophies of both the Liberal and Conservative parties since the last war and their inability to fashion adequate programmes to solve the problems by which we have been confronted hardly suggest that they have functioned as channels for new social ideas. The truth of the matter is that Canada, the "Tory Dominion" as it has well been called in the past, has until very recently presented strong opposition to imaginative and progressive social change. For Canada is a country where private monopoly has long been firmly entrenched and where sectional divisions have always obstructed national reforms. It was not without justice that a distinguished American liberal columnist, writing in the early years of the war, could describe Canada as "the most reactionary country yet unconquered by Hitler".

The reasons for this political and economic conservatism are not hard to find. Canada is a young country. As in the United States, opportunities for the expansion of capitalist enterprise lasted longer than in most European countries. Until the First World War, indeed up to 1929, the Canadian economy operated moderately well under the so-called private enterprise system, despite its lack of intelligent, national planning. It was still possible for a few people to rise from poverty to comparative wealth. And the belief that persons suffering from poverty and want had only their own lack of initiative and ability to blame

persisted long after that argument had been completely shattered by facts and experience.

Meanwhile, private business and industry had fastened their hold on the economic life of the country. They dominated our economic policies, our political life and all the major channels of public communication. And when, after 1929, the restriction of production became more profitable than its expansion, vast numbers of Canadians were plunged into unemployment and forced to do without the things the country could have produced in abundance. In such circumstances—the lingering belief in the ability of private enterprise to make for economic progress, the complete domination of the country by big business and industry—the growth of progressive movements was seriously retarded.

Within recent years, however, new currents of political thought and new social ideas have been set in motion in Canada, as in so many other parts of the world. Today the stranglehold that the two old political parties have exercised on Canadian progress is being seriously threatened, and will soon be finally broken.

The experience of the First World War demonstrated to Canadians what might be done through even rough-and-ready planning for a national purpose. That experience was reinforced by the Great Depression, when the planlessness and anarchy of social policy begot such widespread misery and suffering. And it has been further strengthened during the present war, when overall planning, inadequate though it has been in many respects, dedicated to a common national objective, has wrought such miracles of production. As a result, increasing numbers of Canadians today realize that only democratic socialism can make possible social progress and security in this country after the war.

The trend towards democratic socialism has for several years been increasingly marked throughout the British Commonwealth. It was demonstrated in Great Britain during the early years of the present century in the rise of the Labour Party. New Zealand, which has made the most striking advances in the social ownership and control of the principal economic functions and in the extension of a national system of social security, has elected and re-elected its Labour Government with substantial majorities and without interruption at three successive general elections. Despite the almost universal unpopularity of war-time governments, Australia's Labour Government was re-elected with an overwhelming majority in August, 1943.

Nor is that trend limited to the British Commonwealth. No one who knows anything about the underground movements in Europe, or the views of some of those directing affairs in China,

or of Nehru and the younger Congress leaders in India, can doubt that socialism will be the major issue of the present century. The association of the Soviet Union with the Western democracies in war will likely make Russia more democratic politically and the Western democracies more socialist economically. If such a synthesis can be realized, orderly, democratic social and economic advances can be made universally. For this is no ordinary war fought to maintain empires or to extend commercial domination. It is in very truth a phase, perhaps a final phase, in a world-wide revolution, as profound in its consequences as the great upheavals in Europe which marked the breakdown of feudalism and the rise of modern capitalism. No one who fails to understand this truth can appreciate the significance of the world-shaking events in which we are engulfed. It is fitting, therefore, that progressive people should forge the political instruments necessary to give effect to new ideas, new policies and new programmes, to meet the needs of a new social and economic age.

Such an instrument has made an appearance in Canadian politics in the CCF. Contrasting sharply with the Liberals and Progressive-Conservatives in programme and organization, it shows every sign of permanence, and seems destined to change radically the domestic and foreign policies of the country when it achieves power. In every part of Canada it is not only being talked of as the coming party; in just over ten years the CCF has become the major political issue in Canada.

Since the Co-operative Commonwealth Federation is a distinctively political movement, it will be well to review here some of the salient facts of Canada's history.

Canada is increasingly attracting the attention of observers in other countries, largely as a result of her foreign trade, and of her contribution to the common war effort of the United Nations; in the years that lie ahead, however, she promises to attract attention because of her efforts to transform principles of democratic socialism into working realities, just as New Zealand, in the few years before the war, caught the imagination of progressive people everywhere.

The history of modern Canada may be said to date from the year 1763. By the Treaty of Paris of that year the French monarch, by a mere stroke of the pen, ceded the French colonies in North America to the British. Thus years of intermittent warfare between the French and English for supremacy in North America, culminating in the capture of Quebec by General Wolfe in 1759, came to an end.

The early settlers in what later became Canada were for the most part Frenchmen, engaging in fishing and the fur trade, and in founding colonies along the Atlantic seaboard and up the reaches of the St. Lawrence River. But there had been English settlers too, farther in the interior, who established outposts and traded with the Indians. It was not, however, until the American Revolution had driven into exile those colonists who were determined to keep their allegiance to the Crown, that the regions of Canada were really settled by people of British descent. These people who fled before the American Revolution, known as the United Empire Loyalists, found their new homes in the Maritime Provinces, where government already existed, and in the unsettled wilderness of what is now Ontario.

Shortly after the Treaty of Paris, in the year 1774, the British Parliament passed an Act which is considered by French-Canadians to be their Bill of Rights. This was the Quebec Act, and it guaranteed to the French-Canadians the preservation of their way of life, their religion, their civil law, and their unity as a people. More than anything else this Act led the French-Canadians to refuse to join with the thirteen colonies in the American War of Independence.

Meanwhile, immigrants from Ireland, Scotland and England were creating new settlements in Canada and pushing back the frontiers. By 1861 the population of the part of British North America which later became Canada was over 3,170,000.

Throughout the English- and French-speaking world new ideas of representative government soon caused a ferment in British North America. By 1849, after minor rebellions, responsible government had been won in the two principal colonies of Ontario and Quebec, which were united by the Act of Union in 1840. Accumulating difficulties in the years that followed led at last to Confederation in 1867, when the four colonies, Ontario, Quebec, New Brunswick and Nova Scotia, joined together. The 1st of July of that year is remembered as the official birthday of Canada. Its anniversary is the country's national holiday.

Confederation inaugurated a period of tremendous expansion. New provinces joined the Confederation, until by 1905 the whole of British North America, with the solitary exception of Newfoundland, was united in the new Dominion. Soon the railway linked the Atlantic and Pacific coasts, making possible the settlement of the Prairie Provinces. Immigrants flocked to Canada from many European countries, introducing new racial strains into the fabric of Canadian nationality. Between the years 1871 and 1911 the population of Canada was doubled.

Today Canada lays many claims to prominence. In area she ranks as the third largest country in the world, yielding only to China and Russia. In the Maritime Provinces to the east there is lumbering, coal-mining, fishing, mixed farming, and a wealth of other natural resources as yet untapped. In the central provinces of Quebec and Ontario there are rich farm lands, great forests, valuable minerals, and the manufacturing industries of Canada are concentrated around the southern Great Lakes and in the St. Lawrence River valley. Farther west lie the great plains, once solely reliant on the production of wheat, but now increasingly supporting some mixed farming, livestock, and oil and coal extraction. Wheat, however, because of the nature of the Prairie Provinces, is Canada's greatest single crop. Finally, along the far west coast lies British Columbia, separated from the rest of Canada by the Rocky Mountains, and predominantly mountainous itself, specializing in salmon-fishing, fruit-growing, lumbering and mining. And, aided by the war, the infant manufacturing industries of British Columbia are struggling hard to match those of central Canada. Nor does this complete the Canadian scene, for, along the rim of the Arctic lie the Yukon and the North-west Territories, sparsely settled and administered by the Dominion Government.

The census of 1941 recorded the population of Canada as 11,506,655, a population less than that of New York State. But this figure indicates a growth of no less than 8,000,000 in the last seventy years. The bulk of the population is clustered along the United States border, 90 per cent living within 200 miles of it, but the post-war period, given an expanding economy and modern improvements in air transport, should see a new immigration into the North-lands.

Canadians of British descent make up about half of the population, and they are spread out over the whole country. Canadians of French descent, however, making up about 30 per cent, have concentrated themselves in Quebec, with major settlements in Manitoba, New Brunswick and eastern and northern Ontario. A census of the French colony in 1754 showed a population of 55,009; today this group has grown to nearly 3,500,000 people. They have preserved their own language, their own church and, in Quebec, their own civil law and educational system. And yet, however jealously the French-Canadians may cherish these cultural rights, that does not mean that they are not prepared to co-operate in such measures of national economic planning as are necessary to secure an expanding economy. While agreeing that the Dominion Government must discharge certain functions for

social security and full production, the French-Canadians insist that these must be compatible with cultural diversity.

Other major ethnic groups in Canada include those of German, Ukrainian and Scandinavian descent. These groups, though tending to settle in their own communities, mainly in the Prairie Provinces, are gradually being assimilated into the main stream of Canadian life.

The salient political fact about Canada is that, like the United States, it is a federation. At the formation of the new Dominion in 1867, the Fathers of Confederation left to the Provinces jurisdiction over matters that could then be described as of local interest, such as education, health, municipal government and property and civil rights. Matters affecting the country as a whole, such as trade and commerce, defence and banking, were assigned to the Federal Government, and, in addition, any matters not specifically provided for in the Constitution were to be within the federal powers.

Judicial interpretations since that time have consistently reduced the powers of the Dominion Government, while expanding the "property and civil" rights jurisdiction of the Provinces to include almost anything. The result today is a severe constitutional crisis in Canada, for the Dominion Government has been deprived of those functions which, because of modern social and economic complexities, it alone can undertake, while the Provinces are without the finances to discharge their powers satisfactorily. Thus there is neglect of the public welfare services, and a grave absence of intelligent economic planning.

Upon the outbreak of war the Dominion Government assumed sweeping powers for the direction of the war effort. This it could do, constitutionally, because of the war emergency. Thus the Dominion has intervened in such provincial matters as wage rates and labour relations. The Provinces have also, for the war period, handed over to the Dominion the sole right to collect certain taxes, in return for grants from the Federal treasury.

However, upon termination of the war, the constitutional crisis will be upon Canada again. Clearly, revisions are long overdue, and they will be capable of achievement only to the extent that racial and religious animosities are transcended by considerations of the national welfare.

The salient fact of Canada's external affairs is that she has long since achieved nationhood. The process of evolution began shortly after Confederation, when Canada was little more than a colony of Great Britain, and it reached its logical goal in the Statute of Westminster in 1931. This Act of the British Parlia-

ment gave statutory effect to the declaration made at an Imperial Conference held in 1926, that the various members of the British Commonwealth of Nations were "autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any respect of their domestic or external affairs". The British Dominions are formally united only by a common allegiance to the Crown.

Free to make treaties and to conclude trade agreements, free to declare war or stay at peace, Canada can be as independent of Britain as it chooses. Like the other British nations, Canada has its own diplomatic representation abroad. In reply to the Axis bid for world domination, Canada declared war on September 9, 1939, on its own behalf, following the decision of the Canadian Parliament.

Meanwhile, the British Commonwealth of Nations is strengthened, not weakened, by becoming in every sense a free association of equals, and in no sense a power bloc in world affairs. Future Commonwealth relations will develop along lines of fruitful co-operation and positive achievement, or not at all.

Canada's relations with her great neighbour to the south, the United States, have become increasingly cordial ever since the long-forgotten warfare of 1812. During the present war, Canada and the United States concluded at Ogdensburg in New York State vital agreements for the common defence of the North American continent. Recommendations of the Joint Defence Board set up at Ogdensburg have resulted, among other things, in the construction of a chain of air bases between Edmonton, Alberta and Alaska in the north. Later, at Hyde Park, on April 20, 1941, the Prime Minister of Canada and the President of the United States agreed "as a general principle, that in mobilizing the resources of this continent, each country should provide the other with the defence articles which it is best able to produce, and above all, produce quickly, and that production programmes should be co-ordinated to this end". As a result of this understanding, and joint action on various boards of food and raw material control, the war efforts of the two neighbour countries have been co-ordinated to a remarkable degree.

For the war effort Canada has enlisted servicemen and women to the number of about one million; she has entered war production in a big way, including such major items as naval and cargo vessels, tanks, aircraft, chemical products and explosives. She has instituted her own lend-lease programme under the title of Mutual Aid, and has jealously guarded her economic independence from the United States by paying for everything she

has received from her friendly neighbour. In spite of the lack of a comprehensive survey of man-power and accumulated resources which should have been made when war was declared, the country's war effort has been impressive. Apart from vast quantities of food and raw material, up to last August our shipyards had produced 285 10,000-ton cargo ships, 435 frigates, corvettes, destroyers and other combat vessels, as well as many thousands of small craft for war purposes. Aircraft production had reached some 14,000 planes of various types, but even these figures are put into the shade by the production of motor and armoured vehicles, many of which have been sent to Russia and our other allies; the total of such vehicles at the same date was over 700,000. Guns and small arms have been produced in vast quantities, while Canada's Government-owned arsenals have produced over four billion rounds of small-arms ammunition. She has been a source, too, of all types of chemical explosives, which, last August, had amounted to nearly 1,500,000 tons. Canada undertook the full responsibility for the Commonwealth Air Training Plan, which, since its inception, has cost Canada one and a half billion dollars, and which, up to August, 1944, had entered over 158,000 trainees from British Commonwealth countries. In addition, the Canadian Parliament has voted mutual aid to Britain and the Allied nations, to the value of over two and one-half billion dollars, as a free gift to the common cause. When considered as contributions from a country with a population of 11,500,000, it will be realized that Canada's part in this war has been substantial. The question today is whether Canada is ready to do as much for the purposes of peace as she has done for the fell purposes of war. Because the masses of the Canadian people remember the long lines of unemployment and the pitiful relief doles of the 1930's, they are determined to build a political instrument through which they can express their desires and their will.

It was in 1932, in the depths of the economic crisis, that the CCF was born. Canada's national income had then fallen by nearly half. The burdens, as usual, fell hardest on the backs of the common people. Bread lines were forming in the cities. Western farmers were caught in the pincers of low returns for wheat and high overhead costs for mortgage payments and for farm implements held at monopoly price levels. There was much social unrest throughout Canada. This might have produced no result more constructive than sporadic violence or popular demands for phony money. The Communist and Social Credit Parties were blind-alley developments of these tendencies. The failures of both the

Liberal and Conservative parties, who had alternated in power since Confederation, prepared the ground for the organization of a people's movement with concepts of fundamental change. Owing also to the presence in Canada of a number of leaders trained in the Labour Farmer and Socialist movements and to the strong tradition of political action in the country, the pressure for change was guided into a new organization with a radical economic programme and a thoroughly democratic outlook. The spirit of political revolt, so apt to attract men to panaceas, was directed down the surer road of democratic social reconstruction.

Outstanding among the men who founded the CCF was the late J. S. Woodsworth, widely recognized at that time as a spokesman for labour and the exploited, and as the most progressive thinker in Canadian public life. No politician in the ordinary sense of that word, utterly devoid of personal ambition, but inspired by a deep social vision and a burning faith in the common man, he gave the new movement a quality of leadership which at once lifted it above mere party politics. For him, what was needed in Canada was not just another party, but an awakening of the common people to their responsibilities in this industrial age, and to a realization of their power for creative social change. Of him the Prime Minister, Mr. Mackenzie King, said during his speech, recommending the declaration of war against Germany, in the House of Commons on September 8, 1939:

> "There are few men in this parliament for whom, in some particulars, I have greater respect than the leader of the Co-operative Commonwealth Federation. I admire him, in my heart, because time and again he has had the courage to say what lay on his conscience, regardless of what the world might think of him. A man of that calibre is an ornament to any parliament."

So it was that at Calgary, Alberta, in 1932, a "Federation" of Farmers, Labour and Socialist groups was brought about, aiming to create in Canada a "Co-operative Commonwealth" in which economic exploitation would be eliminated, and in which democratically controlled public authorities would plan the use of the national resources for the general welfare of all.

The first programme of the CCF was a short, eight-point statement calling for national planning, public ownership of natural resources, and various forms of social security. It contained no basic analysis of Canadian capitalism, or of the reasons

why the two old parties could not be relied on to effect any fundamental reforms. Had this document remained in its original form, the CCF might have made more rapid progress at the start. The proposals were popular in times of economic stress, and there was little to frighten away the timid. There was a danger, however, that with no further elaboration of its principles, the CCF might succumb to the fate of its predecessor, the Progressive Party. The Progressives did not survive because they had no political philosophy to distinguish them from their opponents; they had the tactics of political revolt but no strategy of social change. To secure the future success of the CCF, it was necessary for its principles and objectives to be clearly defined in Canadian terms, and clearly distinguished from mere Liberal reformism. This definition was achieved at the first annual convention of the party held in Regina in 1933, when the now famous Regina Manifesto was adopted.

The inspiration for this manifesto came from another group of Canadians, mostly teachers and "intellectuals", who also in 1932 had organized themselves, quite independently of the CCF, into a body called the League for Social Reconstruction. The principles of the League were basically those of the new party, and the two groups soon came together. Members of the League, many of whom had special training in economics, history and law, collaborated closely with the CCF leaders in the drafting of the manifesto that was officially adopted at Regina as the party programme. Some quotations from the Regina programme will illustrate the CCF approach to the political problem. It begins by defining the movement as a federation of organizations aiming at a co-operative commonwealth in which "the principle regulating production, distribution and exchange will be the supplying of human needs and not the making of profits". The starting point is the attack on private profit and "unregulated private enterprise". The manifesto continues its analysis of Canadian conditions in these words:

> Power has become more and more concentrated into the hands of a small irresponsible minority of financiers and industrialists and to their predatory interests the majority are habitually sacrificed. When private profit is the main stimulus to economic effort, our society oscillates between feverish prosperity in which the main benefits go to speculators and profiteers, and of catastrophic depression, in which the common man's normal state of insecurity and hardship is accentuated. We believe that these evils can be removed only in a

planned and socialized economy in which our natural resources and the principal means of production and distribution are owned, controlled and operated by the people.

Subsequent studies made by the League for Social Reconstruction, notably in its volume *Social Planning for Canada*, and even by the Royal Commission on Price Spreads in its official report issued in 1935, brought to the CCF ample statistical support for its general criticism of the Canadian economy. The victims of economic exploitation did not need elaborate investigations to prove to themselves that they were being exploited. It was important, however, to make quite clear that the changes that were being sought were not intended to destroy a true individualism, but were designed to free it for further progress. Though urging public ownership, the CCF desired no "overmighty state", and the supremacy of the individual over any system was proclaimed in these words:

> The new social order at which we aim is not one in which individuality will be crushed out by a system of regimentation. Nor shall we interfere with the cultural rights of racial or religious minorities. What we seek is a proper collective organization of our economic resources such as will make possible a much greater degree of leisure and a much richer individual life for every citizen. This social and economic transformation can be brought about by political action, through the election of a government inspired by the ideal of a Co-operative Commonwealth and supported by a majority of the people.

As for the Liberal and Conservative parties, the CCF did not mince its words.

> We consider that both the old parties in Canada are the instruments of capitalist interests and cannot serve as the agents of social reconstruction, and that, whatever the superficial differences between them, they are bound to carry on government in accordance with the dictates of the big business interests who finance them.

The singling out of concentrated economic power as the chief source of national ills, and the naming of both the older parties as being subordinate to that power, created a fundamental division between the old and the new politics. This revealed how

significant were the differences between the CCF and the old parties, and made their assimilation of the CCF—a tactic which they had previously practised so successfully on other groups, notably the Progressive Party after 1921—impossible. With these guiding principles before it, the CCF has avoided the monetary fallacies of Social Credit, the extremes of Communism, and the petty reformism which brightens at election times the programme of the *status quo* parties. Nevertheless its policies at first appeared too radical for the Canadian electorate. For several years little progress was made outside the western provinces and the most depressed areas in Canada. The Press, mostly speaking for its few and wealthy owners, alternately described the CCF as hopelessly utopian or attributed to it fell designs upon Christian civilization. Men of great intellectual ability who joined the party were made the butts of ridicule, and were attacked as impractical dreamers. A number of Rhodes Scholars joined the movement, having learned their labour politics at Oxford; the present secretary of the party, David Lewis, is the only Canadian ever to have been president of the Oxford Union; E. B. Jolliffe, another Rhodes Scholar, is leader of the CCF opposition in Ontario; Professor Frank Scott, national chairman of the CCF, is professor of law at McGill University, to mention only three among several. These men were also attacked as unreliable intellectuals. One Catholic bishop in Montreal issued a pastoral letter warning his flock that the programme of the CCF was dangerously close to the type of socialism condemned in papal encyclicals. Every form of resistance of the old to the new was encountered.

Undismayed by these obstacles, the CCF held resolutely to its course. By pamphlet, radio and public lecture, by statements at its annual conventions, and by the parliamentary representation of its small group of M.P.'s at Ottawa, it cleared up misunderstandings and steadily gained the respect of the people. Attempts to confuse it with the Communist Party failed, since the Communists fought it at every election and vilified it in every publication. Its difference from the materialistic and atheistic socialism condemned by the Catholic Church became clear as its principles were better understood and as it brought into its ranks men and women of unquestionable sincerity and repute. It drew considerable support from ministers of Protestant Churches (there were twelve of them among its candidates in the federal election of 1935), who saw in its programme nothing but the application of Christian principles to the economic sphere. While there has been no decline in the attacks made upon the CCF by the forces

of the political right—including a public relations organization supported by a slush fund provided by major industrial interests—the people are less influenced by this propaganda than formerly and more inclined now to judge the issue on their own account.

Today, the Communists who sought to destroy the CCF because it has always been opposed to a totalitarian dictatorship and who used to denounce it for not being nearly radical enough, have formed a new party—Labour-Progressive—and have sought affiliation with the CCF. Consistently, however, the annual conventions and party gatherings of the CCF have unanimously and decisively rejected every form of co-operation with them. Between the two parties there is more than one fundamental difference. The CCF is committed to the principles of democratic socialism. The Communists have revealed themselves, on this continent at any rate, as little more than political opportunists.

Any attempt to unite groups that differ fundamentally can only bring disaster to democratic movements. That was amply demonstrated before the war in countries where Communist Parties succeeded in their tactics of boring from within. During the war, their amazing contortions have become familiar to all political observers. In the United States, Earl Browder on January 11, 1944, declared that he was prepared to co-operate with the so-called free enterprise system. In Canada his statement was followed by the decision of the Labour-Progressive Party to support the Liberal Party at the polls, to urge the defeat of CCF candidates, and by increasingly bitter denunciations of CCF leaders.

Signs of increasing strength in the new party began to show themselves by 1938. Eleven seats were captured in the Saskatchewan legislature in that year, making the CCF the official opposition. From Nova Scotia came an important Trades-Union affiliation, when District 26 of the United Mine Workers of America joined the party; hitherto labour support had come chiefly from individual trades unionists or from small local labour parties. When the organized labour movement in Canada, as in England and many other countries, sees the need for independent political action, the CCF will achieve still greater influence. The CCF does not try to be exclusively a labour party, for it aims to unite all workers, farmers and the middle and professional classes, in a great national movement; but the size and importance of labour support will make that wing of the party an essential for success.

Then came the war, and the CCF knew it would face a severe test. Recent events in Canada show that it has not only survived

that test but has grown in stature. The general election in 1940 was skilfully called by Mr. King before the "phony war" had become the real war, and before public opinion had much changed; the Liberals swept the country, and the CCF came back with only one extra seat in the House of Commons. By the autumn of 1941, however, drastic world events had caused a shift in opinion which was at once reflected in local election results. In the British Columbia elections of that year the CCF polled the largest popular vote, increased its representation from seven to fourteen members, and by refusing to join a union government, forced the Liberal and Conservative parties to combine against it. This may well foreshadow a new two-party system for Canada. Shortly afterwards elections took place in Nova Scotia, and with almost no organization or effort the CCF elected three of its six candidates, defeating the Liberal Minister of Mines in Cape Breton.

Then came a by-election which startled the country. The Conservative Party's newly chosen leader, Mr. Meighen, once Prime Minister of Canada, was defeated in the Tory city of Toronto by a CCF candidate, a school teacher, J. W. Noseworthy. From that moment the CCF ceased to be an interesting minority movement and has since become a major party in Canada and a serious contender for power.

The reasons for this growth of popular support for the CCF are not hard to find. Its combination of radical economic doctrine with democratic political organization is in keeping with the temper of the times. The CCF is a people's party, and this war has become, even in North America, a people's war. The centre of gravity of political thinking has moved steadily to the left in all democratic countries.

But perhaps the chief way in which the war experience has helped the CCF is by showing that economic planning is feasible in Canada. The Canadian war effort has resulted in an enormous increase of production, employment and national income. Ottawa set itself a war objective and bent the energies of the nation towards that end. The Government has undertaken some rough-and-ready planning for the prosecution of the war, but evinces no intention of any comparable planning for peace. As far back as 1932 the CCF put economic planning as the first plank in its programme, and was called impractical and revolutionary for so doing. Time and experience have proved it to have been basically correct. The difference now between the CCF and the present Government lies more in the nature of the planning, the purpose behind it and the control of it. Alone among Canadian parties, the CCF has promised to adapt to the needs of a demo-

cratic peace the experience in planning gained during a total war.

Besides these general reasons which are making for left-wing political action in Canada, and which operate in every country, there are special reasons moving the Canadian electorate in this direction. Canada had no New Deal during the 1930's. Mr. Bennett, the Conservative Prime Minister from 1930 to 1935, had attempted some economic reforms after the Price Spreads investigation had shown sweat-shop conditions to exist in many industries, and immediately before the General Election of 1935, when he was defeated, Mr. King came to office, and immediately referred Mr. Bennett's reform legislation to the courts, which declared it to be *ultra vires*. Mr. King appointed another Royal Commission to see what must be done to the constitution. He used no court-packing threat; nor could he, for the British Privy Council is Canada's final court of appeal. By the time this report, the Rowell–Sirois Report, was ready, the war had begun. Canadians therefore waited patiently for ten years, under a Conservative and Liberal administration, for remedies that never came and for an end to injustices about which neither party seemed deeply concerned. The state of war at once armed the reactionary forces in the country with the appeal to patriotism and sacrifice as an alternative to social reform, but it did not stop the pressure for change. Indeed, as the strain of war increased the demands for simple justice increased also. The common people wanted some tangible proof that this time their sacrifice would not be in vain.

On July 4, 1940, the British North America Act was amended with the consent of the provinces, enabling Parliament to pass an Unemployment Insurance Act. Subsequently, in the same session, the Act was passed, and came into effect in January, 1941. Under its provisions large and important bodies of labour were excluded. Contributions to the fund by labour and management had a two-fold objective: first, to build up a fund from which unemployment benefits could be paid, and, secondly, to drain off some purchasing power as an aid to the prevention of inflation, but the danger of inflation forced the Canadian Government to take other steps to prevent it: wages were frozen, often at levels which, because of the lack of reforms and the weakness of labour organization in the 1930's, were extremely low in many areas. Procedure for the review of low wage levels is weighted against the workers. This has caused discontent and persuaded many unorganized workers to join trades unions. The Government's policy towards labour has been unsatisfactory. When, to gain

labour support at the start of the war, the Government urged all employers to accept the principle of collective bargaining, no legal penalties were provided against those who refused. Hence, in the midst of a war for democracy, Canadian labour has been fighting the most elementary battles for union recognition. In February, 1944, the Government introduced collective bargaining legislation. The United States has had its Wagner Act since the early days of the New Deal. Great Britain has long taken compulsory union recognition for granted. In Canada, however, it was not until the fifth year of the war that collective bargaining was made compulsory. Absence of such legislation in the first four years cost the war effort one-fifth of the total time lost as a result of strikes. Even now there are serious gaps in the Government legislation. Unlike the Wagner Act, and the Saskatchewan legislation, company unions are given place and standing, and under this legislation delays and prolonged negotiations have served to antagonize the workers and postpone legitimate gains. These and other gaps in the collective bargaining legislation should be placed beside other failures of the Government in its war-time relations with labour—the failure to raise sub-standard wages, the failure to organize labour-management co-operation and the failure to give labour representation on the major war boards. In the Province of Ontario other labour legislation has been introduced by a Progressive-Conservative Government, but insufficient to meet the needs of the workers. In 1944 one of the first measures introduced by the new CCF Government of the Province of Saskatchewan dealt comprehensively with labour's right to organize and bargain collectively.

Not only labour has been restive in Canada. The western farmers felt a grievance in the Government's failure to close the gap in prices between the wheat they sell and the goods they must buy—a gap only partly closed by a frightened Liberal Government. And many Canadians are looking with deep concern at the large number of dollar-a-year men at Ottawa who now control Canada's destiny, many of whom have stepped to their Government posts directly from the managerial groups who formerly fought every attempt to restrain their monopolistic activities. The CCF has made good use of the Truman Report upon similar gentry in Washington. Thus, while Canada's war effort shows clearly the greater efficiency and productivity of planning, it shows also the dangers that come with Government controls when these are not supervised by a democratically organized political party. The Canadian Liberal Party, unlike the CCF, which

meets regularly in convention under its democratic constitution, has not held a national convention for the formulation of policy or the election of officers since 1919.

The CCF has set itself to eradicate these defects in Canadian democracy. It fully recognizes that the common danger from world fascism requires full co-operation in the war effort. On this point there is no dispute. But the most democratic war effort is the strongest one, and the CCF contends that the chief obstacles to a more effective contribution by Canada today lie precisely in these undemocratic factors which impair both production and morale. Its own policy with regard to the war has evolved with changing circumstances, but has remained fixed in principle. Its Regina Manifesto committed it to support for the League of Nations; at no time has it pretended that Canada could live by herself alone. However, as the Great Powers, including Great Britain under the Tories, deserted the League, it felt that there was no truly anti-fascist policy in Europe, and consequently it urged that Canada's participation in 1939 should be in the form of full and immediate economic aid to Britain and France and the undertaking by Canada of the defence of the considerable territories of Britain and France adjacent to North America. This was in line with previous decisions approving sanctions against Italy in 1936, urging economic aid to China and the Spanish Loyalists, and denouncing Canada's shipment of war materials to Japan. The CCF is also the only party in Canada which favours Canada's membership in the Pan-American Union, which it views as in no way incompatible with her membership in the British Commonwealth.

As the war has developed into a single world-wide struggle against Nazism, however, the emphasis in the CCF has been placed on the democratic nature of the war; on greater equality of sacrifice, on more complete national planning free from the restricting influence of private interests, and on the need to begin at once the creation of the new social order towards which the war effort should be directed. In particular the CCF has urged, in view of its general philosophy and of the differences between French and English Canadians on the question of conscription for overseas service, that conscription of human power must be accompanied by a full mobilization of accumulated private wealth and of all war industries. It believes that private fortunes should be at least as strictly utilized and conscripted as human lives. And during this war, as before it began, the CCF has stressed the importance of Canada assuming her rightful place as a responsible State in world affairs, so that she may exercise her right of choice and

make her individual contribution to the common counsels of the United Nations. Canadian Governments in the past have too slavishly followed policies of the British Conservative Party that were neither good for Canada nor for the world at large.

These general lines of action have appealed to an increasing number of Canadians in recent years. Most encouraging, from the CCF point of view, has been the response of organized labour. There has been some affiliation of Trades Unions. The Trades and Labour Congress, composed chiefly of the A.F. of L. unions, is, like its American counterpart, officially neutral in politics, but the Canadian Congress of Labour, containing the main industrial unions, has officially recognized the CCF as the political arm of labour. Among many of the leaders of the Trades and Labour Congress unions there is warm sympathy, if not active support for the CCF.

It will be difficult for any third-party movement in Canada to become a major party unless it receives a wide degree of support from the French-speaking Canadians. Under the Canadian constitution Quebec is guaranteed sixty-five seats in the House of Commons, and the representation from the other provinces is fixed in proportion. One quarter of the Senate is nominated from Quebec. It would also be difficult for a Canadian Cabinet to survive without Quebec members. For decades the French-Canadians have supported the Liberal Party. After the 1940 general election Mr. King held sixty-four out of Quebec's sixty-five seats.

But Mr. King is no longer the popular leader of former years. His doughty lieutenant, Ernest Lapointe, a French-Canadian who was almost a second Prime Minister, died early in 1941. The question of conscription for service abroad has once again driven a wedge into the Liberal ranks, tending to separate the French from the English wings. In the Quebec provincial election of August, 1944, the Liberal Party was swept from office. The CCF policy of conscription of wealth as well as man-power has some appeal in Quebec, since if conscription must come the French do not want to see English-Canadian and American capital remaining in its present dominant position in their province. The CCF policy of nationalizing monopolies seems to be the only one which will enable Quebec to regain control of the resources which are now mostly in non-French hands, and the early antagonism to the CCF of some sections of the Catholic clergy has been very much reduced. These factors are combining to awaken Quebec's interest in the new party. Many French-Canadians are coming to see that racial co-operation on new and more democratic lines

might well give Canada greater unity than she has ever known before.

Meanwhile, a group of Nationalists in Quebec are fishing in troubled waters, hoping to build an extreme racial movement that would capitalize on Quebec's isolation. On this road Quebec's future is narrow and dark; on the CCF road there would be a realistic form of economic and social collaboration both during and after the war.

The CCF has grown in prestige because it represents the aspirations of the Canadian people. Liberal and Conservative Governments have been tardy, and even negligent, in remedying those social and economic conditions which make discontent inevitable. Canadians, however, are not imbued with any spirit of class hatred. They desire intelligent evolutionary progress. Their efforts during the war for greater production and for social and economic reform have demonstrated their ability to secure results when they act together in a common cause. This explains the progress made by the CCF, which has achieved phenomenal nation-wide support in a comparatively short time. Once the war is over, many Canadians are determined that their country shall provide abundant opportunities for the good life for all our citizens.

Looking at what Canada has done in the present war, Canadians are confident they can do as well in peace, provided that the world moves forward too. Leaders of progressive thought in the United States, the most wealthy nation in the world, must find the ways and means to join with, and indeed lead, the democratic and progressive forces of the world. It seems to me that if the United States fails in this, then the United States, perchance North America, may become the lonely, isolated, tariff-barricaded and last remaining citadel of an outworn economic system. In 1776 the United States led the progressive forces of mankind. Because of it America had the sympathy and warm support of many across the seas. From the American example there sprang the political revolutions in France, Great Britain and in many other lands. Now millions of workers, farmers, peasants and plain people seek to make real the political democracy they have by achieving the economic democracy they lack. For, unless mankind achieves both, the fight for the Four Freedoms will have been in vain.

CHAPTER THREE

THE CONSCRIPTION CONTROVERSY

WHEN THE present war began, the CCF urged that a thorough survey of Canadian resources in material and man-power should be made in order that Canada might take its proper place in the great struggle confronting the civilized world.

On September 11, 1939, the CCF demanded that compulsory mobilization of industry and wealth should be a condition precedent to the compulsory mobilization of Canada's human resources. Mr. Howe, the Minister of Supply, on the following day informed the House of Commons that industrialists to whom the Government had offered certain defence contracts had refused to accept them with the profit limitation of 5 per cent laid down by statute, and that a few days before Germany attacked Poland the Government had found it necessary to set this statute aside by Order-in-Council. Ever since that time powerful industrial and financial interests have greatly increased their influence and power in Canada. Government supporters point to the Excess Profits and increased corporation taxes in their attempt to justify the situation.

But under the necessities of war and Mr. King's economic policies, supported by all parties except the CCF, giant monopolies have strengthened their control of Canada's resources, endangering the future of democracy in Canada. They and their political apologists talk vainly about so-called free enterprise when the policies they support are destroying opportunities for any sort of economic freedom for the masses of the Canadian people.

The CCF stands for the freedom of men and women secure in their right to exercise their abilities and to contribute to the welfare of society in the fields where their individual gifts direct them. This alone is true freedom of enterprise. What the exponents of so-called free enterprise are really advocating is non-interference with corporation privileges and corporation enterprise, a very different matter, the effect of which is to destroy freedom among the Canadian people.

Canada needed immediately a new and comprehensive policy; a policy which would utilize every resource for victory, would plan war production with a view to achieving the greatest possible output without any regard for private interests, and which would

provide a minimum standard of living and scheme of social security for all Canadians and would inspire them with a vision of the new world for which they are fighting this war.

What does the CCF mean when it speaks of the conscription of industry and wealth? The question has been asked honestly by people who really want to know the concrete proposals intended by this policy. But in some cases the question has been asked by agencies which know perfectly well what is meant and which are trying to belittle the policy by confusing the simple issue with which it deals. It is significant that in almost every one of the many editorials written by newspapers on the subject, they said first, that they did not know what conscription of wealth meant—and then immediately went on to state that wealth had already been conscripted. They did not know what it meant, but it had already been done!

Our proposals were not exhaustive; they were the main immediate steps which, in the view of the CCF, were essential to an all-out war effort and to any policy approaching equality of sacrifice. They were as follows:

1. Nationalization of financial institutions so that, without inflation or accumulating debt, we can finance our war effort.
2. Compulsory interest-free loans, levied according to ability to contribute, as one of the means of war financing.
3. Government ownership or complete control of all essential war industries, so that every plant could take its place as a unit in a comprehensive national plan of war production.
4. Replacing all dollar-a-year men by full-time national administrators paid only by the State and working in conjunction with war boards on which labour and farm organizations were properly represented.
5. Effective Excess Profits and Capital Gains Taxes.
6. The establishment of a fair maximum and minimum income; a steeply graduated tax on incomes between the minimum and maximum and a 100 per cent. tax on all incomes above the maximum.

These proposals were complementary one to the other and should be regarded as parts of one whole plan. In our view this was the only way in which Canada could, for itself, achieve the three simple objectives which the Honourable Walter Nash, Minister of Finance in the New Zealand Labour Government, placed before the Select Committee on Reconstruction and Re-establishment of the Canadian House of Commons. He

emphasized three things: (1) that no one who goes away from his country to fight ought to be worse off because he goes away to fight; (2) that nobody ought to be better off because he stayed at home; and (3) that no one in the present world situation should at any time expect to profit from the supply of the essential things associated with war.

