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**NEW HORIZONS
FOR SOCIALISM**

F. R. SCOTT

PREFACE

This pamphlet is based on the speech made by Professor F. R. Scott to the 11th CCF National Convention, in Vancouver, July, 1950, when he relinquished the position of National Chairman after four successive terms.

F. R. Scott is professor of civil law at McGill University and a widely-recognized expert on the Canadian constitution. He was prominent among those who organized the League for Social Reconstruction in the early thirties, and collaborated in the LSR's writing and publication of "Social Planning for Canada" and "Democracy Needs Socialism." He attended the first CCF National Convention in Regina, in 1933, and helped to draft the Regina Manifesto. In 1942, together with David Lewis, he wrote "Make This Your Canada," until then the most comprehensive statement of CCF history and policies.

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NEW HORIZONS

FOR SOCIALISM

*A*T Regina, in 1933, the CCF Party held its first national convention, and drew up the basic statement of its philosophy and program which has been known ever since as the Regina Manifesto.

Probably no other document in Canadian political history has made so deep an impression on the mind of its generation, or secured so sure a place in our public annals. Certainly within the CCF itself the Regina Manifesto holds an especially honoured position. In the depth of its analysis of capitalism, the vigour of its denunciation of the injustices of Canadian society,

and the clarity with which it distinguished democratic socialism from the liberal economic theories of the old-line parties, it provided for every party member a chart and compass by which to steer through the stormy seas of political controversy. Though the Liberals might tempt from the right or the Communists from the pseudo-left, the CCF was held to its own true path by the inner conviction of purpose and policy first formulated in the Manifesto. From its basic principles the party has never deviated.

It is one thing, however, to enunciate first principles, and quite another to seek to apply them to a given social situation. The purposes remain; the means of giving effect to them must be adapted to the changing needs and opportunities of society itself.

For example, in 1933, when the Regina Manifesto was adopted, there was no central bank in Canada; now the Bank of Canada exists with wide regulatory powers over the private banks. Then there were no family allowances, no unemployment insurance, no foreign exchange control, no experiences with guaranteed prices; above all there was little acceptance of the new economic theories associated with the names of Keynes in England and Hansen in the United States. Then fascism was just emerging as a force in Europe, and communism was still able to pose as a socialist movement that was truly aiming at human freedom but was temporarily obliged to employ stern measures merely because of the backwardness of Russia.

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All this has changed now, and because it has changed it behoves all socialists to take stock of their position in the light of present events. The socialist must be aware of world trends, and must realize that he is no more free than anyone else from the danger of old-fashioned thinking. If there is one way in which socialism must be scientific, it is that it must avoid dogmatism, must be ready to learn from experiment, and must keep its ideals and policies ever refreshed by new truth.

Members of the CCF who are willing to re-examine their theories are sharing an experience which is common to social democratic movements all over the world. It is a good time for reflection and for intellectual advance. Never before have so many democratic socialists had the experience of power in so many countries; never before have such opportunities for experiment been available.

On the other hand, the absence of serious economic hardship has slackened the interest of the ordinary North American in politics, and we have felt this inside the CCF movement. The workers feel more sure of their jobs next week than they do of peace next week, more afraid of world war than of world depression. Indeed, we face the likelihood that liberal capitalism has learned enough from Mr. Keynes and from war planning to be able to avoid any economic crisis as severe as that which gave birth to the CCF in 1933.

Any sane man will hope this is true, but it does not make any difference to the validity of the socialist case, though it must

alter socialist tactics. Socialism is as valid a creed for a prosperous nation as for a depressed one, for it is concerned with the quality of social life, not just with the amount of wealth produced. This essential truth must be made clear. A country like Canada can be prosperous, after a fashion, when it is building homes for the rich and none for the poor; when it is exploiting natural resources for the private profit of private monopolies; and when it is measuring social security by the least that is politically tolerable rather than by the utmost that our resources would justify. Full employment is not the same as social justice. Democracy needs socialism; this is as plain as ever. But it needs a contemporary form of socialism, and one expressed in the language of current political discussion. It needs a socialism as valid in good times as in bad, in peace as in war.

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What then are some of the developments that have taken place in socialist thought since the Regina Manifesto was drafted?

One trend that seems obvious is that the political aspects of socialism, its reliance on democratic procedures and its respect for human rights, have acquired a fresh importance in the light of recent world events. This is the result of our experiences with both fascism and communism. Both these movements illustrate the inherent evils in absolute power, regardless of its avowed goals.

