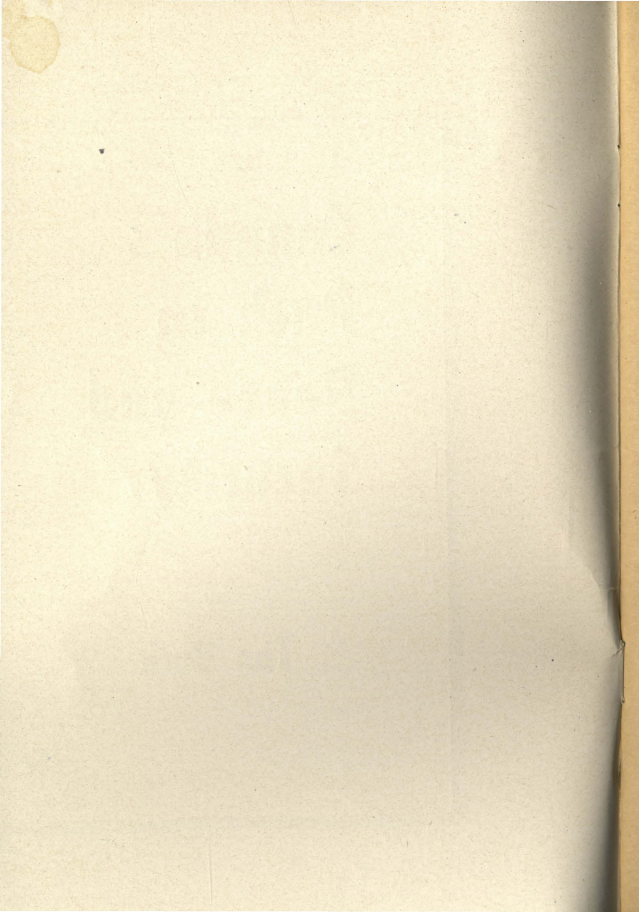


Canada's Path to Peace and Security

by

Tim Buck

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CANADA'S PATH TO PEACE AND SECURITY

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1. NEW CONDITIONS FOR CANADA'S ECONOMY

THE BUDGET introduced in the House of Commons on April 29th is the Governmental balance sheet for the first full year of peace since the United Nations defeated the fascist Axis powers. The budget shows conclusively that Canadian economy is able, in peace as well as in war, to produce enough to provide an abundant life, with economic security and expanding opportunity, for every man, woman and child in the country. Recording production of goods and services to the value of more than eleven billion dollars during 1946 and the prospect of an increase to the unprecedented level of twelve billion dollars worth in 1947, the budget proves that it is now technically possible to increase the dollar income of every Canadian to double what it was in 1938 and at the same time to spend two billion dollars per year upon social security measures to protect the health and general material well-being of the people. But, along with the evidence that Canada is now possessed of enough material resources and productive capacity to abolish want from our country, the budget speech of the Minister of Finance revealed, also, a growing trend on the part of the government to discard those measures and elements of policy which had been introduced as a tentative beginning of governmental action to guarantee economic security and medical care for every Canadian. So definitely does the budget indicate a government retreat from such policies that big business hailed it as a "Deathblow to the Cyclical Theory." The Ottawa representative of the Financial Post described what he termed "the major reversal of tax policy," in the following words:

"Ever since 1942, when the real wartime tax rate came in, Ottawa has been operating on the 'cyclical budget' theory —tax and save in good times so that you can spend and run deficits in bad times."

"Mr. Abbott gave the cyclical theory a beautiful epitaph. In half a dozen sentences he outlined what should be done according to its doctrine . . . But having thus stated the doctrine, he proceeded to throw it out of the window, and he told precisely why: Politically, it won't work."

Such vulgarization of the issue completely obscures the real problem and ignores the real underlying forces which are at work. The Minister of Finance and the Financial Post may believe that whether or not the government

should adopt policies which correspond with the new conditions created by finance-capitalist monopolies and two world wars, depends upon the electoral aims of the King government but, if so, they are wrong. The instability and fluctuating character of capitalist economy will not disappear simply because the Minister of Finance chooses to ignore it and Mr. Abbott's budget address did not deal a death-blow to the cyclical theory. The blow it dealt was a body blow at the people's hopes that the government would adopt post-war policies in line with the interests of the Canadian people and the nation. But, while dealing a body blow at these hopes, the budget and the address actually highlighted changes already taking place in Canada's economy which, unless recognized and met by appropriate long term policies, will aggravate the conditions which produce cyclical crises and will intensify the effects of the now looming crisis when it strikes.

These changes were in progress before the war but they have been speeded up tremendously by our national war effort and the changes taking place in the world. Each one of them makes necessary far-reaching changes in the economic aims and direction of governmental policy in Canada. Each one of them emphasizes the fact that governmental policies such as were traditional before the war will no longer protect the national interests of this country and its people. Despite Mr. Abbott's easy "epitaph" to the cyclical theory, the budget reflects these changes in three of its important features which make it sharply different from every peacetime budget submitted to the Canadian House of Commons before the war.

FIRST: The government is budgetting for a net revenue of two billion two hundred and ninety million dollars during the fiscal year of 1947-48. This is almost four times as much as the highest revenue budgetted for in peacetime before the war — even during the 1930's when the Dominion government was called upon to make large-scale emergency expenditures. It will absorb no less than 19% of the value of all goods and services produced, even if that reaches the unprecedented total of twelve billion dollars which the Minister of Finance indicates as a possibility. This is about twice the average for the decade before the war, three times the percentage that was considered normal before the depression.

The requirement that almost a fifth of the value

of all goods and services produced by the people during the coming year shall be turned over to the Dominion government is not created by extraordinary or emergency expenditures as was the case during the war — and as will become necessary again in the event of economic crisis. The Dominion government requires such a large percentage of the national income to finance its ordinary activities because its functions and its role in the economy of the country are changing. For example, the interest charges on the national debt alone now amount to \$437 millions per year. This is more than the aggregate total of all Dominion government expenditures in any peacetime year until shortly before the war. Our net national debt has been expanded to thirteen billion dollars (\$17.6 billions gross) It is now the country's greatest single source of unearned increment to investors. The burden of the public debt and the fiscal policies which have accompanied its growth in capitalist countries cause many people to consider that it is the most important source of the evils of capitalism. That point of view is incorrect. The public debt can reflect social progress. The financial mechanism for mobilizing the people's savings represented by the national debt is one of the most powerful levers of primitive accumulation. Properly utilized, for progressive social purposes, the mobilization of national savings through the mechanics of the national debt can be a powerful and revolutionary means of social construction, national conservation and economic development. In Canada today, however, the overwhelmingly greater part of the securities representing the national debt are held by a numerically small group of immensely rich people and corporations. The position of the big holders of those securities corresponds exactly with the description written by Marx more than eighty years ago. They "actually give nothing away, for the sum lent is transformed into public bonds, easily negotiable, which go on functioning in their hands just as so much hard cash would."

Thus, one of the crucial functions of government today is to determine by its taxation policy whether the rich shall pay the greater part of the cost of servicing the national debt or if the poor shall be made to pay as much as possible of the \$437 million annual interest payments which go mainly to the rich.

The expansion of governmental revenues shows also

that even in Canada, where finance-capital has become immensely stronger as well as richer as a result of the war, the growing strength of progressive democratic forces makes it impossible for governments to ignore the terrible inequities and the insecurity that monopoly capitalism creates for some sections of the country and for the great majority of its people.