Several of the six proposals are important enough to justify some discussion of their implications.

The first deals with the nationalization of the chartered banks. The CCF has always insisted that the financial system should be publicly owned. One of the first controls which the Government found it necessary to impose in this war was the control of foreign exchange. Banks are instruments of financial and investment policy. It is absurd to leave any portion of this policy in private hands during a crisis such as the present war. The CCF was not referring to the profits made by the banks, although the nine chartered banks in 1941 recorded a total profit of over $13,000,000. The more important thing is the control of policy, which should be exclusively in the hands of the Government. Only in this way would Canada be able to pursue a monetary policy which would be in harmony with the needs of war production and investment. In this way, too, Canadians would have the full information about the monetary situation which is necessary for an intelligent policy. Furthermore, that part of war financing which stems from bank credit could be achieved through a public general banking system without the otherwise unavoidable burden of debt falling on future generations.

But there is one additional reason why the public ownership of the chartered banks and Government control of financial and investment policy are a great necessity at the present time. Everyone is aware of the important part which these factors played in the pre-war years; they will be equally crucial in the reconstruction after the war. It will be necessary for the country as a whole collectively to control and direct investment and to finance huge schemes of public works. Some time ago Prime Minister King correctly stated in a public address that unless we lay the foundation for the new world during the war, we may look for it in vain. The Right Honourable gentleman was right —but he, who alone had the full power to do so, did not act.

The CCF also replied to those who raised the bogey that such a step would disrupt Canada's war effort. Banks don't produce anything. They couldn't produce a contraption which would shoot a pea at Hitler, let alone a gun, a tank or a plane. They can, however, harm our war effort by anti-social policies.

The second proposal was that when it became necessary for the State to borrow money from individuals and corporations, it should be done as far as possible by means of interest-free loans, to be levied on a graduated scale according to ability to subscribe.

This is of crucial importance. During the twenty years between the two wars the public treasury paid millions of dollars in interest charges. The annual net debt charges of the Dominion grew from $12,213,000 in 1913 to $152,488,000 in 1921, an increase of more than 1200 per cent, as a result of the loans made in the last war. The loans which we have made in this war are already tremendously larger than those of the last war, and we are not finished yet. What will this mean when the war has been won? The same thing it meant in the past. Public Works programmes, social services, the needs of our people for education, for houses, for insurance against ill-health and old age—all will suffer because the cry will be raised that contractual obligations are sacred and, consequently, a large share of the national revenue must be paid out in interest.

This is immoral. Do we promise interest in perpetuity to our young men whom we send to give their lives for the country and for the cause of freedom?

There was a bogey in connection with this proposal for interest-free loans which had to be laid immediately. Is the CCF, we have been asked, threatening to take the savings of the poor widows and orphans? I wish many of them had savings, and I am certain they would be among the first to offer them to Canada's cause in this war. No, the CCF is threatening no such thing. The CCF said that the compulsory interest-free loans should be levied on a graduated scale according to ability to subscribe. Those small savings of individuals which are meant for a rainy day, for possible ill-health or similar needs, would be exempt. Then we were asked about the subscriptions of such institutions as insurance companies whose earnings are widely distributed among small policy-holders. Every Canadian would gladly forgo the small sum which he receives in dividends on his policy each year if, by so doing, he could be guaranteed social insurance against unemployment, bad housing and chaos after the war. And this is precisely what, in part, the elimination of large interest payments on war loans would mean.

The third proposal made by the CCF called either for Government ownership or, where that was not feasible, complete Government control of all war industry. Tied in directly with this was the next proposal that dollar-a-year men should be replaced by

national administrators paid exclusively by the State, and that labour and farm organizations be given a proper share in the control of war production.

Production is still our main job in this war. Upon Canada's success in this field depends its contribution to victory. On many previous occasions the CCF has pointed out the shortcomings in Canadian war production and the utter lack of over-all planning.

In fact, it is true to say that the Department of Munitions and Supply, up to 1942 at least, was merely a procurement department. It sought to fill orders requisitioned by Canada's own service departments or by those of our allies. There was no evidence of a comprehensive plan to expand our war production to the maximum of our resources and without affecting the health, efficiency and morale of our people.

" Cost plus " contracts were entered into. There were several hundred such contracts. Private business was allowed to bargain, to haggle, to hinder necessary expansion, to continue to produce luxury articles requiring indispensable war materials, to influence our whole production policy by competitive considerations.

Only in 1942 did Canada stop the production of pleasure automobiles, and it is not very much longer since we stopped the production of other luxury articles, such as radios and refrigerators. In 1942, as a result, Canada was short of steel and other materials which went into the manufacture of these articles during more than two years after the war began. In fact, the years 1940 and 1941 were banner years for the automobile industry. Yet they were years during which France fell and Britain was on the brink of defeat; years during which the war became a world conflict and the cause of freedom became more and more dependent on the contribution of this continent.

Most of the evils of the first two years have been corrected through the pressure of events. But I have said enough to show that Canada still has far too much business-as-usual, still far too much tenderness towards private interests, still no plan based on a full inventory of its resources. In war, at least, such resources must belong to the people, to the nation, to the Allied cause. Private interests must not stand in the way of the national objective of victory.

It is a simple statement of fact that Canada's conversion to war production was slow and tardy; that it was impeded by considerations of the competitive position of private monopolies both now and after the war; that private business has been and still is allowed to control the effort within wide limits; that we

have not had any comprehensive plan of war production based on the compulsory selective use of all our resources.

Therefore, the CCF demanded that all war industry should be fully conscripted. The difficulty of acquiring public ownership of many Canadian industries without interrupting production was recognized, and the CCF was in full agreement that production must not be interrupted. But it was possible, without any difficulty, to say to private industry that for the duration of the war its policies, its plant, its management would be completely in the control of the Government, precisely in the same way as the Government has said without hesitation to the men and women of Canada that certain of them must place their lives at the service of the country, that others must for the duration of the war work where they are told at a wage which may not be increased.

Another reason why the governmental economic controls have not worked with total satisfaction is that they have been in the hands of men who exclusively represent big business and continue to draw their salary and incomes from the corporations in which they have an interest. It is an accepted principle, though sometimes evaded in practice, that Ministers of the Crown should sever whatever connections they may have had with private corporations. Yet our dollar-a-year men have almost as much legal power and a great deal more actual power than members of the Cabinet. Even if all big industrialists and financiers were angels, they would still be the victims of divided loyalties and the pressures of long-established ties and habits.

Therefore the CCF asked that dollar-a-year men should be replaced by administrators employed by the State at a salary, and forbidden to receive any remuneration from private corporations. Only in this way could our controllers and administrators be expected to have only one loyalty—victory in this war and fundamental reconstruction afterwards.

On this question of production and control it was absolutely essential that labour and farm organizations be properly represented on all war boards. This is a war for democracy. It should be conducted by the methods of democracy. The workers have no axe to grind other than the one needed to destroy Hitler and Hitlerism. Their zeal, their intelligence, their daily experience should have been harnessed through giving them a share in the responsibility of planning and controlling production. In this way greater efficiency could have been achieved, a feeling of confidence, self-respect and responsibility instilled in our people and a measure of democracy introduced into our war effort. Ernest Bevin has wisely said in *The Balance Sheet of the Future*:

"This task of winning the war means you have to call for the utmost ingenuity you can get from the people, for every ounce of ability they have, for the willingness and courage to take decisions, to make them indifferent to enemy action and carry on. I do not believe you can do that with orders from the top."

The CCF has been credited with forcing the Government to impose an Excess Profits Tax early in the war. The excess profits were to be 100 per cent above profits made by industry in the base period 1936-1939. Industries that were depressed or new might appeal to a Board to establish a satisfactory base. Obviously the industries that were comparatively prosperous, as were those engaged in the provision of raw material for world rearmament such as nickel and aluminium, were not dissatisfied with this base. They could do and have done very well. But because of dissatisfaction the Government has from time to time made valuable concessions to oil and mining companies in regard to income-tax rebates, and for the past three years has credited 20 per cent of the excess profits tax to be returned unconditionally after the war. But by far the most important gains have been made in capital equipment. By special and accelerated depreciation many corporations and companies have acquired valuable properties and machines. These capital gains amount to hundreds of millions of dollars, and have not been taxed, though in subsequent years, when income and other taxes may be lower, their earnings on the new capital equipment MAY be taxed. Because of this the CCF has urged the imposition of a Capital Gains Tax.

Because of the sacrifices made by the men and women engaged in the combat services, the CCF has also proposed a ceiling on high incomes. President Roosevelt suggested a ceiling for personal income in the United States of $25,000. If Canada based her ceiling on that suggestion, having regard to the relative income levels of the two countries the Canadian ceiling should be in the neighbourhood of $15,000. All income below that figure would be taxed according to the normal graduated scale, all above that amount would be forfeited. Since a large section of the population is in receipt of monies below the level required to maintain a proper standard of health and efficiency, minimum wages should be adopted also. Neither of these proposals has been given serious consideration by the Government, but they are clearly involved both in CCF proposals for conscription of wealth and for equality of sacrifice. As war measures they would assist in promoting that national unity so essential to the success of a great national cause.

Shortly after the fall of France, wide powers were given to

the Mackenzie King Government by the National Resources Mobilization Act. After more than four years this Act was used mainly to regiment labour, to freeze agriculture and to conscript man-power for home defence—but was not used to impose equal sacrifice on the privileged and to harness industry and wealth to an all-out effort according to a national war-production plan and without strengthening the hold of private monopoly over the life of Canada.

It was the view of the CCF that political considerations distorted the issues before the people and unnecessarily divided our country. No section of the Canadian people, neither English- nor French-speaking, had been told in clear and definite terms what Canadians are fighting for; what the needs of the war are.

Since July, 1942, unreal and partisan political discussion has unfortunately made the question of conscription for overseas service the main issue. For some English-speaking Canadians it became the symbol of total war; for most Canadians of French descent it became the symbol of a surviving colonialism and an effort at domination to which they object. Thus, when unity in Canada was a matter of life and death, we were rent by dissension and ill-will. More than that, not only the war but the post-war period was threatened by this disunity.

A large share of the responsibility for the dissension rested squarely on the shoulders of the Government. In time of acute crisis, Prime Minister King pursued his well-known technique of procrastination, in the hope that time would solve problems that cried out for immediate solution. The result was confusion and distrust instead of understanding and confidence.

Even in the debate concerning the repeal of Section Three of the Mobilization Act providing limitation of service overseas, the issue was confused by the Government. The people were told that the amendment did not introduce conscription, but merely freed the Government's hands.

This amendment followed a plebiscite taken in April, 1942, on the question of whether or not Parliament should be released from the pledge given by all political parties in the General Election of 1940 that conscription for overseas service would not be adopted. English-speaking Canada had voted overwhelmingly in the affirmative, but Quebec had voted "No" even more overwhelmingly.

After a lengthy and bitter debate the amendment removed every restriction from the use of drafted men by the Government. By Order-in-Council the Cabinet would be free to impose overseas service upon conscripted men at any time without further

reference to Parliament. In spite of this, and in order to placate his French-speaking critics, the Prime Minister announced shortly before the debate ended that if the Government found it necessary to use the new powers and passed the Order-in-Council compelling overseas service he would not put it into effect without first securing a vote of confidence from Parliament.

I rose immediately and criticized the Government for refusing to take the responsibility which properly belonged to it. I drew the attention of Parliament to the undemocratic procedure of giving a Government power to impose by decree a policy whose terms and conditions should be scrutinized by the House of Commons. I warned the House that the Government was procrastinating and inviting prolonged controversy in the country and future bitterness among our people. I concluded by saying:

"What should this House do? In our opinion, this House should decide now, at once, without further delay, for total mobilization of industry, of wealth and of man-power. But what are we doing under this Bill that we are discussing? We are merely allowing the Government once more to postpone its decision on one phase of mobilization that I have mentioned, and that not the most important. This, it seems to me, is distinctly an abdication of the responsibility of this Parliament; it is undemocratic, it is unworthy of our tradition. This is the place where these grave decisions should be taken; this is the place where the policy should be laid down; this is the place where every regulation to be used under that policy should be carefully scrutinized by members of this House.

"I know it was suggested recently that the Government should not act finally under the powers it now seeks until it makes further reference of its policy to this Parliament. Then why this debate? Why this debate which has engendered across this country a great deal of bitterness, a great deal of unnecessary bitterness, sowing seeds, perhaps, of further bitterness? Let us do what it is necessary to do now, in the light of the circumstances which confront us. . . .

"I want to make it very clear, as I said on June 11th when this measure was under discussion then, that we do not propose to be parties to this kind of political manoeuvring, for such it clearly is. We shall make our protest tonight by casting our vote against this measure. As I have said, we need definite measures placed before this House for the scrutiny of Parliament and for the total mobilization of all our resources now; placed before this Parliament now, while it is in session, and then the guarantee of immediate action following whatever we decide to do. I am sure

that this would inspire our allies, would help to confound our enemies and would give our people that dynamic and that challenge to go forward which they desire."

Nothing was gained and much harm was done by the procrastination of the Government. For who was satisfied by the Government's interpretation of this amendment? No group. Those who wanted conscription for overseas service were incensed by this uncertainty. Those who opposed conscription were also uncertain and uneasy. The net result has been further confusion, further argument and discussion and finally a bitter controversy resulting in the resignation of one Minister of National Defence (Army) because he recommended the despatch of conscripted men overseas; and when the Government and the new Minister overnight reversed the decision to rely on the voluntary system for reinforcements, on November 22, 1944, another Defence Minister (Air) promptly resigned because he opposed the despatch of the conscripted men.

This crisis arose because of very heavy casualties in Italy during the summer of 1944, but more particularly because of unexpectedly heavy casualties in Belgium the October following. That the crisis arose suddenly and almost without warning was particularly apparent to two of my colleagues and myself, who had visited France and Belgium in late September and early October. There I was assured by the highest authorities that reinforcements were adequate at that time. Had we visited Italy it is certain that we should not have received a similar assurance. It is possible that the Allied commanders in north-west Europe believed that their rapid advance would continue and that Germany would be brought to surrender without undue loss of time or personnel. The stubborn resistance of the Nazis along the Scheldt, heavy casualties there and in Italy, evidently changed the picture. Suddenly towards the end of October the Minister of National Defence (Army), Col. J. L. Ralston, returned from the battle-fronts and reported that an acute situation demanding the sending of conscripted men as reinforcements would develop early in the new year. The Government refused to accept his recommendation, and he resigned. General McNaughton, the former Commander of the Canadian Army overseas and a soldier with a fine reputation and record, assured the Prime Minister that the voluntary system would suffice and that he was prepared to accept the invitation which the Prime Minister tendered him to assume the responsibilities of the Defence Department.

Meantime, the Tory Press and Party inflamed public opinion against the Government and the Home Defence Army, which

they nicknamed " Zombies ". No one outside the Cabinet, the former Minister of National Defence and the General Staff knew what the real situation was. As leader of the CCF I demanded the summoning of Parliament. At first the Prime Minister was reported to have said there was no necessity for Parliament to meet. However, on November 12th the Prime Minister announced that the House of Commons would assemble on November 22nd.

We met, and decided that although the new Minister, General McNaughton, was not a member of the House, he might make a statement to Parliament and be submitted to questions by the members. But the Conservatives wanted none of this. They believed they had a political issue to retrieve their fallen fortunes. They demanded that the conscripted men should be sent overseas forthwith. When the House met, the Prime Minister read an Order-in-Council which astounded Parliament and country. Overnight the Government had reversed its policy of voluntary enlistment and provided for the sending of conscripted men overseas. The Minister of Defence then made his statement, but in answer to questions regarding expected casualties replied that he would be prepared to give them in private session, but could not do so publicly, since the enemy Intelligence might be able to deduce future plans of our army and those of our Allies from them. The Tories opposed a secret session. They did not want evidence; they wanted power at any price.

After two days of interrogation the House opened debate on Monday, November 27th, on a Government motion of confidence which read, " This House will aid the Government in its policy of maintaining a vigorous war effort ". The Prime Minister spoke at length defending the Government policy. He was subjected to a sharp attack by the Conservative leader of the Opposition (Mr. Graydon), who moved an amendment for the immediate despatch of conscripted men overseas. I followed. I reminded the House that the question was not conscription but the necessity of using conscripted men as reinforcements overseas. I criticized the Government for its man-power policy throughout the war. I pointed out that we had reached the stage at which we found ourselves in 1917, when conscription was imposed at a time when agriculture and industry were faced with man-power shortages. I said that the evidence clearly showed that trained reinforcements could not be provided in sufficient time or numbers without sending the conscripted men overseas.

I added, " Let us be frank about it; all parties in this House repudiated conscription of men for overseas service in 1940. There were no exceptions. Now the support we owe our gallant

men in the firing line demands immediate reinforcements. Whatever that support entails must be undertaken."

I then moved a sub-amendment striking out the substance of the Tory amendment and adding the following words to the motion:

> which in the opinion of this House requires the immediate removal of all distinctions between drafted and volunteer personnel, thus making the entire Home Defence Army available for reinforcements overseas, and requires further the total mobilization of all the resources of Canada, material and financial as well as human, to ensure a total war effort, adequate re-establishment of the members of our fighting forces, and full employment after the war.

This stated the CCF policy which we had moved in every session of Parliament since 1941, but with this difference, that we did not make the sending overseas of conscripted men conditional upon the conscription of industry and wealth. We were faced with a grave decision, and we made it according to the necessities of a situation which we had foreseen as a possibility from 1941, but which was not of our making. As realists, we could not do otherwise under the circumstances.

The argument went on, and the Government decided that a secret session must be held in order to place the situation fully before Parliament. Again the Tories opposed the proposal, but the session was held, and the evidence presented confirmed the necessity of the despatch of the trained Home Defence Army overseas. Leading opponents of the secret session told me subsequently that they were glad it had been held and admitted that vital information submitted there could not have been divulged publicly.

In the debate I expressed a view held by many people when I said of the Progressive-Conservative Party, "Their own irresponsibility during the controversy makes it impossible for the House or the country to place any confidence in their intentions or ability. Personally I think theirs has been a really shocking display of political manoeuvring. . . . Some of their highly placed friends and a section of the Press supporting them have done their best to inflame sectional differences and hatreds. Some of their pleas for support of the splendid and brave men who are serving this country on land, in the air, and on the sea have to me a hollow sound. They and their friends said the same things after the last war, but when the war was over how did they treat the boys who

came back? They were in power, too, from 1930 to 1935. How did they treat the thousands of boys, the men who are fighting this country's battles today?

" Seven weeks ago tomorrow two of my colleagues and I visited the Canadian cemetery at Dieppe. There, on a pleasant slope looking towards the setting sun, we saw hundreds of white crosses row on row. The place was beautifully kept, but not all of the crosses had yet been lettered. I knew that some of the boys whom I had known and taught had found their last resting-place in that foreign field. We walked up and down the rows reading the names, and I noted this. They lay together there irrespective of race, tongue or creed. Here was a boy whose name told of his British origin, while next was a lad whose name was of French or Ukrainian or even of German origin. There were many, many names, Mr. Speaker, that told me the boys that lay there came from the Province of Quebec; many, many names of boys from my prairie province and other parts of Canada; and of course I was particularly interested in the names of those who perished in the South Saskatchewan Regiment and in the Winnipeg Rifles. I knew that among them were boys who had probably been condemned to the relief camps and had ridden the rods. Some perhaps, in their bitter hunger and distress, had joined the trek to Ottawa in 1935, when my honourable friends of the Conservative Party were in power. Then they asked for the right to live, the right to earn their daily bread, and the Government of my honourable friends gave them tear-gas bombs. Thus, knowing the record of the Conservative Party, I assess their present pleas, and I rather think the country and our fighting men and women will assess them too."

Our sub-amendment was ruled out of order by the Speaker. At the close of the long debate, having failed to force a vote on the CCF proposal, not being able to support the Tory amendment for obvious reasons, or amendments opposing the sending of men overseas moved by French-speaking members, or indeed to support the Government's policy as presented throughout the war, I moved an amendment to the main motion calling for the deletion of the words "its policy of". To my surprise, the Government accepted the amendment. Thus the motion became a pledge merely to "aid the Government in maintaining a vigorous war effort". It was no longer a vote of confidence in the policy of the Government. The House carried it by an overwhelming majority, the Progressive-Conservatives and the French anti-conscriptionists alone opposing it. Blind partisanship of die-hard Tories made strange bedfellows.

We must not forget, however, that despite this controversy Canada's war effort has been one of which the country can be proud. Had we mobilized all our resources at the beginning and on the basis of equality of sacrifice, we could have done better. The CCF contended that if we compel our men to place their lives at the disposal of the country in war, then we should demand that industry and wealth should be placed on the same altar at the same time and on the same terms. Canada, with a population of 11,500,000, has raised over 1,000,000 men and women for the army, navy and air force during the war. This in addition to a tremendous war production programme to which references are made in other chapters.

But why was the controversy regarding the despatch of conscripted men overseas so bitter? Why did the French-speaking Canadians oppose the policy so resolutely?

The significant thing we had to face was that the controversy over the narrow issue before the House had deeply rooted causes —causes much deeper than the mere question of conscription for overseas.

The divisions in Canada today are due to twenty-five years of political manoeuvring and half-truths; to the fact that throughout this period—in war as well as in peace—Canada has never pursued a foreign policy based on independent thought and judgment, as befits a sovereign country. They arose from the fact that at no time had the Government made clear to the people that we were in this war for Canada's own survival and that we intended to play our proper part in the conduct of the war jointly with all other United Nations, and not to be merely the appendix of any stronger Power. They arose also from the fact that Mr. King never stated clearly and unequivocally that, as far as Canada was concerned, and as far as free peoples everywhere are concerned, this was not an imperialist war, which unfortunately many of our French-speaking compatriots believe it to be, but that, on the contrary, Canada stood for, and will, when peace comes, fight for, the freedom of all subject peoples, whether it be in India, Asia, Africa, Europe or elsewhere. We should state clearly our determination, in the words of the Vice-President of the United States, that " No nation will have the God-given right to exploit other nations . . . [that] there must be neither military nor economic imperialism".

Had the Government taken steps to inform the Canadian people of the issues at stake it is likely that the threat to national unity could have been avoided. The Tory Party, and the Press which supported it, made no attempt to heal the breach which

existed between French-speaking and English-speaking Canada. For more than a quarter of a century it had been completely out of touch with French-speaking opinion. Many of its supporters retained their power by inflaming racial and religious prejudices. Singularly, this party, which professes ultra-Imperialism in the English-speaking provinces, consorts from time to time with ultra-nationalist groups in the Province of Quebec. Even in the midst of the present war, when its national leader, Mr. John Bracken, appeared in the city of Quebec he was acclaimed by supporters of the Union Nationale Party, which had lost power in 1939 when it appealed to the Province for support in opposition to the war effort proposed by the Federal Government.

These were the real causes of the differences existing in Canada. If we were to achieve unity both for an effective war effort and for successful reconstruction afterwards, we should have introduced a new and dynamic policy. Conscription for overseas service *alone* did not meet the requirements of our contribution, nor has mere opposition to conscription served the cause of unity and freedom.

Every experience of this war—Canada's successes as well as her reverses—has underlined the correctness and far-sightedness of the position which the CCF took in this regard at the beginning of the war. In view of our small population, our industrial and agricultural resources and the comparative safety of our resources from destruction by the enemy, it has always been clear that Canada's vital contribution in this war must be the supplying of implements of war and of foodstuffs. This was not suggesting that Canada should not make her proper contribution in manpower to meet the enemy wherever it became strategically important to fight him. On the contrary, the CCF was convinced that Canada should make her proper contribution on the battle-front in the same way as on the industrial front. But the CCF condemned as thoughtless and irresponsible demagogues those people who spoke of this war only or mainly in terms of soldiers and more soldiers. The CCF laid it down as an axiom for Canada that any policy which would tend to increase our fighting services at the expense of our industrial effort, at the cost of reducing our production of war materials, would be a wrong policy.

CHAPTER FOUR

A FOREIGN POLICY FOR A MIDDLE POWER

THE CRUCIAL question of our time is whether we are to witness another great depression and another great war. These two are really inseparable, for experience has shown us that economic depression creates the conditions of fear, insecurity and privation on which war flourishes. Depression is the surest road to World War III, just as prosperity is the surest road to peace.

On the answer to that crucial question may well hang the fate of our civilization. Lord Bryce summed it up neatly when he said, " If we do not end war, war will end us".

A realistic foreign policy for the Canadian people must take account of the kind of world in which we find ourselves; the interdependent, swiftly changing, social-minded world of today.

Few Canadians can be found now who will deny that, for better or worse, Canada has been drawn into the vortex of international affairs. For numerous ties—cultural, political and economic—bind Canada to the world community of nations. In this modern world, isolationism is not a policy at all, either good or bad, but a myth.

Two devastating world wars in a single generation have convinced the most reluctant Canadians that aggression anywhere in the world is a threat to Canada itself. We know that China's peril in 1931 was our peril too; that the craven assault upon Ethiopia in 1935 was an attack upon the community of nations of which we are a member; that the destruction of democracy in Spain in 1936 menaced freedom in every quarter of the globe; that by the Munich Agreement we betrayed ourselves as much as we betrayed the gallant people of Czechoslovakia.

The very nature of the modern world renders it impossible for Canada to insulate herself against the repercussions of world events or the impact of war. When James Watt invented the steam engine, and Marconi the wireless, they set in motion forces which shattered the world of yesterday, and thrust us forth into a new world in which nations can no more live unto themselves alone than can individuals.

No longer are famine in India, revolution in South America and agrarian depression in the Balkans matters of remote concern in the lives of Canadians. The effects of these events are speedily felt right here at home; tariff policies abroad throw Canadians out of work; planned marketing policies in Central Europe

stimulate Canadian trade; war in Asia cuts us off from strategic raw materials; new methods of warfare bring Canada into imminent danger of invasion.

The Moscow, Cairo, Teheran, Crimea and United Nations Conferences hold forth the promise of peace—but much must be done to translate their general principles into working realities. The Four-Power Moscow Conference foreshadowed " the necessity of establishing at the earliest practicable date a general international organization based on the principle of the sovereign equality of all peace-loving states, and open membership to all such states, for the maintenance of international peace and security". The later Conference of Teheran confirmed in general words this need for international organization. The Crimea Conference made this a reality when it decided on the United Nations Conference at San Francisco.

Any organization is foredoomed to failure unless it rests upon a substratum of social and economic justice. That entails not merely economic collaboration among nations, in trade, exchange, investment, shipping and economic planning within nations for the full utilization of human and material resources; but also the full democratic co-operation of all nations, big and small.

In speeches, and through action, the idea is gaining ground that the maintenance of peace can be safely left to the care of the major Allied Powers. Recent events reinforce the fear that we may be left with a system of military alliances among the four major Powers, rather than a system of world-wide collective security.

Canadians are fully aware of their stake in world peace. Twice in twenty-five years their sons have crossed the seas to fight against large-scale aggression aimed at world domination. We are prepared today to invest heavily in world peace, so that we may not have to pay the terrible price of another war in the years to come.

Canada's geographic position, her rich mineral, forest and agricultural resources, and her world-wide foreign trade, draw her into the centre of international affairs. Canada's relations with Great Britain on the one hand, and with the United States on the other, make her an indispensable cog in any effective machinery for peace. Nor do we overlook for a moment our vigorous, friendly northern neighbour, the Soviet Union. Canada must be a meeting-place for the waters of international concord.

Will the twenty years to come be another armistice between wars, or will the nations come together in creative common pursuits?

World War III, if it comes, may well blot out the normal and physical basis of our civilization, and usher in an age of anarchy. The rocket bombs, and the power locked up in the atom, hold a threat of instant death to millions. As Air-Marshal Bishop, of the Royal Canadian Air Force, has put it in a new book, we have a sharp choice to make, the choice between Winged Peace or Winged Death.

The draft proposals of Dumbarton Oaks are far from perfect; if we don't ask for more now we betray the cause. In a well-ordered, peaceful world, no nation, however great, would be above the law, a self-regarding unit, judging its own cause. All nations, great or small, would be capable of being haled before the bar of world opinion, resisted in any unjust acts against a neighbour State, and punished, if need be, by the world community of nations. Nevertheless, Dumbarton Oaks is another milestone on the way to lasting peace.

Dumbarton Oaks is not perfect because it is the reflection of an imperfect world. The proposals made there must be regarded simply as a down payment on peace, and the nations must be expected to keep up the other payments. It would be madness to sap the foundations already laid, and tear down the structure already erected because it is not the finished mansion of peace.

Canada is a leader among the secondary nations, a middle Power. In economic sanctions against an aggressor, or in the actual despatch of armed assistance, she is a factor of importance. Canada, and peace-loving nations of her stature, should be given greater authority on the proposed Security Council.

Under the Dumbarton Oaks proposals Canada might be directed to sever trading relations with, or supply armed forces to fight against, some future aggressor, without having had the opportunity of participating in the decision reached. Lesser States, with little trade, and no armed help, have as great an influence as the strong secondary States.

For two good reasons the stronger nations should be better represented on the Security Council. In the first place, the Security Council must have immediate and adequate forces at its disposal, and it will lack such decisive force unless nations are represented in accordance with the contribution they will be called upon to make to world peace.

Secondly, it is important that the strong secondary nations, which will be called upon for vital assistance against an aggressor, should be able to vote on the decision reached. That is a fundamental of responsible government, and the Canadian Government, or that of any other democratic State, has an obligation

to its electorate. We cannot march to fight or sever economic relations on the direction of a Council in which we were denied a voice.

If the Great Powers are to be above the law itself, they must nevertheless be prepared to have any disputes in which they are engaged openly debated and scrutinized in the Assembly of the Nations. World opinion must be given a chance to judge; full publicity must be accorded.

The Dumbarton Oaks agreement must be understood to preclude a world cut into conflicting spheres of influence. The stated premise of the Conference was, "the sovereign equality of all peace-loving States". Whether a nation wishes to swim in the orbit of one Great Power, or that of another, or whether it wishes to be on its own, is a matter for its own people to decide. Big-Power intervention to shape the policies or control the personnel of the Governments of smaller States is contrary to the letter and spirit of Dumbarton Oaks and to the cause of world peace at which it aims.

We are not confronted, then, with the best of all plans in the best of all possible worlds. There are sharp limits to this law-enforcing system. Wars between smaller States may be outlawed, and that is necessary and desirable; such wars have usually been brought to an end when the Great Powers willed peace. But no way has yet been found of policing the policemen.

For this and other reasons special emphasis must be placed upon the proposed Economic and Social Council. We must attack the chronic causes of war. The danger is that this Council will be neglected, an orphan stepchild of the nations.

International peace begins at home. Nations living prosperously and freely organized in their political, social and economic life will never break the peace or spawn Hitlers of their own. If there is an arch-enemy of peace in the world today it is the recurrent menace of mass unemployment, which drives nations to look abroad when they are unable to distribute their wealth at home and their banks are choked with investment funds seeking an outlet.

Nations must turn progressively to full employment and all-out production through the techniques of democratic planning. And in the international sphere there must be corresponding planning, in trade, currency, investment, communications and raw-material allocation, through public agencies responsible to the people. Who can underestimate the dangerous possibilities of oil, for example, if it is not distributed fairly, and publicly, in accordance with national needs?

The Economic and Social Council must foster, co-ordinate and guide the specialized social, economic and humanitarian agencies that must be called into being to handle problems extending far beyond national frontiers.

These agencies, such as the United Nations Relief and Rehabilitation Administration, the International Labour Organization, the food and monetary organizations, and others to come, are stepping-stones to lasting peace. Working together they can relieve the tensions which will otherwise find release in war.

Naked police power cannot create the organic world society in which peace can live. In a changing world, peace is a continuous process. If we push back the frontier in health, nutrition, education and labour standards, all over the world, we shall find that we have, incidentally, built a lasting peace.

The biggest mistake that we can ever make is to underestimate the passionate determination of the enslaved peoples in Europe to bring about basic social and economic changes after the war. The misery they have undergone under the Nazi heel, and their consciousness of the bankruptcy of the old order, lead them to embark upon an entirely new social concept, cleansed of all Fascist taint. To beat Hitler in the shortest time, and with the smallest losses in lives, and to wipe out Fascism throughout Europe and the world, we should give heed to the democratic impulses of the subjugated peoples, not seek to thwart them. Thwart them, and the seeds of future wars are sown.

Let us approach Europe in the spirit of true liberators. Thomas Jefferson, who has rightly been called the father of American democracy, handed down a classic definition of democratic intentions to which we would do well to adhere. He said, "that men are by their constitutions naturally divided into two parties: (1) those who fear and distrust the people and wish to draw all powers from them into the hands of the higher classes; (2) those who identify themselves with the people, have confidence in them, cherish and consider them as the wise depositary of the public interests".

Part of the current attempt to thwart the democratic impulses of the subjugated peoples is no doubt the work of reactionary influences who wish to reincarnate the world of 1939. But part may be attributed to the desire in some quarters that the rule of the major Powers go unchallenged, with few contenders or none. In any case, our clear duty is to assist the liberated territories to regain their standing among the nations, and to insist that their peoples be put in full charge of their destinies.

Domination by the Great Powers will inevitably awaken the

distrust of the smaller nations which have an equal stake in the world comity. Even good government, at the international level as in national affairs, is no substitute for self-government. Nor can the peace be safeguarded by a few Great Powers, acting of themselves alone. Such a system is the direct negation of true collective security.

There is little support in Canada for the idea that the British Commonwealth should be transformed into a power bloc. The Prime Minister has rejected the suggestion, and the CCF has done likewise. The leader of the Progressive-Conservative Party in Canada, insofar as his statements can be interpreted at all, does not appear to favour a Commonwealth power bloc. The Canadian people recognize that such a British bloc would inevitably be pitted against counter-blocs. Canada has no inclination to engage in intricate manoeuvres for maintaining a balance as against the Russians, or the Americans, but looks instead to genuine world-wide collective security.

There is really no question as to the requirements of true collective security. It is founded upon the basic precept, as old as Christianity, that what hurts your neighbour, hurts you. It embodies the conception of nations standing in defence, not just of their own immediate interests, but of an orderly world in which all peoples are free to flourish and live.

So Canada is at war, not because of the specific aggression against Poland, but because no nation is safe in a world in which aggressors are on the rampage. The Nazi attack on Poland was an assault upon the very conception of fair dealing between nations.

That is to say that each nation has a stake in world peace—that the sole means of peace must be found in the collective action of all nations to stamp out aggression—that any international organization must be genuinely representative of all nations, great and small. It was, as a matter of fact, the smaller nations, such as New Zealand and Czechoslovakia, who proved to be the staunchest friends of peace, and the firmest foes of Fascist aggression, in the pre-war years.

No country today can be secure on any basis narrower than that of a world-wide international organization, genuinely democratic in structure. This, of course, is difficult so long as the organization is founded upon States, rather than peoples. But until mankind is ready for a world-wide federation, a workable compromise can be reached in the apportionment of voting power between the large States and the small.

But the solution of our international problems must not depend on a code of international law or an international police force.

Real internationalism will develop, not on the basis of States, but on the common interests of humanity, which are everywhere the same—food, housing, clothing, freedom to think, to speak, to associate, to worship. These in the final analysis are the fundamentals of a new world order of peace and plenty. Hence the World Trade Union Conference which met in London in February, 1945, will be able to perform great services to humanity in these respects when it has established a world-wide organization in which workers of the world can unite.

The United Nations Relief and Rehabilitation Administration may well serve as a model for the general security organization to come. The forty-four United and Associated Nations participating in UNRRA appoint one representative each to the Council, which meets twice a year. This is the policy-making body. It can call into question any action of the Central Committee. It acts by plain majority decision, unlike the International Labour Organization, which requires a two-thirds majority, or the League of Nations, which required unanimity. The Central Committee is composed of the big four, and it controls the appointment of the Executive Officer, the Director-General.

I suggest that UNRRA, in conception at least, is a model worthy of emulation, with this qualification—that one or more representatives of the smaller Powers sit with the big four on the Central Committee.

Incidentally, subsidiary international bodies, such as a world food commission, or a shipping control administration, should give a voice to the nations in proportion to their stake in the specific matter to be dealt with. Thus Canada, a smaller Power, should be considered a major Power in regard to trade, or food-production, agencies.

But the question of the rôle of the smaller nations in a free world cannot stop here. How free will that world be? And what about the peoples struggling towards nationhood? How about imperialism?

Imperialism remains basically the same—exploitation of others for the sake of profit. But it has, of course, undergone vast changes in method from the days of Elizabeth, or Cecil Rhodes. The most vicious form of imperialism ever inflicted upon terrorized peoples has been practised by the Nazi regime of Germany, and by the war lords of Japan. But even when the Axis tide has been rolled back, other, more subtle, forms of imperialism will remain.

Imperialism in its form of territorial aggrandizement is passing out of fashion. Modern imperialism generally does not bother to annex territories, but merely seizes upon their natural resources.

Thus Bolivia today, to take but one example, is the victim of imperialist exploitation, though it remains nominally free. Its people, in the tin and other mines, are the slaves of foreign capital, and its Government is controlled by the same interests.

The sane solution to this type of imperialism is to bring international investment under the control of public agencies responsible to the people. Both the lending function and the borrowing agency should be public, and the borrower people should have the greater influence.

And how about the peoples desiring nationhood—like the teeming millions of the Indo-Chinese races? There are 450,000,000 in China, 290,000,000 in India, and, make no mistake about it, they are on fire with the ideals of freedom and equality. Would it be wise, or suicidal, for the Western Powers to resist the march of these peoples towards autonomy?

Napoleon said, 150 years ago, " There lies China—a sleeping giant. Do not waken her. For once she is awakened, she will change the face of the world." But China *is* awake, and we would do well to move with her into the future, not against her.

Canada has not yet repealed the discriminatory, humiliating Chinese Immigration Act, which puts Chinese immigrants on a different basis from all other immigrants, although she has modified it to some extent recently. Britain has given no assurance—quite the opposite, in fact—that Hong Kong will revert to China at the war's end. The Moscow Conference was a great stride forward—the equal status of China was recognized when her delegates sat with those of Russia, Britain, and the United States at that historic gathering. But there are other cases, and other discriminations, and we have not yet shown that the political, social and economic colour bar is really down.