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The Communist Party has no longer any right to the word socialist, since what it calls "scientific socialism" is the negation of the most fundamental part of socialism, namely its respect for the individual human being. As Deutscher points out in his remarkable biography of Stalin, whereas the original Russian revolution of 1917 represented the victory of western political ideas over Russia, for Marx was a product of the west, the later revolution by which Stalin emerged as Dictator represented the recapture of Russia by a powerful form of oriental despotism. The Revolution was lost in Russia, not in the sense that capitalism returned, but in the sense that Czarism was strengthened.

We now see that it is possible for a country to nationalize all the means of production and still be as far from socialism as ever. We see also that war could easily break out between two countries which have both eliminated capitalism; witness the threat to Jugoslavia from her communist neighbours. Capitalism is obviously not the only cause of war.

On the other hand England today, despite her continuing private ownership, is evolving rapidly toward the co-operative commonwealth. In the former centre of world capitalism sits a Labour Government whose chief concern is for the welfare of the masses, which has an infinitely great respect for human rights, a keen desire for peace, and which has achieved a commendable approximation to economic equality. It has been said

that less than 70 persons in England have an income, after taxes, of more than \$15,000 a year.

It is evident that this thing we may call the spirit of man, this light of faith and conscience and decency on which all civilization depends, is not primarily dependent on the ownership of property, essential though it is to subject all forms of ownership to social controls. It can be corrupted by property, but not saved merely by economic reform.

Socialism is first and foremost concerned with the human spirit, with its freedom, its growth, its emancipation, and with ownership only in so far as some of its forms are obstacles to this freedom just as other forms seem essential to it. Socialism expresses in the fullest degree the great traditions of political democracy, traditions which are still very much more alive in the country where capitalism is most powerful, namely the United States, than in the country (Russia) where it has disappeared. For that reason socialists will not hesitate to defend their political freedom should it be threatened by communist aggressors as it was recently threatened by fascist powers, and they will not let the strangeness of some of their capitalist bedfellows deflect them from this fundamental purpose. For socialists must fight to preserve those political conditions under which socialism may live. Any notion that we might creep into some neutral never-never land in such a conflict is not only utterly unrealistic, it is a denial of socialist responsibility, and of world community.

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Having said so much, let me go on to say that I disagree with those who contend that the issue today is not between capitalism and socialism, but between freedom and totalitarianism. That statement over-simplifies the facts.

Freedom is endangered by certain capitalist practices and tendencies as well as by totalitarian movements, and the evils of capitalism help to create those movements. Capitalist forces, particularly in Canada and the United States, are still bitter enemies of social progress, still potent sources of reaction. They finance the reactionary parties, and own the reactionary press. They are offset by other forces of many kinds, but they exist and they must be mastered along with external enemies if freedom is to expand and be secure. This is a job that none but a socialist party can accomplish.

Let us remind ourselves of some fundamentals. A society dominated by liberal economics, preferable though it is to any totalitarianism, is one whose guiding principle is profit. This means that the flow of investment and the direction of economic change is primarily toward those things which bring the maximum money profit to their owners. This is why we have a housing boom for the upper third and none for the lower two-thirds of the population. This is why social security is so meagre, and why the capitalist press is actually trying to teach people that the welfare state is an evil—as if it were the duty of our government to be indifferent to human suffering, and unwise to insure ourselves against it! This is why it is being suggested

that we cannot afford better old age pensions while there is war in Korea—as though we should fight better against communism if we neglect our social responsibilities. Take the profit out of war, and we can pay for old age pensions.

Even though liberal capitalism may have found technical devices for ironing out the extremes of booms and depressions, it is still an undemocratic economy because it puts the interest of the minority of profit sharers ahead of the interest of the masses. It remains a society abounding in special privilege, and denying the principle of equality, of fair shares for all, which is so fundamental to the co-operative commonwealth. It continues to support a capitalist class that now constitutes an irresponsible economic government, operating through one of the most undemocratic institutions in our society, the private corporation. It maintains several political parties whose inner structure and financing render them incapable of caring for the basic needs of the people.