SECOND: The government's budget and the budget speech delivered by the Minister of Finance emphasized the changing role and influence of exports in Canadian economy — particularly as it operates at the present time. The intimate relationship between the level of exports and the level of the national income was indicated by the Minister of Finance in the following words: "One of the main supports of our current high level of production and income which is the result of special government action is, of course, our large volume of exports, financed in part by the loan to Britain and by exports credits to France, Belgium, Holland, and some other countries."

What a large part is played in our national economy by exports and governmental expenditures is revealed by the fact that the combined totals of the dollar value of exports,* and the Dominion government's net cash expenditures during the past year, equalled 45% of the value of all goods and services produced by the people of Canada. Let it be emphasized; furthermore, this percentage does not include the six hundred and ninety-nine million dollars disbursed by the Dominion government under the headings of loans, advances, export credits, cost of loan flotations, etc. Thus, in addition to illustrating what a greatly increased percentage of the national income is now required to finance governmental expenditures, the budget address showed, also, that direct governmental intervention in the national economy has been a decisive factor in determining the level of our post-war national income to date. The Minister of Finance sought to placate Tory opposition to such action by declaring: "None of us contemplates a continuous large-scale program of governmental lending to finance our exports." What he said may have been true, but it did not touch upon the decisive fact. The decisive fact is that, while large-scale governmental financing of exports may be a temporary post-war measure, the new governmental functions of which export credits are a part are here to stay. The extent to which the government performs them will

(1) \$2,435,000,000, during the calendar year 1946.

exert an important influence upon the future of our national economy.

THIRD: The reason why more and more Canadians will insist upon the Dominion government expanding its new functions which correspond with the conditions created by monopoly capitalism is emphasized in the increasing uncertainty that the budget reveals concerning the prospect ahead of capitalist economy as a whole. Explaining the need to allow an extra large margin for error in his estimates the Minister of Finance warned the members of the House of Commons that: "Any forecast in these uncertain and abnormal times is subject to a wide margin of error and to many qualifications . . ." ". . . it must be borne in mind that our revenues now are very sensitive to any change in general business conditions. In forecasting them in this budget, we have assumed that our national income, production and trade will be at high levels. We believe that this is the most probable course of events. On the other hand, it must be conceded that some recession in the United States this year is by no means impossible".

The significance of the Minister's warning is best understood when one considers it in conjunction with the almost unanimous admissions of the economic and market trend advisers to big business that a slump must be expected in the United States in the near future. Bearing out their predictions, the Daily Tribune reports that the United States Bureau of Labor Statistics estimates that: "If the incipient recession grows severe, there is a chance that the present level of two million unemployed may rise to six million by the middle of next year". Well might the Minister use the words "by no means impossible".

Thus, instead of dealing a deathblow at the cyclical theory the budget illustrates anew its correctness. The Minister's words are like a mirror in which can be seen reflected the fact that Canada is confronted by uncertainty—and the probability of economic crisis, even in the near future.

2. THE SOURCE OF THE ECONOMIC UNCERTAINTY

THE SOURCE of the uncertainty which impelled the Minister of Finance to warn the House of Commons against the danger of what he termed "an economic recession" is to be found in the very policies of which his budget is an important part.

In Canada as in all capitalist countries the ultimate reason for economic crises is because the purchasing power

of the overwhelming majority of the people falls too far short of their collective ability to produce goods for sale. Because of that fundamental contradiction in our national economy, full employment in Canada at the present time is possible only when exports are enormous (and considerably greater than imports) and when there is going on in addition large-scale new investment for expansion of basic capital. If the government continues to refuse trade credits to the New Democracies and the U.S.S.R. and refuses, as the Minister of Finance suggested it may, to extend new credit to Britain and France when the present credits are exhausted, our exports will decline from their present all-time record high for peacetime. Similarly with new capital investments. The Dominion Department of Reconstruction announces that a survey of business firms reveals plans for new capital investment to the amount of \$1,739,000,000 during the present year. If such a program of new investment were to be actually carried through and exports maintained there would be a high level of employment, indeed full employment, in Canada. But, even when the Minister of Reconstruction published the results of his departmental survey, it was evident that his forecast of a billion and three quarter dollars of new investment during 1947 could not be accepted as a trustworthy guide to an understanding of the economic prospect. First, the type of work in which most of the new capital was supposed to be invested is such that Canada's existing capacity is insufficient to produce the materials required. Thus, even if the program were carried through a large part of the expenditures involved would be for imported materials and would not provide employment producing them in Canada. Secondly, the forecast of a billion and three quarters of new investment makes no allowance whatever for the cancellations and cutting down of plans which are bound to occur as the probability of lower prices and business recession is recognized. How little reliance can be placed in Mr. C. D. Howe's forecast is emphasized by the fact that one of the first institutions to cut back its planned expenditures is the "Wartime Enterprises," a part of the government's Post-war Reconstruction program over which he himself exercises authority.

The only fundamental and controllable ground upon which it is possible to prognosticate the future trend of the national economy, and by which it is possible to determine with exactitude the average long term level of

new capital investment, is the home market. In addition it should be added that for Canada a prosperous home market is the sole guarantee of continuing ability to meet the difficulties already looming ahead for the export sector of Canada's production. But, today the vitally important home market is the weakest link in the chain of our national economy. Our people cannot buy enough of the goods and services that they produce to guarantee a firm floor of domestic purchasing power under our enormously expanded capacity to produce. The price level is being allowed to rise rapidly, without any adequate accompanying increase in the purchasing power of the mass of people. The effect of this is the more evident in the national economy because the people whose purchasing power is cut are the ones who have to spend all or almost all of their incomes week by week. It is aggravated further by the fact that the income of the most important group for the home market, namely, the wage and salary earners, has declined sharply in proportion to the national income. For example, in 1943, wages and salaries, including military pay and allowances, represented 62.8% of all the incomes received by the people of Canada. During 1946, however, wages and salaries, still including military pay and allowances, represented only 58.9% of the total. That means a decline in the purchasing power of all wages and salaries in relation to the wealth produced equivalent to three hundred and thirty million dollars during last year.

In sharp contrast to the declining purchasing power of the workers and urban middle class people, returns to the investment interests, and particularly the incomes of the very rich, are increasing fabulously. The new Nesbitt-Thompson index of dividend payments continues to rise. It is now higher than the wartime average and 56% higher than the average for the four years before the war. When to the expanded dividend and interest payments there is added the enormous capital gains which have accompanied the expansion of Canada's productive capacity and the unprecedented accumulations of undistributed profits in the hands of the financial institutions and their great monopoly corporations, the aggregate return to the investment interests from production is seen to be at an all time high—higher even than during the war.

What is the attitude of the monopolists in this situation? Are the dominant investment and industrial interests taking or encouraging action to increase the purchasing

power of the mass of our people either by wage and salary increases or by reducing prices? Every Canadian who can see and hear knows that the answer is No! Even the Minister of Finance, introducing a budget designed to please big business and the investing interests in general, was impelled to complain that:

"Business confidence and available funds are so high that a good many business men are competing more in their efforts to expand their investment quickly than in getting down their costs and keeping down prices at which they sell their products."