Colonial peoples have suffered in this war—there has been forced labour in Kenya, bombs on the Solomons, famine in Bengal, warfare over North Africa, conquest in Burma and Malay. They are entitled to our best efforts on their behalf.

India remains a festering sore in the side of the United Nations. Nothing effective has been done capable of enlisting the sympathies, and mobilizing the illimitable resources, of the Indian people in the war against Japan. Negotiations, based upon the acceptance of the principle of self-government for India now as well as after the war, should be resumed by a committee acting under the auspices of the United Nations. Congress leaders should be invited to participate in these negotiations; it is not too late to utilize the immense dynamic of India in the war against Japan.

Is it enough in Burma to strive for sullen acquiescence in a rule

reimposed by force of arms? The Japanese promise of nominal independence for Burma will not be counteracted without the assurance of the United Nations that Burma's day of tutelage is over. Nor will promises of gradual evolution prove sufficient. Assurance of orderly elections and free government are needed, now.

It seems certain that an international World Colonial Commission is essential for the protection of peoples unable as yet to govern themselves. Such a Commission could give expert supervision and advice, and assist in the orderly economic development of backward territories, in native welfare, and in progressive self-government.

The problem of imperialism, however, does not end there. Its basic cause—what Hobson called, forty years ago, "the tap-root of imperialism"—is to be found in the chronic inability of the capitalist economic system to distribute the wealth that science has made available. The tap-root must be cut. It is part of the perpetual motion of capitalist economies to thrust fatally towards imperialism, at home and abroad, with war the sure consequence.

The history of Canada illustrates the evolution of a colonial area into the status and standing of a nation. Under the Statutes of Westminster the self-governing nations of the British Commonwealth have been declared to be equal in every respect. It may seem singular, therefore, that Canada has not assumed some of the rights to which as a free, independent, self-governing unit of the Commonwealth she is entitled. Appeals to the Privy Council from cases heard in Canadian courts have not yet been abolished, although most Canadians realize that only Canadian judges can bring a thorough understanding to Canadian problems. The present Constitution is, of course, an Act of the Parliament of Westminster which should be replaced by a modern document agreed to by the Provinces and capable of amendment by the Canadian Parliament. A national flag, a national anthem and a genuine Canadian nationality should be provided for.

During my visit to France and Belgium in September and October, 1944, the need for a Canadian flag was apparent. The Canadian Army, under the command of General Crerar, had control of the whole of the French and Belgian coastlines from Dieppe to Antwerp. Everywhere my parliamentary colleagues and I saw the flags of Britain, the United States, France, Belgium and Holland hanging from the windows of French and Belgian homes, but there was no distinctive emblem of Canada, except the Maple Leaves which Canadian boys have painted along the countrysides.

This is not nationalistic chauvinism, but merely the proper desire for national identification. Opponents of the adoption of a distinctive Canadian flag forget that on certain days England flies a St. George's Cross and Scotland the cross of St. Andrews.

Our boys in the battle areas would, I know, have been delighted to have seen the hearty welcome to our armies symbolized by the flying of a Canadian flag; especially, it may be added, because such a desire would not be linked with self-aggrandizement, but simply as a recognition of the part the Canadians were playing in the common sacrifice of war.

Other colonial areas and dependencies are now demanding the rights and privileges that Canada possesses. If we are to avoid future strife, then some international organization must be given responsibility to see that subject peoples are raised to the status of nationhood as soon as they are able to govern themselves or, where they are not ready, the same international organization should be charged with the responsibility of supervising and assisting the subject peoples to attain full nationhood at the earliest possible moment.

No single imperial Power should be the sole judge of a situation in which it may have economic and financial interests. Indeed, it is evident from recent history in the Pacific area that the re-establishment of colonial empires on the old pattern will be stoutly resisted by millions in Asia, and attempts to force pre-war relationships there will not only prolong the present war, but may sow the seeds of a future and more devastating struggle. Queen Wilhelmina's declaration of self-government of the Netherlands-Indies is a recognition of the need for new relationships in Asia.

But while such a policy would remove causes of friction in the colonial areas and among the colonial Powers, it would not give security against aggression or against war. To repeat, the United Nations must become the nucleus for the building of a new world association of nations prepared to adopt a code of international law and order, and prepared also to establish an international police force strong enough to enforce the law. This means, of course, that national sovereignty in international affairs must be subordinated to the authority of a collective system, administered through democratic machinery in which all member peoples shall participate.

Such a system of international justice based upon the will of the United Nations in the beginning, and open to all peoples when they have overthrown and renounced the Fascist and aggressive methods which afflict the world, would require also the

establishment of economic justice and social security all across the world. All this could not be achieved at once, but it is the duty as well as the necessity of the peoples enjoying a high standard of living, to raise the standards everywhere.

This means, too, that all the economic resources of the world must be co-ordinated and intelligent trading relationships must be established so that economic exploitation, insecurity and poverty, the causes of war, may be eliminated.

Canada has a great stake in such an order, for we are a nation small in population but rich in resources, and for such nations there can be no security apart from collective security based upon social and economic justice.

The question that confronts us today, therefore, is whether we shall seek to introduce planning into our relations with other countries, as we do in war-time, or whether we shall return to the unplanned chaos we knew in the thirties; the question is whether we seek an orderly world in which trade and investment policies are planned solely with a view to the satisfaction of human needs, or whether we shall refashion the world of 1939 which knew no god but profit-making.

Canada, of course, is first and foremost a trader. Her economy necessitates the production of large surpluses of grains, lumber and metals, and these she must dispose of in the world market in exchange for goods and services needed at home.

Before the war Canada stood second only to New Zealand in the value of her international trade *per capita*; and in the actual volume of her international trade she stood in sixth place. And now we are finding that the revolutionary war in which we are engaged, which has wrought vast changes in institutions, ways of life and habits of thought, has wrought changes, too, in Canada's place in world trade; we now rank third in external trade.

Our productive capacity has at last been given a chance to show what it can do when freed from the shackles of peace-time finance; production of metals, including copper, nickel, zinc, lead, pig iron and steel, has increased by sevenfold; production of new metals, such as magnesium, tin, tungsten, mercury, chrome, manganese and molybdenite, has developed; production of aluminium, the vital new metal in the coming era of light alloys, has expanded ten times over. Similar expansion has occurred in our heavy industries, in chemicals, automotive vehicles, aircraft and machine tools. In short, our industrial development has been accelerated in the forcing-house of war.

And not only as a trader is Canada bound to the world community, but also as a flyer. For Canada, as we all know, lies

athwart the crossroads of the airways of the world: routes from the New World to Northern Europe pass over Canada, and routes to Northern Asia. Furthermore, in the war years Canada has developed a huge productive capacity in aircraft. In airways and aids to flying she has a capital investment totalling nearly $200,000,000. And this is not to mention the greatest asset of all —the skilled aircraft builders and technicians and, especially, skilled flyers. Relative to her population, Canada is an air Power second to none.

Canada's position as a ranking air Power was recognized by the nations at the recent Chicago Air Conference. That stormy conference agreed to set up a provisional International Civil Aviation Organization, and the seat of this new international authority is to be located in Canada in the city of Montreal. That conference, too, demonstrated at once the possibilities of international air transport as an instrument for world peace and co-operation, and the grave danger that cut-throat competition in airways may plunge the nations into war.

Canada should throw her weight into the balance on behalf of international ownership and control of the great trunk lines. New Zealand and Australia, supported by France and other countries, called for such action at Chicago. What they asked for was that aviation be made a positive force for peace, by being placed under duly constituted international control, and a force for transport efficiency and service, by being made to serve the interests of all peoples.

Civil transport planes may not be readily convertible into bombers, but they can be used, on short notice, for the transportation of airborne troops. The best interests of peace therefore demand international ownership. Canada should have fought for this, and accepted a lesser solution only if international ownership and control failed to be adopted.

The proposals of the Canadian delegation at Chicago fell between the effective international regulation proposed by Great Britain and the unbridled competition favoured by the United States. Furthermore, the Canadian representatives performed a useful service as an intermediary between these two Powers, and the small measure of agreement that did emerge from the Chicago Conference largely resulted from their efforts. Canada's standing in the world community is higher today because of the ability and tact of her delegates at Chicago.

Then, too, our membership in the British Commonwealth of Nations draws us into the centre of world affairs. This Commonwealth, in spite of grave defects, was the only working system of

collective security in existence prior to the outbreak of war. I believe that the kind of political democracy that has evolved from early beginnings in the British Isles is a priceless contribution to world civilization; and we in the CCF share with growing numbers of the peoples of Great Britain and the sister nations of the Commonwealth the conviction that this political democracy must be given fulfilment in the twentieth century in the context of full employment and social justice to all.

Nor can we forget that we are, too, an American nation. Our ties to the United States need no emphasis; but stronger ties must be developed with the States of Latin America: economic, political and cultural ties. By strengthening such ties we not only establish mutually beneficial trading relations, but we develop a balance in the Americas to the tremendous force of the United States.

Canada must therefore exert her influence as a member of the Pan-American Union, and she must press for the creation of embassies in as many of the Latin American States as are prepared to receive us. At the same time she must inaugurate a public investment policy which will assist the economic growth of these States, and enter into planned trading relations with them. Trade, in particular, assumes increasing importance, for the growing industrialization of the Canadian economy causes it to become more and more complementary to the raw-material-producing economies of Latin America.

In a word, the struggle of the peoples of Latin America towards political, social and economic democracy, and against exploitation by foreign capital, has become our struggle too.

If the CCF within Canada can, by democratic, socialist planning, resolve the tragic paradox of potential plenty and actual want, it will have made an invaluable contribution to the cause of peace. If we can clothe political democracy with positive significance by extension into the economic and social spheres, then we shall have laid the very foundations of peace. And if the CCF can contribute, in the international sphere, towards the practical implementation of the terms of the Atlantic Charter, it will have reinforced those foundations of peace.

I refer, in particular, to Articles V and VI of the Charter. Article V forecasts "the fullest economic collaboration between nations in the economic field, with the object of securing for all, improved labour standards, economic advancement and social security". Article VI looks to conditions "which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want".

These two articles contain the imperatives of lasting peace—an expanding world economy, a world economy of abundance, an economy continuously achieving higher levels of individual well-being. It is satisfactory to note that these articles were emphasized at the Crimea Conference.

Conservatives today are leading the retreat from the Atlantic Charter. But throughout the world the common people stand in its support, and progressive groups in every country, including the CCF, look not merely to the Charter, but beyond it. How best to put it into practice? How can its general principles be transformed into working realities in the post-war period?

The tragic mistake of the peace-makers at Versailles in 1919 was that they thought solely in terms of grandiose political changes, and ignored the underlying economic realities. They spent their time in re-drawing countless boundaries, setting up new States, and establishing the rudiments of world government. But throughout they failed utterly to provide any economic blood and sinews with which to bring this skeleton to life.

We of the CCF look primarily to economic collaboration among nations for the essential basis of world peace. Given that basis, we believe that nations will have been provided with a stake in international comity of such a nature that the growth of political bonds will be easier to achieve. This approach is implicit in the CCF philosophy. In both spheres, national and international, we stress specific services, rather than abstract legal rights, and think in terms of actual performance rather than of impressive legislation. We recognize that economic planning at home finds its logical counterpart in agencies of international economic planning abroad.

We can get a good idea of the necessary international agencies by examining the machinery of economic collaboration which exists for the United Nations today. For just as the war emergency has compelled a resort to makeshift planning within nations, so it has produced makeshift planning among them.

Here is what Sir Stafford Cripps has to say on this point. Speaking in London in January, 1943, he said: "There have been built up combined boards and committees of every sort and kind, and the experts of different nations are daily working in close harmony, planning and controlling the resources and the policies of the United Nations. Those mechanisms of international collaboration created for the purposes of war will provide an invaluable weapon with which we can together fight poverty, unemployment and ill-health, which are ever the enemies of peace."

What are the war-time mechanisms of collaboration to which

he refers? There is, for instance, the Combined Shipping Adjustment Board, which allocates available shipping in accordance with war needs; the Combined Food Board, which co-ordinates food production and needs; the Middle East Supply Centre, which began by supplying the offensive at El Alamein and today is effecting the planned rehabilitation of the whole region. There is the European Advisory Commission, sitting in London, which seeks to achieve close consultation in respect to troublesome European questions of all kinds; there is the virtually stillborn, but still existing inter-governmental Committee on Refugees, which is supposed to care for the victims of racial, religious or political persecution. And there is UNRRA, the United Nations Relief and Rehabilitation Administration, which is to administer relief in the wake of our advancing armies; the work of the International Monetary Conference, which aimed at the setting up of a Stabilization Fund and International Bank to help remedy the world's financial ills. Also there are the findings of the International Security Conference, and the Food Conference.

No discussion of international economic collaboration would be complete without tribute to the work of the International Labour Organization. Without doubt the I.L.O. has proved to be the most successful international agency in existence. It is founded upon the idea that peace can only be established if it is based on international justice and that the welfare of workers throughout the world is indivisible. Since 1919 the I.L.O. has adopted sixty-seven conventions, which cover a wide range of subjects, such as hours of work, paid holidays, industrial accidents, occupational disease, unemployment insurance, migrant workers, the protection of women and children, and so on. To date 887 ratifications of these conventions have been registered, from fifty-two different States. We have, in fact, an international labour code.

What of the future of the I.L.O.? First there must be stronger pressure on the part of progressive groups to secure a more widespread ratification of I.L.O Conventions. Canada's record has been poor and, on top of that, Canada suffers from the absurd position that under the British North America Act, the Dominion Parliament cannot ratify an I.L.O. Convention if the subject-matter is provincial.

Secondly, the research and advisory activities of the I.L.O. should be extended to include all phases of planning and reconstruction. Its activities should not be confined merely to ameliorative social legislation, but should also extend to the larger questions of economic planning and full employment. The meetings of the I.L.O. at Philadelphia in 1944 and in

London in 1945 indicate both its vitality and its awareness of the great world problems.

The CCF believes that Canada owes it to herself, and to the world, to assume her rightful place in world councils and exercise upon world affairs an influence at least commensurate with her military power. Although an adult nation, fifth in war among the United Nations, first among the middle Powers, Canada continues to follow the policy or inaction which allowed her to drift into war in 1939 without once having taken any positive action to help preserve peace. There is really no doubt as to the kind of post-war world that is essential for Canada's welfare: a democratic world in which planned production for community use can develop is a plain necessity if mankind is to be spared an Arctic night of stark reaction. If this is so, why not say so in terms our soldiers will understand, and in words that will inspirit the enslaved peoples of Europe and the subjugated peoples of Asia? And why not make our voice heard in the councils of the United Nations before it is too late and we are committed to a reactionary attempt to restore 1939?

As Professor R. H. Tawney has written, "Either war is a crusade, or it is a crime; there is no half-way house".

CHAPTER FIVE

THE NEED FOR SOCIAL AND ECONOMIC PLANNING

More and more people in Canada have come to accept the need for economic planning since the mobilization for total war. They have seen what poor bedfellows political democracy and economic monopoly capitalism have made, and they have also seen the abuses and dangers of the combination of political dictatorship and economic planning as exemplified in the Fascist States.

But the combination of political democracy and economic planning offers escape to civilization from both economic catastrophe and totalitarian dictatorship; it has been tried in part in such countries as Sweden, where the economy rests securely on a widening basis of community ownership and an expanding co-operative movement. This development has been sketched in Marquis Childs' *Sweden, the Middle Way.*

The history of the northern European peoples from the primi-

tive tribal systems of long ago to the highly complex, integrated economic organizations of today shows at once the imperative need for central and regional economic planning; it shows how the individual has come to be more and more dependent on his fellows and less and less self-sufficient unto himself.

The hunter of the wandering tribe was able to provide food, clothing, fuel, weapons and shelter for himself and his family, and the tribe as a whole had only to concern itself with such common problems as defence against aggression and the development of a primitive kind of justice, based upon its customary laws.

This self-sufficiency was largely characteristic, too, of the early pioneering families who made their homesteads in the unsettled lands of Upper and Lower Canada; they grew their own food, made their own clothing and even created their own entertainment; they required no more central direction than was necessary to uphold the law and defend themselves against attack.

But the economic process which we know as the Industrial Revolution swept away the independence of families and men, and even the independence of national States, and left in their place a world characterized by interdependence.

In the new modern industrial civilization the principle of the division of labour came to the fore. Isolated individuals came to play a very small part in the huge economic process; they sold their labour in order to purchase the commodities they needed; and as their part in the economic process came to be more and more infinitesimal, the variety of products and the extent of their needs increased enormously. As a result the national economy has come to be a highly complex, closely integrated organism. The plight of the farmers in the Prairie Provinces of Canada is also the plight of the workers in the industrial centres of the east. A decision by an automotive company in Windsor, Ontario, to shut down for three or four months exerts an indirect but perceptible effect on the living standards of Canadians on the West Coast.

The answer to interdependence is planning. The national economy requires a control over those activities whose effect cannot be isolated. A great corporation cannot be allowed to proceed willy-nilly according to what it thinks best for itself, any more than an aggressor like Nazi Germany can be permitted to run amuck. Too many other people are involved; the authority of government is required to see that their interests are both protected and served.

Of course, the doctrine of classical economics proclaims that the economic process is guided by the "invisible hand"; that if

every person and corporation goes his or its own way the whole machine will move forward. Yet the story of the last four decades shows that the most the machine could do was to lurch along at about one-third of its capacity; that its disruptions and capriciousness caused the privation and insecurity which formed the economic breeding-ground for war.

In Nazi Germany planning was imposed upon the people in the interests of a small group of Junkers, owners and Nazi opportunists; the trade unions, co-operatives and professional associations were crushed. Our planning must be democratic. What is needed in Canada and all other countries is the kind of social ownership, co-ordination and control within the democratic framework which can eliminate the privation and insecurity upon which Nazism was permitted to feed.

The great problem today is not planning, but whose planning? The job is to see that planning is conducted in the interests of the people and under the supervision of their elected representatives; and that it embodies techniques of simplification and decentralization which will enlarge rather than restrict the freedom prized by democratic peoples.

One argument to which the supporters of things-as-they-are return again and again is that incentive and initiative would not survive in a democratic, planned society. It is our contention that they would not only survive, but thrive. Is it sensible to assume that the workers' incentive would be destroyed by better working conditions, shorter hours of work, and participation in production through labour-management committees and collective bargaining agreements? On the contrary: the worker would realize that he was working directly to raise living standards rather than to improve the position of a privileged group.

It is likewise impossible to argue that the incentive of the professional class would be destroyed, for again the opposite is true. The realization that production is for use rather than profit would do much to call forth the best workmanship in these classes. The realization, too, that they were gaining recognition and reward commensurate with their skill and usefulness would do the same. Nothing impairs the workmanship of professional men more than the fact that their skilled services receive slight recognition and reward in comparison to the favour heaped on business-men or financiers. Moreover, engineers resent direction and control by boards of directors whose objectives are totally opposite from their own; the directors want one thing, profit; the engineers, however, want maximum efficiency and production, the best technical job possible, and the finest, most durable

product. The real incentive of the engineer, technician and professional man is to achieve a bigger sphere of influence, to assume more responsibility, and to do a better technical job in competition with his co-workers.

Thorstein Veblen, one of the most profound thinkers on economic and social problems in the twentieth century, knew of this incentive of technical men; he called it the "instinct of workmanship". In his book, *Engineers and the Price System*, written in 1921, he wrote of these men:

> For the production of the goods and services needed by the community, they neither need nor are they in any degree benefited by any supervision or interference from the side of the owners. Yet the absentee owners, now represented, in effect, by the syndicated investment bankers, continue to control the industrial experts and limit their discretion, arbitrarily, for their own commercial gain, regardless of the needs of the community. . . . And all the while it is an open secret that with a reasonably free hand the production experts could readily increase the ordinary output of goods and services by several fold. . . . What stands in the way of so increasing the ordinary output is business-as-usual.

What Veblen calls business-as-usual has been responsible for the astonishing fact that according to the 1941 census 83 per cent of the Canadian people live today below the minimum standards of health and decency, found by the Toronto Welfare Council to be about $1500 per year for a family of five at pre-war prices.

The fact is that the profit incentive affects only 1 per cent or less of the Canadian population. And no matter how much this incentive were to be enhanced, it could not result in securing an economy of full employment.

Nor does the vaunted efficiency of private industry bear any closer examination than the profit incentive.

An industry like General Motors may be efficient enough when in production, but should it shut down for months on end its effects are felt throughout the country. And the petroleum industry, with cross advertising of identical types of gasoline, three or four competing gasoline stations on each corner, and overlapping refineries and distribution systems, can hardly be called an efficient industry.

When we turn from the general need for economic planning to the actual conditions of our time, we find that the need for planning in the public interest is not only an ever-present con-

sideration in the minds of thoughtful people, but that it is also, increasingly, becoming a matter of practical politics.

This is not a war in the sense in which we have applied the word to the dynastic, religious, commercial or imperialistic struggles of former times. This is a phase in a series of fundamental changes in the economic and social order which, in the best sense of the term, may be described as revolutionary.

Indeed, there are in effect two kinds of revolutionary movements going on side by side: one is the revolt of civilized peoples, who have come to hate war, against leaders who are attempting by force of arms to fasten a new kind of tyranny upon the world. Fascism, Nazism and Japanese Imperialism represent an attempt to frustrate the peaceful evolution of mankind towards a better form of society than the world has yet known.

The lessons of the eighteenth, the nineteenth and the early years of the twentieth century have made us realize that in the countries where the Industrial Revolution had made great strides and democracy had begun to blossom and to flower, the foundations of a new, more humane and more co-operative order were slowly being laid.

While the dynamic of these changes was to be found in the determination of the common man to enjoy the fruits of his own labour and to distribute the benefits of the scientific advancements and inventions which made his toil surprisingly productive, some men and women of goodwill in every walk of life helped to promote these changes. This was and is the second kind of revolution which was already in the making, and which this war has been accelerating.

In countries where the rigidity of constitutions or the selfishness of despotic rulers tried to prevent the advance, chaotic class war destroyed existing institutions and cleared away not only the evil, but much that was good, so that, through bitterness and pain, the beginnings of a new order might arise. It was thus in Russia, and it may be so again in other countries unless they make preparation to meet the needs and aspirations of the people when this war is won.

Much has been said about the comprehensive social security report made public in Great Britain in 1943 by the British economist, Sir William Beveridge. Its significance was not in what it proposed, but in what it implied, for what it proposed was undoubtedly only the minimum which the British people would consider.

Sir William himself made this very clear. All he proposed was the abolition of want. He said that only if the social and economic

system could guarantee full employment, provide for the prevention and cure of disease and a high standard of general education, would it be possible to abolish want. He did not, therefore, as so many have believed, put forward any plan to do all that must be done before social insecurity and want can be abolished.

Sir William proposed a minimum of social insurance for the success of which many and more fundamental steps must be taken; these fundamental steps apply equally to all the democratic industrialized capitalist nations, of which Canada is certainly one.

Because the CCF has pointed this out, it has been criticized and accused of promoting class antagonism and class war; but it is because the CCF desires to progress by evolutionary and peaceful democratic procedure that it has been anxious to focus attention upon the really fundamental social problems of the post-war era. The CCF believes that because of the very nature of the struggle, war planning and post-war policies cannot be considered as separate problems but are two inseparable parts of the people's fight for a people's victory. We could not win this war if we relied on the individual whim of every industrialist, nor can we leave the post-war period to the tender mercies of the rugged individualist. That is the principle underlying the CCF viewpoint regarding post-war planning. It is the dividing line between the CCF and other political parties, for Mr. Bracken, leader of the Progressive-Conservatives, Mr. Manning, the Social Credit Premier of Alberta, Mr. Tim Buck, leader of the Labour-Progressive (Communist) Party, and the spokesmen for the Mackenzie King Government, have all professed their allegiance to private enterprise as the basic principle of post-war reconstruction. On the other hand, the CCF believes that the extent to which the democracies have been able to plan the use of their resources is the extent to which they have been able to turn defeat into victory. In the same manner the extent to which we can approach the complete use of our resources in accordance with a democratic national plan in the post-war period will determine the extent to which we can provide full employment and distribute the resultant abundance when peace comes.

Canada's productive capacity for war purposes has astonished many people. From being a country with many unemployed, idle factories and wasting resources, Canada has become a country of almost full employment, greatly increased production and a rising national income. And in spite of hundreds of thousands in the armed forces and more hundreds of thousands

in war industry, a better standard of living than in the pre-war years has been provided to the mass of the people.

When turned to peace-time uses, with monopolistic privilege eliminated and under an intelligent national plan, this same productive capacity can provide the opportunities for a full life for all of Canada's citizens. Never again should the pretence of poverty or lack of money stand in the way of social reconstruction and the liberation of individual initiative from the regimentation of unemployment, exploitation and want.

When peace comes there must be no going back to the old ways of doing business. In the progress of the war, and because increasing power has been placed in the hands of industrial bureaucrats, these old ways have become more and more monopolistic in character and conception. Canada must not allow these people to force the people back into pre-war insecurity, unemployment and want.

The CCF urges that Canada use the experience in national planning gained during the war, and retain, too, the economic and social agencies necessary for the maintenance of full employment and for the transition to a social and economic order in which the cultural, spiritual and moral development of the country will be encouraged and enhanced.

War-time controls and co-ordination will require re-adaptation and simplification to meet the requirements of peace-time. For people are already wondering why Canada can produce such prodigious quantities of munitions and supplies for war, yet cannot go on to produce an abundance of schools, houses, cheap cars and radios, and other vast projects for peace. Mr. Churchill, in *The World Crisis; the Aftermath*, speaking of the Armistice, November 11, 1918, wrote:

> There was very little in the productive sphere that they could not at this time actually do. A requisition, for instance, for half a million houses would not have seemed more difficult to comply with than those we were already in the process of executing for 100,000 aeroplanes, or 20,000 guns, or the medium artillery of the American army, or 2,000,000 tons of projectiles. But a new set of conditions began to rule from eleven o'clock onwards. The money cost which had never been considered by us to be a factor capable of limiting the supply of the armies, asserted a claim to priority from the moment the fighting actually stopped.

In Canada today we find that nothing of real consequence

has been done to meet the problem of post-war reconstruction. The two basic social problems of Federal Canada have received all too little attention. On the one hand there has been no real attempt to create a planning authority capable of gearing post-war production to the needs of the people. On the other hand no real attempt has been made to resolve the constitutional difficulties that have beset Canada in the past and that now threaten to wreck any dreams of post-war prosperity.

The Canadian Government, spurred on by the pressure of the CCF, has created a Department of Reconstruction, but this young agency is so limited in scope and powers as to be virtually worthless. It is not intended to be more than temporary and makeshift in character, nor has it been granted any power to formulate plans on its own and put them into effect. It is merely an agency to co-ordinate the plans of other agencies or public bodies, and as such it will be helpless in the face of the mass-employment problems presented by demobilization and the termination of war industry.

Such an agency, in the CCF's view, should not only be given planning powers to secure full production in factory and farm, but should be placed in the position of being able to initiate or actively assist plans for public home-building, rural electrification, soil conservation and survey, community-centre building, and so on down a list of socially desirable, and badly needed, projects.

These, with the extension of social services to include increased old-age pensions at a much lower age, Mothers' and Family Allowances, national nutrition and socialized health services, would constitute a programme which would lay the foundations of that better Canada for which many Canadian boys have been consciously risking their lives and jeopardizing their future.

Let us examine the much-trumpeted claim that private enterprise can provide jobs for all.

In 1941 the Government at Ottawa called together a Committee on Reconstruction to advise it concerning post-war jobs. This Committee was headed by Dr. Cyril James, Principal of McGill University, and a noted economist. In 1942, Dr. James reported to Parliament on the outlook for jobs under private enterprise. He said:

> In short, therefore, I envisage that period of the post-war boom as one in which private enterprise will be given an opportunity, with maximum assistance from the Government, to reconstruct the Canadian business system, as well as they are able to, during that short period of prosperity. . . .

> Such a period of prosperity will come to an end in any case, and we must also remember that there may not be a period of great prosperity at all. *We are compelled, therefore, to look to the fact that there will inevitably be a post-war depression,* either immediately after the war, or at the end of this brief period of prosperity.

Here is a really startling admission of the bankruptcy of what is called private enterprise. And it comes from a prominent economist and Government advisor. The best private enterprise can offer, it seems, is "a brief period of prosperity", and, he says, we cannot even be sure of that.

Not long ago MacLean's Publishing House undertook a survey of the post-war plans of 2400 of our largest manufacturing firms. The object was to find out whether or not these concerns could help to employ some of the discharged servicemen and laid-off war workers. What was the result? The survey found that these concerns intend to employ 11 per cent. *fewer* workers after the war than they did in 1943. And even this is contingent on large export markets and drastic tax concessions to business. What about the 750,000 to be demobilized from the armed services?

This is a clear admission, by private enterprise itself, that there is no likelihood of its meeting the needs of post-war Canada. Is it not, then, common sense to prepare for peace as we have had to prepare for war? That is the plea of the CCF.

In 1943, Sir William Beveridge was interviewed by newspapermen in Montreal. A reporter asked him whether he thought private enterprise should be given a chance to provide full employment after the war. His reply was definite. "No, I do not," he said, "not if it can't do the job. Full employment is too important a matter. I would no more entrust it blindly to private enterprise than I would trust private enterprise with the job of winning the war."

Those are strong words. And Sir William Beveridge is not a dangerous radical, but has been for some time the chief advisor on social security to the British Government and now a Liberal Member of its Parliament. He believes, along with the CCF, that there must be a public acceptance of the responsibility of ensuring useful work for all who want it.

The National Convention of the CCF therefore tackled this problem of jobs. It set down in black and white the steps that must be taken to achieve full employment. That is something no other party has done.

What was referred to as the second basic social problem of

Canada today has been similarly side-stepped throughout the years by the two old political parties. This is the problem of re-definition of the Canadian constitution in the light of modern social and economic needs.

Just before the close of the Parliamentary session of 1944, Prime Minister Mackenzie King announced that the Dominion-Provincial Conference, proposed for later in the year, had been postponed until after the holding of a general election. This conference should have been held much earlier, and it is surely folly to delay it until the difficulties of post-war reconstruction with which it is supposed to deal have actually arrived. But the plain fact is that neither the Liberals nor the Conservatives have ever been able to bring to such a conference the will and social vision necessary to make of it a success. The last Dominion-Provincial Conference, convened in 1940, floundered on partisan considerations.

Canada's constitutional problem is partly that, while the Federal Government holds the purse-strings, its powers of action have been steadily whittled down by court decision; whereas the provincial governments, armed by the courts with larger powers, have been without the means of financing adequate social security measures and national economic development. But the problem, too, is one of overlapping jurisdictions, and one arising from the fact that certain powers of social welfare and economic planning, whose need could not have been foreseen by the Fathers of Confederation when the Dominion was created in 1867, must now rest with the Federal Government if there is to be a prosperous Canada.

At present, for example, a programme such as that outlined in Great Britain by the Beveridge Report, or legislation already in existence in New Zealand, could not be adopted by Canada's Federal Parliament without the risk of serious and perhaps effective legal challenge by one or more of the provinces. Threats to challenge some of its recent social legislation have been made by the Premiers of Ontario and Quebec.

Canada's difficulties regarding social legislation are a matter of grave national concern. Unless during the progress of the war some definite agreement is reached, Canadians will find themselves not only unprepared but unable as a nation to grapple with the problems that must inevitably arise.

In the seventy-seven years that have elapsed since Confederation, social and economic conditions have changed fundamentally. Originally, the aim of Confederation was to create unity among the scattered colonies of Great Britain in North

America, and that unity was based upon the desirability of establishing a Free Trade area and the development of an interprovincial transportation system. The Fathers of Confederation did not anticipate any radical change in the functions of government. They assumed that the sphere of Government action would remain essentially what it had been in the past, but in the intervening years there have been sweeping economic and social changes and the functions of Government have been greatly enlarged, and will become still larger.

In the new world it is quite obvious, particularly if we understand aright the revolutionary changes that have already taken place in the approach to political and economic problems in the great countries of the world, that it will be a function of Government to secure to every individual in the State the four freedoms for which millions fight.

The lessons of the First World War were such that the Dominion Government had to assume immense authority in order to prosecute the war successfully; but when it was over, Canada reverted to the former division of responsibilities.

During the years of depression the demand for the acceptance of Dominion responsibility in the realm of social services, and the regulation of trade and commerce, grew apace. Unfortunately, political leaders in the federal field had neither the vision nor the desire to assume the necessary responsibility to meet the new situation, and when a government did introduce a belated programme of social reform in 1935, the Privy Council declared it to be beyond the powers of the Federal Parliament to enact such legislation. The same fate may await the Family Allowance Act and other social legislation enacted in 1944. Although Canada's leaders have been well aware of the difficulties, no real attempt has been made to resolve them.

The apportionment of powers between the provinces and the Dominion must be reviewed so that the Federal Parliament may have complete authority to enact the necessary policy to deal with the strictly national problems that must arise when hundreds of thousands of men and women are demobilized from the armed forces and from industry. Ways and means can be found of guaranteeing the continuance of all those minority rights upon the recognition of which Confederation depends. If the Dominion assumed the necessary powers to deal with the grave social problems of unemployment relief, agricultural marketing, national health and other social security measures, the rights of minority groups could be protected by statute, writing into the law the rights of minority groups accepted at the time of Con-

federation. The fear that these minority groups may be restricted or interfered with explains to some extent the unwillingness of provinces to agree to a transfer of necessary power.

To one who believes implicitly in evolutionary progress, in the maintenance of individual freedom in the realms of thought, religion and association, it is impossible not to view with grave misgiving the future of Canada in a world in which revolutionary forces will be set loose in post-war years. The impact of unemployment and depression after a comparatively short period of unhealthy prosperity may destroy the very basis of our society, and lead perhaps to a long period of economic and social chaos in which those fundamentals may be lost for a long time.

There is no other reason in the world why the Canadian Government should not plan a reconstruction of Canada's economic life which will assure rapid and orderly progress. During the war Canada has become a highly industrialized nation; agriculture has become more diversified. Canada will have many thousands of machines and of young men and women who are skilled in the arts of industry; both can be transferred to the production of peace-time goods. The problem will be whether these machines and these skills shall be used as great social assets for the improvement of living and economic conditions, or whether they will be largely unused or scrapped or salvaged because a profit cannot be made by a comparatively small group which hitherto has controlled our national economic life.

A conference, representative of all governments and the opposition parties together with outstanding representatives of agriculture, labour, industry and the social services, should be convened for a thorough inquiry into what should be done and the formulation of concrete plans to do it. As a prerequisite of any successful conference decision, the basis of Confederation must remain; and, further, I repeat that as a guarantee of good faith, a Canadian Bill of Rights embodying basic democratic rights for majorities and minorities alike should be adopted by Parliament. Then, having settled this question once and for all, we could proceed in co-operation with the provinces with a programme of social and economic reform designed to establish in Canada the four freedoms for which, we are often told, this war is being fought.

What the CCF envisions, then, is a national unity within the Canadian nation as yet undreamt of; national unity as between farmer and worker, French- and English-speaking Canadians; East and West. Such unity must be sought in the realms of both social and economic justice for all citizens, and through the evolu-

tion of a society which is truly co-operative in character. That must be the aim of social and economic planning for Canada.

CHAPTER SIX

BIG BUSINESS TAKES OVER THE WAR

THE HISTORY of political democracy in Canada has been the gradual establishment of the supremacy of the popularly elected Parliament. But today the supremacy of Parliament and of the Canadian people is challenged in a new way, as never before, through the emergence of monopolistic industry and the giant privately owned international organizations, of which they are parts, and which we call cartels.

The issue of our time is that of public power, responsible to the whole of the people, against private power exercised by a self-interested financial and industrial autocracy. Upon the outcome of this issue hangs the fate of free institutions, and whether democracy will go forward in triumphant progress or be utterly defeated for years to come.

We live in one of those great revolutionary periods of human history when a new world may be born, although, as Sir Stafford Cripps said in his Rectorial address at Aberdeen University: "The signs are not wanting that privileged and selfish interests are busy preparing to cast the future in the mould of the past . . . nor does this development in our political trends seem to bring any sharp reaction from those who were formerly so confident of future change".

It is useless to concern ourselves with the principles of the Atlantic Charter and a brave new world while private monopolies and cartels flourish and grow. They embody the Nazi idea of economic exploitation and domination. Hence it will not be enough to defeat the Axis on the field of battle, only to lose it in the realm of economic control.

The Canadian economy is probably the most monopoly-ridden in the world.

For years prior to the war, the powerful industrial and financial monopolies held Canada in their grasp. Our only anti-trust legislation, the Combines Investigation Act, was almost completely neglected. To quote a model of understatement from the most authoritative book on the subject, Reynolds' *The Control of Competition in Canada:* "The difficulty is that both Liberal and

Conservative Governments, for political reasons, have not favoured too vigorous enforcement of the Act, and have not given the administration either the definite encouragement or the larger staff necessary for effective action."

Not only was anti-monopolistic legislation unenforced, but other statutes, such as the Companies Act, the Tariff Act, and the Patent Act, were used by manufacturers in key industries in such a way as further to strengthen their monopoly positions. As a result, Canada became the happy hunting ground of such monopolies as aluminium, nickel, chemicals and cement.

Monopoly achieves its ends in numerous ways. In Canada there have been formal agreements to uphold prices and divide markets, as for instance with the paper-box companies; and there have been tacit understandings, as with the tobacco firms. "Price leadership" is the favourite device of such monopolistic industries as gas and oil, while patents form the basis of other types of monopoly, chiefly in drugs and chemicals.

We find in Canada that few significant portions of the economy, if any, remain uninfected by the monopoly cancer. Industries like the manufacturing of agricultural machinery, vital to the welfare of the farmer, are infected. The nickel and aluminium industries restrict production in accordance with monopolistic understandings, thus limiting employment. Industries such as brewing or sugar, by maintaining high prices, take unfair advantage of the consumer.