When Mr. Abbott raised rents 22%, or Mr. Martin announced there would be no health insurance for Canada, or Mr. Garson defended the suppression of the report on the flour-milling combine, or Mr. Gardiner opposed the creation of a world food pool under FAO, Canadian liberalism was being quite true to its colours. No protest has come from the Canadian Manufacturers against any of these moves, nor will the money available to the Liberals at the next election be any the less.

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The CCF proclaimed at Regina, and still proclaims, its belief in production for human need rather than in production for profit. By this we mean that the first claim upon our economic activity should be the satisfaction of basic human requirements for food, clothing, housing, education and leisure for all. These come first. In war as in peace, these claims rank before private profit. Hence subsidized low-cost housing should come before houses are built for private individuals.

We recognize, of course, that the profit motive, under proper control, is now, and will be for a long time, a most valuable stimulus to production. Not a single democratic socialist party anywhere plans to nationalize all forms of production, and in the privately owned sector the profit motive must continue. But in a co-operative commonwealth this would not be the determining factor but a subordinate one.

To make sure that the satisfaction of basic human needs has priority, economic planning is required, particularly of the amount and direction of investment, and of the broad channels of distribution. That such planning can be both practicable and democratic, and can result in a more equitable distribution of wealth as well as in increased production and high employment, the experience of Britain and the Scandinavian countries has conclusively shown.

According to a report issued from London's International Chamber of Commerce, production in 1949 in western Europe

surpassed pre-war levels by the following amounts: in Sweden, 45%; in Britain, 37%; in Denmark, 33%; in Norway, 31%; in Holland, 23%; in France, 22%; and in Belgium, 15%. It is significant that the top four countries are under socialist governments, and that the bottom two have indulged in the least planning. In Belgium, often cited in our press as a sane, free enterprise country, over 10% of the workers were unemployed in 1949 though the country received more Marshall Aid per capita than England did. In England unemployment was negligible.

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Thus the fundamental differences between the CCF Party and the Liberal Party have not changed, even though Liberal governments have introduced several reforms urged by the CCF, and though their program (not their performance) overlaps ours in regard to some aspect of social security.

CCF'ers are not just "Liberals in a hurry." They are going in a different direction.

Liberals would let the capitalist profit-seekers shape our economic future for us; the CCF would plan it consciously to serve human need. Liberals would maintain the monopolistic practices that are now stifling initiative and slowing our rate of growth; we would replace them by social ownership and democratic controls for maximum production and lower prices. They tolerate the inequalities of opportunity in the present system; we would remove them. They hamper the growth of

co-operatives and trade-unions; we would promote it in every proper way. They would operate through their undemocratic type of political party, run from the top; we would make our democratic movement an even broader instrument for participation by the people in the processes of government. In clinging to private enterprise they would deny the creative power of mankind to mould its own social destiny; we affirm this power. They seek to arrest history; we march with it. They are Liberals; we are democratic socialists.

Of the Progressive Conservative Party I need not speak. Its sole function in Canada today is to make otherwise intelligent people feel they have to vote Liberal to save themselves from a fate worse than Liberal death.

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This notion of the direction of the economy, consciously selected for humane purposes and brought about through planning, is so important that the question of social ownership now seems perhaps relatively less important. The aim of socialist planning has not changed, but the emphasis on nationalization has changed. In proportion as planning techniques have developed, and as the difficulties of too rapid a nationalization have been better appreciated, some reconsideration is taking place in the older view that immediate and widespread expropriation is fundamental. Opposition to certain forms of it has come from one wing of the socialist movement, the co-operatives.

I would not presume to try to provide the proper formula for deciding how much and when to nationalize; this it seems to me is a matter of practical application rather than of principle. Nationalization is only one tool, and we must learn to use all the tools. Obviously a considerable degree of public ownership, such as was suggested in the Regina Manifesto, is required for Canada, for we suffer particularly from monopolistic ownership. But I suggest that for any socialist today to look upon every proposal for nationalization as the acid test of true socialism, an act of faith rather than of reason, is to be a little foolish. Within capitalism itself the control of industry has largely passed from owners to management, and the "sovereignty of economic property" has already been divided.

The essential thing is to subject the decisions of management to social needs. Social ownership is one way, a very important way, but not the only way of achieving this. Control of credit, of the allocation of raw materials, taxation, and competition from public and co-operative enterprise, are other ways. While our fundamental purpose of production for use remains, we must keep an open and intelligent mind on the problem of the degree and timing of socialization.