What Mr. Abbott said was true but in the circumstances it was but a platitude. To complain that capitalists are pursuing the traditional practices and aims of the profit system, while submitting a budget designed to encourage and facilitate those practices—and to make them even more profitable—was but to record the Minister's regret that it is no longer possible to deny the anti-social character of the profit system. His words were but an admission that individual grasping capitalists and enterprises refuse to discipline their own search for profit, or regulate it in accord with national interest and the changing social needs of our time. As the financial editor of one of Canada's big capitalist papers pointed out recently in commenting upon the excess profits tax and the people's demand for government action to stop rising prices: "As long as profits are uncontrolled, it is in the interests of business to pay labor as little as possible and charge as much as possible for its products." The financial editor was stating the plain truth. As Karl Marx proved irrefutably eighty years ago, the driving force of capitalism and the sole guide for the individual capitalist is the ruthless and soulless search for profit. That is why the New York Journal of Commerce argued against President Truman's appeals to business to cut prices on ground which amounted to the argument that the price level is not the government's business.

3.. A RICH MAN'S BUDGET

IN THE existing situation and in the light of the government's war-time promises, democratic reform-minded Canadians were fully justified in expecting that the budget would utilize the favorable possibilities to give some relief to the low income groups in our country—particularly to the nearly ten million Canadians included in the group whose incomes are below two thousand dollars per year.

The Labor movement had urged the government to

grant relief to the low income groups. Pointing out that, at present prices, forty dollars per week is barely enough to maintain a family at the standard necessary for good health and development while hundreds of thousands of families of wage and salary earners have to live upon incomes which average twenty-five dollars per week or less, the Labor movement in general had urged the government to raise the income tax exemption level. The Trades and Labor Congress of Canada and the Canadian Congress of Labor each supported this demand in their annual submissions to the government and the attitude of Labor was supported by a very large body of non-working class opinion.

The Government rejected that demand. Single workers earning as little as \$16.00 per week must continue to pay income taxes. Married couples with incomes as low as thirty-two dollars per week must continue to pay income taxes. Instead of raising the level of exemption for people with small incomes, the budget makes very substantial reductions in the amount of income tax to be paid by people with big incomes. The changes in the amount of income tax actually paid provide a striking commentary upon the political aim of the budget. The Daily Tribune revealed the real effect of the changes. It showed that for a married man with two children, earning thirty-five dollars per week, the budget provides a tax reduction of only twelve dollars per year and he must still continue to pay income tax on a totally inadequate income. But for a man with an income of two hundred thousand dollars per year the budget reduces the tax by \$10,000 per year. No wonder the Financial Post's Ottawa representative reported that: "Such criticism as was heard on Parliament Hill on budget night had a queer sound, coming on the eve of income tax day. Quite a few people wondered if he hadn't cut taxes too much."

The Government certainly did not "cut taxes too much" as they affect small incomes. The reduction made in governmental revenue by the cut in income taxes is roughly counterbalanced by the reduction made in governmental expenditures by cutting out food subsidies. The income tax payers who will derive the main benefit from this change are those with incomes of more \$5,000 per year. The substantial reduction in their income tax payments will completely overshadow the price increases made because government subsidies are removed. But the effect

upon a married man who earns thirty-five dollars per week and has two children is very different. The budget reduces his income tax payment by twelve dollars per year while the price increases which result from the removal of subsidies increase the cost of necessities his family must have, such as milk, butter, cheese, etc., by more than the twelve dollars tax reduction. These prices are actually lowering the nutritional standards of tens of thousands of Canadian families in the low income groups as may be seen by the sharp decrease in the consumption of milk since the subsidy was removed.

Thus the masses of the people in the low income groups are actually losing purchasing power equivalent to the reductions made in income taxes paid by the rich. On top of that the budget maintains the inequitable indirect taxes which bear heavily upon the poor. The most glaring example of favors to the rich is in the continuance of the sales tax through which purchasers in general paid three hundred millions in taxes last year while, in spite of the huge profits being reported, the excess profits tax will be removed as a New Year's gift from the Dominion government to the monopolists who own Canada's industries. No wonder the financial expert of the Progressive-Conservative Party declared enthusiastically: "Mr. Speaker, I do congratulate the Minister. I also understand the enthusiasm with which his budget has been received and I think, in large measure, we can all share his enthusiasm . . . it is our budget."

Truly it has to be said that the King government's reversal of post-war policy is marked by a Rich Man's budget, blurring still more whatever differences remain between Tory and Liberal parties in the House of Commons.

4. THE TWO TRENDS IN CANADIAN POLITICS

THE GOVERNMENT'S decision to discard the plans it had promised for a budgetary policy aimed to counteract the effects of the capitalist economic cycle is a basic concession to the monopolists and speculative interests which have been permitted to resume control of the economic life of our country. These interests, grown immensely rich and powerful through our national war effort, are developing a bitter many-sided campaign to prevent fulfillment of the promises of democratic social progress given to the people during the war. Their campaign is aimed to halt social progress and to load the financial burdens of the war upon

the masses of the people. Their campaign on domestic policies is the Canadian sector of the world-wide campaign being developed by international finance-capital, under the leadership of United States imperialists, to stop the spread of colonial liberation, to hem in and if possible undermine New Democracies, to bolster up and militarize reactionary regimes, transform countries such as Greece and Turkey into military outposts of U.S. and British imperialism—with the declared purpose of using them against the spread of the new People's Democracy which is surging through the continent of Europe. The central aim of their campaign at home and abroad is to re-establish as far as possible the economic and political supremacy of finance-capital and its international financial and economic monopolies and cartels. International finance-capital, headed by United States imperialism, makes no secret of the fact that it is prepared to go to any lengths in pursuit of its aim to re-establish its imperialist domination of the world—even, as Henry Wallace has pointed out, to war.

Against the reactionary imperialist drive of finance-capital there is still spreading and gaining strength the world-wide striving for democratic progress. The Socialist sector of the world is now immeasurably stronger than it was before the war. In addition to the Socialist U.S.S.R. there are now a number of other countries in which the planned transition to Socialism is under way under the direction of strong People's Governments. Hundreds of millions of people all over the world are organizing for democratic popular action to achieve the liberating changes for which they fought during the war. By the unity of their democratic progressive aims all these varied and scattered forces constitute a gathering world front for peace and democratic progress.

The forces of the world front for democratic progress are not limited to the old world. The powerful and moving response, in Canada as well as in the U.S., to Henry Wallace's call for a return to the policies of Franklin D. Roosevelt shows clearly that the potential forces of the world front for democratic progress are widespread and numerically very powerful in the New World also.

5. THERE IS A DANGER OF A THIRD WORLD WAR

THE SECOND National Convention of the Labor-Progressive Party declared in June, 1946, that a third World War is not inevitable. That declaration is as true today as it was

a year ago. Peace can be made secure, mankind can enjoy the fruits of the victory over Fascism, the tremendous new productive forces developed during the war can be put to work and kept busy building a new and better world for all the people. These things can be achieved, however, only if the democratic peace-loving forces unite and fight for them. However it must be emphasised that, during the past year, the war-mongering forces have made progress.

Since the Attlee-Truman-King Conference in Washington and their joint declaration of intention to replace Big Three Unity in the United Nations by an English-speaking bloc, a campaign to create war hysteria has gathered momentum and is becoming increasingly open and arrogant. President Truman's declaration that the United States puts maintenance of capitalism before and above the maintenance of peace was but the delayed public statement of the reason for the aggressive and provocative war policy being pressed by his government. The President's proposal to Congress on March 12th, that the United States government should transform Greece and Turkey into economic and military bases for United States imperialism in Europe, to "stop the spread of Communism," was the most flagrant admission of aggressive imperialist intent that has been made since Hitler declared his aggressive aims before the war. Never before in the memory of any man now living has the responsible head of a great power proclaimed so arrogantly the aim of world domination and the intent to achieve it by flagrant intervention in the internal affairs of other nations. Since the plan for intervention in Greece and Turkey was adopted it has become evident that secret intervention by way of "dollar diplomacy" is being pressed in France also and the most rabid imperialist groups are now demanding that conclusion of the Italian Peace Treaty be held in abeyance so as to provide a technical excuse for keeping large United States forces in Italy to prevent the possible election of a left-wing or Communist majority.