Cartels are not easy to define because, like monopolies, they exist in several forms, but they are, in essence, private economic supra-national governments, which divide and rule the world on the basis of economic privilege. Their effect is to restrict production and trade, rather than to promote either. They parcel out marketing areas among their members so as to eliminate competition; they restrict output through production quotas, so as to preserve their price structure; they enter into patent-licensing agreements, so as to limit and control the use of new inventions and retard technological advances; they fix prices so as to raise profits to the highest possible levels.

These cartelization features are to be found in the aluminium cartel. This whole industry, as it affected Canada, was investigated by a Parliamentary Committee in the latter part of 1943 as a result of charges made by the CCF on the basis of its own research.

Records of Canada's Department of Trade and Commerce indicate how several monopolies supplied Japan with vital war materials right up to and including December, 1940. These

exports of vital war material were made, of course, by the permission and with the authorization of our Government.

Let us look at one Canadian monopoly and a cartel, to which the CCF has given considerable attention.

In 1939, when war broke out, Canadian Industries Limited—an industry with assets of $75,000,000—established a wholly owned subsidiary company called "Defence Industries Limited" in order to separate its purely war business from its ordinary commercial enterprises. Since 1939, Defence Industries Limited has erected and operated, on a management fee basis, plant and other facilities costing some $260,000,000. According to reports submitted to Parliament from time to time, the capital was advanced partly on Canadian account and partly on British account. Last year the British portion was taken over by our Government. Total expenditure incurred, through the Department of Munitions and Supply, in the undertakings of Defence Industries Limited since the war, for construction, equipment and operation, has, as far as I can gather, amounted altogether to some $600,000,000. The concentration of war business in this company has been enormous, so that had smaller businesses wished to participate, they would have found it at least difficult to do so.

The capital facilities paid for by the Government will, after the war, pass to the control, or, in some cases, the ownership, of the corporation. For the optional purchase contracts deprive the Government, in advance, of all bargaining power, and in some instances appear to commit the Government to a policy by which Canadian Industries Limited may acquire the properties paid for by the people without adequate and proper compensation. These contracts will have the effect of perpetuating the monopoly which the owner of Defence Industries Limited—namely, Canadian Industries Limited—has acquired already. Contracts with Defence Industries Limited are shown to contain the following clause, in respect to plants engaged in the manufacturing of certain explosives and munitions of war:

> The Government shall give Defence Industries Limited a sixty-day option to purchase the plant or any part thereof, at a price it is willing to accept from any other party. If the offer is not accepted, the Government is free to sell the same to any other party at a price not less than that offered to Defence Industries Limited.

But the restrictions on use are of such a nature that only Defence Industries Limited would be interested in the purchase of the plant. Let me quote the restriction:

The plant is not to be used for production of product or other explosives, or any constituent elements thereof, for other than military purposes.

It should be noted that this condition is imposed on all purchasers, and the restriction does not apply to machinery and equipment if the plant is dismantled or demolished. Other plants are also bound by similar restrictive clauses. Now, what are the effects of these clauses which have quite evidently been inserted on the request of the company? They clearly envisage the possibility of the plants producing civilian requirements after the war, and completely prevent that possibility from arising. The effect, of course, is to perpetuate the monopoly enjoyed by Canadian Industries Limited in regard to certain products.

Canadian Industries Limited is not a Canadian enterprise. It is jointly owned and controlled by the du Pont Company of the United States ahd Imperial Chemical Industries Limited of the United Kingdom, who, between them, hold some 85 to 95 per cent of its share capital. These companies have been part of a world-wide international cartel which divided markets and concluded licensing and patent agreements. Canada is exploited by foreign financial interests—just as South America is exploited by other similar jointly owned companies. Canada is a sovereign nation politically, but economically this international cartel treats her as a mere colony.

Foreign capital invested in Canadian Industries Limited throughout its existence has amounted to not more than $7,000,000, yet an analysis of its profits shows that since 1910 dividends on capital have amounted to about $75,000,000, and in addition all assets in Canada (exclusive of Defence Industries Limited) now amount to another $75,000,000.

Canadian Industries Limited has exercised monopoly control of many vital products. They include types of ammunition explosives, ammonia, chlorine, hydrochloric acid, sodium sulphate, carbon disulphide, caustic soda, many kinds of dyestuffs, and specialized paints, lacquers and varnishes. It holds the patent for cellophane, and is, I believe, in exclusive control of Nylon production.

The company has made enormous profits. The holder of a $100, par-value common share in 1910 now holds eighteen common shares of no par value which sell on today's markets for over $150 each. In addition, the holder will have received dividends totalling $2332 for each original investment of $100.

Recently the Department of Justice of the United States charged du Pont and Imperial Industries Limited with con-

stituting a cartel in restraint of trade, and Canadian Industries Limited was named as a co-conspirator. This combination, by the way, included agreements with I. G. Farbenindustrie, the German Nazi-controlled chemical trust, and the Mitsui interests in Japan.

The agreements between du Pont, Imperial Chemical Industries and the jointly owned subsidiary, Canadian Industries Limited, stifled competition in countless products in Canada by ingenious methods; they provided that no one cartel partner could export into territory assigned to another partner; they provided for the sale of all du Pont and Imperial Chemical Industries products in Canada through Canadian Industries Limited; they provided for the exchange of patents, and for exclusive licensing arrangements.

In particular, Imperial Chemical Industries and du Pont have eliminated competition by entering into agreements with potential competitors. For example, in 1928 du Pont and Imperial Chemical Industries caused Canadian Industries Limited to enter into a contract with Atlas Powder Company, of Delaware, U.S.A., whereby Atlas was prevented from exporting explosives to Canada or participating in the explosive business in Canada.

In 1936 du Pont and Imperial Chemical Industries caused Canadian Industries Limited to enter into an agreement with the National Lead Company of the United States in order to eliminate competition in titanium pigments in Canada. This agreement provided for the setting up of a new company, Canadian Titanium Pigments Limited, in which Canadian Industries Limited holds 51 per cent of the share capital, and National Lead Company 49 per cent. The new company has exclusive control in titanium pigments in Canada, but must not export from Canada.

But far more dangerous to the welfare of the Canadian people are the agreements preventing Canadian Industries Limited from exporting from Canada. These restrictions are not effective now in war-time, but have existed in various forms since the formation of Canadian Industries Limited in 1910.

Thus, in 1928, Canadian Industries Limited attempted to export a new waterproof finish for shot to the United States, but du Pont opposed this, and later took the patents of this Canadian-developed process for itself.

In 1933 du Pont and Imperial Chemicals Limited, according to the charge of the U.S. Department of Justice, prevented Canadian Industries Limited from exporting pyralin toilet articles, manufactured in Canada, to Australia. Where, on rare occasions, Canadian Industries Limited was allowed to export, the profit

on the sale went to du Pont or Imperial Chemical Industries, depending on the territory concerned.

The understanding among these firms that there should be no exports from Canada was clearly expressed in a letter which Lammot du Pont (Chairman of du Pont) addressed to Lord McGowan (Chairman of Imperial Chemical Industries) on December 11, 1933, which is quoted by the United States Department of Justice:

> Canadian Industries Limited shall stay in Canada, and not spread out into other countries, either by laying down plants, *exporting their products*, or licensing under their processes, unless both Imperial Chemical Industries and du Pont believe it is advantageous to so spread out and then only to the extent and for the time and under the conditions that Imperial Chemical Industries and du Pont agree upon.

In 1939, however, du Pont, as a special concession to Canadian Industries Limited, allowed it to export some products, for a temporary period, in view of the war emergency. A resolution of the du Pont Executive Committee of October, 1939, sets this forth:

> Resolved, further, that the Foreign Relations Department be advised it is the feeling of the Executive Committee that Canadian Industries Limited has no right to export any products embodying shareholders' inventions, except that during the present emergency Canadian Industries Limited may be permitted to supply Imperial Chemical Industries such goods for sale in the British Empire at prices returning a satisfactory profit to Canadian Industries Limited.

Thus we have an American Board of Directors deciding that a vital Canadian industry, with assets of $75,000,000, shall not be allowed to export after the war. Note the words used, that Canadian Industries Limited "has no right" to export. This, I repeat, is an unpardonable affront to the Canadian people and a serious limitation on its economic development.

It is not often that the true facts about the workings of modern monopoly capitalism are made available to the average citizen. Aluminium, as a result of CCF demands, has been investigated by the War Expenditures Committee of the Canadian House of Commons, and the facts involved are now indisputable, although the interpretation to be placed upon these facts is still a matter of controversy.

This investigation was conducted because considerable interest had been aroused in Canada with regard to contracts made by Governments, including the Canadian Government's own Department of Munitions and Supply, with the Aluminum Company of Canada. This company is a fully owned subsidiary of Aluminium Limited, which was the creation in 1928 of the Aluminum Company of America. Aluminium Limited, through its control of the Aluminum Company of Canada, now controls the aluminium production in Canada. This corporation was, in the opinion of the CCF, organized separately to escape the Sherman anti-trust laws, and thus was able to play the leading rôle in the international cartel which entered into agreements at Basle, Switzerland, with aluminium companies throughout the world, to maintain prices and to restrict production for export purposes. The effect of this was to give Germany a free hand to increase greatly her domestic production, with the result that she had aluminium for her planes while we had to collect pots and pans earlier in this war to make up for our deficiencies.*

Because of the nature of the aluminium industry and the clever manner in which electric power resources and raw material had been monopolized, the Allied nations found themselves almost entirely dependent upon the great monopolies in North America. This provided the opportunity for an increase in their stranglehold upon the world; we were buying aluminium at prices which were obviously at monopoly levels, from a corporation whose expansion the nations were financing. During the investigation by the Parliamentary Committee, and because of the belated insistence of the Governments concerned, some reduction in prices was made.

For two years before 1943, under a veil of secrecy, a huge power plant, the largest in the world, with greatly expanded aluminium facilities was being built by the Aluminum Company of Canada at Shipshaw and nearby Arvida in the Province of Quebec. Some years ago a subsidiary of the Aluminum Corporation, Saguenay Power, had obtained the right to develop the water-power in that region. Now the extremities of war and the dire necessities, first of Britain and Canada, then of the United States, provided the power and aluminium interests with their opportunity.

By a series of agreements and contracts the entire cost of the

* After this chapter was written, on March 12th, 1945, a ruling having the finality of a decision of the United States Supreme Court was handed down declaring the Aluminum Company of America, and Aluminium Limited, the Canadian unit, to be part of a monopolistic conspiracy in violation of the Sherman anti-trust laws. This completely vindicates the CCF position.

aluminium plant extension will be paid for out of war contracts already made. Agreements with the United States and Great Britain, together with war-time write-offs permitted by Canada, will entirely pay for the plant development and 60 per cent of the power installation. So that, in effect, out of the war the Aluminum Corporation will emerge with one of the largest power-producing plants in the world and the greatest aluminium-producing plant in the Allied nations, largely paid for by the Allied nations but owned by the company.

The Government defended these agreements on the grounds that the company provided vast quantities of vital material. But they overlooked the fact that the technical men, the scientists, engineers and workers who built the plants and are operating them, could, and would, have done an equally good job, perhaps a better one, for the Government and people of Canada, had we taken over the original plant and expanded it as a public enterprise. The only function of the directors and owners is to profit by the greatly increased value of their financial holdings. The publicity given the deal in 1943 increased the value of the stock of the Aluminum Company of Canada from the low point of $65\frac{1}{8}$ in 1942 to a high point of 133 on May 15, 1943. In other words, the value of the shares in the hands of the controlling group doubled.

Apart from write-offs by Canada amounting in all to over 177,000,000, and loans by Britain, the United States alone is contributing enough to pay for the huge power plant at Shipshaw. The overall agreement was that the price of aluminium should be fifteen cents a pound, of which five and a half cents was the amount set aside to retire advance payments and not subject to tax, Before these agreements were made the company was collecting seventeen cents a pound. If fifteen cents is enough, then seventeen cents charged to Britain and Canada originally was clearly a price made possible by monopoly control of the mineral, the electric power and the market.

But there is more behind it than aluminium. There is electric power. For several years a great behind-the-scenes struggle has been proceeding on both sides of the line between those who are determined to monopolize the power facilities of North America by corporation enterprise and those who are equally determined to prevent the exploitation of our people and resources and protect both through various publicily owned agencies. The great hydro-electric system of Ontario is feared and hated by the power barons because it supplies the cheapest power in Canada, excepting only the hydro-electric, publicly owned system of the City of Winnipeg.

Temporarily the power barons have won out, for the Shipshaw power plant is now one of the greatest sources of power generated by a single plant anywhere on earth, and the new power plant, as the company's prospectus states, will have been largely paid for under war contracts made with the Governments. Indeed, the estimated cost of the Shipshaw plant was almost completely covered in the one advance by the United States Government Reconstruction Finance Corporation of $68,500,000, given interest-free, against future aluminium deliveries.

Thus, should the United States and Canadian Governments go ahead with the development of St. Lawrence power as a publicly owned project, they will be at an immediate disadvantage, because the Shipshaw plant would be virtually free of debt, while the international St. Lawrence project would have to meet heavy amortization payments for a period of years. Private power interests on both sides of the line have worked for years to defeat this publicly owned and operated development of the great St. Lawrence Rapids. This was recognized by the New York State Power Authority, which stated in its 1937 report—and I quote directly from it—"The people of New York and Ontario face the necessity of overcoming the influence of this consortium of monopoly interest if they are to realize the wealth-producing capabilities of their chief water-power resources in the St. Lawrence and Niagara Rivers". Well, they haven't overcome them. On the contrary, the war has given them the opportunity to defeat the public interest.

Let us mention one other monopoly, the largest monopoly in Canada, before going on to consider how these combinations affect our democratic institutions and the problem of full employment in the post-war years: the International Nickel Company.

Part of the huge reserves built up by this octopus corporation have been used for plant expansion. Its price policy has been such as to make these reserves possible and still maintain net profits of $35,544,772 in 1941, and $34,356,401 in 1942. But here, too, the Government, during the war, has played its part. International Nickel's 1942 annual report states that ". . . the Government has permitted us to amortize within a five-year period the amount of the expansion programme expenditure up to a total of $25,000,000". Only technically is this firm, from the viewpoint of the public interest, in any different position than the chemicals monopoly.

The Government has generously granted accelerated or special depreciation to many other private corporations. These special depreciations make provision for such companies as the Falcon-

bridge Nickel Mines Limited, the president of which announced to the shareholders during the most critical period of the war that he was glad to learn that "your Norwegian Refinery is safe and is being maintained. It is in operation under German control, on the same Norwegian nickel-copper ore production that we formerly handled on toll basis."

A short while ago, Francis Biddle, the Attorney-General of the United States, had this to say: "When the industrial life of a country passes into the hands of a relatively few individuals, their power over the direction of public affairs exceeds the power confided by the people to their elected representatives in the Government itself".

Cartels and monopolies hold themselves above the rule of law or the supremacy of Parliament. Du Pont and Imperial Chemical Industries have exchanged letters agreeing "that no prospective political or legislative action on the part of Governments is permitted to influence relations between du Pont and Imperial Chemical Industries".

Other organizations have concealed details of their operations by means of secret agreement and were obligated to keep them secret "notwithstanding the possible obligation of disclosing them to public officials".

The I. G. Farbenindustrie of Germany and Sterling Products Limited of Great Britain own and control the Canadian Bayer Company. Fifty per cent of the profits of this Canadian subsidiary are payable to the parent company in Germany. These profits, arising out of the sale of Bayer Aspirin, are now held in trust by the Custodian of Enemy Property, to be credited to the German company after the war.

Monopolies and cartels control many other products in daily use by the Canadian people. Some examples are radio parts and optical glass. Yet there exists in Canada today a company that could cripple the cartel in optics and radio. I refer to the publicly owned company, Research Enterprises Limited, created to meet war-time demands of optic and radio equipment. It could employ thousands of Canadians, and produce at rates far below the cartel prices.

The Canadian Government has expended nearly a billion dollars for capital equipment to carry on the war. Part of this has been given by way of capital assistance to private industry. In addition, the Government has invested at least $178,300,000 in Crown companies. Here at least one might expect to find true examples of public enterprise in the war economy. But many of these Crown companies have been swiftly drawn into the sphere

of private enterprise, once the Government has made the original investment and taken the initial risk. In a sessional paper filed for the CCF we learn of the fate of Polymer Corporation Limited, a Government-owned corporation set up to manufacture synthetic rubber. On April 8, 1943, the Government decided by Order-in-Council that the operation of the units of this plant should be handed over to the Imperial Oil Limited and its subsidiary, St. Clare Processing Corporation Limited, Dow Chemical Company of Canada Limited, and Canadian Synthetic Rubber Limited.

What is likely to be the fate of these war plants after the war, should the Mackenzie King or the Tory Party be in power? Will they be quickly converted, where practicable, to production for peace-time purposes? Mr. R. E. Desverine, former president of Steel Company of America, gives private enterprise's answer to this question. He stated on May 16, 1943, in a broadcast from Montreal:

> Government-owned plants should be offered for sale or leased to private industry, especially in the case of new plants and facilities with low production costs. . . . On the other hand, such plants and equipment that are not utilized by private industry because private industry owns facilities adequate to meet actual and estimated demands, should not be operated by government in competition with industry and should be slowly liquidated by sale abroad or written off as a war expense. *The prime objective of any plan must be to remove the threat of competition by government with private industry.*

On January 29, 1944, Mr. Carswell, president of the Government-owned War Assets Corporation, announced that:

> Since the key job of the corporation is to protect the going economy against impingement of war surpluses, it stands to reason that the corporation should never get into competition with industry—which is another way of saying it should not sell direct to the consumer but rather to those whose legitimate business it is to deal with the article concerned and on a basis that, within the corporation's powers, will ensure reasonable profit to dealer and reasonable price to consumer.

Now, what does Canada intend to do about this?

The problem is closely woven into the problem of jobs for all after the war. For one sure consequence of private monopoly is restricted production, and that means unemployed men and women.

This problem of private monopoly must be faced, too, before we can set about satisfying the needs of the Canadian people. During the war, in spite of the fact that approximately a million of her sons were in the armed services, Canada produced goods and services to the value of nearly nine billion dollars in a single year. That would represent in peace-time an average income of about $4000 per year for every family of five. This does not mean that every family of five would receive $4000 of usable goods and services, for many of the goods produced would be capital goods; nor is this to say that rewards should be equal. But these figures do show the possibilities of providing adequately for every man, woman and child in Canada. Yet this abundance will never be released while private monopolies retain their stranglehold on the Canadian economy, for such monopoly, to repeat, means restricted production and high prices. While this serves the interests of a very few, it is for the remaining 95 per cent the way of privation and insecurity.

Mere legislation or attempts at "trust busting" can no more arrest this trend than King Canute could stop the waves. It is a trend that has been accelerated by the war, and strengthened through costly Government concessions to big business. There is no solution short of social ownership and control of monopolistic industries. No solution short of planned production geared, not to profits, but to human needs.

The struggle of the twentieth century is between the sovereignty of the Government elected by the people, and the sovereignty of private financial power. Through the ages, British Parliaments have asserted supremacy, first, over the army, and second, over the monarch and the feudal lords. But the people, through their democratically elected representatives, will not be supreme until our Government has asserted its supremacy over business interests, and industry is carried on in the public interest.

CHAPTER SEVEN

BILLIONS FOR PEACE

Sir William Beveridge, as we have already noted, has pointed out that social security schemes like health insurance, family allowances and unemployment benefits, while of surpassing importance, are not enough. Such schemes can operate successfully only where other steps have been taken to ensure employ-

ment and the production and distribution of goods. Canada has full employment at present because she is at war. The majority of the vast quantities of goods produced are absorbed by the armed forces of Canada and the United Nations. Before the war there were millions unemployed in the cities of the world, millions of farmers sunk deep into the hopelessness of debt and dwindling returns. The drastic reduction or elimination of salaries, wages and incomes was immediately reflected not only in the industrial areas, but also in every rural home. The moment wages and salaries began to be earned, farm produce began to find a market, prices of butter, eggs, meat and other farm commodities began to rise, and, had the Government not frozen them, would have risen still more. This was due in the first instance to domestic, not overseas, demands. Increased employment and wages among the factory workers meant increased returns to the farmers, for the economic condition of one group of workers immediately affects the economic condition of all producers.

Under the normal operation of our present system, neither the actual workers nor the farmers who also work to produce goods ever receive their proper share of the national income. There are those, of course, who serve big business and who try to keep the farmer and the industrial worker apart by saying that the farmers receive only 15 per cent of the national income, which is true. They add that other forms of labour receive the remaining 85 per cent, which is obviously untrue, for in that amount they include directors' fees, salaries for all kinds of wasteful and uneconomic purposes, and every other form of income. Under the normal workings of our economic system the real producers of wealth—the farmers and workers—are both denied their proper share of the national income.

Not so long ago both the farmer and the worker produced largely by hand or by the use of small and individually owned and operated machines. Their first interest was in producing goods to satisfy their own needs. They sold their small surplus on the market, but employment or the wages of another worker affected them very little if at all. But in the past forty years this has changed, so that today the farmer and the worker are dependent for prosperity or poverty on other workers whose employment or unemployment decides whether or not they in turn can sell their produce or their labour, and thus acquire the means to supply their own wants and those of their families.

Thus it is that because our economic life has become more complex we are all dependent on other workers for our very existence. Side by side with this dependence on others with whom we have

no social contact is the fundamental consideration that individual workers and farmers have been divorced from any real control of the machines they operate, the commodities they produce, or even the land they till. The CCF believes that ways and means must be found to restore this control to the people, through public ownership of national industries and protection of small business against monopoly competition; but property ministering to the needs of the individual or the family, which does not impinge on the freedom of others to own and enjoy similar property, should be individually owned and used.

It is obvious, then, that the CCF does not accept the philosophy of the Communist Party, which requires that all things shall be owned in common; that the State shall be the sole owner of all the means of life and happiness. Nor does the CCF believe that 95 per cent of our resources should be owned and controlled by 5 per cent of the population. Thus, the CCF has been bitterly attacked by both the Communist and capitalist parties. What the CCF endeavours to establish is a society in which the worker shall play his proper part in the management of the factories in which he toils, and the consumer and producer, through their co-operative movements and political activities, shall decide the shape of things to come.

The CCF believes that on such an economic basis it is possible to provide the social security measures we advocate, to provide for both full employment and the proper kind of individual initiative, and to raise immeasurably the standards of living for all our people.

The sources of wealth are not the banks and financial institutions; they are but the accounting system dealing in the medium of exchange, and as long as they remain in private hands they will endeavour to make a good profit for those who own and control them. The only sources of wealth are labour and the natural resources. There are no others, and when a dollar bill is printed and circulated by a bank or a Government without giving something in return for it, then some form of labour applied to the land or to some other resource will have to produce a dollar's worth of goods. In a capitalist economy in this sense there can be no debt-free money. Hence it is true that the circulation of national money and the creation of community credit can only be of value to the nation or community when it is issued by institutions which they own, to account for goods which they own, made in industries which they own. Ownership, then, is the key to control and the key to a just social and economic order. That lesson is surely being taught to us in this war so that the political

medicine men, whether they be found in the Legislative Buildings of Alberta or the vaults of St. James Street, Montreal, are being appraised for what they really are.

Can the people operate their own business? What about the efficiency of Government-owned plants and factories? The production record of the Government industries in these war years has removed any doubts there may have been on that score. Recently Mr. Howe, Minister of Munitions and Supply, stated in the House of Commons that "Government corporations and Crown companies are the most efficient plants we have today". Such companies as Trans-Canada Airways had already demonstrated before the war how efficiently a publicly owned industry can be operated, free from red tape and political interference, but with the profits going to the people. These same methods can be used when taking over processing and other large plants.

Consider the miracle of Canada's war production. The output of factory and farm has been, at the very least, trebled. These results have been achieved because we shelved for the duration some of the basic habits and practices of capitalism, or what is euphemistically called "free enterprise". We have substituted for them a policy of planned production in accordance with war needs. The basic nature of the capitalist old order is that economic production is controlled by the independent decisions of corporations and their financial advisors—decisions made in terms of what is profitable for the big shareholders and their directing boards. The question of satisfying the people's needs is incidental and important only insofar as it reflects itself in effective demand on the market.

Today, however, the pressures of war, and the determination of the people to win it, have forced the Government and industry to recognize an overriding national objective in production instead of profit as the sole motive. Goods are produced now because they are needed, regardless of their profitability. Huge profits are still the basis of our war economy, but they no longer *control* production. Instead, there has developed a whole network of Government controls and boards whose function it is to relate our economic activity in all fields to the needs of war.

These boards and controls cover all phases of Canada's economic life. The Foreign Exchange Control Board regulates Canada's exchange and capital position. Imports and exports are controlled in the national interest. To achieve production goals controllers have sweeping powers over allocation of materials. Prices are frozen. Designs are simplified. The Government invests over $800,000,000 in building new plants and machinery. The

Government guarantees to industry a market for billions of war materials at a fixed price.

In this way, although capitalism remains in the saddle, most of the usual techniques of the capitalist system have had to be abandoned. Planlessness had to be replaced by some measure of planning. Reliance on the usual profit motive and methods in the first two years of the war nearly proved disastrous. It is true that monopoly interests have delayed and interfered with this national economic planning; much of which has been undemocratic with little participation by workers, farmers and consumers. But the magnitude of our economic achievements during the war was possible only after a large measure of actual planning and control, and public investment largely replaced business as usual and free enterprise.

In spite of this temporary yield to Government control and direction, private enterprise has undergone no permanent change in its fundamental nature. Indeed, as Mr. Howe stated in the House of Commons on June 14, 1943:

> ". . . Again I say that the Department of Munitions and Supply has not been conducting a war against combines. It has taken industry as it found it, has tried to get the greatest production out of industry, and its purpose is to leave industry in exactly the same competitive position as at the outbreak of war."

Considering her war-time successes, it is perfectly obvious that Canada can obtain the same superb service in peace-time. Thousands of the most competent executives and technicians, not to mention the workers, would prefer to work for efficiently operated Crown companies that can run at capacity to meet the needs of the Canadian people; most would prefer not to return to the inefficiency and hypocrisy of private monopolies, with their irresponsible policies of restricted production and high prices. Among those with such a preference will be thousands of our ablest young men and women returning home to seek employment in responsible positions. If, in doing so, they are able to play a part in building economic democracy, and thus destroying the fundamental causes of insecurity, injustice, unemployment and war, most will say, "so much the better".

The working man, too, is preparing to play a part in building a new society in which creative opportunities will be open to all. We must recognize that if labour is to be expected to assume responsibilities, then labour must be granted certain fundamental

rights. The form of industry today makes it quite impossible for each individual employee to negotiate with his employer over wages, hours and other conditions of work. The individual is helpless if he cannot act through and by an association of his fellow-workers. This means trade or industrial labour unions.

In spite of unprecedented organization during the war, the percentage of the industrial workers in Canada who are organized in labour unions is very small, at the most not more than 22 per cent. This is a much smaller proportion of the whole than is the case in Great Britain, Australia or New Zealand, our sister nations in the British Commonwealth.

Until quite recently, the average adult Canadian in his mind associated organized labour with strikes and labour disputes, forgetting entirely its great achievements in improving working conditions and raising the standard of living. In this connection it must be remembered that organized labour has improved working conditions not only for its own members, but for the working class as a whole.

Unfortunately, there have been a number of labour disputes and strikes since the beginning of the war. The time lost because of strikes, however, is not nearly so great as certain newspapers and periodicals, antagonistic to labour, would have us believe.

A majority of our labour disputes were over the question of union recognition. That this should be the case emphasizes our social backwardness, and in particular it emphasizes the stubborn and short-sighted opposition of Canadian employers to modern worker–employer relations. It is interesting to note that while Great Britain, Australia and New Zealand have, on the average, as many disputes as we, a dispute over union recognition seldom occurs. In those other parts of the British Commonwealth the right of the workers to organize and bargain collectively has been conceded. Labour is taking an ever-increasing share in the government of those countries. The trade union has become a part of the social fabric.

Labour today is asking for three things. First, the right to organize in associations of its own choosing, free from any interference by employers or their agents. Second, the right and the opportunity to bargain collectively—that is, that the representatives of properly accredited labour organizations shall negotiate with employers, or their representatives, in all matters affecting hours, wages and conditions of work. Third, the right and the opportunity to participate in the organization of production. That is, labour wants a share in the management of the industries which its efforts help to make possible. The workers are asking to have a

share in organizing production, particularly in war work, because they believe they have a contribution to make, and also because they realize this is labour's war and they want to assist in building an efficient industrial organization. Labour wants to be accepted as a full partner and not merely a servant in this war.

These are legitimate demands. While the last one—a share in management—is new, it is no less valid. Indeed, it indicates two things: First, that the worker has evolved from an inferior element in society to an equal. Second, it indicates that labour not only recognizes its rights, but that it is also prepared to accept its obligations. In short, labour says, we stand on our rights as free men in a free country. For the benefit of our country, we are willing as citizens to co-operate—more than that, we are anxious to co-operate —with all other citizens, but we are no longer willing to be ordered about like serfs or slaves. In war-time Canada, however, the labour movement has been alternately snubbed and overlooked. We should have expected a creative, powerful labour participation in the common war effort, not as an act of patronage, but as a matter of right.

What will be labour's rôle in the post-war world? If it is to be a world organized along the lines laid down in the Atlantic Charter —a world free from want and fear—labour will have to be something more than a mere purveyor of man-power, whose only claim to share in the good things of life depends on finding a buyer for his labour. He must have claims on the State because of his citizenship in the same manner as the State has a claim on him because he is a citizen.

This will require a change in our conception of the place of industry in our social system.

The operation of industry is not a matter that concerns the owners of industry only or the owners and their employees. The operation of industry is a community matter. Consequently every labour dispute has three parties to it: the worker, the employer, and the community. In the new post-war world labour must have greatly enlarged functions. Organized labour in mine, mill, plant or factory will not only concern itself with promoting and protecting the welfare of its members; it must and will concern itself with increasing production and with the welfare of the community.

The war has greatly extended and enlarged the social horizon of the working class in general and of the organized workers in particular. If organized labour, then, is going to take its rightful place in the building of the new world, it can no longer be content

with just organizing and looking after the workers' welfare on the job.

To work for shorter hours, higher wages and better working conditions is not enough. The institutions and laws of their country must be of the greatest concern to the workers because they condition every phase of their lives. The financial, industrial and trade policies of their country must be of concern to them because these things affect them most intimately from the cradle to the grave. The foreign policy of their country must concern them because it may decide whether they and their children will work out their lives in the happy and constructive arts of peace, or whether they will pass out before their time in the carnage of destructive wars.

In other words, organized labour must concern itself with all those questions which affect the life of the nation and our country's relations with other nations. Too long has labour left the affairs of the country in the hands of people who took their own superiority for granted. These people have made a woeful mess of it, and the common people are the sufferers in peace as well as in war. To assure a better world not only for the workers, but for all, labour must demand an equal place and share in the scheme of things. This demands that labour shall extend its efforts in the field of labour unionism, but it also demands that labour, in conjunction with the organized farmers and others, must extend its efforts to the wider field of political action.

It is patently dishonest to see distinctions between political action in the form of financial support and personal direction and promotion on the part of such employers' groups as our leading industrialists represent, and a like concern and activity on the part of the workers' groups through their own organizations and representatives. In Canada, as in any land with democratic pretensions, all the people should be properly concerned with public welfare and public prosperity—not merely the directorates of corporations, by whom public weal is necessarily considered only as a factor in a profit motive.

The purpose of trade unions in modern society is bigger, then, than the negotiations of wages and conditions of labour, or the employment of the strike weapon to secure such ends when other methods have failed. The unions are also concerned to help forward the task of social and economic reconstruction; to analyze the economic and industrial situation; to use their experience, their knowledge and their power to plan an orderly advance to a more stable world; to prepare their members for the greatest possible participation in the management of indus-

try. In these ways they help build democracy from the bottom up.

Hitler's first act was to crush the trade unions. That is a testimonial from an unexpected quarter to the fact that independent trade unions are bulwarks of the liberties of the people. But as the Atlantic Charter recognizes, there can be no real liberty in a nation where insecurity haunts the masses of the people.

The fear of want is always present in the minds of Canadian workers and farmers. No family, whatever its station in life, is completely secure. No man can be sure that he and his family will not be thrown at some time on the scrap-heap of modern industrial society. The fear of want and the spectre of poverty stalk in every city and hamlet.

There are certain financial hazards that create this fear of want. We are all subject to them, in greater or less degree. They include loss of a job, the death of the breadwinner, the crushing costs of sickness, accident, and loss of earning power in old age. How can we secure protection against these financial hazards so that we can live secure and happy lives, free from gnawing worry and uncertainty? The answer is social security.

Ever since the Co-operative Commonwealth Federation was formed it has consistently fought for measures of social security. At the CCF National Convention in Montreal in December, 1944, social security formed one of the main topics of discussion and study.

The terrible struggle in which we are engaged is not simply a struggle *against* Nazism. It is also a struggle *for* those conditions of social welfare and individual freedom which will banish war and poverty from the face of the earth. Our war is a positive struggle for security against attack from outside, and also for security in our homes against the crushing costs of unemployment, illness, accident and death.

The CCF offers no apologies, then, for perfecting its plans for social security even in the midst of the war. The war, and the struggle for a better tomorrow, are, I repeat, one and the same.

Canada, under the rule of its two old parties, is far behind the times in social legislation. Even Germany had unemployment insurance in 1878; Canada finally had an inadequate Act in 1940. New Zealand got old-age pensions in 1898; Canada passed a meagre measure of assistance to the old people in 1928. England instituted health insurance in 1911; Canada is still without it. This is the record of the old parties—a record of delay and evasion.

Now the Liberal Party, prodded lustily by the CCF, has instituted unemployment insurance, passed family allowances, and

promised health insurance and better old-age pensions. But payments are too low to permit real security, and loopholes exist through which whole families may still be reduced to destitution, through no fault of their own. Moreover, the Government proposals resemble a rationing of poverty. Canada can afford a decent social security programme provided she has full employment and a high national income. But there is no provision in the Government Acts for these. The result is that social security costs will have to come out of taxes, and not out of new wealth. The benefits may be therefore more imaginary than real.

The CCF Programme says: "No system of social security can last, and no rising standard of living is possible, unless we make full use of our resources to produce the goods and services which our people need."

Jobs, then, must make up our first line of defence against insecurity. Jobs create the wealth on which we live. Social security is a *second* line of defence.

The CCF attaches the greatest importance to securing and maintaining full employment. Work for all, in the offices, factories and fields, is the solid foundation on which we can build real social security.

What, then, does the CCF propose? Here are the proposals of the National Convention—proposals that have been debated, and decided upon, in all the local CCF clubs scattered across the whole of Canada.

The Convention called for "A comprehensive and integrated social security and social insurance system, the benefits of which shall be extended to all citizens, Indians, and Eskimos, as a fundamental human right, and free from humiliating Means Tests".

The programme then went into details. The system is to include adequate old-age pensions for everyone at sixty, generous pensions to widowed mothers, children's allowances, disability benefits and pensions, child care and nursery schools, full medical and dental care for all citizens, irrespective of ability to pay, educational grants-in-aid, maternity benefits, out-of-work benefits for all workers, and a floor under wages, salaries and farm income.

These proposals taken together are, I believe, a new Magna Carta for our people. We have won our basic political rights, and we will cling to them, and broaden them. These are the social rights that we must win today.

The idea behind the proposals is that insofar as a person is unable to care for himself, or herself, it is a collective responsibility

to see that those things necessary for physical welfare and cultural life are made available to him.

There are those, of course, who still raise the old cry, "Where is the money coming from?" The plain lessons of this war, during which we are spending millions of dollars every day, are lost on these people.

Their cry is a false one. The money will be there if we can succeed in ensuring useful work for all our people. There was no money to fight a war in 1939, but we went ahead just the same. And we found the money. I can never understand the arguments of those who say that there will be less money in peace-time to finance constructive and useful economic activities and social security measures when in war-time we are spending billions on equipment which will of necessity be destroyed. I have no doubt that as soon as the war ends our private bankers, whose business it is to sell money and credit, will resume their profit-making functions in regard to it. It is to their advantage to keep money scarce and relatively dear. That is the aim of all sellers of all commodities on a capitalist market. But the CCF believes that the medium of exchange should not be allowed to remain a privately controlled commodity, but that it should be a publicly owned utility. Hence our programme includes a demand for a planned monetary and credit policy designed to aid in the provision of adequate purchasing power for the achievement of that full employment and economic expansion upon which social security measures ultimately depend. Such a monetary and credit policy, discussed in a later chapter, necessitates the social ownership of the banks, and other important financial institutions, as the necessary condition of economic planning as well as for increased security of the people's savings.

Our system of social security, then, rests on two pillars of the economic programme—full employment and a high national income. Set up those pillars, together with a planned monetary and credit policy, and we shall find the financial means readily available for a comprehensive system of social security, and for health, housing, education and other services. And the cost will be far less than that of war.

Canada, of course, has its central Government and nine provincial Governments. Social security legislation has to take account of this constitutional division of power and responsibility. The co-operation of both the Dominion and the provinces is necessary.

Part of the work of the Rowell–Sirois Commission, which sat before the war, was concerned with these problems. That com-

mission brought in a report which in this respect met with the general approval of the majority of the Canadian people. But the conference called after the publication of this report was brazenly sabotaged by the reckless irresponsibility of three provincial Premiers.

That conference having failed, there is great need of another before we are plunged into the confusion of demobilization after the war. Some people are saying, however, that a conference now would also fail.

But the conference must take place, and it can, and must succeed, unless Canada is to be victimized for another twenty-five years by politicians who are masters of evasion and nothing else.

The CCF, therefore, in pledging itself to bring about a comprehensive system of social security, is not forgetting that any such system would be no more than a rationing of security unless an economic base of full production was there to sustain it.