Another element in socialist policy that has become more important in recent years is the whole matter of industrial relations. This goes deeper than ownership; trade unions may battle with governments as much as with private management. The studies and experiments on human relations in industry

are vitally important for socialists to understand. Similarly the trade union movement has increasing responsibilities commensurate with its growing power, for the interests of labour are not exactly the same as those of society at large. The consumer is a very silent partner at the collective bargaining table.

The rise of membership in trade unions has been one of the most encouraging signs of the past fifteen years; more perhaps than any other factor it has imposed some degree of social responsibility upon North American Big Business. The recent demands for industrial pensions have even convinced many leading industrialists that state pensions without a means test are a good thing, and many people who are not trade-unionists are going to benefit from trade union struggles. But such special favours as the powerful unions can squeeze out of large corporations are no more secure than the corporations themselves, are dependent on continued prosperity in the economy, and may leave unprotected the mass of workers in smaller unions, besides the even larger group who are still unorganized. Trade unionism needs social democracy to fulfill its purposes; like the co-operative movement, it cannot do the whole job alone.

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Another part of the CCF program seems to have evolved considerably since Regina. When the CCF was born Canada was in a depression so extreme that no salvation seemed possible save on a national level. The provinces were nearly as bankrupt

as the municipalities. Only Ottawa could have instituted the new policies of public investment, tax reduction and credit expansion which would have helped to reduce unemployment and to rescue the agricultural producer. But of course Ottawa did none of these things, being under first a Conservative and then a Liberal administration.

Socialist economic theory (call it plain common sense if you like) told us that there needn't be mass unemployment if the proper planning were undertaken. The war of 1939 proved our point. A poverty stricken nation with over a million people on relief miraculously found itself overnight with unlimited resources of money. If anyone ever doubts the importance of pure theory let him reflect on that fact; just because we made up our minds and had a national purpose, we found that there was useful work for all to do.

After the war high prices strengthened the position of both provinces and municipalities, which are now capable of undertaking social services which previously they could not have contemplated. We are now more conscious than before of the important role a province may play in carrying out a socialist program. Saskatchewan has shown how successful this can be, though it has also shown the limitations.

We are all federalists in the CCF, to say the least; we have even heard the voice of the provincial autonomist in our midst. Let those who accuse us of an undue desire for centralization take note. The CCF does not seek to place too much power

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in Ottawa's hands. In this sphere as in others we must strike a balance, separating out the functions appropriate to federal action from those appropriate to provinces and municipalities.

It is increasingly obvious that some matters of national importance today, such as price control, marketing, and contributory social insurance cannot be achieved unless the federal government has new powers. Some matters too need regional administration, being neither federal nor provincial by nature, such as the use of water in inter-provincial rivers. And of course we recognize more today the fundamental importance of world government.

Since the proper division of functions can never be settled for all time, but changes with circumstances, the CCF must support a flexible method for amending the BNA Act, except for matters which may be considered fundamental human and minority rights.

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These are some of the thoughts that come as one looks over the period of Canadian socialism since the Regina Manifesto. The CCF has grown in understanding. It has not altered its first principles, which stand as firm today as they ever did, and firmer. It knows, however, more about the business of government, and has seen social conditions change, and on the whole for the better, through the application of ideas it was the first to espouse. CCF doctrine has not altered, yet CCFers are less doctrinaire. No socialist is more dangerous than the one

who knows it all, especially if he proves it by reference to some dead author.

G. D. H. Cole, in his excellent little book called "Socialist Economics," points out, for instance, that Marx said practically nothing about the problems which a constructive socialist society will have to solve. His great work was a critique of capitalism, not an analysis of socialist economic problems. He did not concern himself at all with a situation, such as western democracies face, where there is almost certain to be no violent overthrow of capitalism and no dictatorship of the proletariat. Marxism has influenced all socialist thought, and indeed the whole thought of our age, yet contemporary socialist policy in democratic states has little to learn from Marx—and still less from communism—save what to avoid.

It is good for us to realize that our techniques for social change are under constant review and testing, while our sense of socialist values, our concept of the co-operative commonwealth in which human need is the first principle of economics, stands firm and clear.

The inner conviction that one's living principles are true is the mainspring of human action; with confidence here it does not matter what changes and chances one meets in the outside world. Every member of the CCF should feel this inner conviction, feel it more today than ever before. For the world in which human needs are best protected, will be a world in which peace is most secure.

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