President Truman and the American and Canadian war-mongers who hail each new measure of war provocation as an achievement, may declare that the growing U.S. intervention in the internal affairs of other countries is directed only against the Soviet Union and the New Democracies in Europe but the stark truth is that the "Truman Doctrine" endangers the whole world. As Henry Wallace has aptly pointed out, the aims and policies which

are being labelled as the "Truman doctrine" are "a one-way road to war." Furthermore, Wallace added very truly: "If we really set out to police Russia's borders, then even Canada and India become border states."

What Henry Wallace warns against is precisely the aim of the dominant finance-capitalist circles in the United States. They are supported aggressively in Canada by a numerically small but politically influential circle of Tory war-mongers personified by Col. George Drew. By lying propaganda the monopolists and their political henchmen and publicists deny the entire history of the development of democracy and put forward the completely false pretense that **capitalism is democracy** and that there can be no democracy without the profit system. They cultivate the illusion that in some manner—which they never explain—the security of the United States and Canada will be endangered unless the advance of the democratic forces of the people is prevented or halted in other countries and that world peace can be maintained only if and when the supremacy of United States military, air and naval force is established literally all over the world and governments satisfactory to international finance-capital are established in the majority of countries.

The aims and general policies of the war-mongers have been stated most bluntly and most elaborately in the United States. Since Virgil Jordan advised a convention of investment bankers that the second World War marked the period in which "the sceptre of power passes to the United States" there has developed in that country a vocal group of powerful interests pursuing the avowed aim of United States world domination. The attitude of these interests has been stated in programmatic form recently in a highly publicized book entitled "The Struggle for the World." The author of the book* proposes bluntly that the United States Government should now undertake to accomplish exactly what the United Nations prevented Hitler from doing. This much touted propagandist for United States imperialism declares that we have entered a period of history in which the aims of foreign policy must take precedence over domestic policies in the United States. He proposes that the United States government adopt the aim of establishing "an American empire which will be . . . capable of exercising decisive world control." He reminds his readers that "there is already an American empire

x James Burnham.

greatly expanded during these past five years. From the point of view of political reality the empire extends wherever the imperial power is decisive . . . All of the Americas already lie within it. Canada too in terms of political reality, must be included within the American Empire."

The means which he proposes to extend the already expanded American Empire to complete world domination are outlined in a strategical program of which the following are the six salient features:

1) It would have to be recognized that peace is not and cannot be the objective of foreign policy.

2) The United States must be prepared to make an open bid for world political leadership.

3) In world political relations the procedure would have to be quick, firm, sufficient intervention, not non-intervention.

4) The United States would have to accept the need for world-wide propaganda.

5) "There would have to be a practical recognition of non-collaboration with the Soviet Union . . . to make decisions independently in the light only of the perspective of U.S. foreign policy without reference to the possible Soviet attitude, and then to carry those decisions through whatever the Soviet Union may say or do."

6) "Finally, this policy could be put into practice only if the U.S. is, and is known to be, able and ready to use force."

As a step towards world empire the author of this book urges immediate action to establish United States direction and, in effect, control of "Great Britain and the British Dominions." Cynically enough he suggests that the United States government should offer the British countries an opportunity to consummate such a union voluntarily but that in the background of the offer there should be "some hint of the black meaning of refusal . . ." Concerning the Middle East and Turkey, this publicist for United States finance-capital wrote considerably before the present loans to Turkey and Greece were officially decided upon, as follows:

"Could anything be done about Turkey? A correct policy would have little difficulty providing answers more compelling than legalistic notes about the violation of international conventions. It might discover an appropriate moment, for example, for Turkey to purchase from the U.S., on easy credit, 500 or 1000 first

class airplanes, completely equipped. Several thousand young U.S. officers might well go with the planes to give instructions in their use to the Turkish soldiers. The Turkish government might be induced to invite lengthy manoeuvres of U.S. warships in the vicinity of the Straits. Perhaps a volunteer squadron of U.S. aviators might wish training experience in the Near East and might arrive with planes and equipment; perhaps, even with planes fitted for Atomic bombs with a range at least as far as the Caucasian oilfields. The bargaining for prices on Turkish export products might be very generously conducted."

Any democratic Canadian who tends to assume that the foregoing is but the vaporings of a journalist with little relationship to the actual development of U.S. foreign policy should stop and consider the striking resemblance between what this advocate of aggression proposed and what the U.S. government did shortly afterwards. Furthermore, let nobody be deluded by the idea that the influence of this and similar books is limited to a narrow circle. A condensation of this book was published in "Life" magazine which is reputed to reach a million readers. Life magazine is a recognized vehicle of jingoistic, war-mongering imperialist propoganda. Its declared objective is to make this "The American Century". It advocates United States imperialist expansion in exactly the same spirit and tone of arrogant "master race" superiority as distinguished Nazi and Fascist propoganda before the war.

It must be stated unequivocally that systematic efforts are being made in Canada and the United States to establish the ideological basis for what must be termed "A North American Fascism". The Labor-Progressive Party has pointed out repeatedly that, while the war defeated and destroyed the fascist governments of the Axis powers, it did not eliminate the source of fascism. The source of fascism is finance-capitalism and the monopolies that it controls. Fearing the advance of democracy and impotent to halt that advance by democratic means the monopolists support and encourage every reactionary tendency, anything which might divide, confuse or otherwise weaken the progressive movement, and, particularly anything which promises to inflame public opinion at home with prejudice against other peoples or to foster the spirit of war.

The basic characteristics of fascism are the same today as before the war. As history shows, the specific forms that

it assumes in any country are determined very largely by the traditions, prejudices and general ideological pattern by which those people who become the victims of pro-fascist propaganda are influenced. In North America, today, the main weapon of such fascist propaganda is the cynical related lies that conflict between North America and the Soviet Union is inevitable and that North America will be in danger if People's Democracy continues to spread and the U.S.S.R. and the New Democracies are permitted to make good the devastation of war in economic and political co-operation with the capitalist world.

6. THE REACTIONARY OFFENSIVE IN CANADA

THE GREAT majority of Canadians sympathize with the progressive strivings of the peoples of Europe and the colonial countries. Canadians agree India should be free — governed by her own people. The overwhelming majority of Canadians recognize that Europe should be freed from the old regimes of semi-feudal junker landlordism allied with foreign finance-capital. During the war Canadians learned that the anti-Soviet attitude that had been maintained by the Dominion government before the war and the vicious anti-Soviet propaganda spread by fascist-minded Tories such as Colonel Drew had each been contrary to the best interests of Canada. The war revealed that Prime Minister King's secret support of the criminal Munich Pact was a serious mistake. That mistake was committed entirely as a result of the technique of refusing to take any action which might set the government in public conflict with the anti-democratic aims and policies of war-mongering finance-capital and those reactionary circles of clericalism which were fostering the spirit of fascism in Canada. But, in spite of those solemn lessons, there is already developing, only two years after the great People's anti-fascist war for world freedom, a new sinister campaign to commit Canada to the predatory war-mongering aims and policies of international finance-capital and its discredited anti-democratic allies and auxiliaries throughout the world.

