

WORKERS OF ALL COUNTRIES, UNITE!



**SOCIALISM  
AND THE  
CCF**

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# I. Liberal-Labourism and Revision of Marxism

A. The CCF Programme. B. The Two Main Currents in the CCF. C. The Necessity for Confusion.

## A. THE CCF PROGRAMME

A serious examination of the programme and policy of the Co-operative Commonwealth Federation involves a wide range of subjects. In the first place, we will be compelled to take up a series of liberal-capitalist theories for “curing” capitalism of its “ills,” which the CCF leaders have adopted from capitalist economists. We will proceed further to examine the “socialization” proposals of the CCF, i.e., the theory that state capitalism is Socialism. Finally, we will take up the fundamental theory of social-reformism in general and the CCF in particular, the theory of the “democratic” state and “peaceful revolution.” On this basis, we will be able to examine the role of this new party in the present situation in Canada. We will commence this systematic survey of the CCF programme in Chapter 2.

Before delving into the subject matter proper, it will be in place to make some important observations concerning the CCF programme in general and to note the relation of the above mentioned “elements” in the CCF programme to the currents within the CCF itself. The reader will bear with us, if we anticipate to some extent our later detailed examination of the CCF programme.

The CCF programme, adopted at the Regina convention of the CCF, consists of a short introduction, followed by 14 points. The main statement of the preamble to the programme declares:

“The CCF is a federation of organizations whose purpose is the establishment in Canada of a Co-operative Commonwealth in which the basic principle regulating production, distribution and exchange will be the supplying of human needs and not the mak-

ing of profits.”

The 14 points of the programme are as follows: “1. Planning. 2. Socialization of Finance. 3. Social Ownership. 4. Agriculture. 5. External Trade 6. Co-operative institutions. 7. Labour Code. 8. Socialized Health Service. 9. BNA Act. 10. External Relations. 11. Taxation and Public Finance. 12. Freedom. 13. Social Justice. 14. An Emergency Programme.”

In introducing this programme at the Regina Convention of the CCF, Mr. Woodsworth called it a “distinctive Canadian type of Socialism.” He said:

“Socialism has so many variations that we hesitate to use the class name. Utopian Socialism and Christian Socialism, Marxian Socialism and Fabianism, the Latin type, the German type, the Russian type — why not a Canadian type?

“Perhaps it is because I am a Canadian of several generations, and have inherited the individualism common to all born on the American continent; yet with political and social ideals profoundly influenced by British traditions and so-called Christian idealism; further with a wide and varied knowledge of the various sections of the Canadian people — in any case, I am convinced that we may develop in Canada a distinctive type of Socialism.” (Toronto Daily Star, July 19, 1933.)

In these words, Mr. Woodsworth introduced “the Canadian School of Socialism.” Mr. Woodsworth waves aside the fact that the fundamental position of the working class in all capitalist countries is the same. He waves aside the internationalism of Marxism and appears to produce a new school of Socialism, untarnished and untainted with any of the “many variations.”

Mr. Woodsworth lists Marxism together with a dozen different shades and varieties of social-reformism. When Mr. Woodsworth speaks of Utopian Socialism, Christian Socialism, Fabianism, the Latin type and the German type, the British model and the American

model, he is speaking of so many varieties of social-reformism, all of which stand on common ground against Marxism. By making such a list, he obscures the fact that in reality there are only two main currents in the labour movement throughout the whole world: on the one hand Marxism, which is international, scientific socialism, and on the other hand, social-reformism.

To which of these does the new “School of Canadian Socialism” belong? Mr. Woodsworth clearly established the fact that this “new school” does not adhere to the international, working-class science of Marxism. It is a “distinctive” national school.

In establishing this fact, Mr. Woodsworth has done an unconscious service to the Canadian, working-class movement. He has defined one of the essential and inseparable qualities of all shades of social-reformism, its nationalism. In contradistinction to the internationalism of the working-class science of Marxism-Leninism, social-reformism is nationalistic in scope and character.

Why is this the case? Mr. Woodsworth answered this question also. He stated the main factors which make Canadian social-reformism “distinctive” and which have influenced him to try to establish a “Canadian School of Socialism.” These factors are: “American individualism,” “British traditions,” and “Christian idealism.” What is American individualism? It is obviously nothing else but private property. What are “British traditions”? British traditions are British imperialism and the patriotism and loyalty to British imperialism and the interests of the British ruling class, which the capitalist class attempts to imbue in the minds of the masses in order to be able to use the workers and farmers as cannon fodder in capitalist wars. What is Christian idealism? It is religion. With such an “inheritance,” it is clear that Mr. Woodsworth’s “Socialism” must be of a “distinctive” nationalist type.

Social-reformism in every country is of a “distinctive” national type. We shall see that it is the adaptation of the working-class movement to the national interests of the capitalist class and to the institu-

tions of the capitalist class. The social-reformism of each country supports the private property of “its own” bourgeoisie. It supports the patriotism and the religion of “its own” bourgeoisie. For this reason, it can never be internationalist in character, because the imperialist powers are embroiled in the most feverish rivalries, one with the other. Social-reformism is an appendage of the imperialist bourgeoisie of its respective country. In this consists its “national distinctiveness.”

But social-reformism fulfils this same role in every capitalist country. While each “distinctive” social-reformism is adapted to its own bourgeoisie, this adaptation is fundamentally the same in ALL countries. The betrayals of social-reformism in countries where the class struggle has reached a higher and sharper stage, mirror the future development of the tactics and methods of deception of social-reformism of the countries where the class struggle is less advanced.

The attempt to create a “distinctive Canadian Socialism,” appears on the surface to be nothing more than childish boastfulness. This is not the case. It is a fundamental declaration against the internationalism of the revolutionary, working-class movement. Such a declaration against internationalism in favour of “American individualism,” “British traditions” and “Christian idealism” has quite obvious purposes.

In the first place, it is an attempt to divorce the Canadian working-class movement from international, working-class experience. In England, Germany, France, Australia, Tzarist Russia and many other countries, the working class has had a wealth of experience with the prototypes of the CCF. They have experienced the policy and role of such parties as the CCF in every important phase and form of the class struggle. Now we are to be told that this experience is of no value. The CCF is different. It is distinctive. The Canadian working class cannot accept the theory of CCF “distinctiveness” in this regard. Social-reformism is a common current found in every country, and history shows that its essential character and role in the service of its national bourgeoisie is the same in every country.

With “American individualism,” “British traditions” and “Chris-

tian idealism” as its basis, the CCF programme can be obviously nothing else than an attempt to adapt the Canadian working-class movement to the interests and institutions of Canadian capitalism. It differs from the social-reformism of the “British model” and the “American model,” the “German type” and Fabianism, etc., only in that it is an adaptation to CANADIAN CAPITALISM, rather than to German, British or American capitalism. But it seeks to achieve this adaptation of the Canadian working-class movement to the interests of Canadian capitalism fundamentally in the same way that British “Socialism” seeks to achieve the adaptation of the British working-class movement to the interests of British capitalism.

Probably, the most important purpose of the theory that the CCF is “Canadian Socialism” is to try to represent the CCF as a “natural growth” from Canadian soil, as distinct from international Marxism, which the social-reformists and the bourgeoisie love to brand as a “foreign importation.” The bourgeoisie of Canada tries to work itself into a feeling of security by shouting over and over again that Communism and Marxism are “foreign to Canada,” “Russian,” etc. The social-reformists take up this song in their own way, putting a “Made in Canada” stamp upon their wares.

But here again the Canadian working class cannot accept the “Made in Canada” stamp of CCF “Socialism” at its face value. Granting for a moment, that it was made in Canada, we are compelled to ask who made it in Canada? The bourgeoisie or the working class?

Here is the rub! CCF “Canadian Socialism” is foreign to the working class because of its class content. We shall see that it is imported into the working-class from an alien class, the capitalist class, whose interests are hostile and in direct conflict with the working class. That is why CCF “Socialism” is foreign to the working class. It is not a “natural growth” in the working class, but is imposed from without. It cannot be permanent and lasting, but is temporary and transient because in the end it is foreign to Canadian workers as a class.

Marxism, revolutionary Socialism, on the other hand, bearing no

“Made in Canada” label but proclaiming its internationalism, is not foreign to the Canadian working-class. Marxism-Leninism fully expresses the class aims and purposes of the working-class in Canada, based on the scientific teachings of Marx and Engels, which Lenin further developed for the present epoch of imperialism and proletarian revolution. The ravings of the bourgeoisie cannot make Marxism-Leninism foreign to the Canadian working-class. Its influence grows in spite of all the frantic efforts of the bourgeoisie and social-reformism to kill it.

Insofar as the CCF leaders infer a claim to originality with their so-called “Canadian Socialism,” they are incorrect. We shall find that its origin is the same as that of the programme and policy of the Conservative or Liberal parties — “American individualism,” “British traditions” and “Christian idealism” — the class ideology and whole system of thinking of the Canadian ruling class. True, the CCF, like social-reformist parties in all countries, dresses up this ideology of the ruling capitalist class in words different to those of the Conservative or Liberal parties. It puts a “Socialist” dress on “American individualism,” “British traditions” and “Christian idealism.” The Liberals and Conservatives have their own respective coverings over the same things. But the content remains the same — the ideology of the capitalist class — private property, national chauvinism and religion.

It is necessary to discover what the CCF actually advocates, and what it actually does. We must examine the superficial and high-sounding words, which it uses, in order to discover what is meant actually by those words.

## **B. THE TWO MAIN CURRENTS IN THE CCF**

The CCF programme takes its point of departure from a number of quite well-known, liberal-capitalist theories for curing capitalism of its contradictions. The first of these theories is the theory of the “regulation of prices,” and the “regulation of credits.” This theory is in

reality the starting point of the CCF programme. The programme declares that its first plank, "Planning" is impossible without "control of finance." The "control of finance" in turn, will "control the flow of credit and the general price level and regulate foreign exchange operations." The "Social Ownership" plank of the platform is likewise bound up with the theory of "credit and currency." The programme declares that "all public works... shall be financed, as suggested, by the issuance of credit based upon the national wealth of Canada." This is merely a high-sounding and hypocritical way of advocating inflation. The whole programme insofar as agriculture is concerned hangs upon the theory of "price regulations" and "appropriate credit." The "Emergency Program," the 14th plank in the CCF platform, is to be "financed by the issue of credit based on the national wealth." This is again a proposal of inflation, disguised with the theory of "Social Credit."

In addition to the theory of prices and credit, we must take into account the liberal-capitalist theory of "planning," which is placed in the CCF programme as the "first step." The theory of "planning" in the CCF programme is, of course, directly connected up with the theory that "state capitalism" is "Socialism." It will therefore be necessary to take this theory into account in connection with our examination of the theory that state capitalism is the embodiment of "Socialism," the second element in the CCF programme. The CCF programme leaves no doubt, however, but what "planning" is to be applied not only in State enterprises, but in the "production, distribution and exchange of all goods and services necessary to the efficient functioning of the economy." The programme states that the "National Planning Commission" will undertake: "to coordinate the activities of the socialized industries; to provide for a satisfactory balance between producing and consuming power; and to carry on continuous research into all branches of the national economy in order to acquire the detail information necessary to efficient planning." It is obvious from this that the "socialized industries" will be only one side of the "planning."

The “planning” itself is to balance production and consumption as a whole, that is, to eliminate the contradictions of capitalism. This is the second liberal-capitalist theory for curing capitalism.

A third theory of this character which finds expression in the CCF programme in a less clear but nonetheless definite form, is the utopian theory of “high wages” as a means of balancing production and consumption.

These liberal-capitalist theories are “mixed” with the theory of state capitalism in the CCF programme. All social-reformist programmes represent “state banking” and “state ownership” as Socialism. In this way, they establish for themselves the nominal aim of Socialism and pose before the workers as standing for the abolition of capitalism and the establishment of a Socialist society.

In this respect, the CCF programme lacks the courage to face its own social-reformist shadow. It is afraid to present its full “Socialist” soul to the world. In places, it starts to do so, falters and hesitates, and finally falls back upon obscure and indecipherable terminology. In this respect, the CCF programme is to be distinguished from the more “courageous” programmes of social-reformist parties in England, United States, Germany, etc.

The nominal aim of Socialism means the abolition of private property in the means of production. Everyone knows that this is the fundamental question. In order to pretend to stand for this aim, while in reality standing for the maintenance of capitalism, it is only necessary to state in words that one stands for the abolition of private property in the means of production, and to represent this abolition by a special form of capitalist private property. This is what “honest” social-reformist parties do. They state that they stand for the abolition of capitalist private property in the means of production, and then proceed to declare that “state banking” and “state ownership” which are in reality special forms of capitalist private property, represent the achievement of this abolition of capitalist private property, and the attainment of “Socialism.” In this way, they are able to pose as “So-

cialists.”

For this “simple,” social-reformist trick, the CCF programme substitutes general confusion. In place of saying that its aim is “Socialism,” it declares its aim to be “the Co-operative Commonwealth.” In itself, the term “co-operative commonwealth” is quite meaningless. Capitalist Australia calls itself a “commonwealth.” British imperialism has adopted the word “commonwealth” as a description of its colonial empire of imperialist exploitation. As to the adjective, “co-operative,” it is meaningless, standing by itself. The only possible meaning that can be attached to the adjective, “co-operative,” in this connection is the theory that “co-operative institutions,” such as proposed in the programme, represent Socialism. Any theory of transforming capitalism into Socialism by building so-called co-operatives is a reversion to the utopianism of Robert Owen, a school of thought which Marx exposed as Utopian Socialism, originating from the petty-bourgeoisie. These “co-operative institutions” such as the “wheat pool” do not bear a socialist character in any sense of the word. The “wheat pool,” for example, was a monopoly capitalist enterprise controlled by the rich farmers and by finance capital. Though co-operative retailing concerns under revolutionary leadership can be used to aid the class struggle, nevertheless under capitalism, co-operatives are capitalist institutions, their character being determined by the whole commodity system; only after capitalist production has been abolished can co-operatives of a Socialist character be built. The title, “Co-operative Commonwealth,” is lengthy but conveys no Socialist aim requiring the abolition of capitalism.

The purpose of the title, “Co-operative Commonwealth,” becomes apparent only after examining the manner in which the programme establishes its nominal Socialist aim. The reformist trick of representing “state capitalism” as “Socialism” is, so to speak, smuggled in the back door of the CCF programme. In the section on “Social Ownership,” the programme does not even call for the “Social Ownership” of the means of production. It leaves the matter in a vague and

indefinite form. It speaks of “social ownership” of “transportation, communications, electric power and ALL OTHER INDUSTRIES AND SERVICES ESSENTIAL TO SOCIAL PLANNING.” This formulation is obviously designed to leave the way open for any kind of play with the question of what industries are to be “nationalized.” The preamble to the programme declares that in the “co-operative commonwealth,” the “basic principle” of “supplying human needs” will replace “the making of profits.” Without saying a word about the abolition of the capitalist private property in the means of production, it speaks of a “basic principle” of “supplying human needs.” In the same way, it speaks further of the elimination of “the domination and exploitation of one class by another” and “economic equality.”<sup>1</sup> The programme is literally full of such general phraseology, implying that the fruits of Socialism will be present in the “co-operative commonwealth” without making any reference to the fundamental and decisive principle question of the abolition of capitalist private property in the means of production.

Throughout the whole programme, only one vague and indefinite statement is made on this fundamental question. This one sentence is smuggled obscurely into the “explanatory text.” It says:

“We believe that these evils can only be removed in a planned and socialized economy in which our natural resources and principal means of production and distribution are owned, controlled and operated by the people.”

This sentence is obviously intended as a “bold” implication of the “Socialist” aim of the CCF. It is at best a very shamefaced statement.

The plain question which requires a plain answer is the question of abolishing capitalist private property in the means of production,

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<sup>1</sup> All talk of “economic equality” is the purest demagoguery and is foreign to scientific Socialism. The reader is referred to Marx’ “Critique of the Gotha Programme” for a full treatment of this question.

which means that the capitalist class must be expropriated. In spite of the fact that it is a very easy and simple social-reformist trick to cover one's "Socialist" tracks with the theory of State Capitalism, this milk-and-water formulation is the closest approach of the CCF programme to the nominal "Socialist" aim of abolishing capitalist private property in production.

The manner in which the fundamental issue of PRIVATE PROPERTY in the means of production is evaded by the CCF leaders is a deliberate and carefully calculated policy. They fear to make an open declaration against the abolition of capitalist private property in production, because such a declaration would rob them entirely of their "Socialist" disguise. At the same time, they are fearful of adopting the standard social-reformist deception about state capitalism, which we have mentioned above, because to stake their fortunes on this one card in a country where state capitalism is highly developed, would lead too quickly and too directly to their exposure. They are between the devil and the deep, blue sea. They are therefore compelled to resort to all manner of devices in the form of undefined words in order to convey vaguely the impression of having disposed of the question of private property in production, while, in reality, committing themselves to no definite solution of this question whatsoever. This is illustrated particularly well by the motions of the CCF caucus in the House of Commons. In 1930, the present CCF group in Parliament moved the following:

"In general this House is further of the opinion that a solution of our problems can only be found by the adoption of co-operative principles in production and distribution and by the public control of credit."

The only tangible, programmatic proposal here is one of credit reform, which we shall deal with in detail later. The phrase, "co-operative principles in production and distribution," is characteristic of the whole method of the CCF leaders of evading the issue of capitalist

private property in production. In its literal meaning, it is obviously a varied form of the old deception that co-operation can be instituted between exploiters and exploited, between wage-earners and capitalists, but it lends itself to any kind of interpretation which the CCF leaders care to place upon it. Still more characteristic is the motion introduced in Parliament on March 2nd, 1932, by Mr. Woodsworth:

“That in the opinion of this House, the government should take measures looking to the setting up of a Co-operative Commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interests of the people and not for the benefit of the few.”

This resolution is characteristic of the language employed by the CCF leaders to give the impression that they are proposing to solve the fundamental question of capitalist ownership of the means of production, while in reality evading the whole issue. The resolution declares that the means of production ARE TO BE USED in the interests of the people, without answering the question of whether they are to be taken from the hands of the present capitalist owners. The formulation is used specifically and deliberately for the purpose of leaving the way open for the deception that the means of production can be used in the interests of the people WITHOUT DEPRIVING THE CAPITALISTS OF THEIR MONOPOLY OF THE MEANS OF PRODUCTION, i.e., without doing away with capitalist private property.

The treatment of this basic question of capitalist private property in the means of production by the CCF programme and by the leaders is to be explained by a number of facts.

In the first place, the CCF programme is a fusion of reformist currents, which are distinguished by their own brands of demagogic language. The two main currents involved in this “fusion” are liberal-labourism and the bourgeois revision of Marxism. The divergency between these two is essentially only one of METHOD.