There is still room in Canada for great economic expansion, particularly in the Canadian north. This should be a planned public post-war development. Surveys made in Canada, particularly in regard to oil possibilities, and the experience of the Soviet Union in the development of similar territory, indicate there may be vast natural resources in Canada waiting to be tapped. In order that Canadians may have an opportunity to live usefully, a careful inventory of Canadian natural resources, industrial equipment and human power should be prepared, and a national policy formulated for their planned public development. The whole of Canada's vast northland calls for such a policy. Extensive schemes for developing our mineral resources, electric power and waterways, irrigation of certain regions and the electrification of rural areas should be carefully planned and prepared. Our forests need protection from private exploitation and Government neglect. Road-building should be undertaken and unexplored areas should be surveyed, mapped and prospected. Soil surveys, so valuable on the prairies, must be extended and new uses for agricultural products found through scientific research and social planning.

Another new field particularly suitable for western Canada is that of chemurgy. Organized research has already been undertaken by the Saskatchewan CCF Government in co-operation with the Provincial University with a view to discovering and developing new uses for agricultural products and low-grade lignite, of which the province contains an abundance.

One of the most essential things is the appropriation of a large

sum of money for the expansion of the work of the national research council and other public research groups. It is vital to retain for the public benefit the services of the scientists now engaged in research activities. This involves for them adequate remuneration and security.

Already the CCF, in ten short years, has focused attention upon such policies and programmes. It has been met, regularly, with cries of "This is Socialism and Bolshevism". Now, one of the most reactionary papers in Canada asserts that a social security programme would be cheap insurance against the CCF.

It can be done.

CHAPTER EIGHT

THE FARMER LOOKS AHEAD

CANADA WAS founded by her pioneer farmers. Their ringing axes in the forests, and silent ploughs in the clearings, the ox team and covered prairie schooner, opened our rich land to cultivation. Canadian farmers have made Canada famous as the producer of wheat, bacon, cheese, apples and other foods.

But today, in spite of the fact that the Canadian farmer is enjoying high returns for farm produce for the first time since 1919, he faces a future of uncertainty. For twenty-five years Canadian agriculture has been running downhill. The farmers' income has been low and uncertain, and living conditions on the farm have lagged behind those in the towns and cities. Now the Canadian farmer stands at a turning of the way, and whether he will go forward to a brighter tomorrow, or step back into the stagnation and despair of the pre-war years, depends on his own foresight and efforts.

It is a sad truth that it takes a world war to ensure to agriculture the returns which a system of "free enterprise" consistently denies. The years between the wars made it impossible for the great bulk of the Canadian people to utilize many of the products which they are now able to enjoy. For the strange fact is that while millions of tons of food are being sent to the battle fronts and while thousands of our farm youths are away in the armed forces, the people of Canada are eating more of the protective foods than ever before. In the future, agricultural and industrial production must be organized in accordance with the nutritional and consumptive

needs of the Canadian people and the possibilities of export trade on a basis of intelligent exchange.

In spite of tremendous changes in the Canadian economy, agriculture is still our basic industry. True, there has been a steady drain of young people to the cities, not unrelated to miserable farm returns that produced widespread distress in the country districts. But some 35 per cent of our population is still directly engaged in agriculture, and the percentage is much higher if we include all those dependent directly on the agricultural industry in the processing, packing, milling and handling of foodstuffs.

From 1915 to 1919 the Canadian farmer received about one-third of the national income. That would seem to be about right if 33 per cent of the population were engaged in farming. But from 1930 to 1940 the farmer received only 10 per cent of the national income, while in one year, 1931, he actually got only 5 per cent. Even this war has failed to place him in his proper relative position in the economy. Does this mean that all the rest of Canada is enriched at the expense of the farmer? It does not, of course, because the worker, the office employee, the railroader, suffer too. The welfare of all the people of Canada is bound up with the welfare of the agricultural industry. A study of financial trends in Canada indicates very clearly that throughout this period only a small privileged class has been enriched at the expense of the rest of the population. They are the monopolists in many fields, including those directly associated with the handling of agricultural products or the sale of farm supplies, or the people who benefit from the operations of loan and mortgage corporations.

The ordinary Canadian is dependent to an extraordinary degree on the purchasing power of that third of the population which tills the soil. On the other hand, the welfare of the farmer is, in no small measure, dependent on the consumptive capacity of the workers in other fields of activity.

No one realizes this better than the worker. The Political Action Programme of the Canadian Congress of Labour, to take an example, specifically calls for better living standards on the farms. The Canadian worker knows that if the farmer is bankrupt, his factory, sooner or later, will close down. Each needs to buy from the other. One of the great achievements of the CCF is the way it has brought workers and farmers together in the pursuit of common social objectives.

In a broad, rich, new land like Canada, aided by the inventions of modern science, a stranger would expect a steady im-

provement in living conditions generally, but the fact is that instead of improvement there has been stagnation. Worse still—the farmer may face another price collapse after this war, when his condition will be made more difficult by the return to the farms of many men and women now engaged in war industry or in active service in the armed forces.

In the period before this war the farmers suffered more, with the unemployed, from the ravages of so-called free enterprise than anyone else, although the small business and professional people, as well as the salaried and wage-earning groups generally, suffered too. In 1932 the average farm cash income actually fell in Canada to the low level of $111 per farm. In some parts of Canada it was even less. I remember, as I have already said, when eggs were delivered at our local Saskatchewan stores for as low as two-and-a-half cents per dozen, and when cattle would not meet the cost of rail transportation to market. The value of farm property declined sharply. There was no money to replace or repair buildings or machinery, or to restore the fertility of the soil. Much of it reverted to weeds or to pasture. The Dominion Bureau of Statistics shows that the value of farm land has actually declined by 19 per cent since 1921.

The effect upon farm people has come to light in the war. Army records show a very large rejection of farm youths on medical grounds—the inevitable result of ten years of poverty and lack of medical and dental care. Even now, in a country rich in men and materials, only one farm in five has electric light; one farm in three has a telephone; three farms in five have radio, one farm in five has refrigeration; only one farm in fourteen has a bathroom and only one farm in eight has central heating. Yet during all these years men were idle, machines were rusting and materials were wasting.

The story of the decline of agriculture is portrayed in the increase in the percentage of tenant farms in Canada, and the decline in the number of farms wholly owned by those who operate them. Many farms have fallen into the hands of mortgage and loan companies. Large blocks of land are now owned by these companies, and farm debt, except during this period of war, has been rising sharply. Surely these are symptoms not only of sick agriculture but of a sick society.

The CCF advocates certain basic proposals for the rehabilitation of Canadian agriculture. First of all, we say, there must be long-term planning for the agricultural industry by the farmers themselves, working co-operatively to map out comprehensive production and marketing programmes. Such programmes must

be designed to meet the nutritional needs of the Canadian people and fill the export requirements. We can no longer rely—nor does our best customer, Great Britain, intend to rely—upon the automatic working of the so-called free market, with its speculative grain exchanges and its monopolist packing industry, which has meant glutted markets, depressed prices and ruin for the farmer and wage-earner alike. Without farm purchasing power, the wage-earner becomes the unemployed.

Thus Government agencies such as the present Meat Board should be revised, with proper producer representation, and continuous and long-term agreements should be reached with our customers. This means, of course, our willingness to accept desirable imports in exchange—something that is difficult to achieve when, under capitalism, the purchasing power of the mass of Canadians is insufficient to buy even the necessities we produce at home.

Now, under the necessities of war, there has been haphazard planning of production and marketing, often by the wrong people. It has been makeshift, and certainly directed by persons who are not truly representative of either the producers or the consumers. Unsatisfactory as it may have been, it has vastly improved output, and hence we say that the lessons of war-time planning must be learned, and what is good must be retained, re-adapted and improved, so that full production and parity prices can go forward in the post-war period.

We must achieve parity prices. Floor prices in themselves will be inadequate; like minimum wages for the workers, they may even prove to be grossly unfair and depressing. Far better than floor prices are parity prices related to the cost of the things the producer must buy and which would include, of course, a fair remuneration for any work members of his family may do. This requires intelligent, comprehensive, economic planning for more than one industry—that is to say, for more than agriculture.

This in turn requires a comprehensive crop insurance policy for agriculture, so that in times of failure, essential purchasing power to maintain consumption will not be lacking in any part of our population.

A bright spot in the world picture, as I have pointed out, is the programme of the United Nations' Conference on Food and Agriculture. This conference called for the orderly planning of food production in accordance with the needs of nations and of low-income groups. Again, the United Nations' Relief and Rehabilitation Association, known as UNRRA, is perhaps the germ of a policy that will change the agricultural outlook of the world.

But our participation in such planning—and the benefits therefrom—are dependent on our willingness to make great and fundamental changes. There must be, for example, some form of social ownership, either co-operative or public, of all food-processing and marketing agencies and plants. Today our participation in planning would be difficult because, under the control of monopolies—like Canada Packers—the desire is to pay the lowest prices to the producer and exact the highest prices from the consumer.

In our domestic field we must find ways and means to bring industry closer to the farms. Unfortunately, the Government's war industrial policy has tended to concentrate more industries in fewer places. If we are to have a prosperous countryside, industry must become more decentralized. This, of course, is against the whole trend of monopolist capitalism, which is towards the centralization and concentration of industrial activity.

All this involves a number of other things. The picture I have given of the lack of decent facilities in farm homes must be changed. A vast programme of rural housing is required. In some parts of Canada there are what might be described as "rural slums", as menacing as those in our cities; and, apart from new buildings, it is estimated that two out of every five farm buildings need repair.

Dr. Eugene Forsey, research director of the Canadian Congress of Labour, has examined the statistics of comparative living conditions on the farms and in the cities. His studies reveal that the spread between rural and urban standards of living is one of the most striking features of Canadian life. It is attested by national income statistics, by figures of rural and urban wages, and by census reports on the equipment of city and farm homes. Severely as Canadian industrial workers suffered during the depression, Canadian farmers as a whole suffered even more. Inadequate as Canadian urban wages often are, Canadian rural wages are even worse. Mr. Colin Clark, in *The Conditions of Industrial Progress*, gives figures of rural wages as a percentage of industrial wages in fifteen countries; Canada is the lowest of the lot. In Finland the percentage is 83; Australia, 82; Estonia, 79; Latvia, 79; France, 58; Norway, 57; Holland, 53; Denmark, 53; Germany, 52; Switzerland, 51; Czechoslovakia, 49; Britain, 48; Poland, 32; Sweden, 31; Canada, 24. As for facilities in city and farm homes, the census reports tell a tale which seems scarcely believable of a twentieth-century North American country which boasts one of the highest standards of living in the world.

Only in the possession of automobiles do the farms show up

better than the cities; and as the automobile is far more necessary to the farmer than to the city dweller, this is not surprising. Indeed, the surprising thing is the relatively small percentage of farm households which do have automobiles. In Ontario, the figure is nearly seventy per cent; but nowhere else does it reach fifty, and only in the three Prairie Provinces does it come near fifty. In Quebec it is only 16·4, and even in wealthy British Columbia only 35·4.

This situation is a standing threat to national unity, a threat made worse by the fact that in many instances there is not only a marked inequality between cities and farms but also between province and province. The inequality between cities and farms is also a standing threat to the Canadian working class. Low farm income restricts the market for labour's products, and presents a continual possibility that hard-won union standards may be undercut by cheap labour from the rural areas.

For the rural homes and the new rural housing that must be built there must be a vast programme of rural electrification, to reduce the drudgery of farm work, to lower production costs, and to bring the amenities of modern life to the people who perform a fundamental service to the world. Canada has tremendous waert-power resources—yet only 19 per cent of her farms are touched by electricity. In Sweden, 75 per cent of the farms have electricity, and in New Zealand, 90 per cent.

The Manitoba Report on Rural Electrification estimates that an initial ten-year plan in that province could bring electricity to some 25,000 farms at present without it. Applying this ratio to the other provinces, it seems safe to assume that the total for all provinces would be not less than 250,000 (and even this would leave almost half our farms still without electricity). The Manitoba Commission's estimate of capital costs, applied to Canada generally, would indicate a total cost of around $175,000,000. On a similar basis, the cost of wiring and appliances might reach $150,000,000, or a grand total of about $325,000,000 over a ten-year period, or such shorter time as might be practicable. This in itself offers a sizeable field for post-war public investment.

Experience shows that private enterprise cannot undertake this development, except to a limited degree. Most of it will have to be done by public enterprise.

Furthermore, if the Canadian people are to be healthy and happy in the rural areas, we must provide an extensive national system of health services, paid for out of our national exchequer.

Already many municipalities and some towns and villages employ municipal doctors, who not only cure the sick but help people to keep well. This system, so largely promoted in my own province of Saskatchewan, is spreading across the country—the results are manifest, but it is only a beginning. The experience of free tubercular treatment demonstrates what can be done in the prevention of disease.

There must also be cheap credit facilities. Interest rates must be nominal. The New Zealand Government has established a system of farm credits, and credits for the building of homes, beginning at 2 per cent interest and rising to a maximum of 4½ per cent. We should be able to do the same. We have been too long the victims of high interest rates on mortgages and loans from companies, which often get their money from the insurance premiums paid by those who have to borrow their own funds. Cheap credit will, in the final analysis, be dependent on the social ownership of the banks and other credit facilities. Credit unions, on a co-operative basis, will help, but may not be established quickly enough to meet the immediate situation.

Such plans will enable Canada to do more in the nature of soil conservation. Canada needs careful soil surveys in the protection of its most valuable national asset. Often the farmer has been driven to the adoption of tillage practices which have denuded the soil. Reforestation, water conservation, irrigation, crop insurance, are but means to the desired end.

All this surely shows that the CCF believes there must be security of possession of the soil to those who work the land. The policies of full production and parity prices can reduce farm debt and promote the secure ownership of the family farm. But for some time to come there must be legislation preventing foreclosure and eviction and providing for the proper adjustment of accumulated debt.

The CCF has always accepted the family farm as the basis of our rural life. Indeed, our criticism of the present system is that too few farmers and too few people generally have homes or farms that they can truly call their own. We want to see more people own more property to minister to their own family needs.

The development of co-operative farm communities with comprehensive plans for security and social betterment would lay the broad foundations upon which farm families could build a full and creative life. Indeed, upon the welfare of the rural and industrial worker, the foundation of a truly co-operative commonwealth emphatically depends.

Thus, it is apparent that the welfare of the people in the future

depends on an ever-widening sphere of co-operation. Men and women must be encouraged to co-operate in the management of their own business. The CCF, therefore, seeks to encourage in every way the development of the co-operative movement, for co-operative ownership and operation are essentially extensions of democracy into the economic sphere. The CCF sees that co-operatives are really democracy in action. Many co-operative leaders have joined the CCF, and the CCF Government of Saskatchewan has established a department of Government to promote and encourage co-operative enterprise.

Today half a million farmers are members of co-operative associations. The associations themselves do more than a quarter of a billion dollars' worth of business each year. Farmers deliver their grain to a co-operative elevator, their livestock to a livestock shipping association, their milk to a co-operative dairy, their eggs and poultry to a poultry "co-operative". They buy at a co-operative store, and borrow from their own credit union.

Here is a mighty movement in the making. Co-operatives are not on a par with corporations, as Mr. John Bracken, the national Progressive-Conservative leader, implies. Co-operatives are dedicated to the principle of self-help, not profit-making. Reactionary groups are using the co-ops as a lever to abolish corporation taxes, but they will fail—for the patronage returns of Co-operative Societies to their members have nothing in common with the profits of corporation shareholders paid as dividends on capital invested.

When the war ends there will be machines and factories that should be used for the establishment of co-operative societies engaged in the manufacture of many commodities, including farm machinery. The Parliamentary Committee inquiring into the high prices of agricultural implements in 1936 urged the Government to encourage development of the co-operative manufacture and distribution of farm machinery. But nothing constructive has been done by the Federal Government.

Public ownership does not always mean ownership by the Government. Much of it should take the form of ownership by co-operatives. Present unfair prices of farm machinery could be slashed and further saving could be effected by standardizing designs. It would no longer be necessary to produce several almost identical kinds of binders, just because several companies want to make profits. And enormous expenditures on competitive advertising, most of it wasteful and worthless, and all of it paid by the farmers, would disappear overnight. Today some of the largest Government factories are manufacturing tanks. Within a

short time after the war it would be possible to convert these plants to the production of tractors and other farm machinery.

Farm machinery has been monopoly-controlled for many years. Four companies control the industry; one of them, International Harvester Company, controls 65 per cent of the business done on the North American continent. These companies admitted before a committee of the House of Commons in 1936 that, while there was competition with regard to services, *there was no competition with regard to prices.*

Evidence before this committee, of which I was a member, showed that of every dollar the farmer spent on farm machinery, only forty-nine cents represented costs, including labour, material, overhead and delivery. The committee found that of the cost of an eight-foot binder sold in Regina, Saskatchewan, by International Harvester Company for a price of $281, factory labour received only $22·63—that is, 8 per cent! Yet spokesmen of the old parties in Canada tell the farmer that he is being ruined if industrial labour receives a decent living wage.

Let us look at one other monopoly that preys on the farmer. Two huge packing houses, Canada Packers and Swift Canadian Company, control 86 per cent of the packing-house industry, and as a result they can dictate prices to the farmer, as well as to the consumer in the city. Canada Packers Limited prospered throughout the depression. Its earnings, more recently, have ranged from 76 per cent on its subscribed capital investment in 1938, to 116 per cent in 1940, and 112 per cent in 1942. This is denied by spokesmen for the companies, who relate earnings not to the money that investors have actually put into the business, but to what they call "stockholders' equity". This "stockholders' equity" consists partly of capital investment, but largely of profits that have been made out of the farmer in the past.

The report of the Price Spreads Commission set up by the Canadian Parliament, composed of very conservative gentlemen, stated in 1935:

> We cannot, therefore, escape from the conclusion that the continued prosperity of Canada Packers Limited during the depression bears some relation to the enjoyment of relative freedom from competition. That the inadequacy of such competition has operated to the detriment of the primary produce seems evident.

This is delicate language, but its meaning is perfectly clear—monopoly, and exploitation of the farmer.

Of no less importance is a careful appraisal of the nutritional standards in Canada in the last few years.

In a recent address before the National Poultry Conference, the Honourable J. G. Gardiner, Minister of Agriculture in the Mackenzie King Government, said that we "should not run away with the idea that people will be able to eat much more after the war". But this statement is contradicted by statistics published by his own Government. If the Canadian people, many of whom existed on relief before the war, were brought up to minimum nutritional standards, a vast new market would be opened to the farmer. These statistics show that 83 per cent of our people have diets lacking in fruit; 40 per cent still lack adequate quantities of cereal products; 25 per cent lack sufficient milk and cheese: 10 per cent lack sufficient vegetables, and our consumption of meat is 300,000,000 lbs. annually short of what it should be. A recent survey in Greater Vancouver, which has the reputation of being the best-fed city in Canada, revealed that only 3 per cent of the population enjoyed diets that could be called excellent, while another 11 per cent enjoyed diets that could be called good; the remainder, 86 per cent, were not getting enough of the right foods.

The city dweller drinks an average of only seven-tenths of a pint of milk per day. This is far below the requirements of health. Cheese is unknown in over 40 per cent of the households of Canada. Yet we can produce it in abundance, and it is rich in vitamins. Butter consumption (before rationing) varied directly with the income status of the consumer. The lower the income, the smaller the quantity of butter consumed.

Here is what the Canadian people alone need for an adequate, properly balanced diet: 107,000,000 more gallons of milk each year, 47,000,000 more dozens of eggs, 38,000,000 more pounds of beef, 76,000,000 more pounds of pork, 315,000,000 more pounds of flour. Those are the *additional* foods needed by our 1,000,000 Canadian families with incomes under $1500.

The high-income groups use 100 lbs. of high-quality fruit per year, the low-income group uses only about 60 lbs. of poor-quality fruit. If this deficiency were made up, another vast market in fruit would be open to the Canadian growers.

Is it any wonder, in view of these conditions, that over 50 per cent of the youth of Canada have been rejected as medically unfit for the Canadian Army? Is this not the logical consequence of conditions in which, even today, 62 per cent of the wage and salary-earners in Canada earn less than $950 per year?

This situation is intolerable and inexcusable, especially in a

country like Canada. It can be remedied only by a national food policy which will provide an adequate, balanced diet, within the means of the poorest citizen, and will at the same time give our farmers a guaranteed market and an adequate price for their products. If the price the worker can afford to pay is not high enough to give the farmer a living income, then public funds derived from taxation based on ability to pay must bridge the gap.

The provision of food must become a public service. The Big Five flour-mills (with their controlled grain elevators and bakeries), the Big Three meat-packing corporations, and the Big Two fruit and vegetable canning concerns, must be brought under social ownership, with the appropriate groups of farmers and unions represented on the Board of Directors of the public enterprises thus created. The distribution of milk and bread must be taken over by the municipalities or by co-operatives. We must end the scandal of competitive waste in these industries, and substitute not private monopoly but efficient public enterprise.

The reinstatement of agriculture as a great, prosperous, basic Canadian industry means that Canada must face the challenge of giving the rural population the chance for self-fulfilment and expression in what has become a city-centred, financially dominated society. We must reverse the trend towards the urban centres, by instituting policies that will make life in the rural areas pleasant, prosperous and attractive. We cannot safely allow the cities to drain people from the farms and villages. Rural society must be encouraged to develop—and be aided in developing—a way of life, with its libraries, its schools, its facilities for amusement and for health, so that it may achieve a dignity worthy of a properly balanced nation.

CHAPTER NINE

BANKS FOR THE PEOPLE

THE NATIONAL ownership and control of the financial system has always been fundamental in any programme of social reconstruction designed to raise the standards of life of the Canadian people. But the issue of currency and credit cannot be considered apart from its place in a comprehensive programme of national economic planning.

Indeed, only those who have failed to understand the true nature of the modern economic structure would try to persuade

the people that monetary reform, of itself, could be an economic cure-all for society. That is why the CCF has always regarded certain advocates of monetary reform as obstacles to the adoption of beneficial programmes for effective economic planning and intelligent progress, even when we have agreed with most of their criticism of the financial system and with some of their proposals.

They are right, for example, when they say that insufficient purchasing power is distributed to the mass of the population in normal times to enable them to buy consumers' goods in sufficient quantities to maintain full production. But they overlook the fact that the missing purchasing power is distributed to somebody or to some corporation during the process of production; it is neither absent nor lost. It has gone to persons or corporations who cannot or will not spend it, or who can find no attractive fields for investment. The crux of the matter is that capitalism now distributes purchasing power so unevenly that in normal times money accumulating in the hands of wealthy individuals and corporations cannot be spent or invested. In times of relatively high production like the present the same unevenness is evident. Indeed, the financial assistance, through tax rebates and depreciations, now being given to powerful monopolistic industries, together with heavy corporation investments in the increasingly heavy national debt, will make future distribution of purchasing power still more uneven.

The Dominion Bureau of Statistics, a Government organization, has shown, and the census of 1941 confirms the fact, that 83 per cent of the wage and salaried workers at that time of almost full production, and shortly before the Government froze wages and farm prices, were receiving incomes of $1500 a year, or less; indeed, the figures show that 60 per cent of workers earn less than $1000 a year.

In other words, 83 per cent were getting less than the amount officially stated as required for the maintenance of health and self-respect. When farm incomes are similarly analysed an equally or even more startling result may be anticipated. The CCF then placed the socialization of financial institutions in the forefront of the Regina Manifesto of 1933. In 1935 the first CCF members were elected to the House of Commons. The new session was only fifteen days old when, on behalf of our members, I was asked to move a resolution calling upon the Government to provide for the national ownership and control of the newly established Bank of Canada and the chartered banks. In this we were reiterating the demands of the farmer and labour members who had preceded us in the House of Commons. The resolution,

however, did not receive the approval of any other party or group in Parliament.

But the CCF continued to urge our policy upon the Government, so that after the by-election in Victoria, B.C., in June, 1936, in which we lost to the Liberals by only ninety-four votes, the Bank of Canada, but not the chartered banks, was made a publicly owned institution. Commenting upon it, the Montreal *Gazette* said in May 30, 1938: "This is a victory for the CCF".

We are, however, under no illusion, because we realized that the ownership of the Bank of Canada can be only a step on the right path; as long as the chartered banks remain under private ownership, the economic life of the country will be largely determined by the private lending institutions. They retain the power to direct most of the nation's credit, and through that power to accentuate booms and depressions by making easy loans during periods of prosperity and contracting them when business declines. Besides this, they tend to encourage the long-time trend towards private monopoly in our whole economy: the directors of the private banks are influential directors of most of the large-scale industrial enterprises, whose principal aim is the making of money for the shareholders, instead of the socially desirable objectives of public welfare and social security.

It is surely clear that there must be public ownership of the financial system if the credit resources of the country are to be marshalled and used for publicly desirable purposes. No manipulation of currency and credit can be effective as long as the institutions dealing in these instruments remain under private ownership and control. To encourage people to believe otherwise is to invite economic and social disaster.

There are many other reasons why the banking and financial system is of importance to any progressive movement. Under Canadian law the chartered banks may now issue credit up to twenty times the amount of Bank of Canada securities they hold. In actual practice, however, they consider ten times rather than twenty to be safe. Thus they can and do create money and decide whether purchasing power shall be issued or withdrawn, a function which ought never to be allowed to any private, profit-making institution. For we should never forget that money in any form represents a title to certain quantities of goods and services, and that these have to be rendered to the possessor by someone's service or labour applied to the land or other resources. If we remember this, we shall be less apt to fall into the common error that money is wealth ; that it is the principal thing when it is only the symbol or the shadow of real wealth created by someone's

toil. In any economy based on economic and social justice we should exchange the fruits of our labour or services in return for the fruits of another's labour or services. That, of course, does not happen within the present system of monopoly finance capitalism.

The problem of real economic activity and social welfare is production: labour in some form applied to natural resources. Goods, then, not money, must be our chief concern. Any banking system planned to serve the people must begin with a consideration of public needs in the terms of goods and services, not financial profits. It should relate its credits to the goods and services which money is designed to account for and to circulate in society. This is both an intelligent and fundamental economic principle.

During the depression public attention was focussed upon the strange paradox of poverty and want in the midst of actual and potential plenty. The war has demonstrated that this potential plenty was much greater than most people realized. But we could not attain it because neither the private banks nor business enterprise could make profits out of it. Both the social motive and the desire to meet public need were absent, and so farmers could not sell their produce, and the industrial worker languished in unemployment and on relief.

Before the war there were more goods than people had money to buy, so prices of uncontrolled products, like those of the unorganized farmers, fell disastrously. This will undoubtedly happen again if we return to the pre-war condition of economic anarchy called free enterprise. Only intelligent, democratic economic planning will protect us from deflation and disaster. Already the apostles of private finance and monopolist industry are preaching a return to the normalcy of capitalist muddle and misery.

We can, if we will, by promoting co-operative enterprise and the public control of monopolist industry and finance, transfer our present productive efforts to supplying goods and services for the benefit of the Canadian people. Since the war began and up to and including 1944, we have appropriated seventeen and one half billion dollars in our various war-time budgets. This is nearly two-thirds the value of everything we included in the wealth of all the people of Canada in the year 1927. In other words, had we not been at war and produced at the same speed as now, it can be said that we might have rebuilt two-thirds of every asset every person in this nation possessed.

Certain great financial institutions in Canada and their political servants have charged that if a CCF Government ob-

tained power in Canada, the savings of the Canadian people in the chartered banks, bonds and life insurance would disappear. This, of course, is false. In my national broadcast on the Fifth Victory Loan campaign, I said:

> As leader of the CCF, I want to assure you tonight that any Government which we form will give ample protection to your personal savings. Lately I have learned that persons who are either ill-informed, or more anxious to stop the steady progress of the CCF than to win the war, have been saying that if we are returned to power, your bonds, your savings, your annuities will be worthless. . . . This is neither the time nor the place for me to enter into a partisan discussion, so suffice it to say that the CCF has always maintained that the savings of the people loaned to the State ought to be the first charge on the nation, for most Canadians are able to set aside these savings only after careful economy and self-denial. When taxation or levies are necessary in the national interest, we have always held that they should be made strictly on the basis of ability to pay. You have my assurance that this is, has been, and will be the policy of the movement for which I speak. . . . Indeed, I would go one step farther than any other movement or party has gone, and say that, in my opinion, savings lent to the Government during this war should not be subject to any speculative movement, but, since they represent the hard-earned savings of the people, a return of one hundred cents on the dollar at any time should be absolutely guaranteed by the State to which they are now loaned.

In the House of Commons in 1943, the CCF urged the Minister of Finance to give a like pledge to the Canadian people. He did not do so. Again in 1944 the same proposal was made, and again the Government and the Progressive-Conservative Opposition refused to accept it.

At the close of the last war, when people were compelled to sell their Victory Bonds, the price was depressed, so that, in some instances, they were only able to obtain $90 or less for the bonds for which they had paid $100. The result was that great financial interests and wealthy people amassed large quantities of these bonds which, at that time, were free of income tax; thus they escaped their share of the load of debt which the common people had to carry.

A CCF Government would guarantee Victory Bonds and the personal savings of the people, to the extent that no other political party is prepared to do.

If the present system continues, with the present lack of planning for the future welfare of this country and its people, Canada will again face unemployment, deflation, and financial and economic depression. What was the situation in the 1930's within our present banking system? Had the Government not permitted the banks and other financial corporations to make and publish inaccurate and misleading valuations of their securities, there might have been bank failures, with widespread loss of savings, as there were in similar circumstances in the United States. At the time when this was done it was carefully concealed from the public, and since then very little has been said about it. However, on March 21, 1933, in the House of Commons, the Prime Minister, Mr. Bennett, was questioned regarding the passage of an Order-in-Council allowing the chartered banks to value their securities as at a date prior to the great financial crash of 1931. This Order-in-Council, No. 2693, was dated October 27, 1931. In reply to the question, Mr. Bennett said—and I quote him directly from the official record of Parliament:

> There was a run on one of the chartered banks in Canada. It was a run predicated entirely upon the failure of one of the great brokerage firms of this country. It was thought by many people that the bank might be a failure; $10,000,000 in deposits were withdrawn. No assistance was given by other banks, and there was no question of the Government being asked for assistance.

This was not the Manitoba Savings Office which the Progressive-Conservative leader, Mr. Bracken, allowed to be destroyed, or whose assets, when taken over by the chartered banks, were guaranteed by the Conservative Government to the extent of $12,000,000—a situation which, as a Royal Commission in Manitoba subsequently showed, was due to rumours falsely circulated by those who wished to destroy the Government-owned savings institution. The bank which, in Bennett's words, "might be a failure", was one of the great chartered banks of this country—the Royal Bank, to be exact. Its association with a great brokerage firm engaged in all kinds of anti-social speculation might have caused the loss of millions of dollars of the people's savings, had the Government not permitted the concealment of the condition of the bank's securities by the passage of Order-in-Council No. 2693, which permitted banks to value the securities not at their current market value, but at a date prior to the financial crash.

Thus, the people's savings were jeopardized by bank policy, and only the action of a friendly Government may be said to have saved the situation. A banking system owned, controlled and operated by the nation, backed with the entire resources of Canada and responsible to the people of Canada, would provide more adequate guarantees for the safety of Canadian savings accounts than banks owned, controlled and operated by irresponsible directors who are also the directors of all kinds of institutions and corporations engaged in speculative and other risky activities. In addition, too, currency and credit are the lifeblood of distribution. No group of men responsible only to their shareholders and connected with all kinds of ventures should be permitted to control the essential service of the issue of credit and the control of the people's savings.

We recognized from the beginning that the planning of our resources to give full employment, and to distribute the products of industry efficiently and equitably among the people, would be of little use unless we had the power to carry the plans into effect. Such power depends in a large measure on the control of finance which, if allowed to remain in private hands, can be used to thwart and to corrupt the will of the national authority. Hence we have always declared that the control of the financial institutions must be the first essential step in the control of the economy in the public interest. Our capitalist opponents see this as clearly as we see it ourselves, hence they are determined at all costs to keep it under their own private ownership and control.

As a result of a prolonged campaign largely carried on by the men who founded the CCF movement, the Government was forced to establish the Bank of Canada; at first, as we have said, it was a partly publicly owned institution and, finally, a fully publicly owned institution. The Bank of Canada has justified its existence during this war, but it must be emphasized that the actual distribution of credit is still in the hands of privately owned chartered banks. In the Regina Manifesto the CCF demanded the establishment of this central bank to control the flow of credit and the general price level, and to regulate foreign exchange operations. Now, these are the things it has been trying to do during the present war, and in many respects it has demonstrated its effectiveness. Its weaknesses or failures to achieve the necessary results have been due to the fact that the actual business of directing credits has been left to the private banking institutions. If we are to prevent post-war deflation and the progressive accumulation of financial power in still fewer hands, the chartered banks must become subsidiaries of the Bank of Canada carrying out a

financial policy directed only to the public welfare and not to the making of private gain.

Fortunately, Parliament has never allowed the banks to have any permanent right to exist as private corporations. We have the undisputed right, whenever we care to exercise it, to refuse to renew the charters and to take the banks out of private control. To make effective the financial policies necessary to maintain full employment and to develop our resources, to improve our standards of life and to distribute the goods and services which this scientific age can produce, the nation must have full and complete control of financial policy.

Under a CCF plan, not only banking, but annuities and insurance would be a public responsibility, and would therefore be backed by the entire resources of Canada, and hence as sound as the nation itself.

In 1931 several of our Canadian life insurance companies, including the Sun Life, the largest Canadian organization, were in a perilous position due to the investment of hundreds of millions of dollars of their policy-holders' money in speculative stocks. On December 31, 1931, the Conservative Government passed an Order-in-Council, P.C. 3871, of which the Honourable J. L. Ilsley, the present Canadian Minister of Finance, said in the House of Commons, on March 8, 1932:

> It enabled the life insurance companies of Canada to place a false valuation upon their investments so that there would be no danger of two or three of our insurance companies being declared insolvent.

Undoubtedly, Mr. Ilsley was right. But for the action of the Conservative Government in allowing the life insurance companies to conceal their real position, the largest Canadian concern might have been declared insolvent under the law, and hundreds of thousands of life-insurance policies might have been depleted. Mr. Ilsley dealt particularly with the Sun Life Insurance Company and said:

> The money that I as a policy-holder have been paying in, and that policy-holders from all parts of Canada have been paying in, has been invested by this company in watered stocks, in a long assortment of securities which have gone down disastrously in value.

But Order-in-Council No. 3871 was passed, enabling the Superintendent of Insurance to evaluate a company's stock-

holdings on the basis of their average market value for the preceding five years, rather than on their current market value. Their financial position was carefully concealed by allowing them to value their securities at an average which included highly inflated values of the stock boom in the late 1920's.

Although since then the regulations governing the investments of life insurance companies have been strengthened, policies would be infinitely safer if they were backed by the resources of Canada rather than by the securities in which life insurance companies have from time to time placed the premiums of the people. Moreover, the whole business of private life insurance corporations is a story of the exploitation of their agents, of the exploitation of their policy-holders through high-powered salesmanship, and subsequent lapses, and by their heartlessness in the rates of interest they have charged on mortgages and their callous disregard of mortgagors in their foreclosures and evictions.

In the opinion of the CCF, the four principal reasons why life insurance should be brought under public or co-operative ownership and control are:

(1) The present concentration of economic power in the hands of the few directors and officials who control the insurance companies and their investments, and who, in some instances, are directors of all kinds of corporations, including the liquor industry, in which they have invested their policy-holders' savings.

(2) The high cost, inefficiency and wastefulness of life insurance as it is now organized.

(3) The exploitation of the majority of the employees of these companies.

(4) The right of the Canadian people to, and their need for, a proper system of national investment control. To leave large amounts of investment funds in private hands makes impossible a properly planned and comprehensive social security system.

In 1941, insurance companies in Canada collected more than $200,000,000 in premiums; an amount equal to more than one-half of the entire revenue of the Federal Government in 1936. The investments of life insurance companies by 1941 had reached a staggering total of two and one-half billion dollars.

In the hands of life insurance companies' officials there is an annual flow of hundreds of millions of dollars, which they invest. These men are thereby placed in positions of tremendous financial

power. This power is more obvious when one understands the high degree of concentration in the life insurance business. In 1941, the ten largest companies accounted for 83 per cent of the total assets of all fifty-four Canadian, British and foreign life insurance companies doing business in Canada. Their premiums show great variation for substantially the same type of policy and are out of all proportion to the policies issued by publicly owned life insurance organizations. Let me give you one or two figures.

The State of Massachusetts has a publicly owned life insurance organization which, of course, is bitterly fought by the line companies. During the ten-year period from 1929, on a straight life policy of $1000 at the age of thirty-five, the average yearly net costs have been:

The Massachusetts publicly owned companies per $1000	$2.74
Canada Life	9.20
Sun Life	7.42
Dominion Life	10.24

The lowest cost Canadian company, Mutual Life, netted $4.79, or almost double that of the publicly owned Massachusetts organization; while the highest cost company charged premiums four times as great. These are the facts.

When we consider the question of industrial insurance we are struck with the exploitation of millions of people who can only buy small amounts because they have low and uncertain incomes.

It is indeed a bitter paradox that this form of insurance is the most expensive available and, as a group, the agents collecting the premiums are often the most under-paid. But it is a highly profitable business to those companies engaged in it. In Great Britain, the Beveridge Report criticizes it very strongly. It says:

> Hundreds of thousands of families with less than enough to live on contribute substantial proportions of their incomes to industrial insurance. From thirty to forty per cent or more of what they contribute goes to administrative expenses or profits. Both the extent of abortive insurance and the evidence of social surveys show the amount of industrial insurance today as excessive. The excess follows from the fact that it is a business with a strong internal pressure to develop in the interests of the staff or the interests of the shareholders.

In Canada this form of insurance is dominated by two United States companies and one Canadian, the London Life Assurance Company. This Canadian company doing business in Canada collected $7,480,414 in industrial insurance premiums in 1941. Of this, it spent $2,741,418 in selling, collecting premiums and other expenses connected with the securing and maintenance of this business. This was equal to nearly 40 per cent of the total industrial premium income and more than 250 per cent of the $1,087,425 it disbursed in net claims to its industrial policyholders in that year, 1941. These startling figures are taken from the company's own report to the Superintendent of Insurance for 1941 and from the authoritative Stone and Cox Insurance Tables, 1941. The excessively high cost of industrial insurance compared with straight life or straight endowment, together with the excessively high costs of selling and high rates of profit, mean that the poorest people in our communities are the most exploited by these companies.