The most obvious features of this campaign in Canada are typified by the irresponsible war-mongering propaganda of the Premier of Ontario, Col. George Drew. The interests represented by Col. Drew receive energetic service from other sources however, particularly in the chauvinistic anti-Sovietism, anti-Semitism and anti-foreignism cultivated by elements in the leadership of the Social Credit movement typified most crudely by Norman

Jacques, and the dishonest and disgusting misrepresentation of the New Democracies and the U.S.S.R. in the reactionary capitalist newspapers. Those are surface indications of the reckless hopes and ambitions of the dominant financial circles whose schemes and relationships are kept from public view.

The dominant reactionary finance-capitalist circles in Canada are seeking to win for their own profit a share in the imperialist spoils which they believe may yet be secured if the forward march of the people can be halted at home and abroad. Thus they are striving to foster reactionary policies on all fronts. By misrepresentative agitation, lavishly financed parliamentary lobbies and the help of Premier Drew of Ontario and Duplessis in Quebec, they pressed Mackenzie King to whittle down the social reform program promised during the war until it is but a shadow of what he promised to the people. In the meantime, by systematic misrepresentation of "Provincial Rights" and the meaning of efforts to redistribute a portion of the national income on the basis of population and social need instead of on the basis of geography, Tory spokesmen and anonymous propagandists for finance-capital succeeded in so confusing sections of the people that even Mackenzie King's whittled down proposals are now greeted as, and do constitute, an important forward step from the stalemate which dominated Dominion-Provincial relations.

In the sphere of wages and labor relations the monopolists have been able to prevent any Dominion government action to preserve for the Labor movement wartime legislative gains in the form of a Dominion Labor Code. As the Financial Post commented in reporting the fact that Dominion Government control of Labor Relations is at an end "The provinces will take up where they left off when the Federal Government stepped into the picture." In British Columbia, the monopolists have already secured the passage of a reactionary anti-union provincial Labor Act. This Act, known as Bill 39, transforms British Columbia's legislation on labor relations from the most advanced to the most reactionary and repressive in Canada. The provisions of Bill 39 should shock the entire labor movement of Canada into realizing that reaction is not simply seeking to restore the labor relations which existed before the war, but is seeking to establish conditions which will enable it to launch an offensive aimed at the

destruction or the drastic weakening of the trade union movement.

7. CANADA IS BEING INVOLVED.

UNTIL NOW the democratic peace-loving forces in Canada have failed to realize how serious is the campaign to commit this country to new war schemes. Because of that, there has not developed the widespread and energetic campaign to press the Dominion government to disassociate itself officially from those schemes. As a result Canada is being committed gradually, step by step, by much the same technique of denying or evading the real issues involved as was utilized during the days when Chamberlain was encouraging Hitler, Mussolini and the Mikado to plan their war for world conquest.

The recent announcement that the Canadian and United States governments had agreed upon a plan for standardization of arms equipment and military training and tactics, co-ordination of their preparations for arctic warfare and "mutual availability" of each other's military, naval and air facilities, did but prove that the Labor-Progressive Party was right when it pointed out that the so-called "Muskox" and "Frigid" expeditions, establishment of the base at Churchill, plans for the construction of a string of sub-arctic bases in Canada's North and such activities were parts of a carefully calculated political jigsaw puzzle which, when seen altogether, would reveal the transformation of Canada into a military base for United States imperialism.

Newspapers reported that the Prime Minister explained the new plans by pointing out that "The Polar regions assume a new importance . . ." but such an explanation by-passes the fact that the decisive change in the significance of the Polar regions flows precisely from the preparations for arctic warfare being developed in Canada. The change that those activities create in the significance of the Polar regions corresponds with the fact that they are not limited to Canadian armed forces and are not of a genuinely defensive character. The change in the significance of the Canadian North derives very largely from the fact that the considered aim of the Dominion government's foreign policy is to integrate Canada in the aggressive drive of international finance-capital against the New Democracies and the rising tide of popular democratic action all over the world.

Along with the strengthening trend of governmental

foreign policy there is developing increasingly open war-mongering propaganda in the more reactionary sections of the capitalist press. Side by side with false and misleading statements aimed to create the false impression that the trade unions are responsible for high prices, and that housewives who protest against high prices are subversive elements — if not foreign agents, reactionary newspapers are working systematically to change public sentiment from friendliness to the New Democracies and the U.S.S.R. to prejudice and enmity. Papers such as the Globe and Mail of Toronto have recently extended their offensive in this respect. They now term Czechoslovakia as a “satellite” of the Soviet Union. The governments of Poland, Bulgaria and other countries of Eastern Europe, which were previously labelled “satellites”, are now branded as “puppet regimes”. Contrary to public and incontrovertible facts, Yugoslavia is labelled as an undemocratic state, its government is described as a “Red dictatorship” and its popular and beloved Prime Minister who was elected by one of the most overwhelming popular votes ever recorded is described as a sort of bloodthirsty ogre. The reckless length to which this sort of agitation is being carried is illustrated by the following provocation which appeared in the Windsor Daily Star in the disguise of a comment upon the bombing of the Egypt express by terrorists in Palestine:

“Eight people, including a three year old child, were slain in cold blood when terrorists in Palestine blew up a train and then turned machine guns on the people. It could be that history will relate that those machine gun bursts were among the first shots of a war in which Russia attacked Great Britain and the United States.”

The demoralizing effect of such cheap falsification of the news of the day is not to be measured by the importance or otherwise of the person who writes it but by the fact that there is no public outcry against it. The fact that intelligent Canadians who know that it is unscrupulous misrepresentation fail to register a public protest against such attacks upon the national morale is a measure of the complacency which obstructs democratic action to stop the war-mongering. Cheap as they are such falsifications cannot be ignored because they are part of the sinister campaign which will jeopardize the future of Canada, our future as a sovereign nation, if it is allowed to succeed. It is not enough simply to condemn such falsifications. They must

be exposed as lies. No nation or government in Europe or Asia is threatening North America nor the peace or security of any part of the Western Hemisphere. As Premier Stalin pointed out to Harold Stassen, the political and economic systems of North America and the New Europe can live together and co-operate to the benefit of all mankind. The peoples of the Soviet Union and the New Democracies need and want peace. They would like to have the friendly co-operation of Canada and the United States in their gigantic task of rebuilding half a continent and making good the awful devastation of the war. If they cannot have our help they ask at least to be left alone to solve their national problems in their own way. The only danger to world peace today comes from the aims and policies which have been dubbed "The Truman Doctrine". Henry Wallace has declared truly that those policies will lead to crisis and depression at home and war abroad if they are allowed to continue. The present trend of Dominion government foreign policy must be changed. In Canada as in the United States the supreme need is united democratic action to get our countries' policies back on the path of Peace and Security through Social Progress and world co-operation.

8. THE PEOPLE WANT PROGRESS

In spite of the conspiracies of international finance-capital and the aggresssive opposition offered by the governments of Britain and the United States, the democratic people's forces continue to advance throughout the greater part of the world. The people of India have won their way literally to the threshold of national independence which cannot now be much longer delayed. In Indonesia, French Indo-China, Malaya, Burma, Egypt and other colonial and semi-colonial countries the people's liberation movements continue to make gains in their struggles to end the imperialist enslavement of their nations.