The current of liberal-labourism and farm-reformism is represented by the main leaders of the CCF, Woodsworth, MacPhail, etc. The reformist, farmer organizations (United Farmers of Alberta, United Farmers of Canada, United Farmers of Ontario), which represent the class interests of the rich capitalist farmers and which constitute by far the largest section of the CCF, are included in the current of liberal-labourism. In addition to these, the main "labour" parties, such as the Independent Labour Party in Winnipeg, the Canadian Labour Party in Alberta and Quebec, and others, are influenced predominantly by liberal-labourism. Finally, the League of Social Reconstruction, which consists mainly of petty-bourgeois professional people and "intellectuals" is included in this current, together with all the petty-bourgeois leaders of the CCF clubs, such as Philpott, Reverend Bland, etc.

This current takes its point of departure from the liberal-capitalist theories of curing the contradictions of capitalism which we have mentioned above, and shall later examine in detail. It is fearful of indulging in the stock-in-trade deception of social-reformism regarding "State Capitalism," because capitalism today is not extending state enterprises greatly and because that method of social-reformist deception is not fully acceptable to the capitalist farmers who control the UFO, UFA, etc. It takes its stand openly for the maintenance of capitalism in agriculture. In essence it represents a weak liberal criticism of capitalism, combined with utopian, capitalist theories for eradicating the "ills" and "evils" of the system, and a sprinkling of "socialist" and "anti-capitalist" phrases.

The essence of this current can easily be understood from the statements of its leading representatives. For example, Agnes MacPhail openly declared herself against Socialism at the CCF convention. Mr. Woodsworth is the best representative of this current. He always places planning, an impossibility under the present system, as we shall see later, as "the first step."

The following statements of Mr. Woodsworth are illustrative of

the whole current of Liberal-Labourism:

“Under the present management the machine is practically stalled. We are merely suggesting methods by which it will be set in motion again...”

“The state should own and control certain essential public utilities. That is all. We do not seek to destroy the individual. We have a good example of how the CCF government would function in the Hydro. Banks would be controlled by the operation of a central bank. But side by side with the state, there would be ample scope for private co-operative efforts by both producer and consumer.” (Toronto Daily Star, Feb. 15, 1933.)

This explains clearly the point of departure of liberal-labourism. Extension of government-owned utilities and so-called “private co-operative effort,” a central bank and money reform — this is the essence of liberal-labourism.

What can be the meaning of the mysterious term, “private co-operative effort”? The implication of the above statement of Mr. Woodsworth is that outside of the state-owned utilities, “private co-operative effort” would be introduced. In Parliament he declared:

“It (the CCF) does not advocate a bureaucratic state Socialism. We recognize very clearly that there are certain matters which must be dealt with by the state; there are other matters that may be left to voluntary co-operative effort.” (Hansard, Feb. 1, 1933.)

It becomes clear that “private co-operative effort” is an additional device for evading the question of capitalist private ownership of the means of wealth production. The state should run certain public utilities and a central bank should be established. The rest should be looked after by “private co-operative effort.” To expropriate the capitalists and deprive them of the private ownership of the means of wealth production would, apparently, be “bureaucratic state Socialism.” The CCF is opposed to this. Only utilities are to be run by the

state; the rest, i.e., the whole bulk of industry, is to be left to “private co-operative effort.”

The trick here is an extremely simple one. It is impossible to say outright that the bulk of the machinery of production is to remain in the hands of the capitalist class in the “Co-operative Commonwealth.” That would open the eyes of sections of workers who believe that the CCF stands for the aim of Socialism. Therefore, it is necessary to discover some phrase, which can be used to place private capitalist industry under the “Co-operative Commonwealth,” in a “Socialist” light. The happy phrase, “private co-operative effort,” came as an inspiration from the gods.

“Private co-operative effort” means, in plain words, private capitalist production. The CCF leaders have never attempted, of course, to define the meaning of this phrase, for such an attempt would be disastrous. We could take it to mean the extension of co-operative stores and other co-operative enterprises, in which case we would be accusing the CCF leaders of seriously entertaining the theories of Utopian Socialism, mentioned above, which are not sufficiently serious to deserve a moment’s consideration. In any case, such co-operatives could not account for the “other matters” which are to be left to “private co-operative effort,” including the bulk of the manufacturing industries. We are, therefore, left with the plain conclusion that the “effort” of the capitalist owners of production under the Co-operative Commonwealth is called “private co-operative effort.” The capitalists are to remain in possession of the means of production but they are to run it in a “co-operative” way. “Private co-operative effort” is merely an additional phrase, deliberately calculated to throw dust in the eyes of the people so that they will be unable to discover easily where the CCF stands in relation to the fundamental issue of capitalist private ownership of the means of production. It is a device for concealing the fact that the CCF leaders do not even nominally ascribe to the Socialist aim of the abolition of capitalist private ownership of the means of production.

The fact that the whole essence of the position of the main CCF leaders consists in liberal-capitalist theories for reforming capitalism, coupled with the proposal for the extension of state-owned, public utilities, does not prevent these leaders from declaring that they stand “for the abolition of capitalism,” for a “new social order,” etc. They use all the phraseology of the CCF programme about “supplying human needs,” “eliminating exploitation,” “socialized planned economy,” etc. They promise that the full fruits of Socialism will flow from their programme. The fact that they at no time nominally declare themselves for the abolition of capitalist private property in production does not discourage them in the least from pretending to stand for Socialism. Neither does it prevent them from declaring they stand for a “fundamental change,” a “revolution,” etc. The masses are, above all, interested in the abolition of the present system and its replacement with a Socialist system. It is therefore precisely necessary for the predominant leaders of the CCF, who stand, in reality, for liberal-capitalist panaceas to present their theories as proposals for a “fundamental change,” for the “abolition of capitalism,” etc. It is necessary to discover phrases, which the masses will not understand, in which to treat the fundamental question of the capitalist private ownership of production so as to give the impression of solving this question, while, in reality, evading it entirely.

Alongside of and “fused” with this current of liberal-labourism, there is to be found in the CCF the current of the bourgeois revision of Marxism. The point of departure of the revision of Marxism is the slogan of “nationalization of the means of production.” It is represented in varying degrees by William Irvine, MP, Angus McInnis, MP, and such people as William Pritchard. This current supplies the “Socialist” face of the CCF. Its stock-in-trade is the utilization of Marxian phrases, while distorting the real essence of Marxism and emasculating it of all revolutionary content. A number of quotations will illustrate the character of this current.

Mr. McInnis said in Parliament:

“But it is absolutely impossible to have co-operation between the exploiters and the exploited. There is no co-operation between the wolf and the lamb, unless the lamb is inside the wolf. Nor is there co-operation between the worker in industry and the employer because of the inherent exploitation that must exist... I stated that the root cause (of the crisis) was the private ownership of the means of production... Until we have changed that social relationship, there is nothing we can do that will be of any particular benefit or help in getting us out of our present situation.” (Hansard.)

Mr. Irvine stated:

“In the capitalistic world at the present time planning is not only not done but is impossible.” (Hansard.)

Again he wrote:

“For the reason then, that planning cannot be done under capitalism, the CCF must secure the sanction of the Canadian people for the nationalization of all natural resources, of producing plants, of transportation systems and of distribution.” (“Co-operation or Catastrophe,” p. 41.)

These statements are obviously in formal contradiction to the statements of the CCF programme and to the statements of the leading CCF spokesman. The CCF programme does not propose to remove Mr. McInnis’ “root cause” of private property. It is openly and definitely for the retention of capitalist private property in the largest branch of Canadian production, agriculture, and makes half-hearted proposals for extending the “principle” of the CNR, etc. Irvine’s statement likewise is in contradiction to Woodsworth and the CCF programme. The CCF programme in no sense places “nationalization of ALL producing plants” as the decisive issue. It does not even call for the “nationalization of ALL producing plants.” On the contrary, it places “planning” first. The point of departure of these fake “Marx-

ists” is the social-reformist trick of representing “state capitalism” as “Socialism.” They ascribe to the nominal aim of the abolition of the capitalist private property, and represent “state capitalism” as the achievement of this aim.

The “divergency” between the current of liberal-labourism and the revision of Marxism becomes clear. The former consists mainly of liberal utopian theories of curing capitalism of its “ills.” The latter consists in the theory that “nationalization” by the capitalist state means “Socialism.”

### C. THE NECESSITY FOR CONFUSION

The purpose of the vague formulations of the CCF programme now becomes clear. One can be for the “co-operative commonwealth,” while in reality standing for utopian, liberal theories for making capitalism a “sane” system. One can also be for the “co-operative commonwealth” and in reality stand for state capitalism. One can be for the “principle of supplying human needs,” “economic equality,” “planned socialized economy,” “elimination of exploitation,” “eradication of competition and waste,” and can impart to all these terms either one of the above two meanings, or a mixture of the two, taking as much of one and as little of the other as political expediency may require at the moment. That is the merit of the name “Co-operative Commonwealth” and all the high-sounding terminology of the CCF programme.

These facts explain the endless confusion, which prevails generally in the declarations and speeches of the leading CCF representatives. Elmore Philpott, former editor of the Toronto Globe, has given numerous illustrations of this confusion. For example, he stated:

“The CCF will deprive no one of ownership of private property, but will deprive capitalism of the right to exploit labour.”  
(Toronto Daily Star, May 22, 1933.)

In the same speech, he declared:

“Capitalism is doomed because it has failed to function. We must rip it out root and branch and start to build over again.”

This is a characteristic example of the purely demagogic purpose and character of the anti-capitalist phrases of liberal-labourism. An outright declaration for the abolition of capitalism and the abolition of the exploitation of labour is combined with direct opposition to the abolition of capitalist private property.

The total disconcert with which the CCF leaders contradict each other and themselves in words on fundamental questions is all the more proof of their UNITY on THE fundamental question of the class struggle. Without batting an eyelash, they stand up in the House of Commons to make “programmatically” speeches which in words are contradictory. They write pamphlets and make speeches that contain the same irreconcilable words. They contradict themselves in the same breath. All of this in perfect tranquility! Not even a sound, a nod, or wink to indicate that the words do not say the same thing. But in reality, all the contradictory words say the same things! They all say: No class struggle, no class organization against capitalism!

What does it matter if one is a “Marxist” who declares that industry should be “nationalized” so long as one is such a “Marxist” who is against the class struggle? What does it matter if one is pretending to be a “Socialist,” but in reality is only peddling fake remedies for curing capitalism under the label of “Socialism,” so long as one is against the class struggle?

The confusion and contradictoriness of the verbal positions taken up by the CCF leaders is a true measure of their “principles.” These questions are not something new, of which the CCF leaders are ignorant. These matters have been discussed in the labour movement for the last century. Mr. Irvine knows very well that he cannot state that planning is impossible under capitalism and still agree with Woodsworth that “planning is the first step” and “only utilities will

be nationalized.” Mr. Woodsworth knows this also. They are not children, nor are they illiterate. Mr. Irvine also knows that if what he says is true, then Woodsworth is deceiving the masses, and vice versa. But all is silence!

What, then, can be the reason for this confusion and inconsistency of the words of the CCF leaders? In reality, it is a necessity for the CCF leaders. It represents two phases of the same fundamental opposition to the class struggle adapted to the deception of different sections of workers and toiling farmers, in accordance with their different degree of class-consciousness. One offers “Socialism” in bold terms, but denies the class struggle necessary to attain it; the other offers a “new order,” “co-operation,” etc., while denying, even in words, the class struggle and the necessity of abolishing the capitalist monopoly of the means of production. Both grow into each other and are inseparable. Both have the same “principle” of opposition to the class struggle, but conceal it differently. The confusion is indispensable first to conceal the fundamental “principle” of all CCF leaders of opposition to the class struggle, and second, to gain the ear of different sections of the masses.

Liberal-Labourism puts forward utopian theories for curing capitalism of its ills. It stands for the maintenance of capitalism in agriculture, in accordance with the class interests of the capitalist farmers, but tries to beguile the masses of debt-ridden and impoverished, toiling farmers with visions of money reform and price regulations and thus drag them in the train of capitalism. It promises the fruits of Socialism from a money-reformed capitalism.

Liberal-Labourism fuses itself with the bourgeois revision of Marxism. It puts the magic label of “Socialism” on the ugly form of state capitalism. It mutters loud and radical phrases against capitalism, using the device of state capitalism labelled “Socialism,” in order to pose as anti-capitalist. For the masses who are striving towards Socialism, it promises that the fruits of Socialism will flow from state capitalism.

This is the “Canadian School of Socialism”! To fool the toiling farmers and drag them in the train of the rich farmers and to fool the petty-bourgeoisie of the cities and drag them in the train of the big capitalists it promises that capitalism will be transformed into an “equitable” system. These strata of the population who are incapable of an independent position and who vacillate between the proletariat and the bourgeoisie feel that they are the helpless victims of “disarrangements” in credit and money. To prevent them aligning themselves with the proletarian struggle for the overthrow of capitalism it is necessary to give them a bright picture of the “proper adjustment” of things, to hold out to them a bright future by putting forward theories for curing the present “evils,” which oppress them. For this purpose, the CCF offers them patent “cures” for the “evils” of the present system. To fool the masses of workers and drag them in the train of the petty-bourgeoisie it is necessary to offer the workers a “solution” of the capitalist ownership of the means of wealth production. For this purpose, the CCF offers them state capitalism, disguised as Socialism. Thus, it seeks to drag the masses of workers in the train of the petty-bourgeoisie, who, in turn, are dragged in the train of the big bourgeoisie.

The CCF leaders celebrated the first CCF convention and the adoption of the CCF programme as a “union of workers, farmers and the small business and professional people of the cities.” We shall see that no such a union was achieved. We shall see that such a union can and must be achieved only on the basis of winning the masses of farmers and the small business and professional people of the cities for the revolutionary programme and principles of the working class movement; not on the basis of the subordinating of the working-class movement to the ideology of the petty-bourgeoisie, which is derived from the big bourgeoisie. What the CCF programme achieves is not the union of the workers and farmers, but the union of two currents of social-reformist deception, which are calculated respectively to deceive the workers and farmers and hold them under the influence of

capitalist thinking.

But this apparently tranquil fusion of liberal-labourism and the revision of Marxism in the CCF programme is not quite so happy as it may appear. In reality, the “conflict” of these two currents is a reflection of a deep-going and growing crisis in social-reformism.

The crisis of capitalism in England has already resulted in the “separation” of the two currents, liberal-labourism and revision of Marxism. Masses of workers are moving to Marxism. The crisis is shattering the economic base of the “labour-aristocracy” through which reformist influence became implanted in the working class movement. Reforms of any serious kind have become a thing of the past, a question we shall deal with later. The masses are seeing through the liberal-labour theories and deception of the Labour Party. This has made necessary the separation of the current of revision of Marxism from Liberal-Labourism. The Independent Labour Party, representing the current of the capitalist revision and distortion of Marxism has formally disaffiliated and “broken” with the Labour Party and declared itself for “Marxism.” This results directly from the fact that masses of workers are moving towards Marxism-Leninism. Liberal theories of reforming capitalism can no longer deceive them. Under these circumstances, the last stand of social-reformism becomes the capitalist distortion of Marxism. The ideological struggle of revolutionary Marxism against social-reformism reaches a high stage — a struggle against capitalist theories, disguised with Marxian phrases. These developments represent the growing crisis in social-reformism as a whole, its break-up and desertion by the masses. These events in England may prove to be a mirror of the future in Canada.

The current of liberal-labourism in the CCF rests directly upon the rich capitalist farmers, the reformist trade union bureaucracy and the petty-bourgeois leadership of the CCF. But masses of workers are moving towards Marxism. Masses of small farmers are moving in the direction of the revolutionary movement. These real living developments cannot be reconciled with liberal-labourism and the revision of

Marxism, no matter under what skilful phrases and labels they are placed by the CCF “brain-trust.” These developments, arising from the deepening capitalist crisis and the sharpening class struggle will bring about a deeper and deeper crisis in Canadian social-reformism.

With the leftward movement of the masses of workers and farmers, including those within the ranks of the CCF, the social-reformists resort more and more to “left” manoeuvres and “left” talk. The current of the revision of Marxism begins to play more and more clearly its special role as the last stand of capitalist ideology within the working class movement. The social-reformists begin to clothe their capitalist theories with Marxian phrases, and commence to pose as Marxists, while in reality stripping Marxism of its entire content. In their feverish efforts to hold their followers, the social-reformists commence to divide up, establishing a special division of labour for the “left” reformists, whose phraseology is especially calculated to catch and hold those workers who are seeing through the fallacy and betrayal of social-reformism. The realities of the deepening crisis of capitalism, the leftward movement of the masses towards Marxism-Leninism, the sharpening class struggle and the growing strength of Communism bring social-reformism together with capitalism, from which it springs, to its final break-up and death.

The symptoms of a sharpening crisis within the CCF camp are already quite visible. In order to hold the faith of the workers following them, various groups of leaders are compelled to repudiate their “superiors” and resort to more and more “left” phraseology. The sections of workers and farmers in the CCF are becoming more and more dissatisfied. The necessity of special “left” deception of the masses is making a new division of labour among leaders more and more imminent.

The CCF programme is by no means such a happy unity as it may appear at first sight. Its two ingredients, liberal-labourism and revision of Marxism, are united in content, but must be severed in order to fulfil their respective functions. The programme is like Siamese twins,

neither of whom can fulfil their life work as long as they are bound one to the other. The twins must inevitably be torn apart. But like the Siamese twins, the two currents in the CCF are bound together by a ligature growing out of their very breast bones. They have a common liver and the same blood stream. They have a common heart-action — capitalism. Their separation only foreshadows their doom.

What is the sum and substance of the proposals of the CCF leaders? What do they amount to? They merely amount to this, that the social-reformist leaders of the CCF promise that the fruits of the Socialist solution for the crisis of capitalism of doing away with capitalist ownership of the means of production will flow from capitalism, without applying the Socialist solution in reality. It is a simple enough matter to write down on paper the words: the cure for weeds is to make them bear fruit. It is equally simple to say: the cure for capitalism is to make it bear Socialist fruit. But under what conditions would one be so foolish as to tell farmers to try to cure their weeds by making them bear good fruit instead of their own obnoxious seeds? Only a most zealous partisan of the weeds, who wished to prevent the farmers from pulling them up, would propound such a theory. The same applies to social-reformism. Only he, who wishes to prevent the workers from pulling capitalism up by the roots, can preach the theory that the Socialist fruit of “supplying human needs” can spring from money-reform and state capitalism.

It is said that in the dark ages, a superstition was widespread among the people of Europe that certain men (called “werewolves”) turned into wolves on dark nights and prowled about the countryside eating human victims. It was thought that in these creatures two “souls” existed, the “soul” of a man which was “good”, and the “soul” of the beast, which was “evil”. On dark and stormy nights the “evil” soul gained the mastery over the “good” and went prowling about in the form of a wolf, eating women and children. It was thought that love and kindness helped to keep the “good” soul on the upper hand. In spite of that fact the peasants usually applied the remedy of burning

at the stake. This “werewolf” affliction is called lycanthropy, and it is said that Nebuchadnezzar suffered from the same thing when he went about on his hands and knees eating grass.