Now, with a post-war problem of unprecedented magnitude facing Canada, social ownership and control of the financial institutions are more than ever before a matter of sheer necessity. For after the war an estimated 1,500,000 new, peace-time jobs will have to be found if the returning servicemen and the laid-off war workers are to be given a chance to work. Such a condition of full employment would require, as the Government's Committee on Reconstruction estimates, capital expenditure in Canada of one and a half billion dollars per annum. The rosiest forecasts of private enterprise fall far short of meeting this necessary minimum.

The history of the past few decades reveals a steadily increasing public indebtedness to the private banks. The Canadian Government's interest payments to the chartered banks for the year 1944 alone amount to about $35,000,000. Clearly, adequate post-war reconstruction can be financed only through a publicly owned banking system and through public direction over the investment of insurance monies. Plans for full employment which leave these institutions in irresponsible financial control are foredoomed to failure.

CHAPTER TEN

SASKATCHEWAN: A CASE STUDY IN CCF GOVERNMENT

ON JUNE 15, 1944, the first CCF Government in Canadian history was elected to power in the Province of Saskatchewan. The task before the new Government was not going to be easy.

The day the Government took the oath of office, July 7, 1944, the new Premier, the Honourable T. C. Douglas, found a letter from the Liberal Party's Minister of Finance at Ottawa, Honourable J. L. Ilsley, informing him that certain seed-grain notes became due on July 31st, and inquiring if the CCF Government intended to concur in the former Provincial Liberal Government's agreement to renew them for two years. It would have been easy for Mr. Douglas to reply that since his predecessor had agreed to do so he would agree also. But that meant, in the opinion of the CCF, that thousands of farmers would be worried with iniquitous seed-grain notes, the interest on which had been piling up against them for over six years.

Between 1929 and 1937 Saskatchewan experienced a price collapse of her principal products and a series of rainless years on an unprecedented scale. During this period the province and the municipalities distributed some $50,000,000 worth of seed and farm supplies without federal aid or guarantee. Much of this has already been paid by the recipients, but much still remains to be paid and will be paid. The spring of 1937 had given promise of relief from the prolonged drought, but the intense heat and lack of reserve moisture in the soil destroyed all hope of harvest towards the end of June. Crops withered in the fields, so that it became certain that there would be neither seed nor feed. I was in the province when the disaster occurred. There was some grain from previous crops in the country elevators, so, in common with other public men of all shades of political opinion, I urged the Government at Ottawa to place an embargo on the export of grain from the province so that what remained could provide seed for 1938 and feed for the ensuing six months. Meetings of municipal officials urged such a policy upon the Government, but the price of wheat was rising on the speculative market and elevator companies continued to sell and to ship; that was their business. The Federal Government alone could protect the interests of the farmers, the province and the country; this it failed to do.

When autumn came there was no crop. Farmers gleaned every

kernel of the precious grain, but over the millions of acres seeded in the spring the average yield was less than three bushels to the acre. Frantically the Government tried to provide fodder for cattle. Hay was imported from as far away as Minnesota and Ontario, but herds were ordered reduced to a couple of cows per farm, and dairy-cattle were sold for slaughter, under Government agreement with the packing companies, at one cent per pound. Almost the entire province, both man and beast, had to be fed. A national calamity of the first magnitude struck Canada. In Parliament CCF members insisted that the national emergency should be recognized and plans made by the national authority to meet and finance it; the stricken province could not do so.

After a dreadful winter, the time for spring seeding came. Farmers without seed appealed to the Government. The municipal councils negotiated with the banks. They agreed to lend providing that the already bankrupt municipalities would guarantee their loans to the farmers. In turn the municipalities, unable to undertake the huge obligations, appealed to the provincial Government to assume the liability. This the almost bankrupt province, backed by the Federal Government, agreed to do.

Seed wheat was shipped into the province. Some was dirty, some of a type unsuitable for the prairie farms, some sown too late to mature before the early autumn frosts. The farmers signed notes on which an average price was to be entered later. When this was done, the price was inserted at $1.43 a bushel, and the notes bore interest. This was fifty cents a bushel more than the farmers had received for wheat when they sold it the previous crop year.

That autumn, 1938, the Saskatchewan farmers reaped a crop, some low-grade on account of unsuitable seed or because of late seeding and frost. The market price set by the Government for No. 1 Northern wheat at Fort William, the head of the lakes and 1,000 miles away, was eighty cents, the average Saskatchewan farmer receiving sixty-two cents, or less, a bushel at his country elevator for the best wheat, and much less for lower grades.

From the outset the CCF maintained that the seed should have been provided free by the nation to relieve a national disaster. The farmers, through the municipalities, offered a compromise which the Association of Rural Municipal Councils and the United Farmers of Canada have endorsed ever since 1938. The CCF party promised to secure such a compromise, which we regard as a generous offer from the farmers. It was that the seed-grain loans of 1938 be paid one half by the underwriting Govern-

ments and one half by the farmers. The former provincial Liberal Government paid nothing, but agreed to renew the notes to the Dominion Government, which itself had paid the banks. The new CCF Provincial Treasurer, the Honourable C. M. Fines, at once offered to give Treasury Bills for the total sum and to pay 50 per cent of the principal, which amounted to some $17,000,000, as collected but at the rate of not less than $2,000,000 a year.

The offer was refused. As evidence of good faith, the Provincial Government forwarded to the Federal Minister of Finance Treasury Bills—*i.e.*, Government promises to pay—for the full amount pending a settlement. This is precisely what Ottawa had accepted from other provincial Governments from time to time in respect to debts arising from the disasters of the 1930's.

Ottawa demanded settlement of the entire amount outstanding in payments extending over five years, the legal lifetime of the newly elected legislature. This was an obvious and barefaced attempt to cripple the new Government and prevent it from putting into effect the beneficial social legislation to which it was pledged.

To complicate matters, under war-time agreement the provinces had surrendered the right to levy important revenue-producing taxes. In return, the Federal Government agreed to pay fixed amounts annually to the provinces in lieu thereof. The Federal Government now refused to pay Saskatchewan until it agreed to liquidate the entire Seed-Grain Debt, an obligation incurred by hard-pressed, debt-ridden and drought-stricken farmers.

But the doughty bantam-weight boxing champion who is the Premier of Saskatchewan, and his colleagues, determined to fight the Federal Government and the financial and economic powers behind them. In this battle Premier Douglas, who is a former minister of the gospel, had a moral right that was unassailable. Financial papers and politicians who support the capitalist system characterized the action of the Saskatchewan Government as repudiation, but that was obviously false and libellous.

Thus in the first round of a battle for simple justice, the representatives of Canadian finance and big business, through their powerful political friends, attempted to hamstring and destroy a people's Government.

But the new Government went ahead with its plans. Elected on June 15th, winning forty-seven of the fifty-two seats in the Legislative Assembly, the new House met on October 19, 1944. In three weeks it enacted more progressive legislation than previous Liberal and Conservative Governments had placed on the

statute books in thirty years. It was a first instalment of a definite and far-reaching programme of legislation to which the CCF was and is pledged.

Between the date of its accession to office, July 7, 1944, and the first meeting of the Legislature on October 19, 1944, the departments of government had been reorganized and three new departments established, each under a responsible Minister. These were: (1) the Department of Social Welfare; (2) the Department of Co-operation and Co-operative Development; (3) the Department of Reconstruction and Rehabilitation.

All the Cabinet Ministers were men who had given much attention to the problems with which they would have to grapple. The new department—that of Co-operatives—was placed in charge of Mr. L. F. McIntosh, who was one of the best known of the field men of the great farmers' marketing organization, the Co-operative Wheat Producers Limited. The other, Reconstruction, was headed by Captain John Sturdy, a veteran of the First World War, who had just returned from three years of service overseas as Assistant Director of Army Education and who had been elected in the city of Saskatoon.

As soon as it took office, the Government set to work to find the ways and means of implementing its programme. At the first short and special session it proceeded to lay the foundations on which it could erect the type of programme and administration which the people expected. The result was seventy-six pieces of legislation, many of only minor importance, but the principal of which were definite, clear-cut and, in many aspects, bold and forthright. This legislation foreshadows a dynamic period of social and economic evolution in a province which has few resources other than a fertile soil.

Of the forty-seven CCF members of the Legislature, thirty are working farmers, one a farmer's wife, six are trade unionists, the other ten representing various businesses and callings. The make-up of the party at once reflected the relative importance of economic groups in the province, and provided a test as to the extent to which such overwhelming representation of the agricultural community could be relied upon to do justice to the aspirations of labour. The Trades Union Act and the Annual Holidays Act provided the answer.

The Trades Union Act, which was piloted through the Legislature by the Honourable C. C. Williams, Minister of Labour, and at the time Labour mayor of the capital city of Regina, is the most advanced piece of labour legislation of its kind to be found anywhere. It is designed to prevent all forms of interference by

employers or others with the efforts of employees to form organizations of their own or to join unions of their own choice. It requires every employer to bargain collectively with any trade union which represents a majority of his employees. To carry out these purposes the Government has appointed a Labour Relations Board consisting of a chairman and six other members, equally representative of organized labour and employers. If experience proves it to be desirable, representatives of the general public may be appointed also. This board has wide powers to prevent unfair labour practices and to determine the trade union which is to be recognized as the bargaining agency in any unit of industry. It outlaws "company" unions and protects the worker from discrimination of any and every kind. Here is the list of unfair practices against which the Act is directed:

For employers: interfering with, restraining or coercing any employee in the exercise of any of his democratic rights; dominating or interfering with a labour organization or giving it financial or other support; failing or refusing to bargain collectively with a duly recognized union; refusing to permit any duly authorized union official to negotiate with his employer during working hours or making deductions from his pay because of such negotiations; discriminating or using coercion or intimidation of any kind with a view to encouraging or discouraging union activity; requiring abstention from union activity or membership as a condition of employment; interfering in selection of a trade union as a bargaining agency; threatening to close or move a plant during a labour dispute; maintaining a system of industrial espionage; declaring or causing a lockout or making or threatening to make changes in wages or employment conditions while a case is pending before the Labour Relations Board or a board of conciliation.

For employees: using coercion or intimidation with a view to encouraging or discouraging activity or membership in a labour organization; or taking part in or persuading an employee to take part in a strike while a case is pending before the Labour Relations Board or a board of conciliation.

Lack of effective means of preventing unfair labour practices has been one of the major weaknesses of previous Canadian labour legislation. The Saskatchewan Trade Union Act remedies this weakness by giving the board power to issue orders prohibiting unfair practices. The board, if it finds an unfair labour practice has been committed, will issue an order requiring the responsible party to refrain from such practice. It may also order an illegally discharged employee to be reinstated, with back pay, or a company union to be disbanded. The board's order is enforceable in

the courts, and anyone disobeying such an order can be prosecuted for contempt of court. It is expected that this procedure will be effective in the majority of cases.

If this should be ineffective, various penalties are provided, including, for persistent defiance of the law by an employer, both substantial fines, and finally a jail term of not more than one year, in addition to a maximum fine of $5000. In extreme cases the board may recommend the taking over of an industry by the Government.

Of course the secret ballot is provided for, if an application for a union is approved by 25 per cent of the employees eligible to join. Then "if a majority of those eligible to vote actually vote, the majority of those voting shall determine the union" to be approved as the bargaining agency.

The Act also provides for maintenance of membership and the check-off system. Every collective bargaining agreement must contain a provision that, if required to do so, membership in the union must be regarded as a condition of employment. In other words, employees who benefit from union activities should be required to support them. It is interesting to note that the Act covers all employers who have three or more employees, and for the purposes of the Act the Saskatchewan Government itself ranks as an employer. This is the first time that the right of Canadian civil servants to join trade unions and to bargain with a Government through unions has been recognized by statute. It should be added that comprehensive machinery for conciliation and arbitration is provided.

Provisions of the Annual Holidays Act apply to all employees except farm help, of whom, incidentally, there are very few in a province where the farmer and his family are usually the sole workers employed. This is because of the highly mechanized farming methods prevalent in Saskatchewan.

If, however, it is "administratively possible" to bring any farm labourers under the Act, the Minister has power to do so. The Act does not apply to an undertaking in which "only members of the employer's family are employed".

Other than these, every employee is entitled to an annual holiday of two weeks after each year of employment. He is to be paid two weeks' pay the day before he goes on holiday. If he works during his holiday without his employers' consent he is liable to the return of the vacation pay to his employer.

A new Minimum Wage Board has been appointed which has increased the minimum standards to be paid in cities and towns for a forty-eight-hour week. The rates, $16.80 per week in cities

and $14.00 in towns, represent a big improvement and are the highest in effect anywhere in Canada. The significance of this labour legislation is that it was considered and approved by a Cabinet, a party caucus, and a legislature in which labour represented a small minority. The CCF, by its educational activities, brought about a thorough understanding of labour's rights and problems in an overwhelmingly agricultural Canadian province.

But again the federal authorities are attempting to interfere with this labour legislation. They don't like it. Already labour is urging the passage of a federal Act along similar lines. It has been contended that a regulation made under the War-time Wages Control Order prohibits an employer from altering any term of employment which may directly or indirectly increase wage rates without the consent of the National Labour Board. The federal Minister of Labour, under whose jurisdiction the board operates, refused to relax controls to remove objections to the Saskatchewan legislation. However, in spite of every obstacle, the CCF has fought for its legislation regarding minimum wages and holidays, and continues to act under its Trade Union legislation. Refusal by the federal authority to pay money belonging to the province and payable under an agreement which sets out clearly the condition under which payment shall be made or withheld, and interference with labour legislation which has always been regarded as the absolute right of the province, emphasize the necessity of a Dominion-Provincial Conference where the respective jurisdictions can be properly defined. It should be said that actions like those of the Federal Government in relation to the CCF Government of Saskatchewan will make agreement much more difficult than was anticipated before July, 1944.

Other labour legislation contemplated by the Saskatchewan Government is an Hours of Work Act after the war. It will provide that immediately after the end of the war, or on such earlier date as may be named by proclamation, hours of work may not exceed eight per day or forty-eight per week; two years after the war, or by proclamation earlier, hours of work may not exceed eight per day or forty-four per week; four years after the war, or by proclamation earlier, eight per day or forty per week. This legislation will set an example which will undoubtedly be deeply resented by anti-labour elements in Canada.

Because of the constant danger of foreclosure and eviction to the men and women who have pioneered the prairie farms, the CCF has always declared that security of tenure must be guaranteed by law to the farmer in the land he tills and to the worker in the home he possesses. The Saskatchewan Government, there-

fore, introduced legislation to deal at once with the position of the farm homestead. The new measure, known as the Farm Security Act, provides that no farmer can be evicted from his home quarter section of 160 acres under a mortgage agreement, and that farmers operating land under mortgages or agreements of sale shall be relieved of making principal payments during crop failure years.

Amendments to the Exemptions Act provide that the farm execution debtor shall retain sufficient of his crop to meet legitimate harvesting costs, necessary living allowances for himself and his family, and costs of farming operations, to include seed-grain sufficient to sow all land he has under cultivation, and gasoline and oil.

Referring to the crop-failure clause, the Attorney-General, J. W. Corman, K.C., said in the legislature: "We do not deny that this legislation is radical in that it goes to the root of some of our agricultural problems. Farm debt is still a problem in Saskatchewan and this legislation will prevent its increase in times of crop failures."

The crop-failure clause sets forth that in case of such failure no mortgagor or purchaser is to be required to make "any payment of principal to the mortgagee or vendor during the period of suspension" (commencing September 1st in the crop-failure year and ending August 1st in the next succeeding year). The effect of this is to postpone automatically principal payments for one year.

In addition to this, principal outstanding on September 15th in the period of suspension is to be reduced by 4 per cent, or by the same rate at which interest will accrue on the principal outstanding at September 15th, whichever is the greater. Notwithstanding such reduction in principal, however, interest continues to be "chargeable, payable and recoverable", as if the principal had not been reduced.

Crop failure is defined as a cash return of less than six dollars per acre, sown to grain. The Mediation Board for which the Act provides has power to inquire into a farmer's "other income" and to make adjustments or decisions regarding his ability to pay.

In cases of dispute as to whether or not there has been a crop failure, the matter is to be referred to the Mediation Board for decision. The mortgagor or purchaser who believes that he is entitled to the crop-failure benefits in any particular year must give written notice to the mortgagee or vendor before November 1st of that year. Failure to do so "shall constitute a waiver of such benefits".

The very important no-eviction section of the Farm Security Act applies only to land held under a mortgage. It describes a homestead as the mortgagor's farm residence,with the 160 acres of land on which it is situated, as well as other buildings upon it.

The section provides that no final order of foreclosure of a mortgage shall be acted upon "so long as the homestead continues to be a homestead". In future final orders of foreclosure are to contain a declaration from the judge by whom they are issued, that the land concerned is or is not a homestead under the terms of the Act. Where such an order affects a homestead and other land as well, the judge's declaration shall set forth what part of the land is a homestead.

The protection afforded by this section, says the Act, "shall inure to the benefit of the widow and infant children, *or* widow or infant children, of a deceased mortgagor to the same extent as if the widow or children were the mortgagor".

Explaining the Act, Mr. Corman stressed that the no-eviction section applied only to mortgages, not to agreements of sale. Mortgagees could still garnishee money, or seize goods and chattels of the mortgagor. The former's rights against the crop were unchanged, and he could foreclose on land other than the homestead, as before.

"The Act", said Mr. Corman, "will not affect any mortgagee who is not out after his pound of flesh. Too many farmers in Saskatchewan have been evicted from their homes for failure to pay mortgage debts. Farm homes are now exempt from seizure for an execution debt. This Government believes they should be exempt from seizure for a mortgage debt."

Under amendments to the Exemptions Act, the crop of the execution debtor is exempt from seizure to the extent of providing for:

1. All unpaid legitimate costs of harvesting a crop.
2. A necessary living allowance for the support of the farmer and his family until the crop of the following year is about to be harvested.
3. Necessary costs of farming operations for the same period of time, including grain sufficient to seed his cultivated land, and oil and gasoline.
4. Freedom from seizure of any article for purchase of which an exemption of crops is allowed if purchased before the crop of the following year is harvested.
5. That share of the crop which is exempted must be used for the purpose for which it was exempted.

Under the old Act, now amended, the debtor could retain clothing and household furnishings to the value of $500, grains and other produce sufficient to provide cash for fuel for heating only, feed for six cows, six horses, six sheep, four pigs and fifty fowl, as well as seed grain to sow 160 acres.

This meant, said Mr. Corman, that the debtor was not permitted to keep enough for "a decent living".

Extent of the crop necessary to provide living and operating allowances will be determined by the sheriffs in the districts concerned.

This farm legislation followed closely the policy adopted in the Regina Manifesto of 1933. Opponents of the CCF have always tried to persuade farmers that they would lose their farms if they voted for the party. The legislation adopted by the first CCF Government in Canada in relation to farm lands gave a clear demonstration of the philosophy of the CCF in regard to the ownership of property which "ministers to the welfare of the individual and is not used to exploit the community".

Because the co-operative movement has become such an important factor in the economic life of the province, with 2200 places of business and a membership of over 250,000 persons, the Saskatchewan Government thought it expedient to establish the new Department of Co-operation and Co-operative Development.

The Act empowers the Minister to take measures he deems advisable "for the encouragement generally of co-operation and co-operative development in the province", and particularly to "encourage and assist in the organization of co-operative enterprise" among those who wish to do so "on a non-profit, co-operative self-help basis".

A research service is provided for in the Act. Under this phase of the measure inquiries may be carried out into the operations of co-operative enterprises and investigations and analysis made into economic, social and other problems. The objective is to encourage "new or improved methods or means of co-operative organization and development".

Particularly mentioned for investigation are: agricultural production and processing and marketing of such products; industrial development, manufacturing and wholesaling, business finance generally, including credit and investment; retailing of goods and services and community and other services.

The department is also instructed under the Act to collect and sort out facts and statistics on co-operation and co-operative development, to issue reports, circulars and other publications from time to time, and to disseminate information on co-opera-

tion in such a way as to "encourage interest in the principles and practices of co-operation". It is also to "perform such other duties and provide such other services as may be designated" by the Government.

An additional point is that the department is expected to co-operate with other Governments, educational institutions and co-operative bodies "in the furtherance of co-operative development and the undertaking of co-operative principles and practices".

Officials of co-operatives and credit unions are required, under the Act, to "furnish the Minister with such information as he may from time to time require". This refers to annual or other periodic financial statements which have to be filed with the department in accordance with the provisions of the legislation under which the co-operative or the credit union is incorporated. Any person who refuses to comply with this request, or who knowingly makes a false statement in any such information he provides, is liable to a fine not exceeding $100.

The co-operative Acts to be administered by the new department are the Co-operative Associations Act, the Co-operative Marketing Associations Act, the Credit Union Act, and such other Acts as may be designated by the Lieutenant-Governor in Council.

During the debate Premier T. C. Douglas declared that the provincial Government intended to give financial assistance to co-operatives when it was necessary to do so.

In September, 1944, representatives of the CCF attended the British Commonwealth Conference of Labour, Socialist and Co-operative political parties in London, England. While in Britain, the delegation, which was led by the author, made valuable contacts with the great Co-operative Wholesale Societies of England and Scotland. As a result it was arranged that the Honourable T. C. Douglas and the Honourable L. F. McIntosh should visit Great Britain and the Co-operative Societies immediately after the short session in November, 1944. Mr. Douglas was taken seriously ill en route, but Mr. McIntosh flew to Britain and discussed with the directors of the English and Scottish Wholesale Societies, some of whose directors also visited Canada and the United States, tentative plans of mutual assistance. Provided satisfactory tariff and other arrangements can be made, the expanding co-operative movement in Canada and the well-established and important co-operative societies in Britain can do much to assist the two countries in solving their post-war economic problems.

Shortly after taking office the Government took steps to plan

for an improvement in the health services of Saskatchewan. The aim of the CCF is to establish, on a nation-wide basis, free, socialized health facilities. The Government wished to formulate such plans as the province could make to lay some foundations. It appointed a well-qualified Commission of Inquiry consisting of Dr. Henry E. Sigerest, Professor of the History of Medicine, Johns Hopkins University; Dr. Mindel Sheps of Winnipeg (Secretary); Dr. J. Lloyd Brown, Saskatchewan Medical Association; Mrs. Ann Heffel, Graduate Nurse; Dr. J. L. Connell, Dental Association; Mr. C. C. Gibson, Hospital Administrator. They held many hearings throughout the province, visited municipal and other hospitals and interviewed those actively engaged in health services in city and country. They found a lack of medical and health services in certain country parts of the province, and drew up and presented a plan for continuous improvement which the Government accepted as a proper basis for future progress.

Premier Douglas, who is also Minister of Health, laid down the rule during the debate that those who needed assistance most would get it first. The first actual step taken by the Government, therefore, to implement its health policy was in the provision of free medical, surgical and hospital care for all old age and blind pensioners, as well as widows in receipt of mothers' allowances, and their children. Free care is also provided for those in mental institutions of the province, and will be provided for those who enter such institutions in the future.

Meantime a Health Services Planning Commission has been established. It is to ascertain costs of health services decided on, and recommend methods of financing them; outline proposed health region boundaries, work out the health needs of several regions and recommend the health services required to meet these needs; recommend better health services for municipalities and local improvement districts where such services are inadquate; plan compulsory health insurance schemes for several urban centres and help the Government plan health services generally.

In addition, it will recommend to the Minister qualified young medical graduates for post-graduate study, particularly in public health, psychiatry and cancer control, as well as qualified registered nurses for advanced obstetrics and public health. It will also make recommendations to the Minister regarding extension of the faculty of medicine at the University of Saskatchewan, and for provision of adequate clinical facilities for teaching purposes.

Polls may be held in any region on the advisability of inaugurating a health services scheme, while the department is authorized to make grants to municipalities, hospital boards and health regions "for the provision and operation of health services". It may also pay part or all of the cost of providing health services in any region in which "such services are deemed by the Minister to be required".

Regulations governing these duties and activities are to be made by the Government. It will set forth the condition under which payments for health services, and grants and subsidies, are to be made, as well as the conditions under which the department may pay part, or all, of the cost of health services in any health region. It will also prescribe the amount, not to exceed ten dollars, to be paid by each resident of a health region, and the maximum amount payable by any one family.

In the field of Education great advances are planned, and some have already been put into effect.

Improvement of educational standards in Saskatchewan, especially in rural areas, is the aim of legislation sponsored by the Department of Education and passed at the special session of the Legislature. One new measure, the Larger School Units Act, was written into the statutes of the province, while amendments were made to the School Act.

Briefly, the educational changes provide for:

1. Immediate inauguration of the larger unit of school administration. (Some fourteen had been established prior to January, 1945.)

2. Equalization grants to boost educational standards to a desired minimum. These are to be additional to regular grants.

3. Raising the minimum yearly salary of teachers to $1200 for holders of permanent certificates and $1000 for those qualifying for permanent certificates. Previous minimum was $700.

4. Permission to the Saskatchewan Teachers' Federation to raise its membership fee from a minimum of $1.25 to a minimum of $2.50, and granting the Federation the right to change its membership fee without recourse to legislation.

Great changes have been made already in regard to social welfare, and much more is intended during the lifetime of the present Legislature.

In regard to old-age pensions, the Social Welfare Department is sending out pensions monthly to some 13,000 Saskatchewan citizens over seventy years of age, and is also contributing to pensions paid 4200 former Saskatchewan residents now living outside the province. Total cost for the fiscal year ending April

30, 1945, would be $4,300,000, an increase from the $3,644,000 of the previous fiscal year. Adjustments made after an arrangement with the Federal Government whereby the maximum amount (including pension and other income) an old pensioner may receive in any one year was boosted from $365 to $425, meant pension increases for over 4100 persons. Under another understanding with the Federal Government, the province need no longer lay claims against old age pensioners' estates for the amount of pension paid where net value of the estate is under $2000. Caveats are no longer filed against pensioners' property where net value of that property is less than $2000. However, pensioners are prohibited from transferring their property, either before or after pension is granted—a move taken to prevent the possibility of certain abuses.

The department, through the Child Welfare Branch, is paying 2200 mothers' allowances, for the benefit of nearly 5700 children, at an annual cost of $660,000. No more caveats are filed against property of mothers or children, nor will any charges be made. Arrangements have been made to remove all caveats and to cancel all charges. To protect interests of mothers and children, the department has filed a notice in the Land Titles Office, making it necessary that it be informed and that its consent be obtained before any transfer of land takes place.

Suffice it to say that the Government has banned the use of the word "Relief" in connection with this department, which now terms all such assistance "Social Aid".

But the Government has not neglected the economic base on which the success of all these advances depends. This is where the approach of the CCF Government differs from that of the federal and other provincial authorities. Saskatchewan decided that its natural resources—and they are less varied than those of any of the other provinces except perhaps New Brunswick and Prince Edward Island—must pay. The new Legislature passed a Mineral Taxation Act imposing two new taxes on owners of mineral rights—an acreage tax of three cents an acre per year, or a "holding" tax not to exceed ten mills on the dollar of value of minerals as shown in the assessment roll. Non-payment will forfeit the mineral rights to the province. It should be noted that in Canada mineral rights are reserved by the Government and are alienated separately from the land except in the prairie provinces, where the lands owned by the Hudson's Bay Company include such rights. Important amendments were made to allow the Government to develop and market the resources of the province.

Concrete example of the Saskatchewan Government's faith in possibilities of economic development in the province, with a corresponding improvement in the general level of welfare, is given in the formation of the new Department of Reconstruction and Rehabilitation.

Specifically, the Bill creating this new branch of government delegates to it the duty of investigating economic conditions, in order to promote the "general interests" of the people of the province. Of prime importance, however, will be the immediate task of helping to re-establish in civilian life and occupations returning members of the armed services, both men and women.

During debate on this measure, Mr. Sturdy, the Minister of Reconstruction and Rehabilitation, stated his belief that permanent security for veterans depended to a great extent on the general economic well-being of all the people, on full employment for all. For that reason, his department was stressing general betterment in economic conditions in the province.

The intention of the new department to benefit from the investigations and recommendations of the Saskatchewan Reconstruction Council, whose report was published during the special session, is seen in the appointment of the former secretary of the Statistics Branch of the Provincial Government who acted as secretary of the Reconstruction Council. Acting Director of Rehabilitation is Major J. F. McKay, Superintendent and General Staff Officer of the Saskatchewan Veterans' Civil Security Corps.

The first step towards industrial development has been taken in the setting up of an Investigation Laboratory in Regina, under the direction of a former chief chemist of a Calgary scientific laboratory. The Investigation Laboratory will seek to make practical the application of research discoveries to effective industrial production in Saskatchewan. It will work in close co-operation with research men at the National Research Council, the University of Saskatchewan and other similar organizations. Its main purpose will be to take projects which researchers have proved to be economically feasible, and develop them on an actual industrial basis.

Rehabilitation of industrial and other workers who may have been displaced by cessation of hostilities comes under the Department of Reconstruction and Rehabilitation, in addition to its more direct concern with former members of the armed forces. The department will co-operate closely with federal agencies engaged in rehabilitation work for veterans, and also with other governments in the furtherance of its economic programme and policies.

The department is empowered to give all the assistance possible to land-settlement schemes for veterans, and is granted the right to purchase, lease or acquire property the Minister may deem essential to the carrying out of his policies.

In debate in the Legislature, Mr. Sturdy said the Government was prepared to organize, and even administer, co-operative farms for returned men, if soldier settlers were interested in such ventures. He added that the Government would agree to turn over such farms to the soldier co-operative settlers themselves, as soon as the latter were prepared to administer them, and also that the provincial Government would underwrite the veterans' indebtedness up to about half the amount of the Dominion grant.

On the question of provincial Government aid to soldier settlers, Premier T. C. Douglas announced the Government would provide assistance to the man who preferred to run his own farm on a basis similar to that granted men on co-operative farms.

Further proof that the Government means business in its reconstruction programme is the fact that the new department will have the responsibility of administering the $5,000,000 Reconstruction and Rehabilitation Fund, provision for which was made at the special session of the Legislature.

Other projects to aid the people and to increase the revenues were provided for. Only one needs to be remembered—that of insurance. For the time being life insurance is not provided for as a provincial enterprise, since Canadian companies mainly operate on a nation-wide basis. In the opinion of the CCF, national consideration needs to be given to the problem. The Dominion has already an Annuities Branch whose policies are gaining in popularity in spite of the fact that little or no advertising is done and no particular salesmanship encouraged.

The Government of Saskatchewan had a three-fold reason for entering the fire insurance business, Provincial Treasurer C. M. Fines told members of the legislature during the special session. They were: a desire to find new sources of revenue which would enable the Government to expand its social services programme; to retain within the province money that was at present going outside Saskatchewan; to reduce rates to the level where all Saskatchewan people could afford to have insurance protection.

These reasons, of course, apply equally well to inauguration of other forms of insurance, made possible under the new Government of Saskatchewan Insurance Act, which states expressly that the Government "may engage in and carry on the business of" insurance of the following types: fire, life, automobile, accident, aircraft, boiler and machinery, guarantee, inland transportation,

livestock, plate glass, property damage, public liability, sickness, theft and weather.

"Private enterprise has done very well for itself in the insurance business and we feel confident that the Government of Saskatchewan can do equally well and is certainly entitled to do so," stated Mr. Fines.

Citing figures, the Provincial Treasurer said that in 1943 a total of $39,000,000 was sent out of Canada in fire insurance premiums, from which only $19,000,000 was received back. Similarly with other forms of insurance: Saskatchewan people paid $465,000 in premiums in 1943 for accident and sickness insurance, got back in payment of claims only $228,000; paid $640,000 in automobile insurance premiums, received back only $221,000, while in fire insurance premiums they paid out $2,650,000 and got back only $650,000.

The Act provides for setting up a branch of the public service to be called "the Saskatchewan Government Insurance Office", to be presided over by the Minister.

A Purchasing Board has been set up to prevent wasteful and political purchases and to buy supplies in quantities at the lowest contract prices consistent with union labour conditions. Wherever possible the union label is required. Similarly political patronage in appointments is to be abolished. An independent Civil Service Commission is to be set up, but already the Government has made it clear that Civil Servants will not be interfered with because of their political beliefs. Several political boards have been abolished, and promotions from within the Civil Service, instead of patronage appointments, have been a feature of the Government's reorganization of departments.

So much attention has been given to the record of the Saskatchewan Government because in many respects its policies answer questions concerning the CCF movement generally. When the party was first organized in that province it adopted the motto "Humanity First". The Saskatchewan Government is living up to that motto.

CHAPTER ELEVEN

EDUCATION FOR DEMOCRACY

THE RISE of brutal Fascist forces in the world has underlined the need for the extension of democracy. Education in a changing world must prepare youth to fulfil the functions and obligations of citizenship in such a world.

Perhaps the best definition of democracy yet given is that of Abraham Lincoln, who said it was "government of the people, by the people and for the people". But has such democracy ever existed?

Canada has made progress in democracy, but until all people are governed in every field of human endeavour by an authority responsible to themselves, there can be no real democracy. As long as in any field of human activity there is any vestige of self-constituted, and therefore irresponsible authority, democracy falls short of its objective.

Among the lessons this war has taught us is the supreme importance of the right kind of education. In this generation all of us have seen nations use educational institutions for the satisfaction of baneful purposes and hateful ambitions. The Italian, Japanese and German youth were taught that war was a glorious thing and that to die for the conquest of the world was an altogether desirable end.

But while teachings of this sort masquerade in the name of education they are, of course, the negation of the term. The democracies also failed to appreciate the value of proper education before the present war. There were loud and influential voices across the country which denounced what they called "educational frills", who demanded reduction in the costs of education at a time when teachers' salaries in Canada were generally the lowest in history and when thousands of young people were remaining at school because the economic system under which we have lived—and continue to live—could find nothing else for them to do except to ride the rods. Since September, 1939, however, we have had reason to thank these boys who continued their education during the depression. True, they could find no employment, but the Royal Canadian Air Force could not have been built but for the pool of educated young men who were available, and who have rendered democracy an invaluable service in the battles of the skies.

When peace comes the Canadian people will demand a higher

level of educational opportunity for their children. This our parliaments, our legislatures, our councils and our school boards must provide. Canada, during the course of this war, has attained first place among the middle Powers in the economic field, for the fell purposes of war. But Canada cannot maintain this place in the world unless our people are educated and prepared to an extent that would have been undreamed of even ten years ago. Thus the problem of education is posed not as a municipal problem, or as a provincial problem, but as a national challenge and as a national opportunity of primary importance.

This, however, does not mean that responsibility for our educational system should be transferred from provincial to national control. Indeed, our constitution gives the control of education specifically to the provinces. Had that not been done Confederation could not have been achieved. The reasons were obvious to the Fathers of Confederation; they are equally obvious today; for Canada is a federation. Within this nation there is a very large and important racial and religious minority to whom certain rights have been granted by the British Parliament and Crown. On the recognition of these rights Confederation depended in 1867, and on their recognition now the political unity of Canada still depends. Thus, in the years since the scattered British colonies in North America became Canada, each province has established an educational system peculiar to its own people and their way of life.

We must start, then, with the very clear understanding that any attempt by the national Parliament of Canada to secure control of education as a federal function would not only be doomed to failure, but would destroy any hope of national unity in other respects.

But uniformity in the field of education, even within a province where there are regional and even local diversities of economic endeavour and cultural activities, is a mistake. The rigid course of study, the slavery inspired by text-books, and written examinations based wholly upon such books, are destructive of that self-activity on the part of teacher and pupil alike which is the very basis of a lively, growing, developing service which education ought to be. The product of the school ought not to be a regimented automaton but a self-reliant, thinking and co-operative person.

Since 1867, primary education has become free, universal and now compulsory in all our provinces. The number of pupils attending secondary, commercial and vocational schools increased by leaps and bounds in the twenty years before this war. Even now, in spite of restricted facilities, the attendance in our second-

ary schools is being well maintained because the average Canadian parent sees the value of education beyond the public-school grades. Education of Canadian youth has behind it the overwhelming support of the people's will. Neither provincial nor federal governments can ignore this fact with impunity. But there are other reasons why the national authority must do all in its proper sphere to encourage education among our people. Canada is now, as has been emphasized, second among the democratic nations in her exports. She must, therefore, be prepared to take her appropriate place in the councils of the nations—nations which, in varying forms and for varying purposes, have systems of education as extensive as our own. If we are to play our part, not only in this war but in the challenging period which will follow, we must, as a nation, devise ways and means to encourage all our provinces to provide for systems of education which will give young Canadians the opportunity of playing a proper part in the promotion of wise economic and social policies and activities throughout the nation and the world.

Indeed, even before the last war the national Parliament had to make a start towards encouraging educational progress. In 1913 an Agricultural Instruction Act was passed granting $10,000,000 to the provinces under certain conditions in aid of agricultural education. At the end of the last war another $10,000,000 was appropriated to further technical education in Canada. During the depression Parliament provided funds to the provinces for various forms of vocational training, and during the present war the national authority has undertaken wide educational work in the training and re-training of men and women for industrial and other activities. Provision has been made, too, for certain men and women in the armed forces to complete their studies on demobilization, and the armed forces themselves, through the Legion Educational Services, are providing many thousands of young Canadians with opportunities to improve their educational standing. Quite lately the Royal Canadian Air Force has extended its plans for educational activities, which, when carried into the post-war period, will have a profound influence for good in all parts of the country.

All this is a recognition on the part of the nation, through its national Parliament, that education is a matter of concern for Canada as a whole; not for a community or a province only. And next, and equally important, there is implied the recognition that the resources of the provincial Governments are insufficient to undertake all the educational activities that modern requirements of peace and war demand. The Federal Parliament could

not ask or expect the provinces to do what the national Government has had to do; their finances would not stand the strain.