The deep-going character of the liberation movement in the colonial countries is illustrated best of all in a semi-colonial country, China. In the reckless effort to destroy the influence of the liberated regions of China and to stop the growing support for the democratic policies advocated by the Chinese Communist Party the United States government sent its top diplomat to that country and enriched the corrupt Kuomintang regime with thousands of millions of dollars in cash, credit, and military and naval equipment. While General Marshall gained time for Chiang Kai-shek by protracted discussions with the representatives of the

Communist Party, United States instructors trained millions of new troops in the use of United States military equipment. When the training job was completed Chiang Kai-shek launched a new offensive against the liberated regions and their People's army. He boasted that his millions of freshly trained troops, equipped with United States arms, artillery, vehicles and planes, would wipe out all Communist resistance. For a short time the reactionary press of Canada and the United States revelled in an orgy of claims of crushing defeats supposedly inflicted upon the People's armies. That was all less than a year ago. Today, the very papers which boasted prematurely that Chiang Kai-shek's American trained and equipped armies would conquer all North China, admit that his offensive has failed. The Communist-led People's Armies are now passing over to a broad counteroffensive. The Chinese People's Army is in a strong position to launch a counteroffensive today because several of its most experienced units are now equipped with modern American arms and equipment — which the United States government sent to China less than a year ago to arm Chiang Kai-shek's armies.

In Europe the forward sweep of democracy continues, in spite of unscrupulous diplomatic and economic opposition. Its spread has been slowed down temporarily in some areas by British and United States intervention but the economic and political transformation of Europe is proceeding and will continue. The People's Governments in the New Democracies are firmly established and supported by the united peoples of their countries in determination that the old conditions, that is to say, the rule of landlords and capitalists, shall never be restored.

Through the war, and the bitter sacrifice and suffering it entailed, two hundred millions of the people of Europe realized a vital and fundamental fact. **They realized that the real national interests of a country are the human, living, day-to-day interests of the great mass of its people—not the rent interest and profit interests of a numerically small group of landlords, finance-monopolists and investors.** Experience taught the masses of the people during the war that, with rare exceptions, such landlords, industrialists, bankers and investors as did not collaborate with Hitler and Mussolini fled the country. Only the people stayed, firmly rooted to their homelands, suffering the indignities, hardships and frustration of enemy occupation, organizing, fighting, dying, and eventually winning their

united democratic struggle for national freedom.

The peoples of Europe are confronted by complicated problems and tremendous tasks. Their countries are devastated by war, their industries lack raw materials, their transportation is disrupted and in several countries hunger is widespread. But, through their struggle for national freedom the peoples of the New Democracies gained a new and truer understanding of national interests and they are determined now that the interests served by their post-war policies shall be the interests of the People and not the interests of absentee landlords and profit-mad speculators and monopolists.

The imperialists and their representatives do not fully understand the dynamism of the democratic change that is taking place in Europe. General Marshall's radio speech on the Moscow conference of Foreign Ministers dealt with Europe as though it were on the verge of complete collapse. The capitalist press headlined reports of his broadcast "Europe is dying" and "Europe Near Death". It was not and is not true. What is dying in Europe is the decadent system of Junker Landlordism allied with foreign finance-capital by which the people have been exploited and oppressed for centuries; that is dying it is true. But the peoples of Britain, France, Czechoslovakia, Hungary, Yugoslavia, Poland and numerous other countries of Europe are not dying: on the contrary, they are more alive and aroused today than ever before in this century. The nations of Europe aren't dying, they are in the throes of rebirth in their collective struggle for a Socialist Europe.

In Canada also, as throughout Europe and the colonial countries, the desire for democratic social progress is widespread. Millions of Canadians, workers, farmers, professional people, even some capitalists, English and French, recognize the need for big changes. Through six years they saw that we were able to raise our national standard of life while devoting about half of all that we produced to the winning of the war. Recognizing that our real contribution was, in fact, made up entirely of goods and manpower, thousands of Canadians realize that inasmuch as we were able to contribute about twenty-four billion dollars worth of goods and services to winning the war, now we should have peace-time policies which will make additional goods and services available for civilian use and for people's security.

The technical possibility for higher standards of life

and security is now proven. There is a growing realization that the needed social changes will have to be campaigned for in an organized way. That is why the trade unions have grown even more rapidly since V-J Day than they did during the war. That is why the trade union movement demonstrated solidarity of such quality and breadth during the great strike struggles of 1946 and that is why the public supported the workers in their struggle for wage increases. That is why the workers in French Canada continue to build their unions and to fight for improved living conditions in the face of the violent fascist repression and persecution of Duplessis and his provincial police.

Under the pressure of the workers' deep desire for effective resistance to the monopolists' offensive against the Labor movement there is developing a strengthening trend to trade union unity. There is a resurgence of united action to stop the upward rush of prices and there is a resurgence of organization among the farmers who are recognizing the necessity of organized action to secure fair prices for what they produce as well as to oppose the terrific increases in the prices of everything they buy.

These tendencies represent the broad progressive trend in Canadian political life today. It is the trend which opposes the reactionary aims of war-mongering finance-capital. Its driving force is the striving for social progress out of which Marxism grew in Canada and of which the L.P.P. is the best and most consistent representative. It is the immediate political task of our Party today to strengthen and guide this trend, develop mutual co-operation between the various currents and forces which comprise it, and unite them to the broadest possible extent in support of the idea of a broad coalition of progressive people.

9. THE NATIONAL INTERESTS OF CANADA DEMAND ACTION

CANADIANS WHO want democratic progress, social reform, advanced labor legislation and world co-operation for peace must face the question: "What are the real interests of Canada?" Are they represented by the aim of impersonal monopolistic finance-capital, impelled solely by its search for profit and economic and political domination or by the needs and aspirations of the great mass of Canada's people? When that question is faced squarely the answer is surely that the real national interests of Canada are those of the great majority of its people — the workers

by hand and brain who carry on the productive activities of the country. **The Labor-Progressive Party fights for the true interests of this great majority of our people knowing that this is the sole path to a stronger and more secure Canada.**

In the existing situation one of the prime dangers to which the attention of the Labor movement and all progressive forces must be directed is the danger of an economic crisis. This is not to prophesy that the crisis will strike during this year. It is even possible that the great finance-capitalist institutions in the United States and Canada will succeed in modifying the effects of the economic factors making for a crisis sufficiently to limit their early result to a brief "shake down" crisis — a break which will ruin and eliminate a large number of small concerns without shaking the over-all economy of the country enough to endanger the dominant monopolies. The monopolists want such a break. They believe it would speed up concentration of capital and industrial control, reduce competition, weaken the militant solidarity of Labor, and create fertile soil for the campaign to stir up a war spirit. The Labor movement must exert all its energy and influence to prevent any such development and to mitigate its effect if prevention proves to be impossible.

The Labor-Progressive Party has declared and repeats now that **cyclical economic crises can be eliminated if the national economy is organized and directed on the basis of the people's needs and capacity to consume.** There is no prospect that such conditions and policies will be established in Canada in time to head off the cyclical crisis towards which capitalist economy is now headed but, even in the conditions of ownership which prevail in Canada today, several constructive and effective measures could be adopted which would protect our people from the full effects of an economic crisis. The L.P.P. advocates and fights for such measures as part of the struggle to protect the day-to-day interests of our people. The propaganda that Communists want to see an economic crisis is false. What the L.P.P. declares is that now is the time to press the Dominion government for action to: "Save Canada From the Disaster of an Economic Crisis!"