The theory that capitalism can continue to exist but operate according to Socialism is an inverted lycanthropy. Here we are not dealing with an imaginary “werewolf”, but with the concrete historical laws and results of an economic system. For one hundred and fifty years it has subjected the masses of men, women and children to wage-slavery. It has ripened into imperialism. It has slaughtered millions in its war for profit. It has driven the masses by the lash of hunger. It has known no limits in its excesses against the masses except the limits set by the danger of its overthrow. But we are told that within the “evil” depths of this wicked “soul”, there lies a spark of “good” which can finally gain the mastery over the “evil”. This same “soul” can be preserved, but it can be saved by love and tender devotion on the part of its victims and transformed into a “good” soul. Capitalism continues but is won over to Socialism. This is the inverted lycanthropy of capitalism, according to the CCF leaders — a capitalism without profit, a capitalism with the “principle of supplying human needs!”

Joseph Stalin, foremost Marxist-Leninist leader of the world working-class, clearly stated the answer to such theories. At the Sixteenth Congress of the Communist Party of the Soviet Union, he said:

“If capitalism could adapt production, not to the acquisition of the maximum of profit, but to the systematic improvement of the material position of the masses of the people; if it could employ its profits, not in satisfying the whims of the parasitic class, not in the perfecting of the methods of exploitation, not in exporting capital, but in the systematic improvement of the material position of the workers, then there would be no crisis. BUT THEN ALSO CAPITALISM WOULD NOT BE CAPITALISM. In order to abolish crises, capitalism must be abolished”. (Report of 16th Congress, CPSU)

What do the liberal-utopian theories for curing capitalism and the state-capitalist theories of social-reformism accomplish? They accomplish the “miracle” of jumping over and blotting out the class struggle. They cause the class struggle to vanish in the mist!

These theories “achieve” this remarkable feat because they stand upon the common “principle” of the capitalist theory of the “democratic” state. It is this theory of the “democratic” state, which constitutes the cornerstone of all social-reformism. It will be the third main element of the CCF programme which we will examine.

## II. The CCF Panaceas for Capitalism

A. The Theory of Prices as the Cause of the Crisis. B. The Theory of “Managed Credits.” C. The Theory of “High Wages.” D. The Theory of “Planned” and “Controlled” Capitalism. E. The Fallacy of all Panaceas.

### A. THE THEORY OF PRICES AS THE CAUSE OF THE CRISIS

Mr. Woodsworth has declared:

“Under the present management the machine is practically stalled. We are merely suggesting methods by which it will be set in motion again.” (Toronto Star, Feb. 15, 1933.)

This statement fully characterizes the policies put forward by the leaders of the CCF. The policies which they advocate bear the character of proposed “solutions” for the capitalist crisis. Needless to say, these “solutions” are by no means original. They emanate mainly from outstanding British capitalist economists. The CCF has borrowed all of these “solutions” from the British capitalist class, and is now engaged in advocating them in Canada. This advocacy has been up to now of a vulgar and shoddy character, which does little justice to the ingenuity of capitalist economists in inventing imaginary cures for the chronic ailments of capitalism in order to paint capitalism in a “hopeful” light. These theories, of which there is a large crop, have been elaborated in a pseudo-scientific manner by the capitalist economists who originated them; in the mouths of the CCF leaders they have become mere vulgar catch-words, hardly deserving of serious refutation.

The most “elementary solution” of the capitalist crisis is put forward in the CCF mainly by the “farm-reformist” leaders. Their theory

is that the crisis is caused by the fall in prices. To solve this, they propose that more currency be issued, in order to increase prices.

Mr. G.G. Coote, MP, who is the “financial expert” of the CCF declared in parliament:

“I believe that any student of the present crisis will agree that the immediate cause of this world situation is the collapse of commodity price levels which started in 1929.” (Hansard.)

He proceeded to quote Sir W. Beveridge (London School of Economics) to the effect that “this is essentially a money crisis.” He then declared that the deflation of currency and credit amounted to \$700,000,000 since 1929, and proposed inflation to cover this amount.

This theory was fully supported by J.S. Woodsworth and Agnes MacPhail. Miss Agnes MacPhail declared:

“There is no doubt about this, that the essence of the depression is falling prices, caused by deficiency of purchasing power.” (Hansard.)

This theory of prices fits into the mind of the rich capitalist farmer, and threatens to influence many small and middle-sized farmers. It appears to the farmer that he is the unfortunate victim of a capricious fall in the prices of his commodities. He is willing to accept any theory which promises to raise prices. For this reason, he is often an easy mark for all the quack remedies and “financial reforms” of vulgar capitalist spokesmen.

The most eminent representative of the theory that the fall in prices causes the crisis is Sir Josiah Stamp. This theory is built upon the familiar trick of all capitalist economists of elevating facts of secondary importance to a position of first importance, ignoring the fundamental facts entirely and by apparently solving secondary questions, offering a “solution” for the whole situation.

We shall see that this theory is as fantastic as the theory that the

rise and fall of the mercury in a thermometer determines the temperature, and that, therefore by raising the mercury, one can overcome cold weather.

Falling prices are in the first place the condition for extending trade under capitalism. Capitalist production constantly strives towards lower prices (resulting from cheapening of the cost of production by increasing the productivity of labour). Miss MacPhail tells us that the crisis is caused by the fall in prices, which in turn was caused by lowered purchasing power. But if the lower purchasing power caused lower prices, it is clear that for any given purchasing power, the lower prices increase the purchasing power. Miss MacPhail is walking in a circle. She is unable to explain the fact that falling prices are essential in order to extend trade, but, nevertheless, are associated with a catastrophic fall in trade. Moving in the circle of these secondary facts, even in the dignified company of Sir Josiah Stamp, she will never find the explanation.

The fact that falling prices are necessary to extend trade but are at present associated with a catastrophic fall in trade is the result of factors which determine both trade and prices. Lower prices, as a result of higher technique in production increasing the productivity of labour, are the instruments of the colossal competition of one capitalist concern with another, one capitalist country with another. It is ridiculous to imagine that lower prices can be the cause of declining trade, since cheapening the price of an article can never lower the demand for it. Only a CCF "economist" could contend that the cheaper price of goods has caused the decline in their consumption. A CATASTROPHIC FALL IN PRICES CAN ONLY ACCOMPANY AN EQUALLY CATASTROPHIC DECLINE IN TRADE WHEN PRODUCTION HAS INCREASED BEYOND THE CAPACITY OF THE MARKET. The fall in prices is merely an indicator of the glutted state of the capitalist market. BUT IT IS CAPITALIST PRODUCTION WHICH CAUSED THE GLUTTING OF THE MARKET, AND THEREFORE, THE FALL IN PRICES. THE

OVERPRODUCTION BEYOND THE CAPACITY OF THE MARKET LEADS TO THE FALL IN PRICES, THE CURTAILMENT OF PRODUCTION, AND ECONOMIC CRISIS.

It is, therefore, clear from the outset that the regulation of prices cannot influence the fundamental situation.

The importance of this fictitious theory of “price regulation” will be understood from the fact that it is the main proposal of the CCF programme for agriculture. The CCF programme says:

“The immediate cause of agricultural depression is the catastrophic fall in the world prices of foodstuffs as compared with other prices, this being due in a large measure to the deflation of currency and credit. To counteract the worst effect of this the internal price level must be raised so that the farmers’ purchasing power may be restored.”

In the preamble to the plank on agriculture, the programme calls for “the restoration and maintenance of an equitable relationship between prices of agricultural products and those of other commodities and services.”

The measure proposed by the CCF programme is:

“The improvement of the position of the farmer by the increase of purchasing power made possible by the social control of the financial system. This control must be directed towards the increase of employment as laid down elsewhere, and towards raising prices of farm commodities by appropriate credit and foreign exchange policies.”

Outside of this, the only proposals are the formation of co-operatives and scientific land surveys. Scientific land surveys can only have the purpose of increasing the crops, so that its value depends directly upon the issue of “prices.” Likewise the supposed “aid” to the farmers from co-operatives is dependent on the issue of “prices.”

The proposals of the CCF programme regarding “foreign ex-

change policies,” “the more efficient marketing of farm products,” is nothing but a vain hope for the commencement of an agricultural millennium. The world overproduction of wheat and other agrarian products cannot be swept aside by a flourish in the CCF programme.

It is clear therefore that the CCF cure for the agricultural crisis consists precisely in the theory of “price regulation.” “Equitable prices in relation to other commodities” means a price manipulation. “Increasing the purchasing power of the farmers” means increasing prices. In addition to this, the programme calls for “increasing employment” and “raising the purchasing power of the masses in Canada.”

The CCF wish us to believe in a mysterious policy of raising prices as a cure for the crisis. But taking for granted that prices could be raised in some mysterious way, what would be the result? The rise in prices would only prolong the liquidation of the surplus stocks of commodities. It would curtail consumption, representing a general all-round cut in real wages. So far as the farmer is concerned, the mysterious rise in prices would appear to increase his income, but in reality it would only retard the liquidation of the tremendous surpluses of agricultural produce and would not in reality raise his standard of living since the prices of the commodities he purchased would have also experienced a mysterious rise. Such a mysterious rise in prices would only mean greater monopoly income for large capitalist concerns and a general lowering of the standard of living of the masses, a further deepening of the crisis. The falling prices are a normal attempt of the capitalist market to liquidate its mounting surpluses which have brought on a crisis. It is obvious, therefore, that raising prices will only aggravate the malady, if we take a mysterious rise in prices as a supposition.

The proposals of the programme are obviously contradictory. The increasing of the purchasing power of the masses for agricultural products and the raising of agricultural prices are in opposition to each other. Even under the conditions of the present extremely low agricultural prices, the actual stocks of foodstuffs of all kinds are increas-

ing. Obviously, the raising of agricultural prices will not increase but will decrease the purchasing capacity of the masses. But the CCF advocates of this theory of “prices” pose as very long-sighted people. They proclaim that to increase agricultural prices would increase the purchasing power of farmers for industrial products and thus increase employment. They forget one “trifling” fact. They forget that the method of increasing agricultural prices which they propose, i.e., inflation, involves a still higher rise in industrial prices.

The theory of “equitable relations between agrarian and industrial prices” is a utopian theory of the rich capitalist farmers. It is merely a prayer that capitalism would cease to give the main cream of profit to the financiers and give a larger share of it to the rich capitalist farmers. The disproportion (scissors) between agrarian and industrial prices is based upon the lower technical level of capitalist agriculture in relation to capitalist industry. This can never be solved by any kind of financial “adjustments” so long as capitalism exists in agriculture. The CCF stands for the maintenance of the “family farm.” This is merely a vulgar phrase for the capitalist farm. The “backwardness” of capitalist agriculture organized on the “family farm” is the basis of the disproportion in prices. It can only be overcome after the proletarian revolution, when the way will be opened up for the farmers voluntarily to abandon “family farming” and place agriculture on a rational basis through large-scale collective farms.

The CCF proposes inflation of the currency as a means of raising the prices and increasing business. Mr. Woodsworth together with the whole CCF leadership has repeatedly advocated inflation. According to the financial “expert,” G.G. Coote, the crisis is due to the fall in prices, which is due to deflation. He says:

“The amount of business which can be done depends upon the money in circulation and available to the people.” (Hansard.)

According to him, the capitalists and the governments, fools that they are, have brought about the crisis by removing currency from

circulation.

Mr. Irvine, MP, shows a still keener “insight” into the question when he writes:

“Since there is a shortage of money in circulation, there has been less profit for capital and therefore a slowing up of capitalistic enterprise.” (“Political Servants of Capitalism,” p. 13.)

Here, indeed, we have a truly “profound” analysis of the crisis. The capitalist government has failed to properly adjust the amount of currency in circulation and has thus deprived the capitalists of sufficient profit, with the result that a crisis has ensued. After thus laying his finger upon the “ailment,” Mr. Irvine proceeded to describe the cure advocated by the CCF during the last session of parliament:

“The socialization of credit was given special emphasis as it was regarded not only as the starting point of reconstruction, but as the one step which would most directly bring relief to the many victims of capitalism, such as the unemployed and the debt-burdened... Capitalism having practically stopped, it becomes the duty of the state to continue. With this in view, it was advocated that the Dominion Government should issue at least \$200,000,000 of Dominion notes; that these should be put into circulation in some such manner as the following: — a bonus to the farmers; a house-building programme with a view to abolishing slums and providing a comfortable and healthy home for every family; increasing Old Age Pensions, and granting them at the age of fifty-five instead of seventy, thus opening the way for a new generation of workers to take the place of the older generation; the building of state hospitals, the granting of state medical attention to every one, and similar practical suggestions for improved social services.” (Ibid.)

Here we have the whole thing in a nutshell. The so-called “socialization of credit” is the “open sesame” to everything. It starts the re-

construction, apparently leading to the sunrise of the “Co-operative Commonwealth.” It relieves the victims of capitalism, the unemployed and the debt-burdened. It makes possible a handout to the farmers. Slums are abolished. The problems of the unemployed youth and of the aged are solved in a twinkle of the eye. State medicine is established. The new day has indeed dawned upon earth. All that is necessary is to issue Dominion notes! The only trouble is that nobody thought of it before!

Let us examine these golden promises in the light of reality.

Is the amount of currency in circulation or the gold standard a decisive factor in solving the capitalist crisis? The CCF leaders would have us believe that the crisis is due to the ugly and perverse temper and the lack of intelligence of the Government or the bankers who are so contrary, stubborn and dumb that they will not solve the crisis of their own system by a simple adjustment of the currency. (The “solution” is obviously to have more intelligent, bright and good-tempered capitalists.) But the amount of currency in circulation and the gold standard are entirely irrelevant to a “solution” of the capitalist crisis.

In accordance with varying laws in various capitalist countries, the quantity of currency, and indirectly, the total bank credits, is restricted by the amount of gold held by the government or the banks. The “gold standard” meant that currencies in various countries were measurable in the interrelations of the capitalists by a common denominator of gold. The collapse of the gold standard, in a whole series of countries, was not due to any inherent evil in gold, but to the crisis of world capitalism and the world market, which made impossible the former balancing of international debts and exchange by payments in gold. Britain was forced off the “gold standard” by the crisis of her export trade. The same applies to Canada.

So far as the internal situation in a capitalist country is concerned, the extent of the absolute supply of gold can only influence prices indirectly WHEN TIMES ARE GOOD, i.e., under “normal” circumstances. Thus, in a boom period when prices are moving up more

credit is demanded from the banks, and this leads to more notes and consequently more gold being required. If additional gold is not available under these circumstances, in accordance with the given laws and banking practice, credit may be restricted and the upward price movement may consequently suffer. In this case, the absolute supply of gold in a country appears to be a factor. But in this case, the expansion of currency is due to the increased trade.

But if we take a situation of crisis, in which the market is clogged with unsaleable goods, then the supply of gold is a totally irrelevant question so far as the internal situation in the country is concerned. If the gold were increased 100 times it would not sell the surplus of goods and solve the crisis. The same applies to the currency itself. Mr. Coote declares that the amount of business is determined by the amount of money in circulation. But the exact reverse is the case. The amount of business determines the currency in circulation.

“But,” the CCF leaders say, “issue more currency, inflate the currency, and there is bound to be more business.” This is the crudest fantasy. Inflation merely lowers the “value” of the currency, making a greater amount of currency necessary to handle the same or a lesser amount of trade. Far from constituting a way out of the crisis, inflation is a product of the deepening of the crisis and in turn deepens the crisis still further. Inflation means a cut in real wages for all workers, since the money they receive as wages has a lowered purchasing power. It means the great depreciation of small incomes and savings. Consequently, it can never increase the real volume of business but can only further reduce it.

The CCF programme practically hangs on the string of inflation. Its emergency programme of public works to provide employment is to be financed “by the issue of credit based on the national wealth.” Its “social ownership” is to be financed by “credit based on the national wealth.” This “credit based on the national wealth” is merely a phrase substituted for “inflation.”

Inflation has captivated the imagination of the rich farmer for two

main reasons: First, he thinks that it would mean a real increase in agricultural prices, and second, he thinks that he would benefit from inflation by the fact that the so-called “fixed charges” such as debt, interest, taxes, etc., would decrease in proportion to the amount of inflation. The first of these is pure imagination. Inflation in no sense means a real increase of agrarian prices, that is, an increase in relation to the prices the farmer must pay for industrial products. Inflation, on the contrary, widens the gap between industrial and agrarian prices. This is proven by every instance of inflation. Thus, inflation, which raises agrarian prices actually lowers the purchasing power of the farmers; it does not raise it. Insofar as “fixed charges” are concerned, the rich farmer gains a momentary advantage. The degree of inflation at the moment when he sells his crop, makes it possible for him to cover fixed charges with “fewer bushels of wheat.” The rich farmer gains momentarily by holding his products for a speculative market and by the drop in the real wages of his workers. But the small and middle farmers, who are compelled to market their commodities at the most unfavourable time, bear the brunt of depreciating currency together with the workers.

Inflation is one of the policies of the ruling financial oligarchy in the present sharpening crisis of capitalism. In the United States, and in Canada also, we are witnessing the commencement of this policy of the bourgeoisie. Earl Browder, Secretary of the Communist Party of the United States, has given the following concise analysis of the present utilization of this policy by the American ruling class:

“The continuous cheapening of the dollar serves the purpose of (a) general cutting down of the living standards of the masses through higher prices, and especially a reduction of workers’ real wages (already over 20 per cent); (b) restoring solvency to the banks and financial institutions by increasing the market value of their depreciated securities; (c) partial expropriation of the savings and investments of the middle classes; (d) creation of a temporary

expanding market to stimulate industrial production for the time through the rush of speculators and profiteers to lay up stocks for higher prices, and (e) launching of a tremendous commercial war, price-cutting and dumping on the world markets. All these results of inflation serve to strengthen finance capital, build up its profits at the cost of sharpening exploitation of the masses at home and lead directly to an imperialist war.” (“The Worker.”)

From this, the character of inflation is clear. It is part of the landslide of the financial crisis. Once having been compelled to embark upon inflation, the ruling financial oligarchy continue with ever more drastic measures against the standard of living of the masses. Real wages are cut. Small savings and incomes are greatly diminished. Far from saving the farmers, it reduces the masses of farmers to paupers. The speculators and profiteers at the commencement of inflation seek to turn “paper” into “goods.” A short speculative “boom” commences. But this “boom” only drives inflation further and further and in a few months or weeks it crashes to a deeper and lower level of the crisis.

Roosevelt, who is hailed by the CCF as a new Messiah of Socialism, is carrying through inflation in the United States as a direct instrument of imperialist policy in the world market and a means of plundering the masses at home. According to Mr. Irvine, MP, Roosevelt has merely adopted the proposals of the CCF. Irvine writes:

“Indeed, the practical steps proposed (i.e., by the CCF members of parliament — GP) as a beginning have since been adopted by the new President of the United States.” (“Political Servants of Capitalism,” p. 11.)