Indeed, the inability of the provinces to cope with modern educational demands is reflected in the condition of the teachers. In the province of Saskatchewan, in 1936, for example, the average salary agreed to be paid, and often not paid, to the rural teacher was only $465 for the year. In the same year, 1936, rural Protestant teachers in Quebec received an average of slightly less than $400. Salaries paid to female Catholic lay teachers in the same province were considerably less. In the three Maritime Provinces, particularly in New Brunswick, where adult illiteracy is a disgrace, the conditions under which teachers work is a grave reflection of Maritime economic decadence.

Such salaries were often, but by no means always, made necessary by the poverty of the local school district from which the principal taxes are derived. The system of raising taxes on the land for educational purposes in a small rural community is entirely inadequate. Indeed, a better status for the teacher, in every respect, depends on the adoption of a large unit of school administration with adequate salary schedules, proper security of tenure and a sound and generous superannuation plan. The promotion of these essential steps should form a part of any scheme for federal aid which Parliament may adopt.

In all these respects there are glaring inequalities between province and province, as there are also in the opportunities for children who reside in different communities within a province. The contrast between the educational facilities provided, for example, by the city of Regina and hundreds of rural schools in Saskatchewan ought not to be tolerated any longer. Important steps have already been taken by the CCF in that province to iron out some of these difficulties. Since this contrast in opportunity largely derives from lack of financial ability in rural districts, steps must be taken to make available provincial funds, in an attempt to equalize educational opportunities within a province.

The great lack of adequate educational opportunities for all children who must secure their education in rural schools and in impoverished municipalities is the greatest weakness of our educational system. Yet just so long as local municipalities and small school areas are required to assume the major share of the costs of their schools, so long will hundreds of thousands of Canadian boys and girls be deprived of educational opportunities that other hundreds of thousands of their contemporaries can enjoy. In fact, while 48 per cent of the children in Canadian schools today are

receiving an education that costs $90 or more per child per year, 38 per cent are receiving an education which costs only $40 or less per child.

Ways and means, which imply financial assistance, must be forthcoming to equalize educational standards among the provinces. Indeed, Canada is the one nation in the British Commonwealth which relies upon the totally inadequate resources of the local community for the maintenance of educational facilities. Australia assumes the entire cost of education as a national obligation, the Union of South Africa pays 75 per cent, Northern Ireland 80 per cent, England 52 per cent and Scotland 57 per cent from the national exchequer. In all these countries, too, teaching offers a permanent career, with salary schedules, superannuation and protection from insecurity of tenure due to those often purely local conditions from which so many Canadian teachers are made to suffer the tortures of the damned.

Improved conditions have been brought about with the help of a thoroughly well-organized teaching body. The National Union of Teachers in Great Britain and Northern Ireland, and similar organizations in Australia, New Zealand and elsewhere, have played a compelling part in improving educational facilities and standards, as well as the condition of the teachers themselves. Without such organization the lot of the teachers and the poverty of educational institutions might be similar to the conditions which exist in some parts of Canada where teachers have been slow in organizing effective unions.

The CCF, thus, believes that Parliament has a major responsibility in promoting higher standards of education in Canada. Since we agree that the control must remain within the jurisdiction of the province, it seems that the proper course is obvious; the Federal Parliament must subsidize the provinces which are willing to reach certain educational standards. This is as logical as it is essential, because today most Canadians accept the principles that taxation must be levied according to ability to pay. Poor districts and poor provinces—and we have both in Canada—have not that ability. Moreover, owing to the manner in which the Canadian economy has developed, wealth produced in one part of Canada accumulates in another part of the country. A great city, like Toronto, for example, with its financial and industrial institutions, draws continuously upon the wealth of even remote parts of Canada. It is therefore unjust that the accumulated wealth from many parts of Canada should not be available in some degree for education and the social service for people in those parts from which it originally derives. The case for federal

subsidies for education is unassailable. Upon what basis and under what considerations, then, should subsidies be paid?

They should be based upon the recognition of the fact that a high standard of education is essential to the present and future welfare of Canada. Hence, it follows that the Federal Parliament is interested only in seeing that certain standards are reached as a condition precedent to the payment of the federal subsidy. The Dominion authority would thus first lay down in agreement with the provinces certain minimum requirements which all the provinces must fulfil, raising these standards progressively and periodically as the provinces responded. Provinces with low standards, or which are economically unable to raise progressively their present standards, would at first, at least, be subsidized more heavily in proportion to their population than provinces with higher standards and which are more economically secure. This would have to be worked out without federal interference with provincial autonomy, but according to certain standards which the province could achieve in its own way and under its own system. The important thing is not the method of achievement, but the results obtained.

Secondly, Parliament should provide certain scholarships for worthy students to enable them to proceed to matriculation and more advanced education of various types. This might be correlated with Government research and economic projects, both of which are likely to become more important public activities in the near future. It is certain that we must end the loss to higher education of some of our most intelligent and gifted young people who, because of the economic condition of their families, are forced out of high school to enter remunerative employment. We must remedy the deplorable condition whereby only 4 per cent of Canadian youths enter the University.

Equally important with the problems of formal education is the necessity for adult education, particularly when the war ends, for we shall have many hundreds of thousands of men and women who will have served the country in the armed forces of the nation, or in industries directly connected with the war effort. For these we shall need a much more comprehensive plan for training and re-training for civilian life. In part, this task is being fulfilled by the educational services of the armed forces. It should be borne in mind, however, that this training and re-training will be of little avail unless we so plan and arrange our economic life that opportunities for productive effort, after educational courses have been given, are undertaken by the State. The solution to this problem cannot be left safely in the hands of hundreds of business

and economic organizations who must, of course, think first of their own profits and dividends. Both educational projects and vocational opportunities must be financed and promoted by Parliament. As a part of any adult educational plan, appreciation for good music, art and the drama should receive special attention. The day should come when Canada will add outstanding pictures by Canadian artists to our public galleries, when a national theatre and national opera company will be a part of the cultural life of Canada. National radio, the moving picture, the public library, and indeed meetings where men of diverse political views can gather and place their ideas and policies before a forum of public opinion, are all important educational projects. Assistance should be given for the construction of community centres where these varied activities can be enjoyed.

Adult education, then, must be encouraged in all its aspects. Fortunately, Canada has established a nationally owned broadcasting system—the Canadian Broadcasting Corporation. It is certain that with frequency modulation and with television, radio broadcasting will become a most important educational instrument. For this reason, alone, it is essential that public control should be complete, and exercised by governors with broad human sympathy, wide knowledge and democratic views. Our citizens must guard against any possibility of propaganda from any self-interested source, either economic or political. If radio is to be the forum for the free discussion of diverse views, its programmes must be divorced from the advertising sponsor. Canada's Broadcasting Corporation is a compromise between purely commercial stations of the United States and the wholly owned public broadcasting system of Great Britain. Apart from the facilities owned by the C.B.C., privately owned local stations can and do serve a useful purpose when they perform their function of ministering to the needs of a local community. They must not, however, be allowed to usurp the functions which only a publicly-controlled organization like the C.B.C. can perform adequately. Canada, too, has gained distinction in the production of documentary and other films. The establishment of a National Film Board made this possible. In the realm of both formal and adult education the film will play a more important part in the future. We learn by seeing as well as by doing. Educators realize the necessity of supplementing the old types of learning by visual education. In this field a nationally owed, non-profit-making, film-producing body can do much to assist both the school and adult education generally. Again, much depends on the type of Board appointed and the personnel of the staff. Up to the pre-

sent the staffs of both the C.B.C. and the National Film Board have shown an understanding of the needs of the time which is commendable. The radio and the film can be made instruments for the building of a stronger, more united and conscious nation. In any event, these modern aids to education must be carefully safeguarded by the National Parliament. To allow them to become monopolies of any private groups would be a grave danger to national well-being. Monopolies in information are, in many respects, more dangerous than monopolies in production or in distribution.

All these and many more are activities of direct interest to the nation, and thus education, in the widest sense, is a matter for direct financial aid and national interest to the Federal Parliament, as representing not nine separate provinces, but the nation, Canada.

It will cost a lot of money. But it is a truism that man does not live by bread alone; a nation which can spend billions for war must spend millions in peace, to improve the spiritual, cultural, as well as the economic condition of the people.

Canadians, in recognizing the great educational needs of the country, must concern themselves also with the utilization of its educated man-power. It is clear enough that a democratically planned society has much to offer the industrial worker and the white-collar worker to whom it opens a vista of rising living standards; but what has such a project to offer the technicians, teachers, accountants, architects, doctors, scientists and other people with professional skills? These people, together with small business-men, comprise the bulk of the middle classes, making up about 25 per cent of Canada's population.

Their services have been in great demand, and indeed have been recognized to be absolutely essential to the war effort, but in the pre-war decades their services were appreciated only insofar as the inexorable laws of supply and demand decreed. In bad times it was not only the workers who were subjected to idleness, but large numbers of professional people joined the throngs of the unemployed to waste their talents in degrading disuse; even those who were able to continue their work found that they, too, were subject to insecurity and deprivation; the amounts paid for their services fell to intolerable levels.

The National Research Council at Ottawa was shameless enough in those days to secure the services of engineers with Ph.D. and scholarship standing for as little as $1500 a year. Salaries in private industry fell almost as much, and, when lay-offs are taken into account, averaged even below $1500 per year.

This, of course, reflected the contempt for university professors and "brain-trusters" so frequently expressed by certain types of capitalists and their newspapers before the war. But the remarkable services rendered to our cause by university economists, scientists and graduates have silenced such critics—temporarily at least.

Uncontrolled free enterprise is capable of creating a boom now and then, but the last decade of stagnation was only relieved in the end by expenditures on armaments. And even in boom times the sincere technicians and professional men cannot escape the realization that they are striving primarily with a view to reaping profits for a small and self-interested owning group—in Canada making up less than 1 per cent of the population—and that the whole direction of their efforts is subject to the irresponsible dictation of this small group. If the irresponsible oligarchy decides that more profit can be gleaned from the sale of a few radios in elaborately carved cabinets at high prices than from the sale of many radios at low prices, then the technician proceeds with the production of the few radios, and millions of Canadians go without.

At every turn the creative abilities of the professional classes have been thwarted. The reward for their skill and usefulness has been insecurity and standards of living well below those who live merely by owning or by speculations on the stock exchange. The engineers who direct the work at a mine earn far less than the lawyer who is retained by the mining company to solve the needless complications of finance and property relationships.

What has a democratic planned society to offer the professional classes—the scientist, for example? The National Research Council of Canada was inaugurated some time before the present war, but before 1939 its contribution to the welfare of Canada was pitifully small. It was denied anything like the grants devoted to research in England, and especially in Russia, receiving only $250,000 a year. Its whole purpose was conceived as an aid to private industry; it was to assume no initiative itself. Term appointments were instituted so that young scientists were forced to leave after two or three years to find work in private industry. They were thus trained at public expense, but were to be devoted to abetting the pursuit of private gain; the salaries still paid by the Research Council to its professional and other workers offer no incentive for them to continue in the public service. Canada was fortunate indeed in granting public funds for the work of men like the late Dr. Banting, the discoverer of insulin, or Dr. Sanders, who developed the Marquis wheat, or Dr. Pidgeon, who recently dis-

covered the process for the cheap extraction of magnesium. Canada has lost scores of outstanding men in the last four decades; men who have drifted to the United States because Canada provided too few opportunities, too little equipment and too small rewards.

Canada can and must endow a research council which will be second to none in the world; a centre to attract scientists, not to drive them away. The cost would be ridiculously small measured by the results. She must grant liberal endowments for post-graduate studies in pure and applied science. She must allot public funds for technical periodicals and text-books dealing with specifically Canadian problems, and she must establish scholarship funds. She must accord to her scientists the reward and recognition which are their due.

Many first-rate scientific men have reluctantly abandoned their work for less useful but more lucrative business and administrative appointments. In Ottawa, salesmen from private industry have been employed by the war-time Department of Munitions and Supply at higher salaries than the National Research Council pays to the junior engineers and scientists who have done so much to win the war. But, most of all, Canada must embark on an era of expansion which will provide variety, scope and challenge to the abilities of her scientists. During the war Canadian scientists have discovered new raw materials and products which could be multiplied and, through scientific research, developed for the enrichment of all our people. For our country is richly endowed and largely undeveloped.

Another minimum requirement is the extension of library services. In the United Kingdom only 1 per cent of the people are without library services; in the United States it is 27 per cent; in Canada, 60 per cent.

At present the capital investment of Canadians in schools and universities totals $600,000,000; our governmental capital expenditures on munition plants in the last four years total $800,000,000. There is no need to comment on these figures.

It will thus be seen that the kind of democratic planned society that the CCF is advancing would provide the professional people with opportunities to secure a fair return commensurate with their contribution to the welfare of society; an equitable share of a greatly expanding national income. They would have the assurance of security in their jobs, that their medical needs would be met, that their children would be educated to the extent of their ability, and that their old age would be without worry. They would have the satisfaction of knowing that they were directly

striving to meet the needs of the community in which they lived rather than the interests of a small financial oligarchy. Teachers, doctors, architects, accountants, scientists could play their part in the reconstruction of Canada in the knowledge that there were no limits to progress save the resources of skill, labour and materials. In brief, the Co-operative Commonwealth, in which the motive of production and distribution must be the supplying of human need, alone can provide those opportunities for security and service which professional people, workers, farmers and business people alike need.

There are many ways, then, in which the National Parliament has a direct interest in the educational standards of all the people. Modern science has made obsolete old methods and educational institutions. The passing of the little red school-house and the substitution of the larger unit of administration, with improved high schools, laboratories, community centres and other facilities, is symbolic of the passing of the horse-and-buggy age. It emphasizes, in a practical way, the need for a wider, more vital, more co-operative system than the little red school-house could ever provide. The time has passed when schooling meant the acquisition of the mere rudiments of knowledge. The war has demonstrated the value of higher education in industry, in agriculture and in the air. Canada's contribution in the provision of pilots and navigators was made possible because of the numbers of young men who had received high-school and university education. Improvements in agriculture and in industry will come as a widespread knowledge of the sciences is promoted, but improved education is not only desirable because of the material benefits it confers—indeed, the progress of a modern nation will be dependent on the development of critical and discriminating intelligence among the masses. With increased leisure made possible by the ever-growing efficiency of the machine, the encouragement of intellectual pursuits is essential. Fortunately and naturally, the demand for such improvements has come largely from the masses. Wherever Labour Parties have been organized, their programmes have placed progressive education in the forefront of their proposals. The CCF has been no exception to this rule. Indeed, much of its success is due to its emphasis on political education. Its study groups, its regular radio broadcasts, heard and discussed by organized listening groups, its periodical meetings, where elected representatives report to their constituents and submit to questioning, have done much to provoke a healthy interest in public questions, even among those who have opposed the Party's platform. This, of course, has been in the restricted

field of political discussion, but the emphasis on education in this narrower field indicates interest in the broadest sense. CCF members have been active in all phases of adult education, including the public discussions which have been fostered by farm, labour, and citizens' forums, organized in co-operation with the Canadian Broadcasting Corporation. These forums have done much to encourage the consideration of broad economic and social problems in the homes of people of all shades of opinion. Their influence upon public thinking has already been marked and in the future may indeed play a profound rôle in clarifying public opinion. It should be said that the radio forums have been distinguished by a freedom of discussion which has been outstanding. There have been attempts to restrict their scope, but when this has become known, persons and periodicals of varied political affiliations and opinions have made effective protests. This is a sign of a vital Canadian democracy. Much more, however, remains to be done, for if we are to solve grave future problems, formal and adult education cannot be regarded as the concern of a local community or left to subsidiary organizations of government. The national well-being will depend more and more on an informed and critical public opinion. The maintenance, and indeed the extension, of democracy must proceed side by side, with the remoulding of the economic and social fabric of the nation. The CCF believes that the socialization of monopolistic industry and finance is essential to progress. It does not believe in socialization for the mere sake of socializing, or because of adherence to a set of rigid and dogmatic theories. We have said that if a private business serves the needs of the community with efficiency and without exploitation of its employees, social ownership may not only be unnecessary but, in such circumstances, undesirable.

In the democracy which we hope to establish, the decision as to what shall or shall not be socialized must rest with the people. Our emphasis on education, then, is due to our conviction that we must promote a well-informed, actively interested and critical electorate. Thus the worker, farmer, professional, indeed all classes in society—both those who believe in so-called private enterprise and those who believe in co-operative endeavour—must be accurately and thoroughly informed. Such a society requires, not only reliable information, but the ability of large masses of the people to make a critical analysis of known facts to provide the foundations for appropriate action. It has been said so frequently that it has become a platitude, that people get the kind of government they deserve. If this is true, our aim must be

to develop, by knowledge and by discussion, a Canadian people with the kind of government that will enable them, not only to solve great national problems, but to make a worthwhile contribution to the progress of mankind.

CHAPTER TWELVE

THE RETURNING VETERAN

"A LAND fit for heroes to live in"—so ran the promise of politicians during the First World War. But the promise remained, and remains, unfulfilled. I remember the cheering crowds who greeted the heroes of two wars. I saw the bronzed veterans return from South Africa and another generation detrain from Europe in 1919. In each case some came back to families, to friends, to jobs, but others found there were no places for them in the country and Empire whose battles they had fought.

But this is a different kind of war. It is not a struggle for diamond mines or for commercial supremacy, but a peoples' fight for human freedom. That being so the people whose freedom has been at stake throughout the entire period of Fascist and Nazi aggression must undertake to see that justice is done and opportunity assured to those who have fought our battles overseas.

After the last war the first depression swept away the inflationary prosperity of the later years of war. Returned men soon spent their gratuities, and many drifted from place to place in search of work, of food, of shelter. I remember when as a young alderman of the capital city of my province and as a member of its relief committee it was necessary for me to plead for unemployed veterans of World War I. A twenty-five-cent bed and two-fifteen-cent meals a day were the maximum allowance we could wring from the city treasury. Men complained of the insufficiency of the food provided under contract at cheap restaurants. One, they said, was particularly bad. The city hall said they were all satisfactory, and I was given tongue lashings for encouraging discontented men. Indeed, one elderly alderman accused me of conspiring to hoist the red flag of revolution on the city hall itself. I decided that during my Christmas vacation I would let my beard grow, and, disguised in old clothes and a tweed cap plus a little soot, I would somehow obtain a meal ticket from the relief department. None of the minor officials knew me, so, one

day, early in January, I appeared at the relief office, gave a name, registered as a transient and obtained a meal ticket which I took to the restaurant in question. There I was directed to a special table, given a small bowl of thin soup, a very small portion of meat and potatoes and a cup of tea. I asked for pie, and was gruffly asked what the h—— I expected for fifteen cents. I left, and that afternoon when the relief committee met I reiterated my complaint. Again my charge was vehemently denied and I was asked why I believed the stories that worthless and discontented men told me. I answered, "Because I have sampled both the meals and the treatment the men get". Again I was severely criticized for obtaining a meal ticket under false pretences. I offered to pay for the meal, but the restaurant was struck from the list; there was an improvement in the meals elsewhere, but no increase in the allowance. Many of the transients were veterans who were homeless, jobless and disillusioned.

Other returned men, who had homes or scant savings or obtained work and could save a little, were placed on the land which they bought at inflated prices and purchased equipment and livestock at peak prices. But by the end of the great depression of the nineteen thirties more than three out of every four of these soldier settlers had abandoned their farms, and of those that remained a number were hopelessly in debt to the Government. In 1944 their representatives visited Ottawa to ask that, after twenty-five years of hopeless struggle, these old soldiers be given clear titles to the bits of land in a Canada for which they had fought nearly thirty years ago. Little encouragement for belief in the fulfilment of the rosy promises to veterans of World War II can be found in the refusal of the Government to grant their request.

Now another generation is coming home from war. What is to be their lot? When my colleagues and I were visiting the troops overseas last autumn we were invariably questioned about the future. The troops did not complain about their training, their equipment or even their reinforcements. But they were anxious about their future. Were they going to return to a struggle for jobs, perchance to relief or to riding the rods aimlessly once more? The same anxiety is evident among their parents and families. So, too, is this sense of insecurity apparent among the many thousands engaged in war work and, indeed, even among the boys and girls attending our high schools and colleges.

But the men who are returning are not the same boys who left our shores. The ordeal of war has aged and matured them. Nearly 30,000 Canadian lads have married overseas. They

return to us as family men. The bank clerk of 1939 may return as a colonel whose pay and allowances per day are nearly as much as he earned in a week before the war. Our soldiers have become used to the economic security of military life. After four or five or six years of army routine they will find home conditions strange and unexciting. The mental adjustments to be made will be sufficiently difficult apart from any other anxieties. These men and women must be given both the opportunity and the encouragement to take their places as useful members of society. Satisfactory employment at adequate wages or salaries will aid this readjustment for many. Some will want to go on the land, but only under proper conditions, others will want to utilize the new trades they have learnt in the forces, while others will want to continue or improve their education.

But some will return maimed in body or in mind. Everyone agrees that the very best of medical and psychiatric treatment must be provided. In the armed forces men and women have received such attention. My colleagues and I will never forget the hours we spent in No. 16 Canadian Field Hospital the day after Calais fell to the Canadian Army. It was located in a town a few miles beyond the conquered city in a building erected by the Germans as a hospital for their Luftwaffe. The enemy had moved out, and had left behind some excellent heavy hospital equipment. There we saw the efficient and tender care given to the wounded. We witnessed the deft fingers of a highly skilled surgeon perform a delicate abdominal operation, and when it was all over he remarked, "Well, I don't know who this lad is, he's just John Doe to me, but that's the operation I might charge a millionaire back home a thousand dollars for. This boy gets it free because he needs it. Why can't we do the same in peacetime?" That began a discussion which lasted all evening and was resumed next morning, when several doctors and the Padre took us to see a nearby launching base for the murderous flying bombs which had plagued us in London. No, our doctor friends did not go all the way with us in our belief in socialized medicine, but they were prepared to go a long way—as far, perhaps, as may be possible in the immediate future. War teaches many lessons, some of which are good even if we pay an unnecessary price for them.

But we must go all the way in providing adequate medical, surgical and dental care for those who need it when they return from war. New hospitals, equipped to make possible the use of the new therapeutic methods and miracle drugs like penicillin, must be erected. Not the least, provision for occupational

therapy must be made. The nation must see that doctors, nurses and others engaged in the art of healing are enabled to train and practise their profession in the public interest. Care of the wounded may hasten the day when all health services will be adequate and free to all who need them.

Nor must we allow the parsimony which dominated our pension department after the last war to continue. Instead of compelling a sick or disabled veteran to prove that his conditiyn arose out of war service, it should be taken for granted that if he was categorized as A1 when he enlisted he was indeed physically fit. Whatever may be the future of socialized health services, the CCF insists that all who have served in a theatre of war must be given the lifetime right to examination, hospitalization and sick maintenance if, and when, required.

For those who return unimpaired there must be employment, not charity. In 1944 the House of Commons passed unanimously the War Services Grants Act, authorizing the payment of war service gratuities and re-establishment credits. The CCF gave a hearty welcome to this measure as a step in the right direction. We have always demanded that veterans should be maintained at full service pay and allowances until they are satisfactorily re-established in civilian life. To some extent Parliament's gratuities' plan meets this demand—but only in part. For it is tied solely to the theatre of war and length of service. The question arises as to what will happen to the veteran whose gratuity expires before he finds satisfactory employment. The CCF believes that in this event the returned man or woman should be eligible for full service pay and allowances until satisfactory settlement in civilian occupation has been effected.

But cash grants alone, no matter how generous, will not be enough. For example, many veterans and their families are unable to find housing accommodation now. In New Zealand one half of the new housing units under a public building plan are being reserved for those who return. Canada has no comparable public housing plan. In our country homes are to be provided by private enterprise with certain Government guaranteed loans. There was a severe shortage of housing accommodation before the war; it has been accentuated since. Yet no comprehensive or worthwhile scheme has been adopted by Parliament to meet the needs of the present or, what is more serious, the post-war situation.

The problem of the returned veteran is one aspect of the total problem which affects all Canadians. The best programmes we can formulate will be of little avail if we pass into another de-

pression. The CCF believes that the achievement of prosperity and happiness depends on two great projects which must proceed together.

1. The economy of the country must be planned so that full employment is maintained to provide farmer, industrial and office-worker, those now in the armed forces, business and professional people, with a proper share in the national income and prosperity.

2. The special problems of service personnel in returning to civil life must be handled generously and gratefully by means of special legislation and special services.

What, then, does the second of these great projects involve? First, it must make sure that no veteran is reduced to a relief level while trying to find a permanent place in civil life. Under the Government's plan this may happen. Payments under the Acts of Parliament are not dependent on the needs of the individual, but upon the length and, indeed, the theatre of service. The CCF believes that returned men and women should receive a sufficient scale of pay to maintain themselves and their families adequately, with free medical and dental care, until they have found suitable employment or are established in some enterprise of their own. To those who wish to proceed with educational courses or vocational training adequate living allowances should be granted without imposition of any "Means Test" to prove the candidates' impoverishment. No applicant for a pension should be discharged without pay and allowances until the application has been decided. These minimum requirements have not been met under Parliament's latest legislation. In addition, special grants or arrangements should be made to see that the veteran is able to supply himself or herself with sufficient clothing, to obtain free transportation home and to meet the abnormal demands which immediately follow discharge.

But however generous the nation may be in these respects no rehabilitation can be satisfactory apart from useful and remunerative employment. And what are the prospects? Already reference has been made in previous chapters to surveys and estimates of post-war employment possibilities by private persons and other agencies. But no results of any Government survey on a comprehensive or national scale have been made public. We know that such surveys have been made, and we believe that their results in the opinion of the Government are too alarming to publicize. But the nation should know the extent of the problem and consider plans to meet it. As it is we neither know the extent to which new skills have been acquired by service personnel, nor do

we know the extent to which the present economy will permit them to use those skills in the post-war years. The continued pursuance of this ostrich-like policy is grossly unfair to service and civilian personnel alike, and will eventually lead to social disaster.

The veteran should be free and encouraged to embark upon any educational courses or training so long as he possesses the necessary qualifications and ability to benefit from it. Once he has embarked upon it he should be enabled to complete it. There should be no limit of time provided he makes satisfactory progress towards the goal. Persons who have already been discharged from the forces and who have since engaged in war work should not be debarred from the educational courses later on, nor should students whose courses were interrupted before the war because of economic circumstances be stopped from resuming their courses after discharge from the armed forces. It is altogether likely, in view of the wide use and excellent results of the Legion educational services overseas during the war, that many veterans will desire to proceed with educational and vocational courses on their return to civilian life. Preparations should be made by thorough surveys among service personnel, and accurate appraisals made of the extent to which present educational facilities are sufficient or will need immediate expansion.

Living allowances for single and married persons should be brought up to proper standards of average Canadian life. At present the allowances, judged by this standard, are inadequate, and therefore discouraging.

There has been much discussion regarding a new land-settlement scheme for soldiers. After the last war soldier settlers were placed on high-priced and frequently unsuitable land without regard to previous training or experience and quite often with inadequate equipment or funds. The results, to put it mildly, were largely unsatisfactory. Less than 25 per cent remained on their farms, and of these some are hopelessly in debt to the Government. If, then, men without experience desire to farm, the agricultural colleges should be enabled to provide both training and supervision.

Already we have learnt of some experienced men who wish to establish co-operative farms. The Saskatchewan Government has passed an Act to provide for such experiments. It is believed that the pooling of expensive machinery, the adoption of modern and large-scale production methods would best guarantee the success of new settlers. Men in the services have been used to co-operating for their common advantage, and moreover have been used to the companionship which the average farm makes

impossible. In co-operative farming service personnel might find both satisfaction and security.

After the last war when the Government bought land, prices became inflated. If the new scheme is to be successful, land must be bought at pre-war prices and be free as possible. In any event, the soldiers should not be required to make a down payment on the land, because every cent the Government provides by way of loans will be needed to procure the right kind and amount of equipment. Substantial rebates on the ultimate price of the land should be given at the end of certain periods. These rebates will encourage the veteran to stay on the land. The CCF proposal is that individual land units should be big enough to ensure a good living. To ensure this the CCF would make a land loan of $10,000 and advance at least $3000 for stock and equipment. The total amount would be repayable over a period of twenty-five years, with interest at not more than 2 per cent.

At the end of three years, if the settler remains on the land, he would receive a rebate of 5 per cent of his loan; at the end of five years another rebate of 10 per cent; at the end of ten years a third rebate of 15 per cent. Thus over a period of ten years he would receive a total rebate of 30 per cent.

We propose, too, that repayments be related to the price the farmer obtains for his produce. If, for example, the price level of beef, eggs, poultry, milk and grain falls (prices are controlled now), while the price of gasoline, machinery, clothes, etc., remains the same or rises, the soldier settler would pay only a proportionate amount of the capital and interest due that year. The difference would be written off. The total indebtedness would be redeemed in twenty-five years, according to the calculations and rebates outlined.

In any event, the farmer's equity in improvements would be protected in all the agreements, and provision would be made for adjustments or cancellation of interest and capital payments in years of partial or complete crop failure.

Objection may be made on the ground that this involves the country in an expensive soldier settlement scheme. Failure would be more expensive in human suffering as well as financially. We should remember that it costs us between $25,000 and $30,000 to train one pilot for our air force.

Our studies have shown that the problems of the fishermen on the Atlantic and Pacific coasts are similar to those of the farmer. Many, indeed, like the inland-lake and Maritime fishermen, combine farming and fishing together. But in both fields the family is dependent on the season's catch or crop. Thus ex-service

men desiring to enter the fishing industry would be provided with assistance on similar terms to those suggested for the farmer.

These examples will give an indication of the general lines CCF proposals for ex-service personnel follow. The principle behind them is that men and women who have served the nation in war must be re-established in civilian life in such a manner that they may achieve and maintain a proper standard of life.

But there is the special problem of the ill and disabled, of whom many thousands may return home. Nothing the nation can do will repay the sick or disabled veteran. They have suffered in order that we may choose our own way of life. Behind the battle-lines our doctors and nurses have done a truly magnificent job. But when the sufferers return they must be given similar medical and nursing care if they require it and, in addition, be granted generous pensions and the opportunities for a lifetime of usefulness and self-respect.

To this end free health services for life for the disabled must be planned on a national scale, and properly co-ordinated with those of the national, provincial and municipal health authorities. Whatever is required must be done. It may be that the scars of war may be other than those caused by shrapnel. Venereal disease, alcoholic cases and emotional disturbances must be treated too.

Disabled personnel may not be able to return to their normal trades or professions. Hence the kind of training a veteran needs should be determined by the nature of the disability and the possibilities of earning an adequate living in a calling. While training the living allowance should be in addition to any disability pension or allowance. This is justice.

But when the training has been completed the finding of employment should be the responsibility of the nation. Voluntary methods have proved to be unsuitable. Proper surveys of industry should determine what quotas of disabled personnel a particular industry can employ. Then the Government must see that the quota is observed. These quotas should be fixed through consultation with ex-service organizations, labour and employers.

There are those, however, whose disabilities will prevent them from earning at all. In such cases adequate pensions must be provided. Pensions for those in the lower ranks are far too low. Why a private with complete disability should receive $75.00 per month when a brigadier requires $300.00 per month is inexplicable. The handicap to the one is as severe as to the other.

Most of all, however, the injustices caused by the difficulty of proving eligibility must be removed. In no case should the onus

of proving that a disability is associated with war service be upon the applicant for a war pension, A member of the armed forces who was accepted as physically fit should be assumed to have been fit unless the Department of Pensions can prove otherwise. Even then the case should be open to review. The disabled man must be entitled to his pension by right. He has earned it.

This, then, demands a sympathetic and efficient Government. Incompetence or lack of understanding should not be tolerated. Too often employment placement officials have been political appointees without any training for the important work assigned to them. Here, particularly, as well as in the general employment services of the Government, well-trained placement officers are essential. In this complex industrial age there are many thousands of types of jobs. The old idea that any sort of employment will do is entirely out-dated. Careful consideration of the applicant's army record, his training and his case history should determine his suitability for a job or of a job for him. Otherwise rehabilitation will not only be incomplete but impossible. In Canada these aspects of the problem, as well as so many others, require constitutional adjustments between the federal and provincial responsibilities and authority.

Needless to say, all officers, boards, committees and other branches of rehabilitation administration must contain representatives who understand and can speak for the service personnel after the war. Without this the statutory veteran preferences both in the Civil Service and in private employment will be of little consequence. Past experience warns us that delays are fatal to the welfare of returned men. Red tape and bureaucratic methods must be swept away if plans for rehabilitation are to be satisfactory and successful.

The programme of the CCF represents the minimum of a grateful country's responsibility to those who have fought and suffered in this and, indeed, in previous wars. Experience during the past twenty-five years has shown that Government departments have had far too much discretion to refuse the claims of disabled or sick ex-servicemen. They must be made to realize that their function is to help, not to hinder.

It is our obligation, then, to see that those who have served our nation shall not have fought and died in vain. Our objective must be to bring into being a Canada of security and justice and a world of lasting peace. As the CCF has stated in its proposals for the veteran, and which are summarized in this chapter, Canada must provide the opportunity for our returned men and women to take their places as normal, self-supporting, self-

respecting citizens. They want to help build their country into a nation they have been proud to serve. And what they seek for themselves they will strive to secure for all our citizens. At hand lie the resources, if we have the vision and the will to utilize them for the common good.

APPENDIX A

CO-OPERATIVE COMMONWEALTH FEDERATION PROGRAMME

Adopted at First National Convention Held at Regina, Sask., July, 1933

THE CCF is a federation of organizations whose purpose is the establishment in Canada of a Co-operative Commonwealth in which the principle regulating production, distribution and exchange will be the supplying of human needs and not the making of profits.

We aim to replace the present capitalist system, with its inherent injustice and inhumanity, by a social order from which the domination and exploitation of one class by another will be eliminated, in which economic planning will supersede unregulated private enterprise and competition, and in which genuine democratic self-government, based upon economic equality, will be possible. The present order is marked by glaring inequalities of wealth and opportunity, by chaotic waste and instability; and in an age of plenty it condemns the great mass of the people to poverty and insecurity. Power has become more and more concentrated into the hands of a small irresponsible minority of financiers and industrialists, and to their predatory interests the majority are habitually sacrificed. When private profit is the main stimulus to economic effort, our society oscillates between periods of feverish prosperity in which the main benefits go to speculators and profiteers, and of catastrophic depression, in which the common man's normal state of insecurity and hardship is accentuated. We believe that these evils can be removed only in a planned and socialized economy in which our natural resources and the principal means of production and distribution are owned, controlled and operated by the people.

The new social order at which we aim is not one in which individuality will be crushed out by a system of regimentation.

Nor shall we interfere with cultural rights or racial or religious minorities. What we seek is a proper collective organization of our economic resources such as will make possible a much greater degree of leisure and a much richer individual life for every citizen.

This social and economic transformation can be brought about by political action, through the election of a government inspired by the ideal of a Co-operative Commonwealth and supported by a majority of the people. We do not believe in change by violence. We consider that both the old parties in Canada are the instruments of capitalist interests and cannot serve as agents of social reconstruction, and that whatever the superficial differences between them, they are bound to carry on government in accordance with the dictates of the big business interests who finance them. The CCF aims at political power in order to put an end to this capitalist domination of our political life. It is a democratic movement, a federation of farmer, labour and socialist organizations, financed by its own members and seeking to achieve its ends solely by constitutional methods. It appeals for support to all who believe that the time has come for a far-reaching reconstruction of our economic and political institutions and who are willing to work together for the carrying out of the following policies:

1. PLANNING.

The establishment of a planned, socialized economic order, in order to make possible the most efficient development of the national resources and the most equitable distribution of the national income.

The first step in this direction will be setting up of a National Planning Commission consisting of a small body of economists, engineers and statisticians assisted by an appropriate technical staff.

The task of the Commission will be to plan for the production, distribution and exchange of all goods and services necessary to the efficient functioning of the economy; to co-ordinate the activities of the socialized industries; to provide for a satisfactory balance between the producing and consuming power; and to carry on continuous research into all branches of the national economy in order to acquire the detailed information necessary to efficient planning.

The Commission will be responsible to the Cabinet and will work in co-operation with the Managing Boards of the Socialized Industries.

It is now certain that in every industrial country some form of

planning will replace the disintegrating capitalist system. The CCF will provide that in Canada the planning shall be done, not by a small group of capitalist magnates in their own interests, but by public servants acting in the public interest and responsible to the people as a whole.

2. SOCIALIZATION OF FINANCE.

Socialization of all financial machinery—banking, currency, credit, and insurance, to make possible the effective control of currency, credit and prices, and the supplying of new productive equipment for socially desirable purposes.

Planning by itself will be of little use if the public authority has not the power to carry its plans into effect. Such power will require the control of finance and of all those vital industries and services which, if they remain in private hands, can be used to thwart or corrupt the will of the public authority. Control of finance is the first step in the control of the whole economy. The chartered banks must be socialized and removed from the control of private profit-seeking interests; and the national banking system thus established must have at its head a Central Bank to control the flow of credit and the general price level, and to regulate foreign exchange operations. A National Investment Board must also be set up, working in co-operation with the socialized banking system to mobilize and direct the unused surpluses of production for socially desired purposes as determined by the Planning Commission.

Insurance Companies, which provide one of the main channels for the investment of individual savings and which, under their present competitive organization, charge needlessly high premiums for the social services that they render, must also be socialized.

3. SOCIAL OWNERSHIP.

Socialization (Dominion, Provincial or Municipal) of transportation, communications, electric power and all other industries and services essential to social planning, and their operation under the general direction of the Planning Commission by competent managements freed from day to day political interference.

Public utilities must be operated for the public benefit and not for the private profit of a small group of owners or financial manipulators. Our natural resources must be developed by the same methods. Such a programme means the continuance and

extension of the public-ownership enterprises in which most governments in Canada have already gone some distance. Only by such public ownership, operated on a planned economy, can our main industries be saved from the wasteful competition of the ruinous over-development and over-capitalization which are the inevitable outcome of capitalism. Only in a regime of public ownership and operation will the full benefits accruing from centralized control and mass production be passed on to the consuming public.

Transportation, communications and electric power must come first in a list of industries to be socialized. Others, such as mining, pulp and paper and the distribution of milk, bread, coal and gasoline, in which exploitation, waste or financial malpractices are particularly prominent, must next be brought under social ownership and operation.