The primary action needed against the danger of an economic crisis is action to raise popular purchasing power. The Housewives and other consumers groups who are organizing a national movement to roll back prices are de-

fending the national interest in that respect and should be supported by all democratic people. The L.P.P. will support the fight to stop the rise of prices in every way. We call upon all democratic Canadians to unite in this effort.

It is noteworthy, however, that the governor of the Bank of Canada has declared that the price level in Canada will continue to rise to approximately the same level as prices in the United States. It is evident that the Dominion government's policies are directed to that general objective. It is clear, therefore, that Canadian workers will be compelled to submit new wage demands to their employers this year. Canadian industry can afford to pay considerably higher wages. The Minister of Finance admitted in his budget address that "profits before taxes are still running at abnormally high levels." Labor productivity is greater today than ever before in Canada. The trade union movement is at the peak of its strength. There is need for well considered but prompt action to secure substantial wage increases for Canadian workers now.

As the workers need wage increases Canadian farmers need action to protect them against the ill-considered and improvident policies by which the Dominion government committed them to sell products far below the world market price. If the Dominion government decides that Canada should aid the British people or the people of any other country by selling them farm products at prices below the world market price, the majority of democratic Canadians will approve of the action and accept such taxation as it might involve. But to make the farmers alone bear the cost of such aid is inequitable to the farmers and bad for the national economy as a whole.

The Canadian Farmers Need a Floor Under Farm Prices and a Ceiling Over the Prices of Manufactured Goods, Not Vice Versa.

The L.P.P. pledges full support to the farmers and other people of the western provinces in their fight to prevent the railway companies from putting over the freight rate increase. The L.P.P. urges all farmers and farm organizations to recognize that the Supreme Court verdict finding the Saskatchewan Farm Act ultra vires is a fundamental challenge to their aspirations for security of tenure and title on their farms.

The voiding of the Saskatchewan Farm Act and Saskatchewan provincial labor legislation, the fascist techniques being used by Duplessis against the trade union

movement in Quebec and the increasing insecurity of democratic rights is a challenge to the entire labor and progressive movements.

Strengthen Canadian Democracy!

To strengthen Canadian democracy there is needed a consistent development of united action by democratic forces. The L.P.P. will support by all means in its power the movement for the Defence of Trade Union Rights in Quebec. The L.P.P. will participate with all its strength and influence in united action to defeat and repeal Bill 39 in British Columbia. The L.P.P. will support all efforts to unify the various sections of that movement into a powerful Dominion-wide organization.

But the fight to strengthen Canadian democracy requires, in addition to the various local and sectional united activities, a general Dominion-wide concept of the means by which Canadian democracy can be safeguarded. The labor movement will be able to play its full role in the struggle to strengthen Canadian democracy only if the trade unions step forward and exert their influence in the fight for public policy through direct participation in Independent Political Action. While the time is not ripe to propose establishment of a federated Labor Party, efforts must be made wherever the circumstances are favorable to secure united trade union participation in the selection, nomination and election of Labor candidates representing all sections of the Labor movement. This is particularly important in the fight against Bill 39 in B.C., it will be vitally important in the provincial general election in Quebec and there are possibilities for its development on a local scale in several other localities.

Labor and all democratic forces must unite to rescind Bill 39 in B.C. Bill 39 and its threat to Labor in B.C. combined with the near fascist terror against trade unionism in Quebec, should be a signal to the entire Labor movement. A consistent struggle for united labor action to defend the gains made during the war is an urgent need. Failure to develop such united action would lay the entire trade union movement open to the danger of Labor Acts of the character of Bill 39 in every province. To secure a democratic Dominion Labor Code will require a tremendous political effort, but Labor can win a Dominion Code if Labor is united, and united Labor action is the indispensable condition of an effective struggle to maintain purchasing

power, wage levels, farm prices, trade union rights and — most basic of all — to defeat the reactionary scheme to drive to integrate Canada in the gathering campaign of imperialist reaction for a third world war.

The development of independent labor political action requires that the Labor movement should clarify its opinions and sharpen its attitude on several issues.

- a) The immediate fight for democratic Provincial labor legislation does not conflict with the long term target of a democratic Dominion Labor Code.
- b) **Labor Must Insist Upon Enactment of a Democratic Bill of Rights** and should elect strong delegations to back up carefully prepared submissions setting forth Labor's demand for a constitutional guarantee of the untrammelled right of trade union organization to the proposed parliamentary committee on human rights and fundamental privileges.
- c) The issue of Dominion-Provincial Relations is of importance to the Labor movement second only to the most urgent questions of wages and working conditions. The issue of Dominion-Provincial Relations is the issue of wage-equality, of equalization of Labor Relations throughout the Dominion, of the level of workmen's compensation, of health insurance, of old age pensions, etc. It is the issue of whether or not every Canadian shall be guaranteed a modicum of social security out of the national income. It is the issue of whether or not the people of Canada shall enjoy approximately equal standards of social services and security or if the standards shall vary from province to province.

In connection with the issue of Dominion-Provincial Rights it is necessary to urge the Party in French Canada to consider carefully the advisability of a special party campaign to establish a thorough-going understanding of the issue among all members of the L.P.P. and to make the position of the Party clear to a wide circle of French workers.

The issue of Dominion-Provincial Relations is no longer a purely constitutional question in French Canada, it is now a question of dollars and cents. Duplessis' misrepresentation of the issue of "Provincial Rights" and his pretentious but empty double-talk about "Autonomy" will not counteract the people's natural desire to secure even the meagre benefits of the Dominion-Provincial Agreement

now available any more than it was sufficient to prevent payment of Family Allowances by the Dominion government in Quebec. This will become particularly clear as the people of Quebec realize that they are paying taxes to finance Dominion social services anyway.

Duplessis declares that he will refuse to sign up with what he bombastically calls the "Centralizers" at Ottawa — but he will sign. He threatened to prevent the payment of Family Allowances in Quebec by Dominion Government agencies but he backed down once the people of Québec learned about the real benefits of family allowances. The tactic that he will aim at in connection with the issues of Dominion-Provincial Agreement will be to hold a provincial election — in which he will probably seek to rally the rural voters by denunciation of the Ottawa "Centralizers." If he is returned to power he will sign up with Ottawa as quickly as possible after the election.

It is essential that the L.P.P. in French Canada establishes its position on the issue of social services and tax reallocation. Labor candidates on the Island of Montreal will certainly advocate equalization of Quebec's social services with those of the rest of the Dominion. This is not to suggest that the L.P.P. should support uncritically the presently proposed Dominion-Provincial Agreement. It is to urge that the Party in Quebec establish clearly the fact that the L.P.P. fights for all possible social gains for the masses of the people.

It is necessary that the L.P.P. utilizes the intense current interest in the issue of Dominion-Provincial Relations to emphasize the fact that the present Agreements are but the necessary preliminaries to eventual long term settlement which must include a careful but basic restudy of some of the provisions of our constitution written eighty years ago. French Canada's electoral, language, religious, legal and other constitutional rights can be preserved and strengthened while bringing Canada's constitution up to date, but human dignity and security of life in French Canada as well as the rest of the Dominion can be achieved only by modification of the outmoded provisions which were written into our Constitution to correspond with the economic and political conditions which prevailed before railways were built and Canada became an industrialized country.