In a short time, the CCF leaders will be able to boast that the Bennett Government has also adopted their “practical steps.” The Bennett Government will undoubtedly establish a central bank, which the CCF leaders call the “socialization of finance.” With this instrument, Canadian imperialism will no doubt utilize inflation for the struggle for foreign markets and for the further plundering of the

Canadian masses. It is probable that the Bennett Government will commence open inflation by financing public works with newly-issued Dominion notes. Every step the Bennett Government takes in the carrying out of these “practical proposals” of the CCF will be at the expense of the masses of Canadian workers and farmers.

What is to be said for these CCF leaders who shamelessly promise the toilers of Canada that a new world, a new millennium, will flow from inflation? They promise the farmers a bonus. They promise the abolition of the slums and a broad construction programme. They promise more pension for the old folks over fifty-five, and jobs for the young. They promise state medicine and the building of new hospitals. They promise the farmer higher prices. They promise increased purchasing power. They promise anything and everything — from inflation. Roosevelt tries to deceive the masses of American people that he is helping them with inflation, while in reality he is helping the capitalist class to plunder them. The CCF tries to deceive the masses that inflation is the key to a new Socialist world. What is to be said for such people? All that can be said is that they are unscrupulous and shameless fakers!

This inflation is the CCF panacea for agriculture. With this base deception, the CCF wishes to drag the debt-ridden masses of toiling farmers along in support of the rich capitalist farmers. They wish to hoodwink the masses of farmers with an “easy” way out, at a time when the masses of farmers can only hope to safeguard themselves to any degree whatever by militant struggle against taxes, foreclosures and debt-collections. They dangle fancy but fantastic and utterly false theories about prices before the eyes of the farmers in order to prevent the masses of farmers from going over to a policy of determined struggle against monopoly capitalism. They wish to prevent the masses of farmers from seeing that while under capitalism there is no solution for the problem of agrarian prices, the possible immediate results on the question of prices can be secured only by mass action in alliance with the workers against the monopoly, capitalist concerns to which

they sell their products. In place of struggle against capitalism under the leadership of the revolutionary working-class movement, the CCF leaders wish the masses of farmers to believe that inflation, an instrument which capitalism is using to further impoverish them, is the means to their salvation.

This inflation is the CCF “Emergency Programme.” It is the CCF method of “planning” to “balance production and consumption.” It is the crux of the proposals for the “socialization” of public utilities, etc. It is here that we see the “profundity” of the “Canadian School of Socialism,” which tells us that the crisis is due to the absence of sufficient currency and that the issuance of more currency will open the way to heaven on earth. It is here that we see the insolence of the “Socialist” mountebanks, who, in the face of the fact that every imperialist bourgeoisie is heading towards inflation to further plunder the masses, which will sharpen the imperialist rivalries and deepen the crisis, tell the workers of Canada that inflation, the issuance of more currency, is the “first practical step” to Socialism. Can charlatanism reach any lower depths than this?

## **B. THE THEORY OF “MANAGED CREDITS”**

The theory of “regulated prices” and inflation as a cure for the crisis, always goes hand in hand with the theory that bank credit is a determining factor in causing and curing the capitalist crisis. Currency is only the “small change” of the capitalist system. Bank loans represent the creation of “credit money.” Financial transactions, which run into many score of times the volume of currency are carried on by mere transfers in the account books of the banks. As between banks, these transactions are merely cancelled against each other. No considerable amount of cash is required, and in the abstract, there is no limit to the extent of bank credit which can be created. From these facts, certain capitalist economists, including the leaders of the CCF, derive the theory that the volume of bank credit is a vital factor in determin-

ing the state of trade. Some say that this is because bank credit determines prices. Others say that it is merely a question of adjusting the volume of credit to the supply of goods.

Mr. Woodsworth says:

“We are not advocating the immediate taking over of the banks, but we are advocating a central bank which will control credit and currency. This will prevent credit being extended at one time when it is not needed, and refused at times like these when it is urgently needed. True, the banks have not failed, but many businessmen dependent on them have.” (Toronto Star, Feb. 15, 1933.)

Miss MacPhail says:

“This crisis is almost entirely a monetary crisis.” (Toronto Star, July 3, 1933.)

Further, she says:

“Had Canada gone off the gold standard three years ago and kept the amount of money in circulation equal to the available goods and services when it was seen that the bankers were deflating the currency, these things (unemployment, etc. — GP) would not exist. Canada would not have a depression.” (Toronto Star, June 29, 1933.)

Mr. Coote (the financial “expert”) says:

“This is the explanation for honourable gentlemen who want to know the cause of this trouble (i.e., the crisis). Anarchy has been allowed to prevail in regard to the issuing and destruction of credit and the making and unmaking of purchasing power because the bulk of purchasing powers is credit issued by the banks.” (Hansard.)

Mr. Woodsworth here reveals what is meant by clause two of the CCF programme, “the socialization of finance.” He is much worried

about how to save the bankrupt businessmen. We will deal later with his proposal of a central bank. What we are concerned with here is the correctness or incorrectness of the theory that credit restriction is a cause of the crisis and increased credit a cure for the crisis.

We cannot devote space to a full analysis of the financial system. We will note only its main features.

Banks extend credit on the condition that interest and principle are to be paid back and their credits are usually extended to capitalists who will use them as capital to make a profit. Usually credit is for current transactions — such as the movement of goods for sale. If the banks refuse credit and try to collect their loans, it may lead to a reduction of the demand for goods and result in increasing surplus supplies. It seems, therefore, to the capitalist “experts” and the CCF leaders that the more credit, the more business.

But it is clear that such a statement is merely a superficial observation but not an analysis. In reality, in the alternating cycle of “booms” and “crises” for decades, credit has tended to help the “boom” forward but is powerless to check the crisis. When a “boom” is developing, credits expand enormously although the interest rate rises. But overproduction results in spite of the expansion of credits. Then comes a crisis. Credits decline, because there is no effective demand for credit. Interest rates drop. The rise and fall of the interest rate is seen as the infallible “regulator” of credit.

Mr. Woodsworth’s manufacturer borrows money to buy raw material in the course of a boom period. This will start a lot of activities and open up additional wide credits. The greater the credits, the greater the profits of the capitalists and the banks. These profits are turned into a demand for “means of production,” i.e., new machinery or a new factory with a higher technique than formerly. At the beginning, the amount of the credits paid in wages would increase the demand for means of consumption. But at this point, there is an extension of machinery in order to successfully compete against capitalists with more backward plants. Labour is reduced and output increased.

The “boom” limits the total wage bills, reducing the demand for articles of consumption and increasing the output. The market is inevitably glutted, prices crash and the crisis grows. But what if the banks continue to give credits? It will not stop the crisis. The capitalists can use credit to pay debts to one another, but what capitalist would be so dumb as to secure credits with which to aid production of goods already glutting the market?

But can credits iron out “booms” and “crises”? Will it stop the boom to restrict credits at the proper time and prevent the crisis to expand them at the proper time? Credits are a mere reflection of the fundamental laws of capitalist production, but cannot change those laws. The anarchic character of capitalist production governs credits, not visa versa. Increased production under capitalism must inevitably lead to a crisis because of its own laws of motion which reduce the market for consumption. A boom with expanded credit causes a piling up of profits. Profits must be invested in means of production. New and higher means of production glut the market and by increasing the productivity of labour, lower the total wages paid and thus reduce consumption. Credits or no credits, the crisis is inevitable. If after the market was glutted, the banks continued to extend credits to capitalists, and Mr. Woodsworth’s capitalists continued to increase production (only a CCF leader can picture such a situation), the only result would be a still more chronic, deeper and incurable crisis.

What about credits to consumers? Credits are not thinkable apart from repayment with interest. Therefore, expanding credits to consumers are impossible. Consumers’ credit is the “instalment system.” It merely limits the future purchasing capacity, but adds nothing to purchasing capacity. It helps forward a boom, and deepens the consequent crisis.

What would be the result, then, of the expansion of credit by the CCF? What would result from the “easy money” they would create? “Easy money” could only create a flurry of stock speculating, resulting in more chronic fluctuations on the stock exchange. This would in-

crease the crisis of the capitalist financial system. It would solve nothing.

Clause two in the CCF Programme, “Socialization of Finance,” which merely amounts to a proposal for a state bank, is based upon the utopian theories of “price regulation” and “managed credits.” It calls for a state bank “to make possible the effective control of currency, credit and prices and the supplying of new productive equipment for socially desirable purposes.” It is intended to mislead people into believing that “control of currency, credit and prices” can solve the fundamental contradictions of capitalism. It is merely a liberal-capitalist theory of money reform. Its only possible real content is inflation and speculative credits.

“Social Credit” is a great phrase for the petty-bourgeois — whether he is a capitalist farmer or a small businessman in the city. The CCF puts forward this magic word, “Social Credit,” as the great wonder-worker which will bring a new world. This magic phrase lends a “scientific” glamour to the CCF in the eyes of the petty-bourgeoisie. Nincompoops strut about with high-sounding drivel on “finance,” posing before the “unlearned” workers and farmers as “experts” and “people who have access to sources of information.” Before the admiring glances of the petty-bourgeoisie, these quacks pretend to place their finger on the “flaw” of capitalist finance and proceed, with intellectual airs, to reveal the remedy.

All “Social Credits” theories, including the CCF programme, have their origin in the theory of Major Douglas. The Douglas theory is the essence of the impotency of the petty-bourgeoisie, who have no insight into capitalist production and can view the world only as it revolves around the small petty-bourgeois enterprise. His theory divides all “payments” into “A” and “B” — A. represents payments to individuals, i.e., the capitalists and the workers, and B. represents payments for raw material, bank charges, etc. Prices equal A plus B, but purchasing power is represented only by A. Hence, overproduction. Remedy: overcome the difference by “social credit” to create purchas-

ing power equal to  $A$  plus  $B$ .

It is seen that the only scientific content in the theory is the adoption of algebraic labels. Such labels have a fascination for the petty-bourgeoisie, and in the hands of “learned people,” “experts,” etc., create a real impression of profundity. But more than algebraic labels is required to analyse capitalism.

The flaw in this flaw-finding theory is simply that  $B$  payments are  $B$  payments only because someone has labelled them with a different letter than  $A$  payments. The so-called  $B$  payments are really  $A$  payments at an earlier stage in production. Thus, payments for raw materials, for example are really  $A$  payments in the concern producing the raw materials. All payments are payments to individuals, since no one makes payments to the atmosphere. If this “profound analysis” were true, there would be no crisis but a constant even flow of production since  $A$  plus  $B$  is really  $A$  plus zero, which equals the total purchasing power. Production and purchasing power would balance harmoniously.

Only working-class science, Marxism, which is distinguished from all capitalist and petty-capitalist theories by the fact that it alone has a real insight into capitalist production, shows the root of the contradiction of capitalism and can explain correctly the crisis.

The CCF programme rejects Marxism and expounds the quack petty-bourgeois theory of “social credit.” We will examine later the full social content of this theory. Here it is necessary to see its “scientific” content. It declares that the “evils” of capitalism are to be found in the sphere of circulation — not in the sphere of production. In this it corresponds to the whole outlook of the petty-bourgeoisie, who can only understand the crisis as a “disarrangement” of the system from which they hope to be enriched, but which is really pauperizing them. To them the thing is to put matters in order again, and they place their faith, not in the working class, but in the “expert” or the “brain trust.” “Finance” is the villain, who has got out of hand and who must be placed under “control” and “planned.” All classes alike have a com-

mon cause against “finance” and the “credit system” — Mr. Woodsworth’s credit-starved manufacturer in the vanguard, — this is the essence of the quack “Social Credit” theory which is a main pillar of the CCF programme.

The theory of “Social Credit” does not discover the “flaw” of capitalism, but is designed to cover up the fundamental contradictions of capitalism. This theory strives to conceal the fact that overproduction is the result of the private ownership of all the means of wealth production by the class of capitalists. It wishes us to regard this overproduction on the capitalist market as merely the result of a failure to make the proper adjustments in the currency and credit system. The “adjustment” which this theory proposes is unending inflation, under the fancy name “Social Credit”. We have already seen the nature of this “adjustment”. To issue “social credit” without repayment with interest is merely a form of inflation.

The way in which the CCF employs the mysterious term, “Social Credit”, to beguile people with promises of a bright future, recalls the story of the ancient Eastern potentate and the peasant. The potentate had been purchasing the supplies for his armies at war with the gold from the royal exchequer, until he had exhausted all the supply. After much thought, he hit upon the device of printing notes, which purported to represent gold. His emissaries went to the peasants to buy supplies with these notes but were refused. Finally, the king had new notes printed, which bore the words “This is Gold”. Supplied with these notes, the king’s emissaries departed to visit a peasant from whom the king wished to purchase a large supply of camels. In a few days, the emissaries returned, without the camels. When questioned by the king, they related that the peasant had refused to give the camels in exchange for the notes, but had given them a letter addressed to the king. The king opened the letter, and to his surprise and anger, found written there the words, “This is a camel”. The CCF would have the Canadian working-class give up their struggle for the overthrow of capitalism in exchange for the promise of a batch of certifi-

cates on which is inscribed their magic formula, "This is Social Credit."

In every crisis, the capitalists have used every possible trick with credits to try to save themselves. They have always failed. The only value of "managed credits" is to try to fool the workers and farmers that capitalism can be restored to health.

### C. THE THEORY OF "HIGH WAGES"

The CCF leaders and also the trade union bureaucrats of the AF of L and ACCL<sup>1</sup> repeatedly put forward arguments which run in general as follows: The present crisis is a result of lack of sufficient purchasing power on the part of the workers. This is because the capitalists do not understand that it is in their interests to pay high wages and thus increase the purchasing power which would cause an expansion of the market and continuous prosperity.

This theory, as is seen, is directly linked with the theories of "prices" and "credit" through the theory of "insufficient purchasing capacity." The CCF leaders are never tired of talking of "insufficient purchasing capacity." One of the main tasks of "planning" as set out in the CCF programme, is "to provide a satisfactory balance between the producing and consuming capacity." The "Labour Code" plank of the CCF programme calls for "a constantly rising standard of life for everyone who is willing to work." Here we have the liberal-utopian theory of "high wages."

Mr. Woodsworth gave classical expression to this theory in parliament, when he said:

"Instead of denying our people the right to eat, or at least to

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<sup>1</sup> All-Canadian Congress of Labour (ACCL), a confederation of labour unions which merged into the Canadian Congress of Labour in 1940, which subsequently merged with another confederation in 1956 to form the present Canadian Labour Congress (CLC). — NEPH

eat as much as they need; instead of denying them the right to wear respectable clothes, because we say we cannot pay dividends, we are too poor and so on, we should be pouring out these things. Then we would start the machinery going again”. (Hansard).

This theory is part of the general phraseology of the leaders of the CCF and the trade union bureaucrats of the AF of L and ACCL. They would have us believe that a simple readjustment is necessary in the level of wages in order to take care of the surplus produced. If this readjustment were made, according to them, all would be well. The purchasing power of the people would be increased, and production could start again. The thing is not for the workers to take action, but for the capitalists to arrange matters properly.

The disproportion between producing and consuming capacity springs from the very nature of capitalism and wages. Profit represents UNPAID labour. The sale of the produce of this UNPAID LABOUR in order to realize the profit in money form is precisely the market problem of capitalism. Whether wages are greater or smaller is an issue of struggle of the workers against the capitalists. But it does not alter the fundamental problem of disproportion between producing and consuming capacity.

Capitalism drives towards the constant and absolute reduction of the wages and standard of living of the masses. This is a law of capitalism. To speak of a “constantly rising standard of living” is cheap and unadulterated deception and demagogy. The only way in which the workers today can prevent the persistent reduction of their wages is by the most determined struggle and class organization. The workers’ fight for higher wages occasions greater difficulties for capitalism, not a solution of its difficulties. The CCF programme leaves out this “detail”. It gives us a “theory” of “rising wages” in order to delude the workers into believing that no struggle is necessary.

The theory of “high wages” came from Fordism. But Fordism has been exploded completely and beyond restoration. Superiority of

technique means good business because of successful competition only for a time, and therefore means “good wages” only for a time. Superiority of technique at the same time means displacement of labour and a lower aggregate of wages. It inevitably leads to overproduction, crisis and unemployment.

In its contemporary form, this theory is cheap and unvarnished deception of the workers. Capitalism is to continue but the poor are not to get any poorer and the rich are to grow no richer. It is a sly and cunning defence of capitalism, a theory that the exploiters and robbers of labour should give adequate crumbs to the masses in order that their system may continue to work and they may continue to exploit. In its economic meaning being a theory wholly without foundation, it is in reality a cringing prayer to the capitalists, full of the anxiety of a menial for its master, that the capitalists should find some way of enabling themselves to continue to exploit the masses even though they must content themselves with less profits.

A sudden large increase of wages would certainly increase the demands for goods. But what is this sudden large increase in wages? This theory proposes that when the capitalists find themselves with a surplus of goods, they should merely give them away to the masses and then start production again. In other words, the theory proposes that the capitalists should cease to be capitalists and become bona fide philanthropists.

What, then, can be the purpose of this theory? Its purpose at the present time, when the capitalists are conducting a vicious offensive against the wages of the workers, is obviously to direct attention away from the struggle against the capitalist attacks. It is a plain and simple trick. It, together with all the reformist phraseology accompanying it, has the purpose of inculcating in the minds of the masses a faith in capitalism and the capitalists, and above all, a faith in the capitalist parliament as a means of solving the wage question without struggle, in order to restore purchasing power. Its aim is to prevent the masses from fighting against wage cuts and to put their faith in fake liberal

theories. It can have no other purpose.

#### D. THE THEORY OF “PLANNED” AND “CONTROLLED” CAPITALISM

One of the foremost theories of the CCF leaders is the theory of “planned” or “controlled” capitalism. Since the gigantic success of the Five Year Plan of Socialist Construction in the Soviet Union, it has become very popular to talk about “planning.” All of these theories of “planning” in capitalist countries are designed to keep the people from understanding the fundamental fact that “planning” is impossible before the proletarian revolution.

In the House of Commons, Mr. Woodsworth declared:

“We believe that the first step to be taken in bettering the present conditions is to adopt a planned economy.” (Hansard.)

He went on to say:

“During the war when the life of the nations was considered to be at stake, there was very careful planning, not only within our own country but as between allied nations, and rationing was carried out to a very considerable extent.”

Mr. A. Heaps, one of the leading MPs of the CCF declared:

“...the wealth of the country remains intact, and all that is required is a sane system of planning whereby the wheels of industry will be kept turning and men engaged in useful production.” (Hansard.)

The first plank in the platform of the CCF calls for a “planned” economy. All its foremost spokesmen have confirmed this theory.

From the above, the general outline of the theory is clear. Its advocates have, it is true, left their “planned” economy theory without a very well-planned outline. They have no doubt found it wise not to try to elaborate what they mean. We are left with a bold and bald

theory: Industry is to be planned with and without “nationalizing” or “socializing” it. The starting point “in bettering present conditions” is “planning.”