In restoring to the community its natural resources and in taking over industrial enterprises from private into public control we do not propose any policy of outright confiscation. What we desire is the most stable and equitable transition to the Co-operative Commonwealth. It is impossible to decide the policies to be followed in particular cases in an uncertain future, but we insist upon certain broad principles. The welfare of the community must take supremacy over the claims of private wealth. In times of war, human life has been conscripted. Should economic circumstances call for it, conscription of wealth would be more justifiable. We recognize the need for compensation in the case of individuals and institutions which must receive adequate maintenance during the transitional period before the planned economy becomes fully operative. But a CCF government will not play the role of rescuing bankrupt private concerns for the benefit of promoters and of stock and bond holders. It will not pile up a dead-weight burden of unremunerative debt which represents claims upon the public treasury of a functionless owner class.

The management of publicly owned enterprises will be vested in boards who will be appointed for their competence in the industry and will conduct each particular enterprise on efficient economic lines. The machinery of management may well vary from industry to industry, but the rigidity of Civil Service rules should be avoided and likewise the evils of the patronage system as exemplified in so many departments of the Government today, Workers in these public industries must be free to organize in trade unions and must be given the right to participate in the management of the industry.

4. AGRICULTURE.

Security of tenure for the farmer upon his farm on conditions to be laid down by individual provinces; insurance against unavoidable crop failure; removal of the tariff burden from the operations of agriculture; encouragement of producers' and consumers' co-operatives; the restoration and maintenance of an equitable relationship between prices of agricultural products and those of other commodities and services; and improving the efficiency of export trade in farm products.

The security of tenure for the farmer upon his farm which is imperilled by the present disastrous situation of the whole industry, together with adequate social insurance, ought to be guaranteed under equitable conditions.

The prosperity of agriculture, the greatest Canadian industry, depends upon a rising volume of purchasing power of the masses in Canada for all farm goods consumed at home, and upon the maintenance of large-scale exports of the staple commodities at satisfactory prices or equitable commodity exchange.

The intense depression in agriculture today is a consequence of the general world crisis caused by the normal workings of the capitalistic system resulting in: (1) economic nationalism expressing itself in tariff barriers and other restrictions of world trade: (2) the decreased purchasing power of unemployed and under-employed workers and of the Canadian people in general; (3) the exploitation of both primary producers and consumers by monopolistic corporations who absorb a great proportion of the selling price of farm products. (This last is true, for example, of the distribution of milk and dairy products, the packing industry, and milling.)

The immediate cause of agricultural depression is the catastrophic fall in the world prices of foodstuffs as compared with other prices, this fall being due in large measure to the deflation of currency and credit. To counteract the worst effect of this, the internal price level should be raised so that the farmers' purchasing power may be restored.

We propose therefore:

(1) The improvement of the position of the farmer by the increase of purchasing power made possible by the social control of the financial system. This control must be directed towards the increase of employment as laid down elsewhere and towards raising the prices of farm commodities by appropriate credit and foreign policies.

(2) Whilst the family farm is the accepted basis for agricul-

tural production in Canada the position of the farmer may be much improved by:

(*a*) The extension of consumers' co-operatives for the purchase of farm supplies and domestic requirements; and
(*b*) The extension of co-operative institutions for the processing and marketing of farm products.

Both of the foregoing to have suitable State encouragement and assistance.

(3) The adoption of a planned system of agricultural development based upon scientific soil surveys directed towards better land utilization, and a scientific policy of agricultural development for the whole of Canada.

(4) The substitution for the present system of foreign trade, of a system of import and export boards to improve the efficiency of overseas marketing, to control prices, and to integrate the foreign trade policy with the requirements of the national economic plan.

5. External Trade.

The regulation in accordance with the National plan of external trade through import and export boards.

Canada is dependent on external sources of supply for many of her essential requirements of raw materials and manufactured products. These she can obtain only by large exports of the goods she is best fitted to produce. The strangling of our export trade by insane protectionist policies must be brought to an end. But the old controversies between free traders and protectionists are now largely obsolete. In a world of nationally organized economies Canada must organize the buying and selling of her main imports and exports under public boards, and take steps to regulate the flow of less important commodities by a system of licences. By so doing she will be enabled to make the best trade agreements possible with foreign countries, put a stop to the exploitation of both primary producer and ultimate consumer, make possible the co-ordination of internal processing, transportation and marketing of farm products, and facilitate the establishment of stable prices for such export commodities.

6. Co-operative Institutions.

The encouragement by the public authority of both producers' and consumers' co-operative institutions.

In agriculture, as already mentioned, the primary producer can receive a larger net revenue through co-operative organization of purchases and marketing. Similarly in retail distribution of staple commodities such as milk, there is room for development both of public municipal operation and of consumers' co-operatives, and such co-operative organization can be extended into wholesale distribution and into manufacturing. Co-operative enterprises should be assisted by the State through appropriate legislation and through the provision of adequate credit facilities.

7. Labour Code.

A National Labour Code to secure for the worker maximum income and leisure, insurance covering illness, accident, old age and unemployment, freedom of association and effective participation in the management of his industry or profession.

The spectre of poverty and insecurity which still haunts every worker, though technological developments have made possible a high standard of living for everyone, is a disgrace which must be removed from our civilization. The community must organize its resources to effect progressive reduction of the hours of work in accordance with technological development and to provide a constantly rising standard of life to everyone who is willing to work. A labour code must be developed which will include State regulation of all wages, equal reward and equal opportunity of advancement for equal services, irrespective of sex; measures to guarantee the right to work or the right to maintenance through stabilization of employment and through unemployment insurance; social insurance to protect workers and their families against the hazards of sickness, death, industrial accident and old age; limitation of hours of work and protection of health and safety in industry. Both wages and insurance benefits should be varied in accordance with family needs.

In addition, workers must be guaranteed the undisputed right to freedom of association, and should be encouraged and assisted by the State to organize themselves in trade unions. By means of collective agreements and participation in works councils, the workers can achieve fair working rules and share in the control of industry and profession; and their organizations will be indispensable elements in a system of genuine industrial democracy.

The labour code should be uniform throughout the country. But the achievement of this end is difficult so long as jurisdiction over labour legislation under the B.N.A. Act is mainly in the hands of the provinces. It is urgently necessary, therefore, that the B.N.A. Act be amended to make such a national labour code possible.

8. Socialized Health Services.

Publicly organized health, hospital and medical services.

With the advance of medical science the maintenance of a healthy population has become a function for which every civilized community should undertake responsibility. Health services should be made at least as freely available as are educational services today. But under a system which is still mainly one of private enterprise the costs of proper medical care, such as the wealthier members of society can easily afford, are at present prohibitive for great masses of the people. A properly organized system of public health services, including medical and dental care, which would stress the prevention rather than the cure of illness, should be extended to all our people in both rural and urban areas. This is an enterprise in which Dominion, Provincial and Municipal authorities, as well as the medical and dental professions, can co-operate.

9. B.N.A. Act.

The amendment of the Canadian Constitution, without infringing upon racial or religious minority rights or upon legitimate provincial claims to autonomy, so as to give the Dominion Government adequate powers to deal effectively with urgent economic problems which are essentially national in scope; the abolition of the Canadian Senate.

We propose that the necessary amendments to the B.N.A. Act shall be obtained as speedily as required, safeguards being inserted to ensure that the existing rights of racial and religious minorities shall not be changed without their own consent. What is chiefly needed today is the placing in the hands of the national Government of more power to control national economic development. In a rapidly changing economic environment our political constitution must be reasonably flexible. The present division of powers between Dominion and Provinces reflects the conditions of a pioneer, mainly agricultural, community in 1867. Our constitution must be brought into line with the increasing industrialization of the country and the consequent centralization

of economic and financial power—which has taken place in the last two generations. The principle laid down in the Quebec Resolution of the Fathers of Confederation should be applied to the conditions of 1933, that "there be a general government charged with matters of common interest to the whole country and local governments for each of the provinces charged with the control of local matters in their respective sections".

The Canadian Senate, which was originally created to protect provincial rights, but has failed even in this function, has developed into a bulwark of capitalist interests, as is illustrated by the large number of company directorships held by its aged members. In its peculiar composition of a fixed number of members appointed for life it is one of the most reactionary assemblies in the civilized world. It is a standing obstacle to all progressive legislation, and the only permanently satisfactory method of dealing with the constitutional difficulties it creates is to abolish it.

10. External Relations.

A Foreign Policy designed to obtain international economic co-operation and to promote disarmament and world peace.

Canada has a vital interest in world peace. We propose, therefore, to do everything in our power to advance the idea of international co-operation as represented by the League of Nations and the International Labour Organization. We would extend out diplomatic machinery for keeping in touch with the main centres of world interest. But we believe that genuine international co-operation is incompatible with the capitalist regime which is in force in most countries, and that strenuous efforts are needed to rescue the League from its present condition of being mainly a League of capitalist Great Powers. We stand resolutely against all participation in imperialist wars. Within the British Commonwealth, Canada must maintain her autonomy as a completely self-governing nation. We must resist all attempts to build up a new economic British Empire in place of the old political one, since such attempts readily lend themselves to the purposes of capitalist exploitation and may easily lead to further world wars. Canada must refuse to be entangled in any more wars fought to make the world safe for capitalism.

11. Taxation and Public Finance.

A new taxation policy designed not only to raise public revenues but also to lessen the glaring inequalities of income and to provide funds

for social services and the socialization of industry; the cessation of the debt-creating system of Public Finance.

In the type of economy that we envisage, the need for taxation, as we now understand it, will have largely disappeared. It will nevertheless be essential during the transition period to use the taxing powers, along with the other methods proposed elsewhere, as a means of providing for the socialization of industry, and for extending the benefits of increased Social Services.

At the present time capitalist governments in Canada raise a large proportion of their revenues from such levies as customs duties and sales taxes, the main burden of which falls upon the masses. In place of such taxes upon articles of general consumption, we propose a drastic extension of income, corporation and inheritance taxes, steeply graduated according to ability to pay. Full publicity must be given to income-tax payments, and our tax collection system must be brought up to the English standard of efficiency.

We also believe in the necessity for an immediate revision of the basis of Dominion and Provincial sources of revenues, so as to produce a co-ordinated and equitable system of taxation throughout Canada.

An inevitable effect of the capitalist system is the debt-creating character of public financing. All public debts have enormously increased, and the fixed interest charges paid thereon now amount to the largest single item of so-called uncontrollable public expenditures. The CCF proposes that in future no public financing shall be permitted which facilitates the perpetuation of the parasitic interest-receiving class; that capital shall be provided through the medium of the National Investment Board and free from perpetual interest charges.

We propose that all Public Works, as directed by the Planning Commission, shall be financed by the issuance of credit, as suggested, based upon the National Wealth of Canada.

12. FREEDOM.

Freedom of speech and assembly for all; repeal of Section 98 of the Criminal Code; amendment of the Immigration Act to prevent the present inhuman policy of deportation; equal treatment before the law of all residents of Canada irrespective of race, nationality or religious or political beliefs.

In recent years Canada has seen an alarming growth of Fascist tendencies among all governmental authorities. The most ele-

mentary rights of freedom of speech and assembly have been arbitrarily denied to workers and to all whose political and social views do not meet with the approval of those in power. The lawless and brutal conduct of the police in certain centres in preventing public meetings and in dealing with political prisoners must cease. Section 98 of the Criminal Code, which has been used as a weapon of political oppression by a panic-striken capitalist Government, must be wiped off the statute book and those who have been imprisoned under it must be released. An end must be put to the inhuman practice of deporting immigrants who were brought to this country by immigration propaganda and now, through no fault of their own, find themselves victims of an executive department against whom there is no appeal to the courts of the land. We stand for full economic, political and religious liberty for all.

13. Social Justice.

The establishment of a commission composed of psychiatrists, psychologists, socially minded jurists and social workers, to deal with all matters pertaining to crime and punishment and the general administration of law, in order to humanize the law and to bring it into harmony with the needs of the people.

While the removal of economic inequality will do much to overcome the most glaring injustices in the treatment of those who come into conflict with the law, our present archaic system must be changed and brought into accordance with a modern concept of human relationships. This new system must not be based, as is the present one, upon vengeance and fear, but upon an understanding of human behaviour. For this reason its planning and control cannot be left in the hands of those steeped in the outworn legal tradition; and therefore it is proposed that there shall be established a national commission composed of psychiatrists, psychologists, socially minded jurists and social workers whose duty it shall be to devise a system of prevention and correction consistent with other features of the new social order.

14. An Emergency Programme.

The assumption by the Dominion Government of direct responsibility for dealing with the present critical unemployment situation and for tendering suitable work or adequate maintenance; the adoption of measures to relieve the extremity of the crisis, such as a programme of public spending on housing, and other enterprises that will increase

the real wealth of Canada, to be financed by the issue of credit based on the national wealth.

The extent of unemployment and the widespread suffering which it has caused creates a situation with which provincial and municipal governments have long been unable to cope and forces upon the Dominion Government direct responsibility for dealing with the crisis as the only authority with financial resources adequate to meet the situation. Unemployed workers must be secure in the tenure of their homes, and the scale and methods of relief, at present altogether inadequate, must be such as to preserve decent human standards of living.

It is recognized that even after a Co-operative Commonwealth Federation Government has come into power, a certain period of time must elapse before the planned economy can be fully worked out. During this brief transitional period we propose to provide work and purchasing power for those now unemployed by a far-reaching programme of public expenditure on housing, slum clearance, hospitals, libraries, schools, community halls, parks, recreational projects, reforestation, rural electrification, the elimination of grade crossings, and other similar projects in both town and country. This programme, which would be financed by the issuance of credit based on the national wealth, would serve the double purpose of creating employment and meeting recognized social needs. Any steps which the Government takes, under this emergency programme, which may assist private business, must include guarantees of adequate wages and reasonable hours of work ,and must be designed to further the advance towards the complete Co-operative Commonwealth.

Emergency measures, however, are of only temporary value, for the present depression is a sign of the mortal sickness of the whole capitalist system, and this sickness cannot be cured by the application of salves. These leave untouched the cancer which is eating at the heart of our society—namely, the economic system in which our natural resources and our principal means of production and distribution are owned, controlled and operated for the private profit of a small proportion of our population.

No CCF Government will rest content until it has eradicated capitalism and put into operation the full programme of socialized planning which will lead to the establishment in Canada of the Co-operative Commonwealth.

APPENDIX B

CCF FEDERAL ELECTION MANIFESTO

Adopted by the Eighth National Convention
Montreal, November 29, 30, and December 1, 1944

I

THE WAR against Fascism is part of the people's struggle to achieve a new era of brotherhood and security for all peoples of the world. The war must be prosecuted to a successful conclusion. The first duty of a CCF Government will be to mobilize all the resources of Canada in support of the armed forces of the United Nations.

The CCF believes that war planning and post-war policies are not separate problems, but two parts of the same fight for victory. The aim of the CCF is to build that new society which will make the fruits of democratic victory available in the fullest measure to all our people.

The end of the war will bring great opportunities to Canada. The choice which the people make in the coming federal election will determine whether we shall go forward to a new period of national development and social progress or return to the poverty, waste and stagnation of the pre-war system. This is the fundamental issue.

The CCF is determined that Canada shall go forward to a new life and not back to the old evils. Only the programme set out below can lay the basis for a life of abundance and freedom for all.

The CCF seeks a mandate in this election to put this programme into effect during its first term of office. At the end of that term, it will place its record of achievement before the people and ask for a new mandate for a further advance towards the Co-operative Commonwealth.

II THE AIMS

The objective of a CCF Government will be the establishment of a Co-operative Commonwealth in Canada, which alone can achieve:

(1) Useful jobs and the highest possible standard of living for all.

(2) Social security for every citizen.

(3) Health, education and good homes for everyone in town and country.

(4) Civil and religious freedom.

(5) Equal opportunity for every Canadian to develop his personality and talents to the full.

(6) The fullest co-operation with all peace-loving peoples to secure lasting peace and the raising of living standards everywhere.

The CCF believes that the pursuit of these aims, with due regard for the rights of minorities and for the proper functions of the provinces, will overcome all sectional differences.

The CCF appeals to all the Canadian people—of whatever province, race or religion—to unite for these common aims. We must not allow false issues to divide our people. We must not allow unprincipled politicians to exploit grievances of the past to destroy our unity in the future. If we do, all of us will lose, only the reactionary interests will gain. The task of reconstructing Canada after victory will require the united efforts of all our people.

III. THE CENTRAL PROBLEM

No system of social security can last, and no rising standard of living is possible, unless we make full use of our resources to produce the goods and services which our people need, and to distribute this wealth fairly. Only such measures can remove the glaring inequalities that still exist and that condemn too many of our people to poverty even in time of full employment.

Jobs and an adequate income for all: this must be the central aim. To achieve this aim we shall have to find jobs for no less than a million and a half more people than are now employed in civilian production.

Can "private enterprise" provide these jobs? It did not do so before the war; hundreds of thousands of Canadians were unemployed and on relief in the hungry thirties. It cannot do so after the war: a recent authoritative survey showed that the 2400 largest manufacturing concerns in Canada intend to employ 11 per cent fewer workers after the war than they did in 1943, even assuming large export markets and drastic tax concessions to business. This is a clear admission by private enterprise itself that there is not the slightest prospect of its meeting the needs of post-war Canada.

Thus full employment will not be possible if we leave post-war reconstruction to "private enterprise". Indeed, only disaster would follow from its so-called plans.

Because of the planlessness of capitalism and the restrictive power of private monopolies, we would again have economic depression, unemployment, a drop in the national income, and a demand from big business to cut social security payments. This is the dilemma facing all other political parties in Canada, which have tried to imitate parts of the CCF social security programme without planning to provide the economic base which alone can support such a programme. Only large-scale public investment and expenditure, under social ownership or control, and carried out in accordance with a national economic plan, will meet our needs.

IV. THE PROGRAMME

The CCF therefore presents the following programme, to be implemented in co-operation with the provinces, in the belief that it alone can meet our post-war problems and lay the basis for a just social order:

1. *Re-Establishment of Service Men and Women*

Canada has an obligation to the men and women in the armed and auxiliary services and in the merchant marine, which must be fulfilled completely and generously without considerations of cost. The dependents of those who die by reason of service must be provided for in decency and comfort. Pensions and other benefits should be awarded and administered in full recognition of the high service which our fighting Canadians have rendered to us and to our country.

Productive work and an adequate income must be our first objective. Re-establishment should be directed to remove, as far as possible, the physical and economic handicaps imposed by service and to enable all to regain a useful and secure status in civilian life. The grants, gratuities and credits unanimously voted by Parliament will merely help to tide over a brief period of readjustment. They will not solve the central problem of useful jobs.

The CCF therefore insists that the re-establishment of service men and women can succeed only in a full employment economy. Nothing less than the planned utilization of all our resources will give them the opportunity they want and so richly deserve.

The CCF will assist ex-service men and women to gain a firm foothold in expanding productive enterprise with the following measures:

Until satisfactory re-establishment is assured, post-discharge pay at a scale sufficient to ensure adequate standards of health

and comfort; in the vast majority of cases this will have to be higher than present rates of service pay and allowances;

Complete reform of pensions' administration to eliminate red tape and delays and to make the needs of service personnel and their dependents the first concern in all cases;

Pensions for dependents, established at a scale that assures them a decent standard of living and full educational opportunities for children;

Adequate pensions and care for all disabilities arising out of service anywhere. In no case should the onus of proving that a disability is associated with war service be on the claimant for a war pension, and he should always be given the benefit of the doubt;

For all those who have served in an actual theatre of war, the lifetime right to medical examinations, treatment, hospitalization, and maintenance when required, whether illness is directly traceable to war service or not;

Extension of the same pension and medical benefits to veterans of other wars;

Educational and training facilities, with adequate living allowances, available to all;

Financial aid on a scale and with plans that will ensure the success of those qualified to engage in farming, fishing, or other chosen enterprises, on an individual or co-operative basis;

Veteran participation on all re-establishment and pension boards.

2. *Reconversion of War Plant*

Conversion and operation, under public or co-operative ownership, of Government-owned war plants and equipment, as an aid in maintaining full employment and in the production of needed civilian goods.

Provision for selling surplus war assets such as trucks, clothing, etc., direct to individuals for their own use.

3. *Social Projects*

A large-scale programme of public investment, in co-operation with the provinces and municipalities, to aid in maintaining full employment. Such a programme should include:

Housing, slum clearance, community and regional planning for town and country;

The building of schools, community centres, playgrounds and hospitals;

Soil, water and forest conservation and development projects;
The development of Canada's northland;
Extensive utilization of mineral and oil resources;
Expanded development of electric power, irrigation and water resources;
Electrification of rural areas;
Development of industrial uses for agricultural products;
A planned programme of scientific research;
Expansion of transportation and communication facilities, including such fields as civil aviation and radio;
Assistance to Canadian cultural and artistic activities.

4. *Planning and Investment Boards*

Establishment of a representative National Planning Commission and a National Investment Board, responsible to Parliament through an appropriate Minister, to direct investment into the most socially useful channels and to plan the maximum use of Canada's resources in the interest of all the people. The National Planning Commission will work in conjunction with provincial and regional planning authorities.

5. *Socialization of Finance*

Social ownership of the banks and other important financial institutions as a necessary condition of economic planning and for increased security of the people's savings. Only this will make possible a planned monetary and credit policy designed to aid in the provision of adequate purchasing power and in the achievement of full employment and economic expansion.

6. *Social Ownership*

The socialization and democratic control, under either public or co-operative ownership, of industries which are monopolistic in character, or which are being operated to the detriment of the Canadian people, in order to free the Canadian economy from the domination and restrictive practices of monopoly control and to make possible national planning for maximum production.

The capitalist system has always produced inequalities of income and opportunity, insecurity for most of the people, economic crises and disastrous conflicts between various classes and groups in the community. All this has been intensified by the development of large-scale production under the control of private monopolies.

Private monopoly control of key industries restricts production and employment. It prevents the full use and development of our natural resources for the public good. Already it stands in the way of any effective programme of full employment.

These are the facts which make a wide degree of social ownership essential for the welfare of our people and for the preservation of our democracy.

The socialization of large-scale enterprise, however, does not mean taking over every private business. Where private business shows no signs of becoming a monopoly, operates efficiently under decent working conditions, and does not operate to the detriment of the Canadian people, it will be given every opportunity to function, to earn a fair rate of return and to make its contribution to the nation's wealth.

Moreover, from the start the CCF has undertaken to pay fair compensation, but it will not burden future generations with the cost of watered stocks and inflated assets.

The transition from private to social ownership will be made without dislocation of any of the managerial, technical and labour personnel willing to serve under the new conditions. Equal opportunity for advancement and promotion will be afforded to all on the basis of merit and without regard to political or religious views or racial origin. Indeed, since a socialized enterprise serves the public good rather than private profit, it offers new responsibilities and new opportunities for service. In addition, the participation of trade unions as well as managerial and technical staff on planning boards and production committees will free and encourage individual initiative and expand industrial democracy beyond anything we have ever known,

The CCF has always stood for the private ownership of the family farm, family home, and other personal property. It will build an economic system which will protect farmers and workers in this ownership and avoid the evictions, foreclosures and losses which they suffer under capitalism. In fact, the CCF will make it possible for the people to acquire all the personal property necessary for a high standard of living.

7. *Farming*

The future prosperity of the Canadian people requires the fullest development of Canadian agriculture. In the past the Canadian farmer has not received a fair share of the national income. Agriculture, in the main, has accumulated huge deficits because farmers have received less than their cost of production.

No modern industrial nation can afford poverty in any section of its people. The farmer is a consumer, as well as a producer. Farm people are entitled to the same standards of health, housing, nutrition and education as other sections of the Canadian people.

Though the war has brought temporary alleviation to the farmer's position in some ways, notably through higher prices and increased demand for his products, basically there has been no permanent change in agriculture's relation to the rest of the Canadian economy.

The labour shortage has accelerated the trend towards power farming and has actually increased our capacity to produce. This means, first, that we can produce plenty of food to meet the needs of the Canadian people in accordance with modern nutritional standards. We can also produce our share of the food needed by other countries as set out at the Hot Springs Food Conference. Second, we can produce the agricultural raw materials for new industries (chemurgy). Third, the expansion of productive capacity emphasizes the need for democratic planning by farmers' organizations in collaboration with Government; and war experience has shown that agricultural production can be planned. Fourth, now more than ever there is urgent need for conservation and restoration of soils.

The CCF therefore proposes:

Prices for farm products that will guarantee the farmer his proper share of the national income;

Legislation to protect the farmer's equity in his land, home and machinery;

Encouragement and assistance to returned men and others who wish to farm co-operatively;

Public ownership of plants manufacturing farm implements and supplies and, where expansion of the industry is necessary, the conversion of Government-owned war plant for the purpose;

Assistance in the establishment of co-operatives for the distribution of farm machinery and supplies;

Co-operative or public ownership of the major processing and wholesale distributing facilities for farm products;

Adequate storage and refrigeration facilities and the application of the "ever normal granary" principle to major staples;

Extensive development of the industrial utilization of farm products;

A comprehensive crop insurance scheme at premiums no greater than the minimum cost of service;

The provision of farm credit at the cost of service;

The establishment of Marketing Boards, representative of producer and consumer, for the orderly grading and marketing of farm products;

The establishment of Export and Import Boards for the regulation and encouragement of Canada's foreign trade in agricultural as well as other commodities;

An extensive programme of soil surveys, re-settlement, water conservation, irrigation and rural electrification;

Adequate provision in the general educational programme for technical training in agriculture and scholarships to agricultural colleges;

Revision of income tax legislation to allow farmers to average out the incomes of good and bad years, and simplification of farmers' income tax returns.

8. *Fishing*

Appropriate legislation, in co-operation with the provinces, to achieve:

A guaranteed minimum price to the fisherman to assure him a decent standard of living;

Protection of the fisherman's equity in his boat and gear;

Establishment of co-operative or publicly owned fish-packing, processing and quick-freezing plants, and wholesale distributing facilities;

The provision of credit to fishermen at the cost of service;

Marketing Boards, representative of producer and consumer for the improved grading and marketing of fish products;

Export and Import Boards for the regulation and encouragement of Canada's foreign trade in fish as in other commodities;

An extensive programme of scientific development and conservation of Canadian fisheries.

9. *Labour*

The primary need of every worker is secure, useful employment at decent wages. This the CCF will achieve through its programme of national economic planning and the fullest possible development of all our resources.

During the reconversion period, for workers who are temporarily unemployed, due to necessary retooling and readjustment, the Government will supplement unemployment insurance benefits with lay-off pay at a scale sufficient to maintain purchasing power and ensure adequate standards of health and comfort.

As a first measure the CCF will establish a Federal Labour Code to set national minimum standards, while leaving to the provinces the power to set higher standards. Such a code will cover the fields of:

Maximum hours of labour;

Minimum wages adequate to give the worker his full share of the fruits of his labour;

Equal pay for equal work, and equality of treatment for men and women workers in all matters under this code;

Minimum age of employment and vacations with pay;

Minimum industrial standards for the protection of working conditions;

Genuine, nation-wide and compulsory collective bargaining legislation, giving union security in all public as well as private enterprise, and outlawing company unions.

In addition the CCF will institute:

The fullest development of union-management production committees and industry-wide production councils;

Adequate labour representation on all planning and control boards and in the management of socialized industries;

Replacement of Selective Service by an expanded and efficient Dominion Employment Service; provision for vocational guidance and re-training for workers displaced from their jobs by reconversion of technological developments;

Federal legislation to implement I.L.O. and other international conventions and treaties establishing labour standards.

10. *Co-operatives*

Federal legislation, to supplement existing provincial laws, enabling co-operative enterprise to expand into new fields, to undertake national and international trading, and to co-ordinate its activities across the country;

Assistance to promote an extensive programme of education on co-operation as a means of achieving democratic self-help and self-government;

The promotion of co-operative ownership, wherever possible, as a desirable form of social ownership.

11. *Social Security*

A comprehensive and integrated social security and social insurance system, the benefits of which shall be extended to all

citizens, Indians, and Eskimos, as a fundamental human right, and free from humiliating means tests. This system shall provide:

Adequate old age pensions for all at age 60;
Generous pensions to widowed mothers;
Children's allowances for every child under 16 as a supplement to adequate wages;
Cash benefits for temporary disability, and pensions for permanent disability;
A comprehensive scheme of child care and nursery schools;
Maternity benefits and pre-natal and post-natal care for all mothers;
Out-of-work benefits for all workers, including those not now covered by the Unemployment Insurance Act, to provide them with an adequate income during temporary unemployment and particularly during the reconversion period;
A floor under wages, salaries and farm income.

Opponents of adequate social security still raise the question, "Where is the money coming from?" The CCF insists that this false cry must never again be permitted to block the road to progress. If we succeed in maintaining full employment and a high national income—as we can through the economic programme of the CCF—then the financial means will be readily available for a comprehensive system of social security, and for health, housing, education and other services, and the cost will be far less than that of war.

12. *Health and Nutrition*

The CCF will establish a socialized health service, aimed at providing a national standard of health care in every part of Canada. It will provide all citizens with complete preventive and remedial services. Its major aim will be achievement of positive health and not only the curing of obvious disease.

General administration of the scheme will be under the direction of provincial commissions and district and local boards working in co-operation with a Federal Health Commission. The commissions will comprise representatives of the local district boards, representatives of citizen organizations (such as labour unions, farmer associations, welfare organizations and the like) and representatives of the professional groups rendering the services.

Technical administration will be in the hands of committees representing the various professions and specialties in the health services.

The essential steps in the establishment of a comprehensive health service will be:

Provision of full medical and dental care for all citizens under practitioners of their choice, where practicable;

Establishment of health centres in rural as well as urban communities, to bring medical care within the reach of all and to assist in the application of public health measures;

Regular periodic check-ups of all citizens, particularly school and pre-school children;

Intensification of all measures for checking communicable diseases, especially tuberculosis and venereal disease;

A comprehensive programme of mental hygiene;

Provision of special pre-natal and maternity care;

Expansion of hospital and sanatorium facilities;

Establishment of convalescent hospitals and rehabilitation centres and services;

A programme of financial assistance to train an adequate number of doctors, dentists, and nurses, and special assistance for post-graduate studies in all fields;

An extensive programme of research in health and medicine;

An extensive programme of popular education in health and nutrition;

A national food policy, based on modern nutritional standards and aimed at making available to every citizen an adequate and balanced diet.

13. *Housing and Community Planning*

Establishment of a permanent Dominion Housing Authority, to work in co-operation with the provinces and municipalities in the preparation and launching of a comprehensive programme of housing and community planning;

Provision by the Dominion of funds to finance the construction of one million dwelling units within ten years. Co-operation between the Dominion, the provinces and municipalities to carry out this programme by:

Low interest loans, to reduce cost of financing, and with the maximum period of amortization to encourage home ownership;

Large-scale construction, under public or co-operative auspices, of low rental housing in town and country, with consequent reduction of construction costs;

Elimination of slums and sub-standard dwellings, both urban and rural;

Subsidies, where necessary, to provincial, municipal or co-operative housing undertakings;

Conversion of suitable war plants, under public ownership, to the production of building materials and household appliances;

Research into and development of new materials and new methods in the construction industry.

14. *Education*

The CCF believes that we must give education a high priority in our reconstruction programme. The purpose of our educational system should be to discover and develop the natural capacities of each individual and to provide those of special ability with every opportunity to continue their studies through school and university at public expense. We must establish and maintain a high minimum standard throughout the country, and to relate the entire educational programme to our economic, social and cultural development. Finally, we must seek to develop in all Canadians a consciousness of their responsibilities as citizens of Canada and of the world.

A CCF Federal Government will not interfere with provincial jurisdiction over education. But it will collaborate with the provinces and make available ample funds to:

Build, equip and maintain the necessary schools and colleges;

Provide scholarship grants to students, in accordance with their ability, for training and higher education;

Set up in each province a special fund to raise educational standards and expand educational opportunities in rural and poor communities;

Raise teachers' salaries, by the establishment of salary schedules at a level consistent with the social importance of the teaching profession;

Broaden opportunities for higher education not only through a scholarship system but also through provision of more adequate financial assistance designed ultimately to establish free tuition in Canadian universities;

Encourage adult educational programmes on the broadest scale, for the purpose of providing every citizen with an opportunity of developing his capacities and talents;

Establish a National Library and assist the growth of local libraries;

Promote the arts and crafts and artistic expression in every

form, by financial assistance to set up Community Centres, by a system of scholarships, by grants to voluntary art institutions and associations, symphony orchestras, choral societies, travelling art exhibitions, and the like;

Press for the establishment of an International Education Organization along the lines of the International Labour Organization, and give it strong and active support.

15. *Youth*

Young men and women are fighting and dying in this war. Young people are also the most helpless victims of depression and want. When victory is achieved, we must fulfil our obligation to Canada's youth, the real future of our country.

The whole programme of the CCF will open to our young people new horizons and unprecedented opportunities to develop their talents. The task of rebuilding our society on new foundations, of developing a new and higher set of values and human objectives, is one which cannot be achieved without the spirit and enthusiasm of youth. The Co-operative Commonwealth is youth's great opportunity.

To the young people of Canada the CCF pledges:

Free and full educational opportunities in schools and universities;

A comprehensive programme of vocational training and guidance;

A varied programme of recreational activities, provided in co-operation with the provinces and local communities;

Useful work with opportunity for progress and promotion;

Encouragement and assistance in the development of creative talents in the arts and literature;

The right to vote at the age of eighteen.

16. *Taxation*

A complete revision of the system of taxation, to ensure an equitable distribution of the burden of taxation and specifically to raise the income-tax exemptions to $1000 for single persons and $2000 for married persons;

Progressive removal of sales and excise taxes, except those on luxury goods.

17. *National Unity and the Constitution*

In order to enable our country to solve the grave problems which will confront us after the war, and particularly to achieve

full employment and a national system of social security, the CCF will take immediate and effective action to amend the British North America Act.

The CCF again pledges itself to protect the existing minority rights set out in the B.N.A. Act. Further, as additional steps in the development of full Canadian nationhood, the CCF proposes the appointment of a Canadian as Governor-General, the adoption of a distinctive national flag and national anthem and the necessary legal provision for Canadian citizenship.

Subject to full safeguards for existing minority rights, the CCF will amend the B.N.A. Act:

A. To incorporate in the constitution a Bill of Rights protecting minority rights, civil and religious liberties, freedom of speech and freedom of assembly; establishing equal treatment before the law to all citizens, irrespective of race, nationality or religious or political beliefs; and providing the necessary democratic powers to eliminate racial discrimination in all its forms. Such a Bill of Rights should be amendable only with the consent of all the provinces.

B. To abolish appeals to the Privy Council.

C. To abolish the Senate.

D. To give the Canadian people the right to amend their own constitution.

E. To give the Federal Parliament the necessary powers

1. To establish minimum standards in the fields of collective bargaining, wages and hours and social security.
2. To implement international treaties and conventions.
3. To regulate trade and commerce, particularly interprovincial marketing.

18. *International Trade*

The CCF will:

Establish Import and Export Boards, to regulate and expand our foreign trade, to eliminate the exploitation of both producer and consumer and to make possible the establishment of stable prices for export commodities;

Enter into long-term agreements of bulk purchase and sale with other countries to provide stability of trade and a lowering of consumer prices, and to remove the barriers to international trade;

Promote world monetary and investment policies to provide

for the expansion of purchasing power and production on an international scale and to help raise living standards everywhere.

19. *International Relations*

This Second World War has now entered upon its final phase. The time approaches when the collective power of the United Nations will have crushed the last remnants of the Axis forces, and will have made possible a new start for humanity towards a world order based on economic security and social justice. The CCF pays its tribute of homage and gratitude to the men and women in the armies of the United Nations who have borne the brunt of this struggle, and to the civilian workers of every kind who are helping to make victory possible.

I

As the conclusion of the war approaches, a proper policy towards liberated countries becomes increasingly urgent. The CCF believes that the United Nations policy should ensure the punishment of fascist rulers and all collaborators, and provide co-operation with democratic people's movements rather than with discredited monarchs and reactionary forces.

Equally is it urgent to agree upon a proper programme for the treatment of ex-enemy countries after victory. Such a programme should have a two-fold objective. It should aim at the complete destruction of fascist military and political organizations, the punishment of war criminals, just restitution to devastated countries and appropriate measures to destroy the power of the reactionary interests of Germany and Japan again to threaten the peace of the world. At the same time the United Nations should assist in the rebuilding of trades unions, co-operatives and all other democratic people's organizations so that ultimately these countries may be included in the world society on an equal basis with other States.

II

Future wars cannot be avoided without the establishment of government on the international level, democratically representative of all the peoples, great and small, and endowed with the paramount powers necessary to maintain the peace and to provide economic justice and equality of opportunity among the peoples of the world.

The CCF welcomes as a promise for the future the great measure of co-operation which has been achieved by the United Nations during this war and the real advances which have been made towards the formation of a new world organization.

Canada must actively assist in all further discussions preparatory to the setting up of such an organization. Canada must also be ready to take her full part in it and to contribute her proper share to any security measures designed to maintain world peace.

The new world organization must have the power to stop aggression. It must be based on the democratic representation of all peace-loving nations, although special responsibilities may be delegated to certain Powers. It must make every effort to build world economic planning and co-operation for the welfare of all peoples as the foundation of lasting peace. All member states, both great and small, should be bound by its decisions. To avoid the evils of secret diplomacy, full publicity should be given to its proceedings.

III

Canada should also play her full part in all the functional international organizations now existing, such as the I.L.O., U.N.R.R.A., the World Court and the Food Organization; and support every effort to develop similar organizations for international economic co-operation. Such bodies should be co-ordinated as integral parts of the world organization.

Canada's geographical position requires that she should extend, by every appropriate means, her co-operative relations and arrangements with her southern neighbour, the United States, and her northern neighbour, the U.S.S.R. She should also seek membership in the Pan-American Union.

Canada should promote voluntary co-operation between the nations of the British Commonwealth aimed at mutual economic and social advancement and the achievement of an international order based on the foregoing principles.

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