Help Canada by Helping World Recovery! While concentrating more energy than ever upon the domestic prob-

lems indicated above, the Labor movement and its allies can still do a great deal to help protect Canada from economic disaster by pressing the King government to help the New Democracies. This need will become more obvious to many thousands of democratic Canadians as it becomes known that there is a growing danger even now of a world trade crisis. The United States exported 13 billion dollars worth of goods last year. As a result there is now a serious scarcity of dollars in all but a few countries. Canada could profit by advancing credits and could at the same time help to solve the problem caused for the New Democracies by lack of dollar purchasing power.

Above all and integrally with all other activities the Labor-Progressive Party must continue to press the fight to arouse a wide popular consciousness of the need for **Action to Secure Peace**. We greet the Peace Pledge Campaign of the democratic youth movement. The L.P.P. will support and strengthen that campaign throughout the country as part of more systematic and energetic action to help build the youth movement. The Party will particularly do everything possible to help the N.F.L.Y. to send a strong delegation of Canadian Youth to the World Festival at Prague.

The struggle to Make Peace Secure is the most general and unifying task of the democratic forces in Canada today. The people know that Stalin spoke truly when he told Harold Stassen that peace can be made secure if there is good will and serious effort on all sides. Democratic people want to see good will and a serious effort. The will to peace and readiness to co-operate in action for Peace is not confined to the progressive movement. The people of French Canada, true to their proudest traditions, are disturbed by the provocative war propaganda. Public spokesmen for the people are speaking out against it. Among churchmen, women's and farm organizations, and particularly in French Canada, there is a growing consciousness of the need for united democratic action against the growing propaganda and plans for a third world war. The L.P.P. will participate in and give support to all such movements as part of the general effort to help all democratic Canadians to recognize that, just as wars do not simply happen so, in the existing relationship of world and domestic political forces, peace will not be made secure simply by wishing for it. The Fight for Peace and the Fight Against Reactionary Policies are inseparable.

The L.P.P. will strive to arouse democratic Canadians to the need to "Press the King Government to Repudiate the Provocative Policies of Intervention of the Truman Administration". The L.P.P. will urge Canadian Liberals to develop in Canada action to arouse democratic Canadians to stand by Henry Wallace in his fight against the warmongers in the U.S.

There is no definite indication as yet as to when Mackenzie King will call a general election. The budget could be interpreted as an electioneering budget but, on the other hand, public resentment against the price increases which accompany the government's abolition of controls militates against governmental prospects for an election this year. It is fairly clear that, if there is a fair prospect for a high level of employment continuing into next summer, Mackenzie King will prefer to wait until then. In the not very probable event of an election being called during this year, however, the Labor-Progressive Party will make all possible efforts to achieve Labor unity, including of course, L.P.P.-C.C.F. unity, to the full extent and at whatever level it is possible. This is not to repudiate or modify in any way the basic concept of the independent role of the Labor-Progressive Party and the fight for Marxist policies. It is to emphasize the fact that the supreme need in the event of a general election this year will be the widest possible unity to elect militant representatives of the Labor and progressive forces wherever possible. This will be particularly important because, while the Tories remain the main concentration of political reaction in federal politics, the political difference between the Tories and the King government has become very much blurred as Mackenzie King continues to make concessions to the tory criticism and point of view. In the existing situation a substantial number of reform-minded Liberals will tend to support progressive candidates. The aim of the L.P.P. in the event of an election will be a broad coalition of People's Forces around the core of the united forces of the trade unions, the L.P.P., the C.C.F. and farm organizations.

10. MARXISM IS THE GUIDE TO PEOPLE'S VICTORY

NEXT YEAR we shall celebrate the 100th Anniversary of Marxism. It is a striking tribute to the founders of Marxism that 100 years after publication of the Communist Manifesto so much of what they prognosticated there has happened. The doctrine that they developed has become the guiding compass to the hundreds of millions of people who

are marching forward all over the world. Socialism is now a mighty force in the world. It can be denounced, slandered, it can still be misrepresented, but it is too strong now to be attacked as it was 29 years ago. The most outstanding Marxist of the world now speaks to all mankind with a moral and political authority which even the most powerful enemies of the U.S.S.R. and of Marxism cannot deny. We must, more and more systematically and energetically, explain in all sections of the Labor movement that these great historic facts are not accidental. The theories enunciated by Marx and Engels and further elaborated by Lenin and Stalin are not the fruits of brilliant guess work; they are the fruits of painstaking scientific research and analysis which transformed politics into a science.

The nations of a very large part of the world now have governments which are guided by Marxist science. I had the great privilege of spending several inspiring weeks with some of those governments this Spring.

To meet cabinet ministers whom one has previously met as trade union delegates in conferences, lectured to in school or marched with in Spain, is one of the most effective ways imaginable to confirm one's conviction that the world is being changed very fast. To me it emphasized also the cool health, firmness, unity of purpose, and growth of that which is new in world politics in contrast with the feverish uncertainty and conflicting interests of the old. I learned there the reason for the supreme confidence of our comrades who are sharing the responsibilities of new People's governments. They are united and collectively very strong but they are confident, above all, because they know that, historically speaking, the imperialists have very little time and the imperialist system is overburdened with the dead weight of its own contradictions. World imperialism cannot solve its own accumulated contradictions, it can only strive recklessly, destructively, to obstruct the democratic progress of mankind.

We cannot prognosticate the exact details of the perspective ahead but we know that it is one of extremely rapid and far-reaching change. Developments are going to be more rapid than between the first and second world wars. Changes are going to be more drastic: who knows, if it should happen that Chiang Kai-shek is completely defeated in China, or our brother parties in France and Italy should win big political victories, confidence in capitalism and perhaps capitalist policies will deteriorate very quickly. On

the other hand we know that with the advance of Socialist construction by the 300 million people in the U.S.S.R. and the New Democracies, recognition of the inevitability of the ultimate triumph of Socialism will become a power more dynamic than the idea of the Atom bomb. These things are the guarantee that we shall be building Socialism in Canada in our lifetimes.

Because of these things I urge every comrade to study carefully the co-reports that are to be given. Study the report on the 100th Anniversary of Marxism and make it your own task to fight for the mastery of theory within our Party ranks. Study the report on Labor's new and greatest achievement, The Daily Tribune. Make it your own personal responsibility to guarantee that this time Labor's Daily shall succeed and become the acknowledged voice of the democratic people. Study the report on organization in the light of the enormous tasks, struggles, yes and victories, which lie shortly ahead. Go from this National Committee Meeting determined to build our party to the mass Marxist party of the Canadian working class.



Recommended Reading

MARXIST - LENINIST CLASSICS

ANTI-DUHRING — Frederick Engels	\$3.00
LUDWIG FEUERBACH — Frederick Engels	\$1.50
LETTERS TO KUGELMANN — Karl Marx	\$1.75
THE CIVIL WAR IN FRANCE — Karl Marx	\$1.75
CORRESPONDENCE OF MARX AND ENGELS	\$3.00
THE POVERTY OF PHILOSOPHY — Karl Marx..	\$2.00
ORIGIN OF THE FAMILY — Frederick Engels	\$2.25
VOL. TWO LENIN'S SELECTED WORKS	\$3.25
NEW DATA FOR LENIN'S IMPERIALISM	\$2.75
MARXISM AND THE NATIONAL QUESTION — Stalin	\$1.90
MARX AND THE TRADE UNIONS—A. Lozovsky	\$2.50
THE UNITED FRONT — George Dimitroff	\$3.00
SOCIALISM, UTOPIAN AND SCIENTIFIC — Frederick Engels30
WOMEN AND SOCIETY — V. I. Lenin20
THE TEACHINGS OF KARL MARX — V. I. Lenin30

PROGRESS BOOKS

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