No doubt in the course of time the CCF leaders will add further to this theory. They will find a lot of additional, useful decorations for it in the literature of English liberal-labourism. They can invent new terms. They can speak of “public corporations responsible to the people’s elected representatives,” as the United Farmers of Alberta does, and more closely interrelate their theory of “socialization” with “planning,” making additional use of the very useful word, “control,” in order to confuse the people still further. But we are not concerned with the practicability of any decorations which they may hang on the theory to make it seem more plausible.

We are concerned with the fundamental question: Can capitalist production and distribution in Canada or any other capitalist country be planned so long as it retains its fundamental character — private ownership of the means of wealth production, exploitation of wage labour and the production of commodities for the market?

The ideas of “regulating prices,” “managing credits” and the theory of “higher wages,” are all part of the theory of “planning” capitalism, of “controlling” it. We have seen that they are spurious theories without any foundation in fact. None of these means of “control” can prevent capitalism from falling into crises, nor can they give a “solution” for the crisis.

What, then, is left? Apparently all that is left is to call the capitalists together and by some means or another convince them to direct their production according to some written plan. But what shall be the object of the plan? Shall it be to increase production? In that case, the surplus production on the market will be added to and the crisis deepened. Shall it be to curtail production? In that case no plan is needed since the capitalists are able to do that without a plan.

Mr. Woodsworth suggests the precedent of the Great War. His followers inform us that this precedent should be followed now in a

“war against poverty.” Mr. Woodsworth has selected an unhappy precedent for “planning.” What was the “control,” the “planning” of the allied nations during the war? It was merely the direct integration of big finance with the Government and the utilization of Government regulations by big finance to ensure its rapid and unprecedented enrichment. This “planning” involved the planned gobbling up of small concerns by the giant capitalist octopuses, and the “planned” extension of the power of finance capital in every sphere of production and distribution. It did not for a single moment eliminate the capitalist competitive struggle, but raised this struggle to the sphere of the struggle between giant trusts, closely interlocked with the government. This “planning” was not the “control” of production by the “state”; it was the more effective and direct control of the state by big finance, eliminating some unnecessary red tape.

In reality, this is the only “planning” possible under capitalism. In planning, let us say, a given industry, the question is one of “regulating” the production between competing groups. But large and small concerns are involved. What would be the purpose of the plan? To rationalize production? In that case the small concerns would be wiped out. Perhaps Mr. Woodsworth’s government would take over the ruined plants and pay the capitalists for their losses. In fact, Mr. Woodsworth has definitely intimated that these uneconomic concerns would be taken over by the state.

He said in the House of Commons:

“If industry as constituted under present conditions cannot grant a decent living to its employees, so much the worse for industry, and in such cases it should be taken over” (i.e., by the state). (Hansard.)

That would be a very fine arrangement indeed for the bankrupt concerns and also for the rationalized large concerns. It would be a sort of full state insurance for all capitalists against bankruptcy, but would leave the only profitable concerns in the hands of the more

powerful capitalists. But supposing the owner of a small concern was a special friend of Mr. Woodsworth, and did not wish (foolish man) to be taken over, but wished to be saved from his larger competitors. This would probably be achieved in Mr. Woodsworth's plan either by subsidizing the small concern (lucky fellow) from the state coffers, or by establishing a monopoly price based on the lower technical level of production of the small concern. In that case the big concern would collect over and above its regular rate of profit an additional "monopoly" profit. But this would restrict the market still further and result in further curtailment of production, because of the monopoly price formation.

Any and every kind of supposed or imaginable "plan" for capitalism must inevitably strengthen the most powerful capitalist groups. The only motive of a capitalist plan must be the maintenance and extension of profit. Conceived in the most plausible manner, it must increase the means of production in the hands of the capitalists, and must consequently decrease the consumption of the masses. It must inevitably be a plan for worsening the position of the masses, so long as it is a plan for maintaining capitalism.

Perhaps the CCF leaders will answer that they never conceived such a plan. They may say that their plan will direct capital and production into new channels to better the conditions of the masses and raise purchasing power, while still assuring the capitalists a "reasonable" profit. But such an answer is meaningless. The position of the workers cannot be improved and capitalism maintained. The two are mutually exclusive. They may then reply that the capitalists will be won over to this plan by ethical considerations. The capitalists are to agree for ethical reasons to direct their capital into channels unprofitable for them but of benefit to the workers. This is merely an argument that the capitalists will cease to be capitalists in the interests of the workers. This "plan" is not intended to affect the capitalists; this "plan" is merely to kid the workers. If the capitalists will cease to be capitalists in the interests of the workers and farmers, why try to plan

capitalism?

There is one other side of this theory of “planning.” Some CCF leaders declare that they stand for “nationalization” of industry before attempting to plan it. The programme calls for “socialization” of some industries. It is, therefore, necessary to consider “planning” in the light of “socialization.” We will examine this in the next chapter.

## E. THE FALLACY OF ALL PANACEAS

Thus far, we have dealt with the main panaceas of the CCF leadership for curing capitalism. Perhaps these leaders may bring forward additional panaceas of this character, such as reduced tariffs. They are bound to take up every new “scheme” of the capitalists as “hopeful” signs. In fact, there is every likelihood of a continued growth of these panaceas from the pens of capitalist economists, and these will usually be taken over and advocated by the social-reformists.

What is the fundamental fallacy of all such “solutions” for the capitalist crisis? The fundamental fallacy of all such solutions for the capitalist crisis is that they are founded upon the theory that the crisis of capitalism is a crisis of “distribution,” and that the problems of the distribution of commodities can be “solved” without solving the problem of capitalist production. This theory is the product of English Liberalism.

Let us see what the CCF leaders say:

Mr. Woodsworth stated:

“Although this modern system of concentrated control of machinery has solved the problem of production, it has not solved the problem of distribution.” (Hansard, Sept. 9, 1930.)

Miss MacPhail declares:

“We have now solved the problem of production, but not that of distribution...We must now turn our whole attention upon the consumption of goods.” (Hansard.)

Mr. A. Heaps, another “brilliant economist” of the CCF declares:

“Our energies must be devoted not to the problem that has already been solved, that of production, but to the task of distribution.” (Hansard.)

Mr. E.J. Garland, another leader, asserts:

“...the job is to develop a system by which we can consume and then production will take care of itself.” (Hansard.)

The CCF leaders sing a common chorus on this matter. The same fundamental fallacy is expressed by the CCF leaders in dozens of different catch-words, such as “re-distribution of the National Income,” etc. In essence, the theory runs as follows: The cause of the capitalist crisis is not to be sought in capitalist production, based on the private ownership of the means of production by the capitalist class and the exploitation of wage labour. No! The cause is in “bad distribution.” The capitalists have got themselves into a mess by badly organizing the “distribution” and now we, “Socialists,” will show them how to fix up this defect in order that things will run smoothly. Our remedy will be higher prices, more currency, managed credits, higher wages and planning.

This vulgar theory (which as we shall see is not really deserving of the name “theory,” but is really demagogy) forgets one small “trifle.” It forgets that distribution is not independent of but is part of production. By forgetting this “trifle,” it forgets the embarrassing fact that the “disarrangements” of capitalist distribution of products is a consequence of the capitalist distribution of the means of production, i.e., capitalist private property in the means of production.

We have seen that the various “solutions” proposed for curing this “disarrangement” in distribution will help nothing.

To raise prices will only aggravate the “disarrangement” by making it more difficult to liquidate the surplus stocks which is the very nature of the “disarrangement.” To issue more currency will raise

prices and thus reduce real wages and trade will decline still further. To issue greater credits can only cause a deeper financial crisis. To “plan” increased production would only aggravate the “disarrangement” of surplus supplies and increase monopoly prices.

The “disarrangement” of capitalism appears to be a mere “sickness” only on the surface. Actually, the overproduction crisis in “normal” pre-war capitalism was part of the fundamental laws of motion of capitalist production. “Normal” pre-war capitalism, of necessity, moved in the cycle of “booms and crises.” Capitalist production is based on the exploitation of wage labour, i.e., the acquisition by the capitalist owners of the means of production, of the products of the UNPAID labour of the workers in the form of surplus-value. The struggle to realize and constantly increase this surplus value in money form is capitalist competition, which is conducted by the constant striving to increase the productivity of labour by raising the technical level of production and intensifying labour. This results in the concentration and centralization of capital in fewer and fewer hands. But each step in this competitive struggle reduces the number of workers and the total wages paid at the same time as it extends production to wider and wider limits.

This extension of production on the basis of capitalist competition is capitalist anarchy, the rush of capital into production for an unknown market. It is inherent in capital which knows no other law but the law of exploitation. Thus, each “boom” of pre-war capitalism was only the condition of a new crisis. Each cycle reproduced on a higher level the developing contradiction between productive capacity and consumptive capacity.

This is inevitable since the product of UNPAID labour can be realized in money form (outside of the personal luxury consumption of the capitalist class) only by (1) the extension of production (production of means of production) or (2) the securing of foreign markets. We have seen that the consequences of (1) are the reproduction of the trade cycle on a higher level. The drive of capitalism towards

foreign markets merely begets the basic contradictions of capitalism on a gigantic world scale.

The return from foreign markets can only be in the form of means of production (raw materials, etc.) or foreign investments, The growth of productive forces goes far beyond the national state limits. The arena of the fundamental capitalist contradictions becomes the whole world. The whole world is subjugated by the powerful capitalist nations. The competitive struggle of capitalism is reproduced on a gigantic scale in the struggle of monopoly trusts. The whole world falls under the sway of finance capital. The instrument of the world struggle becomes the gigantic state military powers. The World War was the inevitable consequence. The outcome of the world war is only the further aggravation of the fundamental antagonism, the anarchic unevenness of development on a world scale, and the crisis of the system as a whole in addition to the trade cycle. The contradictions of capitalism have grown rotten ripe. The productive forces are choking in the grip of private ownership by the financial oligarchy. This is the nature of the present crisis.

We cannot devote space here to a full and many-sided presentation of the whole nature of the “normal” capitalist crisis of pre-war times and the present chronic crisis of monopoly capitalism. It is nevertheless seen that the basic cause of the crises then and the crisis today is the very inner nature of capital as the instrument of exploiting wage-labour, the private ownership of the means of wealth production by a class of capitalists. The “disarrangement” of “distribution” is but the result of capitalist production. This “distribution of goods” is in the first place the “distribution” of means of production, i.e., their monopoly by the capitalists. The constant expansion of production is the condition for the existence of capitalism, but its expansion by the very nature of capital, by the very nature of exploitation and competition, develops the contradiction between social production and the private ownership of the means and products of labour to the point where capital becomes the fetter on production. The system commences its

decay and the economic sores of the system burst out in violent eruptions.

If we leave aside scientific methods and pretend to seek the cure for capitalism today in the realm of “distribution,” what will we find? Our only possible “practical” proposal to the capitalists is that they should seek the remedy of the present advanced chronic crisis of monopoly capitalism in the laws of motion of the capitalism of 50 years ago, i.e., the expansion of capitalist means of production. Thus, we are in the ridiculous position of advocating the cause of the crisis as its cure. Considered outside of all practical present-day reality, the only imaginable way for capitalism to increase the “home” market by increasing purchasing power is to expand production on a new technical level. But the result of this would only reproduce the crisis on a still deeper and more chronic level, as we have seen.

This, however, is pure imagination. We will consider the capitalist “way out of the crisis,” which the capitalist class is pursuing in reality, later. Here it is only necessary to see that the old “normal” solution, which “solves” one capitalist crisis by preparing another one, no longer holds good. Capitalism is no longer “normal” capitalism. It has advanced far into its monopoly imperialist stage, the stage of its decay and death. The means of production are in the hands of gigantic monopolies, which by arguments of war have divided the world. At the head of each capitalist state stands the financial oligarchy. The gigantic monopoly development of capitalism under the sway of finance capital, which has brought into play all the weapons of “economic” war (tariffs, preferences, etc.) has partitioned the whole world under its control and by its monopoly “planning” and “control,” which is the only “control” and “planning” known to capitalism under the present conditions of the gigantic gap between production and consumption capacity, has made any “normal” solution impossible as a natural and inevitable consequence of the logical and lawful development of capitalism. That does not mean that the trade cycle is absolutely and completely blocked. It means that even the commencement of a new

cycle in any part of the capitalist world would be but a gasp, a spasm, which would cause a gigantic sharpening of the world conflict of monopoly interests by intensifying the unevenness of development and would plunge capitalism into a deeper crisis. Capitalism has only one path along which it can and does seek a way out of the present crisis. This we will analyse later. But there is no ECONOMIC way out for capitalism!

The panaceas for capitalism, which are offered by the CCF leaders are so much hollow cant, copied from the capitalists. They are idyllic dreams of a capitalist millennium, a capitalism without its ills and diseases. They constitute the most shameless deception of the people.

### III. State Capitalism in the Guise of Socialism

A. The Real Meaning of “Socialization” and “Nationalization.” B. False Fatalism and the Theory of “Organized Capitalism.” C. Religious Philistinism

#### A. THE REAL MEANING OF “SOCIALIZATION” AND “NATIONALIZATION”

To stand nominally for the aim of replacing the present, decaying capitalism system by Socialism, means that one must stand for the abolition of the private ownership of the means of wealth production, i.e., the factories, mills, mines, etc. The crisis, unemployment and the constant deterioration of the position of the masses of workers, the robbery and exploitation of the masses of the farmers, and imperialist war, all spring from the very foundation of the capitalist system, the private ownership of all the means of wealth production by the capitalist class. In the preceding chapter we have seen the fallacy of all liberal-capitalist theories, which pretend to offer a solution for the various “ills” of capitalism. The fallacy of these theories consists precisely in the fact that they overlook the fundamental causes of the so-called “evils” of capitalism. These theories, which are the main point of departure of the CCF programme, were all designed by capitalist thinkers and spokesmen to give the impression that it is unnecessary to change the foundations of the system, but that it is only necessary to make readjustments. These theories all strive to divert attention from the fundamental contradiction of the capitalist system, the contradiction between social production and the private ownership of the means of production. In order to remove the disorders of the capitalist market, to do away with unemployment, to overcome the crisis, to abolish the exploitation of the working-class by the capitalist class and do away with the robbery of the masses of farmers by the financial

oligarchy, and to abolish imperialist war, the capitalist system with its foundation of private property in the means of production must be done away with. The private ownership of the means of production has become a fetter on the forces of social production, and results in all the so-called “ills” of capitalism and the monstrous oppression of the masses. To abolish capitalism, the ownership of the means of wealth production by the capitalist class must be abolished.

It is not difficult to understand why the CCF leaders put forward fake panaceas for capitalism and tell the masses that these panaceas represent the road to a new social order, “The Co-operative Commonwealth.” Their theories and their whole thinking flow from capitalism which, above all, is interested in maintaining the capitalist monopoly of the means of wealth production, and therefore, all such theories proceed from the premise that production is solved, that it is unnecessary to deal with production, but only with rearrangements in distribution. Such theories would have little value in deceiving the masses without the utilization of high-sounding names and titles. In the mouth of ordinary capitalist spokesmen, such as Sir Josiah Stamp, these theories carry little weight among the masses. But the CCF leaders add a new magic touch to these fake theories in order to befuddle and fool the masses. They promise that these theories will bring Socialism, and do away with capitalism. They promise that these theories will solve the crisis and open the way to a Socialist society. In other words, they promise to bring a new social order without doing away with capitalist private ownership of production, a “Socialism” with capitalist private property in the means of wealth production.

In chapter one, we have seen that these liberal-capitalist panaceas for capitalism are “mixed” with the theory that state capitalism is Socialism. We have seen that in respect to this question, there is a division of labour among the CCF leaders. The main leaders like Woodsworth, take their point of departure from the liberal-capitalist panaceas and add to these theories proposals for the “socialization” of public utilities. Another group of leaders, representing the current of

the bourgeois revision of Marxism, whose main role is to deceive the most advanced sections of workers, pretend to stand for the Socialist aim of abolishing capitalist private property in the means of production and take their point of departure from the theory that state ownership represents the achievement of this aim. We shall see later the details of the two different methods of deception. Let us first examine the question of “socialization” in general.

Point 3 of the CCF programme calls for:

“Socialization (Dominion, Provincial or Municipal) of transportation, communications, electric power and all other industries and services essential to social planning and their operation under the direction of the Planning Commission by competent managements freed from day to day political interference.”

In order to understand the meaning of this point in the CCF programme, we are compelled to seek explanation from the speeches of the CCF leaders. Throughout all of their pronouncements we find the most studied vagueness. It requires a strong effort to clear away the cloud of undefined words and ferret out the simple truth. It is not hard to come to the conclusion that the CCF leaders have deliberately made it a very difficult matter for the workers following them to understand what they actually stand for under this “socialization” plank of their programme.

Mr. Woodsworth’s pronouncements are, however, extremely enlightening. It is true that in all his speeches, he interchanges the words “control,” “regulation,” “socialization,” etc., the reason for which we shall see later. But from his statements, we are able to secure a fairly clear picture of what the CCF leaders actually mean under point 3 of their programme. In speaking of the “nationalization” of the radio by the Bennett Government, Mr. Woodsworth stated:

“If the Prime Minister would extend that principle to all our natural resources, he would be advocating what we in this corner have been advocating through the years.” (Hansard.)

In speaking of the Duff report on the railways, he declared:

“Whether or not we like it today the state is intervening more and more in business affairs. I submit that the Duff report and the suggested plans founded thereon go further than most legislation when they attempt to consolidate the railways in some way or to arrange for their centralized control. We are being forced to advance along socialistic lines.” (Hansard.)

Again, he made the following statement:

“The state should own and control certain essential public utilities. That is all. We do not seek to destroy the individual. We have a good example of how the CCF Government would function in the Hydro.” (Toronto Star, Feb. 15, 1933.)

Here we have a number of very important assertions on the question of “socialization” from the leader of the CCF. In the first place, we are told that only certain essential public utilities are to be “owned and controlled” by the state, and that the “individual” is not to be destroyed. By “individual,” Mr. Woodsworth obviously means the capitalist, although he does not like to say capitalist, because it would be too readily understood by the workers. In the second place, we are informed that Bennett’s Radio Commission and the Ontario Hydro, are examples of what the CCF is advocating, and that the Hydro is an example of how a CCF Government would function. This statement was also made by Mr. Woodsworth in the House of Commons, so it must be authentic. Third, we are presented with the statement that the Duff report, designated as the “intervention” of the state in business, is an advance along Socialistic lines. From Mr. Woodsworth’s statements it is clear that the meaning of the high-sounding “socialization” plank in the CCF programme is to be found concretely illustrated by the Hydro, Bennett’s Radio Commission, etc.

The statement of the programme itself fully bears out the fact that the CCF, in reality, only proposes a continuation and extension of the

state ownership, which has been practised by the Canadian capitalist class for many years, and particularly during the past decade. The programme says:

“Such a programme means the continuation and the extension of the public ownership enterprises in which most governments in Canada have already gone some distance.”

If we require more enlightenment, we can proceed further. James Simpson, vice-president of the Trades and Labour Congress, CCF leader, and a controller of the city of Toronto, gave a very fine indication of the character of CCF “socialization” when he declared:

“...the Conservatives of Canada have been, pre-eminently the sponsors of great Socialistic undertakings... Take Sir James Whitney’s Government and the Hydro. They gave us that. Again, the National Railway was given us by a Conservative Government or — I can’t just say at the moment — by a Union Government with a Conservative Prime Minister.” (Toronto Star, Nov. 24, 1933.)

The Toronto Star, semi-official organ of the CCF, gives a description of CCF “Socialism” and the character of the CCF “Socialists.” It writes:

“But surely the day is past when anyone can be stampeded by the ‘Socialist’ label. Rt. Hon. Ramsay MacDonald, the premier of Great Britain, is a Socialist. Rt. Hon. Arthur Henderson, the chairman of the disarmament conference, is a Socialist. Toronto is the centre of Applied Socialism in Canada, with its publicly-owned street railways, ferries and electrical services. Canada has a great Socialistic enterprise in its nationally-owned railways, and joins with Ontario in another fine example of Socialism, the Old Age Pensions. In Ontario there are such Socialistic undertakings as Mother’s Allowances and Workmen’s Compensation. Socialist James Simpson, Socialist Ramsay MacDonald and Socialist Arthur Henderson have seen, in their day, the world turn towards

Socialism, and there is no reproach, but honour, in that name.”  
(Toronto Star, Dec. 5, 1933.)

What is the meaning of all of these pronouncements? The meaning is no longer open to doubt or question. What the CCF leaders want us to believe is that public ownership is “Socialism,” that this “Socialism” is already in existence in the form of the present government-operated utilities and that the way to fuller, bigger and better “Socialism” is to extend these “public ownership enterprises.”

What does state ownership mean? It means that the capitalist state as the executive of the capitalist class in the interests of the whole capitalist system of war and exploitation, operates and controls certain enterprises and industries.

Is this something new? There is, of course, nothing new in state ownership. It is as old as capitalism. From the earliest days of capitalism, the capitalist state in the interests of the whole bourgeoisie, has operated a number of essential services and industries, such as the postal system, water works and sanitary system, etc. This state ownership of enterprises by the capitalist state arises for different reasons in different circumstances. These can be summarized as follows: (1) Capitalist state ownership is necessary in a number of so-called “communal” enterprises which are vital to the whole organization of capitalist production, such as water systems, etc., in which the capitalist class utilizes its state to maintain its general class interests as distinct from given sectional interests. (2) The financial oligarchy utilizes the state for their enrichment, through gigantic monopolies, or to save their trusts and corporations from bankruptcy, in accordance with concrete circumstances. (3) The state is utilized by the capitalist class to centralize and “organize” capitalist production under conditions of extreme emergency, such as during the war.

How do the reformists turn this into “Socialism”? The social-reformists deceive the masses with the idea of “public ownership” by concealing the character of the STATE. According to them, “Social-

ism” is the “intervention of the state in business,” “public ownership,” etc. This deception attains two capitalist purposes. It covers up the character of the capitalist state, which we shall examine in more detail later, and its utilization by the bourgeoisie for the exploitation and robbery of the masses, and at the same time, it seeks to imbue the masses with the illusion that Socialism can be attained through the capitalist state.

Thus, when the Bennett Government nationalizes the radio in order to use it as the schools, etc., are used, for the capitalist deception of the masses, as the direct instrument of the capitalist state, the masses are told that this is Socialism. When the capitalist state is utilized by the predominant groups of the capitalist class to carry through a vicious attack upon the railway workers, to strengthen the position of their monopoly railway systems, to advance the interests of the CPR bondholders against the interests of another capitalist group which collects the millions in bond interest on the CNR as in the case of the Duff report, we are told that this is an “inevitable advance” to Socialism. The Hydro which is a typical, monopoly, capitalist enterprise, from which the capitalist class collects its annual millions in interest, is represented as Socialism.

A true measure of the “principles” of these “Socialist” leaders is indicated by the fact that the main precedent which they quote for their “nationalization” is the state of affairs during the war. During the war, the capitalist class required the highest centralized control in its general class interests, which in the end are always the interest of the predominant financial oligarchy, for the conducting of the war. Production was controlled by the state and highly subsidized. Rationing was introduced. Exports and imports were rigidly controlled. All newspapers were put under a centralized control and all other propaganda instruments directly supervised by the state. Where small capitalist interests came in conflict with the general capitalist interests, they were crushed. Lloyd George, for example, declared that the British government had a right to dispose of every factory and machine

and that if there was any difficulty it had sufficient machine-guns to make its orders effective. Here is Mr. Woodsworth's "Socialist intervention" of the state in business in its highest form!

The state capitalist developments during the war serve to illustrate most glaringly the whole meaning of the growth of state capitalism, which the CCF wishes to label "Socialism." The state capitalism during the war was the gigantic enrichment of the large capitalist monopolies at the expense of the masses of workers and farmers, and also at the expense of the small bourgeoisie. The war meant a gigantic consumption in destruction. This destruction represented the destruction of "fixed capital." The state capitalism of the war merely represented the fact that the imperialist bourgeoisie replaced this gigantic destruction of capital in its predatory war by "paper," the national state debt. The real values were consumed in the slaughter of human life. The capitalist trusts and monopolies placed their "regulating apparatus" at the "service of the state." This served their aim of the "militarization" of production.

The capitalist state does not "intervene" in capitalist business. The state is part and parcel of capitalist business. Not only does it directly operate certain business in the interests of the capitalist class, but it gives huge subsidies to the individual capitalists, the whole state budget and debt system is part of the huge parasitical machine of capitalism, its tariffs and laws, its whole foreign and domestic policy, its taxes and customs, its police and its courts — in short, its whole mechanism is an integral part of capitalist business. To speak of the state "intervening in business" is to try to spread abroad among the people the illusion which capitalism tries to foster that the state stands above classes and class interests. IN reality, the whole state is part and parcel of CAPITALIST exploitation of the MASSES. It is not the state, which "intervenes in business"; it is the capitalist class which utilizes the state to strengthen its exploitation and robbery of the masses.

THE BOURGEOISIE HAS NOTHING TO LOSE BY "PUBLIC OWNERSHIP." IT MERELY TRANSFERS ITS POSSES-

SIONS FROM ONE POCKET TO ANOTHER. THE CAPITALIST CLASS GAINS FROM THIS TRANSFER. IT STRENGTHENS THE CAPITALIST CLASS MONOPOLY OF THE MEANS OF PRODUCTION, IT STRENGTHENS THE CENTRALIZATION AND CONCENTRATION OF CAPITAL.

To speak of “public ownership” as “Socialism” is to try to mislead the people into believing that “state ownership” does away with commodity production. “Public ownership” retains the monopoly of the means of production in the hands of the capitalist class, without a shade of difference from “privately” organized capitalist enterprises, except that it represents a higher stage of parasitic, capitalist exploitation of the masses.

“Public ownership” means that the state becomes the expression of capitalist monopoly. The social-reformists contend that when state ownership is established in an enterprise, there is a fundamental change of principle. But in reality, there is no change of principle whatsoever. A change in the structure of production means a change in class relations, a change from capitalist relations of an “owning class” and a “working class.” “Public ownership” does not alter the character of commodity production and the exploitation of wage-labour. On the contrary, “public ownership” increases the power of the monopoly of the means of production by the capitalist class. The ownership and the profits of the capitalist class become directly integrated with and guaranteed by the capitalist state. The profits of the financial oligarchy under “public ownership” cease to be limited to the life of a given monopoly concern; their profits are guaranteed so long as the capitalist state exists.

It is seen to what depths the social-reformists drag the word “Socialism.” According to their theory, the Ontario Conservative Government, with its Hydro, is a champion of “Socialism.” The Toronto Transportation Commission is “Socialism.” The Henry-Price Abitibi swindle, is “Socialism.” Beauharnois is “Socialism.” It would appear that there is very little left for a CCF Government to do. We are al-

ready practically living under “Socialism”!

Is the “socialization” of the “finance machinery” different in this respect from public ownership of utilities and industries? Is it not something truly revolutionary? On the question of the “socialization of finance,” the CCF programme calls for the “control of finance” as “the first step to the control of the whole economy.” The chartered banks are to be “socialized,” and a “Central Bank” established. In the first place, then, we have to do with the tricky word, “control.” It is not quite clear whether the word “socialized” means the same as “control.” Mr. Woodsworth has made it plain in a number of speeches that “control” does not mean “nationalization,” and that in regard to the banks, this “control” or “socialization,” may be executed without “nationalization,” through a “central state bank.”

In its most common form, the idea of state “control” of finance, of “socialization” of finance, of a “central state bank” is a day-dream of the petty-bourgeoisie and the small capitalists. It is a dream of the bankrupt capitalist, who is being crushed by the powerful financial oligarchy and longs for an “equitable” financial system. The small capitalist sees in the capitalist state the representative of his interests; he builds up in his mind the idea that through the state a number of financial reforms can be instituted which would provide him with credits by which he could continue his bankrupt enterprise, and be saved from destruction at the hands of big capital. This is the dream of all liberal-reformists, and finds a natural place in the CCF programme.

In reality, “state control of finance” is not something foreign to capitalism in any sense of the word. During the war, the capitalist state directly regulated all finances. The capitalist class found it necessary to utilize the state more directly for the regulation of its financial manipulations, since the vast accumulation of values for destruction in the war placed a tremendous strain on the financial system. In reality, the capitalist state is the direct instrument of the financial oligarchy through the state budget, and the whole state machinery. In the realm

of world finance, the state laws are always the instruments of so-called “financial control” which are indispensable to the bourgeoisie.

A central bank is not an innovation of the CCF. The capitalist class has discovered long ago the usefulness of a central state or “state-controlled” bank. The German Reichsbank is a model for Mr. Woodsworth’s future state bank. In British imperialist finance, no one can tell where the Bank of England begins and the English Government ends. They are connected inextricably. It is seen that British and German imperialism are ahead of CCF “Socialism.” On the one hand, the idea of a central state bank is the utopian dream of the ruined petty-bourgeoisie, and on the other hand, it is a part of the whole system of rule of the financial oligarchy. The capitalist class of Canada not only has nothing to lose by a central bank, but can and probably will intensify its plundering of the masses at home, and its struggle for markets abroad, by means of a central bank.

The word “Socialism” is used by the reformists to hide the capitalist content of State Capitalism, which does not weaken, but strengthens the capitalist monopoly of the means of production and the exploitation of wage-labour. The masses are misled into believing that State Capitalism can solve the capitalist crisis, while the contrary is the case, i.e., state capitalism is a phenomenon of the period of decaying, dying capitalism and of the utmost sharpening of all its contradictions, and only further deepens and aggravates all the contradictions of capitalism. The aim of the “nationalization” plank of reformist programmes is to give greater credence among the masses to the illusion that the road to Socialism is through the capitalist state, thus striving to maintain the faith of the masses in the capitalist state and retarding the struggles of the masses, in order that the capitalist political and economic offensive might advance with less resistance.

In reality, the social-reformist slogan of “nationalization” is a “left” manoeuvre. In the present crisis, “state capitalism” finds expression not so much in the direct “taking over” of enterprises by the capitalist state as in the greater direct subsidization of the large capitalist

trusts by the state and the closer and closer integration of the state machine with the “private” capitalist trusts. This is illustrated by the Duff report, Beauharnois, etc., as well as by the large handouts of the Bennett Government to the CPR, Vickers Ltd., etc. We see its highest expression in the Roosevelt schemes. The tendency today is not to increase capitalist state enterprises but rather to place the existing state enterprises under the control of private enterprises and to hand them back to private capital. This is clearly seen in the regulation of the CNR in accordance with the interests of the CPR and the agitation for amalgamation under private management. It is also seen in the whole operation of the Hydro in the interests of private power concerns.

In this respect, social-reformist governments have carried out and always will carry out the regular and identical policy of all capitalist governments. If it “nationalized” a given concern or industry, it would be to serve the interests of a particular section of the financial oligarchy, or to serve some general capitalist interest, for example, in time of war. It would, of course, never carry through a general “nationalization” of all or a large number of concerns.

The “left” manoeuvre of the slogan of “nationalization” goes together with a whole series of other manoeuvres, such as the constant emphasis on the fact that social-reformism is the main bulwark against the proletarian revolution, that the CCF will not destroy the individual, etc. It is usually accompanied by the highest form of parliamentary deception, which is utilized by all capitalist politicians — a pretense that a conflict exists between the state and the banks.

The “socialization” slogan gives social-reformism the widest manoeuvring possibility in its parliamentary deception of the masses. When social-reformist leaders occupy government offices, they find a thousand strings of demagogy to mislead the people as to why they do not carry through their “nationalization” programme. They say that certain preliminary measures are necessary, such as “rationalizing the industries” (speed-up and more intense exploitation). They often rep-

resent matters as if a conflict had arisen with the banks and that certain things must be done to put the financial system in order before it is “taken over.” “Royal Commissions” are established on this, that, and the other thing. Committees of “experts” and “industrial boards” (whose real mission is to strengthen a given powerful capitalist trust) are set up on the plea that this is a step towards “Socialism,” just as the Duff report is an “inevitable advance to Socialism.”

But the main social-reformist by-play with the “socialization” slogan is in parliamentary opposition. In this role, social-reformism manoeuvres with the slogan of “nationalization” until the revolutionary movement and the daily experience of the masses unmasks it as the agent of capitalism. All of these utilizations of the slogan of “nationalization” are well known in the international experience of the working class. For example in England, the Labour Party has used and is using the “socialization” plank of its programme for sweeping manoeuvres to deceive the masses. When a Labour Government is in office, the slogan of “nationalization” is handed over from the “official” leaders to a “left” group. The Labour Government declares that “nationalization” is impractical because the financial system must first be put in shape and because of the crisis. The “left” group takes up this slogan and plays at a fake opposition to the official party spokesmen, in order to prevent the masses from seeing through the whole plank in the platform concerning “nationalization.” When, however, the Labour Party goes back to the role of “opposition” in the House of Commons, it once more officially takes up the slogan of “nationalization,” and commences the old demagoguery over again in new words, using such phrases as “public corporations,” etc.

The CCF leaders have already made ample provision for their future manoeuvres with the question of “socialization.” The provisions involve a division of labour among the CCF leaders and a skilful play with words.

A division of labour is established between the CCF leaders on the question of what is to be “socialized.” The official programme and the

chief leaders speak only of the “socialization” of certain utilities and “all other industries and services essential to social planning.” This latter phrase is typical of the kinds of words utilized. Its purpose is to leave the matter open to any kind of interpretation. But we have already seen that the chief leaders of the CCF do not include the bulk of Canadian industry within the scope of their “socialization” proposals. They have a very limited “socialization” programme, which falls far short of the programmes of most liberal capitalist parties of Europe. The phrase, “other industries essential to social planning,” springs from the theory that planning is possible even though industry still remains predominantly in the hands of private concerns, which we have seen to be incorrect. At the same time, it can fit in with the “left” CCF leaders, who, in order to deceive more advanced workers, will contend that it means all industry, because all industry is essential to social planning.

In reality, the CCF programme does not contain the nominal Socialist aim of the “nationalization” of ALL the means of production. It is on this question that the leaders in the CCF, who represent the current of the bourgeois revision of Marxism to which we referred in chapter one, have a special role to play. The chief leaders of the CCF propose the “socialization” of a few industries; these “left” leaders propose the “socialization” of all industries. It is seen that no difference in principle exists between them. Both rely on the fundamental deception that “state ownership” is Socialism. Their difference in words is a means of diverting attention away from the principle issue. The “left” leaders have the role of holding the more advanced workers in support of reformism. They pose as being more “radical,” more thoroughgoing “Socialists” than the main leaders. The logic of their position is that the programme and the chief leaders are heading in the right direction, but they do not go far enough. They do not differ as to whether state ownership is Socialism, but merely as to how much state ownership should be undertaken. It is readily understood that this division of labour between the CCF leaders is an essential part of

the reformist, parliamentary deception of the more advanced sections of workers.

The word “socialization” is itself a provision for future manoeuvres. What does “socialization” mean? The CCF leaders have never undertaken to define exactly what it means. Mr. Philpott has explained that this word is used because the term “public ownership,” has “come into bad repute in Canada.” The CCF leaders use this term to try to give the impression to the masses that the public ownership, which they propose, is something different from ordinary public ownership, in spite of the fact that, as we have seen, they openly admit that the present public ownership is “an example of how a CCF Government would function.” “Public ownership has come into bad repute,” and therefore, it is necessary to invent a new word in order to fool the people.

On further examination, it will be found that a still greater significance is to be attached to this mysterious word, “socialization.” The older social-reformist programmes always employed the word, “nationalization.” This word is now discarded in the CCF programme, and is used by the leaders only when speaking to more advanced sections of workers, who are not inclined to put up with word-tricks. The reason for this change is not far to seek. “Nationalization” of an enterprise by the capitalist state implies a full business transaction, whereby government bonds, written into the national, provincial or municipal debt definitely displace the former company stock, and the operation of the given concern is integrated directly with the state apparatus and the state budget. “Socialization,” however, has no such meaning. It can mean “control” or “regulation.” In short, this new term is definitely adapted for the requirements of reformist manoeuvring today, when capitalism is not moving in the direction of “nationalization” or the further extension of state capitalism, but is rather tending more and more towards the close integration of all the big corporations with the state apparatus in other forms, such as the direct subsidization of the big monopolies, state protection for them, etc.

This is most clearly seen now in the United States, where the great “socialist” Roosevelt has already subsidized the banks to the extent of three billion dollars. The same tendency is seen clearly in Canada on a large scale (government subsidy and direct protection to the big monopoly interests).

The word “socialization” leaves the way open for any future juggling by the CCF leaders. They can easily change the interpretation of its meaning from “nationalization” to “public control,” or other such terms. All such schemes of “public control,” where the “state intervenes in business,” as in the case of the Duff report, for example, are, in reality, not public control of the large corporations, but control of the public by the large corporations. The following quotation from Elmer Roper, one of the Edmonton CCF chiefs, clearly illustrates the future manoeuvres which will be carried through by the CCF, with the word, “socialization”:

“It,” writes Roper, referring to the CCF programme, “does concern itself with a planned economy which can only be accomplished through the assumption of absolute social control of the means of life in the nation. And if that control is assumed what does it matter who holds the nominal ownership of factories or farms. People don’t eat or wear or live in factories. It is the products of factories and farms that men are interested in. And the problem to be faced is the control of the means of production in the nation in such a way that the goods and services that may be made available by our productive efforts shall be passed into the possession and lives of the people. That is what it is, a problem of control.” (Alberta Labour News, Dec. 9, 1933.)

Mr. Roper has hit the nail on the head. Why bother about the ownership of the means of wealth production? And he offers the workers a special inducement to, please, forget about the ownership question — the inducement that if they will only consent to the capitalist retaining the ownership of the means of production, he will ensure

that they receive all the products. He is interested, above all things, in convincing us that ownership is not the question, and presents us with the argument that we cannot eat factories. The capitalist class will remain the owners of the means of production, but they will be “controlled.” Mr. Philpott says the capitalists will become “partners,” instead of “dictators.” In order to distract the workers from the basic question of the capitalist ownership of the means of production, which decides the question of the acquisition of the commodities produced, the CCF leaders try to make out that ownership and acquisition are separate matters, and ownership a mere nominal question of no importance whatever to the workers.

These are the fairy tales peddled by CCF leaders. They wish to make the workers believe that they are “Socialists,” and that they will really and truly do away with capitalism, precisely in order to deceive the workers by their catch-words — “socialization,” “nationalization,” “control,” or what you please — that it is unnecessary to abolish the capitalist class of exploiters by doing away with the capitalist monopoly of the means of wealth production. The word “socialization” is merely one of the devices of the social-reformists for manoeuvring.

The CCF programme calls for “compensation” of the owners when industries are “taken over” by the state. It emphatically declares against “confiscation.” The word “compensation” gives a realistic tone to the theory that state capitalism is Socialism. It implies that the capitalist class is “bought out” by the state. Such a transaction, of course, never takes place. The capitalist class remains in possession of the capital. Taking advantage of the credulity of workers, the social-reformists like to give the impression that the capital of the given company expressed in money form is paid over to the owners by the state, and the matter is closed. This is utterly ridiculous and absurd. What happens is merely that the form of the title to capital is changed. Stocks are changed for government bonds. Dividends are changed to interest. But the “certificates of capital” remain in the hands of the capitalist class. The class ownership and control of the means of wealth produc-

tion remains unchanged in principle. This is concretely illustrated by the CNR, Hydro and every state capitalist enterprise in Canada, which are represented as “publicly-owned undertakings,” only in order to facilitate the robbery of the masses by the financial oligarchy, who really own and control them.

The CCF leaders are hard pressed trying by some means to show that the capitalist class loses, and that the masses gain, as a result of capitalist nationalization of certain concerns. For this purpose, they utilize their liberal-utopian theories of money reform and inflation, which we have examined in chapter 2.

Inflation is actually the practical content of the CCF proposals for “financing” its imaginary Planning Commission. The “public works, as directed by the Planning Commission” are to be financed by “credit based upon the national wealth.” We have seen already that such credit is merely inflation. This proposal is identical with the method of inflation employed by the Roosevelt Government. Government works are financed by new paper currency or credit, resulting in the desired depreciation of currency, and the consequent all-round reduction of the standard of living of the masses. It is a method of inflation which will undoubtedly be used by the Bennett Government in Canada for the same purpose as Roosevelt has employed it, to attack the standard of living of the masses and intensify its imperialist struggle for foreign markets.

The programme also proposes that the “National Investment Commission” will provide financing “free from perpetual interest charges,” and declares that no more government financing will be permitted which results in “dead weight burdens” of “unremunerative debt.” These proposals sound excellent and are intended to catch the ear of unsuspecting people who do not understand what it is all about. There is only one kind of Government financing outside of taxation, which is “free from interest” — inflation. The idea that the “National Investment Commission” will be a repository of non-interest bearing capital is a utopian dream. To speak of interest but “not perpetual

interest” is merely a subterfuge. Only when capital is destroyed will interest cease and there will be no question of “perpetual interest” or any other kind of interest. As for the “unremunerative debt,” it is important to note that the only real alternative to increasing government debt is inflation. But, in reality, these phrases in the CCF programme are demagogic ballast. The real content of the policy of a CCF government in all of these matters would not differ by so much as a hair’s breadth from the practice of all capitalist governments.

The CCF programme presents the question of “compensation” as a kind of transition to the “new social order.” It declares that compensation is necessary for individuals and institutions, “which must receive adequate maintenance during the transitional period before the planned economy becomes fully operative.” In this way the impression is given that “compensation” is merely a necessary “evil” on the way to a new millennium. Even conceding for the moment that the CCF will extend public ownership enterprises, this will not represent a transition to a new millennium, but to a higher stage of the decay of parasitic, monopoly capitalism.

It is a common practice of CCF leaders, when speaking before audiences of advanced workers, to give the impression that the taxation policy of a CCF Government would solve the question of “nationalization.” The programme speaks of increased income taxes to provide capital for the “socialization of industry.” When striking a very revolutionary pose, “left” social-reformists frequently declare that “we will tax it out of them.” Insofar as the CCF leaders utilize this kind of talk to give the impression to the workers that taxation of capital solves the problem of “buying out” the capitalists, it is pure deception. If we permit ourselves for a moment to go into the realm of fairy tales, and suppose that by collecting the entire income of the whole capitalist class in taxes for one year a CCF Government were to “buy out” an important concern such as, for example, the Shawinigan Light, Heat and Power Company, what would it represent? It would merely represent the enforced centralization of a vast amount of liquid

capital in the hands of this most powerful financial group at the expense of the bankruptcy of smaller and less powerful groups. Such a measure by a CCF Government would only represent the utilization of the state by the biggest financial groups for their greater and more rapid enrichment. But on such a scale, it is, of course, sheer imagination. Every day of the year, the same thing takes place but in a real and concrete form, witness CNR, Beauharnois, Abitibi, subsidies to the CPR, Vickers, etc. The matter is put in a fantastic form by the CCF leaders in order to strike a revolutionary pose before the workers and mislead the people as to its real essence. But in reality, a CCF Government would put this "principle" into effect in a realistic form, following the practices of all capitalist governments. These practices of a CCF Government would flow directly from the CCF programme. Such practices require, in the first place, the safeguarding of the system, attempts to save the system from the deeper crisis into which it is plunging. This, in turn, requires the strengthening of the most powerful capitalist groups at the expense of the masses. The imposing talk about "taxes" is merely a subtle way of giving the impression to the masses that taxation, an instrument of all capitalist government policy, is an "easy" and "convenient" means of advancing to a "new social order" without revolution, without the overthrow of capitalism and the destruction of the capitalist monopoly of the means of production.

The position of the CCF on taxation must not be confused with the demand of the workers that their immediate needs in the form of unemployment and social insurance, etc., be met at the expense of the capitalist class and the state. They have nothing in common. The demand of the workers for unemployment insurance at the expense of the capitalist class is a fighting demand, a part of the struggle against the capitalist attacks upon the standard of living of the working class. The CCF peddles inflation, a general reduction of the standard of living of the masses, as the panacea for meeting these demands of the masses. Every cent to be forced from the capitalist class in the form of

unemployment insurance and other immediate demands of the workers, can only be won by the strongest and most organized struggle of the workers. A CCF government in office would not facilitate this struggle of the workers, but would be an instrument of the capitalist regime for offsetting the struggle of the workers. Under a CCF government the struggle of the workers for these immediate needs at the expense of taxing the rich would have to be intensified still further in order to force the capitalists and their CCF government to disgorge.

In connection with the perspectives of the future utilization of the slogan of “nationalization” it is interesting to note the discussion in the CCF convention on the question of “compensation” or “no compensation.” In the CCF there is taking form a certain grouping which constitutes the nucleus for the future ripening of a fully developed “left” social-fascism. The international experience of the working-class shows that with the breaking up of the basis and the influence of social-reformism and the exposure of its fakery with the slogan of “nationalization,” a “left” social-reformist group is an indispensable requirement of social-reformist deception. This “left” social-fascism has the role of holding the faith of the more advanced workers who begin to see through the falseness and deception of the “nationalization” slogan. The “left” social-fascists put a “left” halo around this capitalist slogan, and try to make it appear revolutionary by the words, “without compensation.”

It may appear at first sight that the question of compensation is really a fundamental one. The official programmes of all shades of social-reformism stand for so-called compensation when “public ownership” is established in a given industry.

All means of production represent capital. This capital is nothing more or less than the surplus value which has been robbed from the masses through the exploitation of wage-labour. We have seen that “compensation” merely means that ordinary company stocks is transformed into state bonds, increasing the national debt, and that the capitalist collects his profits from the exploitation of the workers by

means of the state apparatus and through the coffers of the state budget rather than in dividends voted by the Board of Directors of a Corporation. There is here, in reality, no "compensation." The capitalist, of course, can sell his stock or his bonds to another capitalist, in which case he is "bought out" of the given concern. But this is an ordinary transaction, which takes place a thousand times a day on the stock exchange.

"Compensation" is not, in reality, an issue. The question of "public ownership" has nothing to do with compensation. It is merely a transference of capitalist possessions from one hand to the other. It would not in any sense alter the question if the capitalist state were to confiscate property. In fact, there are cases in which the capitalist state confiscated property. The fact that the postal system was never a private capitalist concern, but always a state enterprise, does not alter its capitalist character. The same applies to water system, etc. During war time, the capitalist state power always confiscates the capitalist property of the enemy, if it can lay its hands on it. The question of "compensation" is an entirely foreign question. It is merely made use of by "left" social-fascism to deepen and give greater credence to the whole theory of "nationalization" as a way out of capitalism through the capitalist state. The capitalist state can, of course, never be utilized by the workers for Socialist confiscation of the means of production. Such an objective can be attained only when the capitalist state power is destroyed. The question at issue is the state itself, as an organization of capitalist class power; not the manner in which it takes up the administration of a given capitalist enterprise. The high-sounding talk of the "left" social-reformists about "no compensation," the purpose of which is to divert attention away from the question of the CHARACTER OF THE STATE, is the final link in all the manoeuvres of the social-reformists with the question of the abolition of private property in the means of production.

We have sketched the following series of manoeuvres on this question: 1. The tactics of presenting "control" as the decisive issue in or-

der to overstep altogether the question of “nationalization.” 2. The slogan of “socialization” with a limited programme of the “nationalization” of public utilities. 3. The slogan of “nationalization” of all the means of production, which is the apex of the theory that state capitalism is Socialism. And finally, 4. The slogan of “nationalization without compensation,” the “left” manoeuvre, to obscure the issue of the character of the state and still preserve the influence of reformism among the advanced workers who begin to see through the falseness of the theory that state capitalism is Socialism.

The final argument used by the social-reformists in support of their theory that state capitalism is Socialism is to declare that in the Soviet Union state capitalism prevails. In this way, they try to confuse the minds of the workers as to what state capitalism actually is. Mr. Woodsworth declared:

“The only state which has abolished capitalism is Russia, but it has set up a state capitalism.” (Toronto Telegram, Mar. 13, 1933.)

The sweeping victory of the workers of the Soviet Union in the construction of a new Socialist society under the leadership of the Communist Party, the completion of the first Five-Year Plan and the commencement of the second, the transformation of a once backward country into an advanced, industrial Socialist country, the onward sweep of the cultural and social rebuilding, the steel determination shown in meeting and overcoming the numerous difficulties and obstacles under the leadership of Comrade Stalin — these developments in the building of the new Socialist world in the Soviet Union have left the capitalists and their agents without arguments with which to try to destroy the great enthusiasm of the masses throughout the world for the Soviet Union. The gigantic contrast between the Socialist world in the Soviet Union and the deepening crisis and feverish war preparations in the capitalist world is a tremendous revolutionizing factor, which causes universal alarm among the capitalists. Today, the

capitalist class and their agents have everywhere resorted to new arguments against the Soviet Union. They are concerned, above all, with convincing the masses that in the Soviet Union a fundamentally new system does not exist but that it is the same as capitalism, because they wish to convince the masses that it is unnecessary to overthrow capitalism in order to build Socialism. For this reason, they commenced some time ago to talk about “planning,” as if planning could be undertaken in the capitalist world in the same way as in the Soviet Union, without first of all overthrowing the capitalists. By this talk, the reformists and the capitalists wished to convince the masses that in order to overcome the crisis and plan the economy it was unnecessary to destroy the capitalist system.

Now the capitalist press and the social-reformists join in a common chorus that state capitalism prevails in the Soviet Union, not Socialism. The purpose is obvious. They wish to convince the masses first of all that the proletarian revolution in the Soviet Union was futile, and did not bring Socialism, but merely continued the old system of capitalism in a new form. The conclusion which they wish the masses to draw is also obvious — that no proletarian revolution is necessary and that capitalism can have just as bright a future as the Soviet Union. They wish to destroy the tremendous contrast which exists in the minds of the masses between the capitalist world of crisis and the Socialist world in the Soviet Union.

It is not difficult to see the fallacy of their argument. The proletarian revolution in the Soviet Union swept away the capitalist system. It swept away the capitalist class and took the means of production from their hands. In place of the capitalist monopoly of the means of production, it established the workers’ monopoly of them. The whole structure of production was changed. There was no longer an owning class and an exploited working-class. For this very reason, it was possible for the Workers’ Government to build a Socialist society upon a planned basis, without crises. There is a Workers’ State, and the class of capitalist parasites has been liquidated. How then can any form of

capitalism exist? In the Soviet Union the workers are building Socialism WITHOUT CAPITALISTS AND AGAINST THE WHOLE CAPITALIST WORLD. It is here that we can see the exposure of the CCF deception of state capitalism, in living reality. The CCF proposals of state capitalism are designed to deceive the workers that Socialism can be achieved without abolishing the capitalist class, without doing away with the monopoly of the means of production in the hands of this class and without doing away with the state organization of this class. In the Soviet Union, the capitalist state and capitalist ownership has been destroyed and in its place there is a Workers' State, which represents the working-class organized as the ruling class to run production and build Socialism. The state capitalism, with which the CCF tries to fool the Canadian masses, does not abolish the capitalist state organization, which is the first prerequisite to achieve Socialism, it does not abolish the capitalist class monopoly of the means of production, it does not change the relations in production of an exploiting class and an exploited class, — in short, it does not abolish capitalism, but is only the most advanced form of parasitic capitalism, and in the mouths of the social-reformist leaders is merely an instrument to deceive and mislead the people in order to hold back the rising forces of proletarian revolution.

“Socialization” is the magic word with which the social-reformists pretend to offer an easy and peaceful road to Socialism. No class struggle is necessary. Good will prevails. The classes are reconciled. Together, the workers and the capitalists, move “inevitably” to “Socialism,” with Bennett’s Radio Commission, Henry’s Hydro, and the Conservative Party in the vanguard!

The whole deception of social-reformism on the question of state capitalism is inseparably connected with the question of the State. Before coming to that fundamental question, we must first of all deal with the theory of “Organized Capitalism” and the position of the social-reformists on the class divisions in capitalist society, and the class struggle.

## B. FALSE FATALISM AND THE THEORY OF “ORGANIZED” CAPITALISM

The fallacious idea that state capitalism is Socialism is founded upon the capitalist theory of “organized” capitalism. This theory of world social-reformism is clearly expressed in the “Canadian School of Socialism,” the “originality” of which consists in the adoption of all the theories of capitalism.

The theory of “organized” capitalism is briefly as follows:

Capitalism leads to the concentration and centralization of capital. Its main characteristic becomes monopolies. These monopolies are represented by the large trusts and state monopoly enterprises. The control of these enterprises is more and more centralized. Because of these large monopolies and especially the state monopoly enterprises, the old competition and anarchy of capitalism disappears. Capitalism becomes by the very logic of its development an organized system. When it reaches this stage, crises disappear and capitalism can go forward in a normal and peaceful development. This organized capitalism covers the whole world and thus does away with world conflicts also. But by this very organized character of capitalism, Socialism commences. The position of the masses constantly improves. “Industrial democracy” develops in which the workers have a full share in the direction of industry, together with the democratic state. Thus, capitalism goes inevitably over into Socialism by the very logic of the laws of economics.

This theory was developed by the theoreticians of social-reformism in Europe, particularly in Germany. It finds its full and complete expression in the programme of the CCF, although the CCF leaders are unable to surround it with any kind of “scientific” covering as was done by their colleagues in Germany.

We have already given quotations from Mr. Woodsworth which fully contain this theory. He speaks of capitalism being compelled to “advance along socialistic lines.” He declares this to be inevitable. This

same idea prevails in the programme of the CCF. It declares that “it is now certain that in every industrial country some form of planning will displace the disintegrating capitalist system.” The whole essence of the social-reformist trick of representing state capitalist industries as “Socialism” is based upon the above theory of “organized” capitalism. Under the “social ownership” plank, the CCF programme states:

“Only by such public ownership, operating in a planned economy can our main industries be saved from the wasteful competition or the ruinous overdevelopment which are the inevitable outcome of capitalism. Only in a regime of public ownership and operation will the full benefits accruing from centralized control and mass production be passed on to the consuming public.”

Here a certain variation in terms is to be noted, as a result of the necessity of presenting the theory of “organized capitalism” under the disguise of anti-capitalist phrases.

But the essence remains the same. Likewise in speaking of the industries to be “nationalized” the programme states that those to come under this “plan” first will be those in which “exploitation, waste and financial malpractices are particularly prominent.”

The essence of these formulations is the theory of “organized capitalism.” It is the theory that state monopoly does away with the laws of capitalism which creates anarchy, overproduction and waste. On this basis, the CCF leaders develop the theory of “planning” and the introduction of “industrial democracy.”

The theory of “organized” capitalism has been fully exposed by Marxism-Leninism. It was exposed many years ago. In Marxian literature is to be found a full and complete refutation of all elements and variations of this theory. We will touch upon the main questions.

Monopoly capitalism is a distinct period in the history of capitalism. This period is imperialism. It is characterized by the growth of the large monopoly enterprises. Industrial capital is fused with banking capital. Finance capital is the result of this fusion. It represents a

very high stage of concentration and centralization of capital in which a small group of financial kings own and control the means of production. It is a high stage of the monopoly of the means of production in the hands of the capitalist class.

But this monopoly development, which brings to an end the old era of free trade competition, does not do away with the fundamental laws of capitalism. On the contrary, this monopoly development brings out in a higher and sharper form all the contradictions of capitalist production.

Marx clearly expressed this even before the commencement of the present imperialist epoch, when he wrote:

“In practical life, we find not only competition, monopoly and their antagonisms, but also their synthesis, which is not a formula but motion. Monopoly produces competition, competition produces monopoly. The monopolists compete with each other, while the competitors become monopolists... The synthesis consists in that monopoly is able to exist only because it carries on a constant competitive struggle.” (Karl Marx, “Poverty of Philosophy.”)

Lenin, who further developed Marxism in the present epoch of monopolist, imperialist capitalism, wrote in this connection:

“Monopolies, while growing out of free competition, do not abolish it, but exist side by side with it, breeding a number of particularly acute and serious contradictions, frictions and conflicts.” (Lenin, vol. XIX, p. 142.)

Competition becomes a competition between gigantic corporations. The great monopoly industries come into sharp clashes in the world market. The struggle for the world market between these gigantic monopolies becomes many times fiercer than the old competition of “free trade.” The whole state machine is drawn into this struggle with tariffs and all the machinery of the state. This period is the period

of the tremendous growth of the state military machine, which is the direct instrument of concentrated and centralized finance capital in its struggle for world markets, inevitably leading to incessant imperialist wars and predatory suppression of the colonial peoples.

Internally, within each capitalist country the growth of monopolies intensifies the competition. This competition is reflected in the clash between the great corporations in the struggle for the market. The exploitation of agriculture by monopoly capitalism is intensified through the monopoly formation of prices. A sharp struggle develops between the monopolies in the various branches of industry. Thus, for example, we witness the sharp struggle between the various corporations controlling the production of various fuels, such as coal, oil, electricity, etc. The formation of the great government-owned Hydro is an example of how one powerful group of capitalists utilizes the state to establish a monopoly to replace the products of other monopolies, i.e., the coal interests. The keenest competition develops for the “consumer’s dollar,” giving rise to the tremendous development of advertising.

Thus, we see that the monopoly development of capitalism does not do away with capitalist competition, but on the contrary, it sharpens this competition and at the same time sharpens the anarchy of capitalism.

The idea that state capitalist monopolies can do away with the anarchy of production is totally unfounded. The idea that state capitalism or “public ownership” can bring about a “planned economy” is based on the theories of capitalist spokesmen, who always attempt to paint a bright future for capitalism. In reality, all monopolies, including state monopolies only bring out more sharply the contradictions of capitalism expressed in overproduction, and do not in any sense lead to a “balancing of producing and consuming capacity.”

This is obvious, if one bears in mind that monopoly capitalism is based on a high technical level of production. It is precisely under these conditions that the disproportion between the mass production

of the workers and the lower consuming power of wages is most manifest. It represents the highest development of technological unemployment. Production increases greatly, but the number of workers is less. At the same time, monopoly development lowers the consuming capacity of the farmers.

The establishment of a state monopoly in a given industry does not in any way eliminate the fundamental contradictions between consuming capacity and productive capacity, because it does not alter the fundamental conflict between the monopoly ownership of the means of wealth production by the capitalist class and the social character of production.

If we consider the inevitable results in Canada of the development of state monopolies in industries it will be seen that this will not bring capitalism closer to "planning," but will increase the crisis of capitalism and deepen its contradictions. For example, let us consider the results of the establishment of a complete state monopoly in the transport industry by the fusion of the CPR with the CNR. The result would be the centralization of control and the "planned" rationalization of transportation. What would this mean? It would mean the displacement, probably, of not less than 100,000 workers from the industry, if we include automobile transport. This "rationalization" would increase the productivity of each worker by many times in comparison with the present productivity, thus increasing the disproportion between production and wages, or consuming power. One group of capitalists would be wiped out or there would be a fusion of the most powerful of the several groups in control of the new enterprise. It would mean greater monopoly prices for transportation and intensified exploitation.

The same applies to every possible attempt to "plan" economy by means of state monopolies. Every such attempt increases the anarchy of capitalism. For example, a further broad extension of state monopolies in electricity and a wide extension of the electricity industry would bring about an acute aggravation of the crisis in the coal, oil

and gas industries, causing a great increase in unemployment, and an acute financial crisis in the corporations controlling coal, oil and gas. It would merely represent the successful competition of the capitalists financing the state electricity industry with the capitalists of the gas, oil and coal industries. The deception that it would “pass fruits on to the consuming public” is so much tommyrot, exactly similar to the attempt of all capitalists to represent themselves as benefactors of the consuming public.

The great war and the world crisis of capitalism gave rise to a certain growth of state capitalism. This represents the working out of the laws of capitalism, which drive towards concentration and centralization of capital. The state capitalism which has developed is a direct attempt of the capitalist class to save itself. But like all the tendencies in capitalism, this merely brings a deeper and more acute stage of capitalist contradictions. It represents the fact that capitalism has entered the stage of its decline and decay. It has reached the stage of its death. The idea that the state can step forward as the “organizer” of production through state monopoly enterprises is an attempt to make the highest stage of the development of the contradictions of capitalism appear as “Socialism.” The “organizing” role of the state through state ownership results in the sharpest clash between producing and consuming capacity, and a still more profound crisis of capitalism. “The intervention of the state,” the “regulation by the state” and the “control by the state” in industry all represent a utilization of the state by finance capital to strengthen its monopoly, and the strengthening of monopoly means the greater aggravation of the fundamental contradictions of the capitalist system.

The theory of “organized” capitalism is accompanied by the theory of “industrial democracy.” This is contained in the CCF programme. This theory, in fact, is the essence of the section of the programme, entitled “Labour Code.” It states:

“By means of collective agreements and participation in works

councils, the workers can achieve fair working rules and share in the control of industry and professions; and their organizations will be indispensable elements in a system of genuine industrial democracy.”

This theory is the height of hypocrisy and mendacity. It goes along with all the usual clap-trap of social-reformism about the “intervention of the state in society.” The reformist leaders love to talk about the “state educational system,” the “state pensions,” “state insurance,” “workmen’s compensation,” etc., as evidence of the growing “Socialist” tendencies. These measures of the capitalist state, taken under the pressure of the masses, were, of course, direct measures of capitalism to strengthen itself, to fasten its hold upon the masses more firmly, to try to prevent the growing discontent of the masses, which is a constant threat to capitalism, particularly when the financial oligarchy is placing gigantic burdens upon the backs of the masses.

But the theory of “industrial democracy” is the highest development of all this talk of reformism. It holds out an idyllic picture to the masses of workers of a new millennium under which the workers will “share” with the state and the capitalists in the “control of industry.” The workers’ organizations, that is, the trade unions, will be part of the harmonious system of “genuine industrial democracy.” The state monopoly enterprises will usher in this new world.

This theory is the highest development of the deception of the masses by finance capital. The system of “works councils,” which “share in the management of industry” was fully developed in Germany, after the bourgeoisie with the aid of the social-reformists had crushed and defeated the proletarian uprising in 1918-19. In the gigantic concerns of finance capital and in its state concerns, it is essential for capitalism to devise special machinery for the prevention of strikes and struggles of the workers against the lowering of wages and the worsening of working conditions. This special machinery consists precisely in the theory of “industrial democracy.” In order to pull the

wool over the eyes of the masses, in order to hold them back from struggle, the capitalist state and the big capitalist concerns integrate the apparatus of the reformist trade unions with the management and try to deceive the workers that they are “sharing” in the management, and should accept the “responsibilities” of sharing in the management. This is a highly advanced form of the attempts of the capitalist class at all times to try to get the workers to identify their interests with the interests of the capitalist class. It is a highly advanced form of the service of the interests of finance capital by the officials of the reformist trade unions in inculcating into the minds of the masses all the deception of the capitalist class.

It is not necessary to go very far to see the workings of this “genuine industrial democracy.” The Canadian railway systems give one of the very best examples, particularly the CNR. Tom Moore, head of the AF of L, is made a “director” of this “Socialist enterprise.” The reformist unions are represented throughout the company system. The workers are drawn into “sharing in the management.” For what purpose? In order to prevent the masses from struggling against their exploitation! In order to transform the workers’ organizations from instruments of struggle against capitalism into part of the apparatus of the exploitation and enslavement of the workers! In order to speed-up and intensify the exploitation of the workers and remove tens of thousands of them from the industry! In order to carry through wage-cuts, and give the workers the illusion that they “share” in responsibility for the “welfare” of the industry, thus identifying their interests with the interests of, capitalism. Here, we have a genuine example of the “genuine industrial democracy,” advocated by the CCF. It is merely an advanced system of capitalist deception, adapted to the period of monopoly capitalism and acute class struggle. It is a new chain to bind and enslave the working-class, at a time when the death-knell of capitalism must be sounded by the revolutionary mobilization of the workers.

The whole theory of “organized” capitalism is designed to incul-

cate in the minds of the masses a false fatalism in order to keep the masses passive and prevent them from mobilizing in the fight for Socialism. It promises “Socialism” as the result of the operation of “economic laws” and a blind inevitability, to be pushed forward, to be sure, through parliamentary elections. It is developed by the false fatalistic theory that “capitalism has collapsed” or is “collapsing.” The whole theory and all its variations are designed to attain one aim; to prevent the masses from understanding the necessity of revolutionary organization and struggle in order to attain Socialism.

This theory is presented most subtly by the CCF leaders who try to pose as Marxists. They admit that the cause of the crisis is the existence of private property in the means of production. But the capitalists are pictured as mere victims of the laws of their own system. The system has collapsed, or is collapsing, according to law. And it must inevitably be replaced according to law.

Mr. MacInnis says for example:

“I am not blaming the employers. My friends usually blame the banks for the situation. I blame neither the banks nor the employers; they are compelled by the necessity of the situation to eat or to be eaten, to exploit or be exploited.” (Hansard.)

In conclusion, he said:

“...we have finished the upbuilding of our industrial civilization. It is now more than sufficiently equipped to supply the needs of the population for many years to come. Such being the case, the government... is facing a very serious situation. It is faced with a collapsing social structure. It is not responsible for that impending collapse... change is now inevitable. The only choice is to facilitate change or oppose it. But changes do not wait for our pleasure, and we oppose them at our peril.” (Hansard.)

That is the depth of gross economic determinism, which has nothing in common with Marxism. The capitalists are exonerated by eco-

conomic laws. The system collapses of its own accord. No one is to blame. Change is inevitable because of the same “dead laws” operating from the skies. No struggle is involved, but it is necessary to warn the unintelligent capitalists of their peril before these devilish laws. It is always by such talk that the social-reformists mask the real countenance of capitalism before the masses to prevent them from seeing the capitalist class as it really is — as the active agents in all the workings of this system and its consequences.

Mr. MacInnis provides us with a good presentation of the social-reformist theory of the collapse of capitalism. All of the CCF leaders represent the present situation as a “collapse” of capitalism. Some of them, like Mr. Philpott, declare that it has already collapsed. Others say that it is collapsing, or will collapse shortly. The reason for this theory is obvious. It is part of the whole system of ideas of the social-reformists for holding the workers back from struggle, for convincing the masses that it is unnecessary to overthrow capitalism, but that capitalism will simply collapse of its own accord. We shall see that this theory fits admirably into the whole CCF programme presenting actual phenomena of monopoly capitalism as the “transformation of capitalism into Socialism” (state capitalism, central bank, inflation, state regulation of external trade, etc.). The two ideas dove-tail into each other to make a picture of the advent of Socialism, which requires nothing from the masses but perfect passivity. The system collapses and inevitably becomes transformed into Socialism by the growth of state capitalism, a central bank, inflation, etc.

The social-reformists are above all interested in keeping the masses from taking up a revolutionary struggle against capitalism, and their theory that the system collapses is merely one of their instruments for trying to achieve this purpose. Actually, capitalism will never collapse of its own accord. There is no situation in which capitalism cannot continue to go on, until the working-class puts an end to the system, not by passive observation of an automatic process, but by revolutionary struggle.

These people try to represent Socialism as a common need of all, the capitalists and workers alike, and the crisis as a catastrophe of “fate” in which all are common victims. They try to change the Marxian analysis of capitalist society from a guide to action for the working class in the struggle for the proletarian revolution, into a sterile and empty apology for capitalism. Capitalists cannot help being capitalists so why blame them. These profound philosophers carry the same line of reasoning still further in order to prove by “Marxism” that it is useless to fight against wage reductions and the offensive of capitalism, since wage cuts and unemployment, etc., are inevitable under capitalism. Why fight against what is inevitable, they say. In this manner, they try to rob Marxism of its whole content and change it from a revolutionary force into hollow and deceitful cant.

The realities of state capitalist enterprise and “public ownership” and the further monopoly development of capitalism as a whole, its so-called “organization” and “planning,” are quite different from the picture painted by the CCF. These realities are not difficult to understand. The “division of the national income” becomes a greater and greater robbery of the masses, resulting in a further rapid deterioration of their position. “Public ownership” only intensifies the struggle of capitalism to drive down real wages. It increases the exploitation of the farmers by monopoly price formation. It results in the increase of taxation on every article of consumption of the masses. In the capitalist state enterprises the workers are the bonded slaves of the capitalist state. They are chained to the state economically, and the CCF demagoguery of “industrial democracy” serves the aims of the capitalists of chaining them more securely to the capitalist state in their thinking. They are deprived of the right to organize revolutionary unions for struggle and deprived of the right to strike because they “share” in the “genuine industrial democracy” of bearing the monstrous burden of exploitation imposed on them by the parasitic leach of the capitalist state.

This is the “inevitability” of the CCF programme, which presents

the real phenomena of imperialist, monopoly capitalism dressed up as a “co-operative commonwealth.” This is the “inevitability” which only the mobilization and organization of the revolutionary working class can prevent and shatter.

### C. THE RELIGIOUS CLOAK

These theories of social-reformism, like all capitalist theories, are unfailingly put forward in religious forms in order the better to penetrate into the minds of the masses. Our examination of the CCF theories of “state capitalism” and “organized capitalism” would be incomplete without a word concerning the religious dress in which these theories are presented frequently to the masses.

The most ardent representative of the CCF in the utilization of the religious covering for these social-reformist theories is Rev. Salem Bland. He provides the editorial page of the “Toronto Star” with its main CCF material, making this foremost capitalist paper a very subtle instrument for the reformist deception of the masses.

The following quotation from Rev. Salem Bland provides us with the essence of the religious presentation of the CCF programme:

“Only one system that might be called a science of social reconstruction has appeared as yet, the theory elaborated by a man of great heart and great intellect, Karl Marx, but that theory is too steeped in pessimistic fatalism to be acceptable in Christian lands.

“We find ourselves in Canada like the crew of a Newfoundland fishing boat that has been blown by a sudden gale out of familiar waters far into the lonely North Atlantic, only that the sea we are now on is still lonelier and has never been chartered. Nobody, except the believers in Karl Marx’s gospel, professes to know where we are going or what is going to happen to us on the voyage. As far as Canada is concerned the most promising programme so far set forth seems to me to be that put forward by the Co-operative Commonwealth Federation. It is not like Marxian Socialism

a class-gospel. It is more comprehensive. It seeks to bring together and benefit together farmers, industrial workers and middle-class business and professional people. It is hopeful where Marxianism is hopeless. It believes that 'man is man and master of his fate.' It has faith in the freedom and power of the human will, in human intelligence and love of the best...

"Whether then we like it or not, we are committed to this task of reconstruction...

"No reform movement will reform our present system as it ought to be reformed unless it has an intense and unappeasable hatred of the oppression and injustice and inhumanity of our present social order. But (and this is a great "but") this hate must flame against things, never against men...

"I suppose a good many think they could name the men who are pre-eminent in Canada as oppressors, but these words of Jesus suggest that he would tell us that we were not justified in thinking that these were sinners above all other Canadians, and that unless we cleanse our hearts of this lust for money, or power, or success, or popularity, we shall perish as surely as they. What is needed is criticism without bitterness, the showing up of evil ways without saying or even thinking that these who follow and uphold those ways are worse than the rest of us. It is a new kind of revolution to attempt, but it seems to me practicable and infinitely preferable not only to a Communistic revolution, but even to a revolution carried through by regular and peaceful and constitutional methods." (Star Weekly, Feb. 25, 1933.)

Here we see economic determinism dressed up in a religious disguise and covered with an attack against "Marxian pessimistic fatalism." This theory plumbs the depths of Philistinism. It amounts to this: The capitalist class is not to blame. It is a mere victim of economic laws which act like "divine fate." Man is not man and master of his fate so far as the capitalist class is concerned. Not at all! He is as

innocent as a lamb. Only direct your criticism against things. If the capitalist class cuts your wages, hate the low wages but not the capitalists. If they throw you out of work and starve you on relief, hate the relief and the factory you were thrown out of, but not the capitalists. If you are clubbed and imprisoned for protesting, hate the clubs and prison but not the capitalist government. If the capitalist class send you to war to be slaughtered in their gigantic international conflicts for profits hate the war, but not the capitalists. Above all, do not organize and develop the class struggle to overthrow capitalism. That would be “Marxian fatalism.” It is true that Marxians alone seem to understand things. But they are “pessimistic fatalists.” You must believe that man is man and master of his fate so far as the capitalists ceasing to be capitalists and becoming “co-operative Socialists” is concerned, but you must understand that all of their deeds against you are because they are mere victims of “economic circumstances.” You must believe in the free will of the capitalist to cease to be a capitalist, but you must never say or even think that he is responsible for the “evil” deeds he commits against you.

This is the sermon to the workers from this ideological leader of the CCF. Do not blame the capitalists for capitalism because they have no free will! But do not grow fatalistic and pessimistic with regard to the capitalists using their “free will” to overthrow capitalism as that would be “Marxian fatalism.” Can philistine, unashamed, deliberate deception sink to any lower depths?

It is in this manner that capitalism adapts its religious philosophy to deceive the masses and hold them back from struggle against capitalism. Thus, the social-reformists accept and utilize the reactionary, capitalist religious philosophies for the struggle against the scientific, revolutionary, Marxist-Leninist interpretation of history, materialist dialectics.<sup>1</sup>

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<sup>1</sup> For a full understanding of this question, the reader should study the monumental works of Marx and Engels and the profound work of Lenin, “Materialism

For the bourgeois and petty-bourgeois economic and political ideas and theories of social-reformism, reactionary, religious philosophy is the indispensable corollary. With the crisis of decaying capitalism, its religious philosophy also finds itself in a crisis, expressed among other things in its present desperate manoeuvres to maintain its influence over the masses (witness the social demagogy of the United Church, adopting methods identical to those of the CCF). This religious philosophy is the same with which the bourgeoisie prepare and sanctify their wars, filling the masses with pacifist illusions; it is the same philosophy which cloaks the whole capitalist plundering and oppression of the masses, and which provides “soul salve” for capitalism. The social-reformists present it to the masses in multifarious forms; “good-will revolution,” “a revolution without bitterness,” “Christian brotherhood,” etc. What better illustration could there be of the utter bankruptcy of this philosophy and the crisis in which it flounders than its utilization by the reformists to try to imbue the masses whom capitalism oppresses with its monstrous state apparatus of violence and slaughters in its wars, with a “loving spirit” and “tolerance” towards capitalism, and a willingness to resign themselves passively to “fate.”

## IV. The Fallacy of ‘Peaceful Revolution’

A. Classes and the Class Struggle. B. The Capitalist Theory of the “Democratic State”

### A. CLASSES AND THE CLASS STRUGGLE

By the false theory of “organized capitalism,” social-reformism tries to give an “economic” basis to its theory of the gradual, peaceful transformation of capitalism into Socialism, the capitalist theory of the “democratic” state.

The point of departure of the capitalist theory of the “democratic” state is the obliteration, in theory, of the fundamental class antagonisms in capitalist society. The idyllic picture of a “co-operative commonwealth” arising from the tendencies of state monopoly in production, the magic transformation of capitalism into “Socialism,” requires that the fundamental conflict of interests between the working-class and the capitalist class be transformed into a harmless and easily reconciled relationship.

Mr. Woodsworth has undertaken this task in one of his writings, which is typical of the whole content of social-reformism on this question. In one of his writings, widely spread by the capitalist press, entitled “The Businessman’s Psychology,” he commences by upbraiding the “Socialist” speakers and “other working class advocates” for the bad things said about the capitalists. He goes on:

“We submit that there is nothing to be gained by maintaining arbitrary or erroneous ideas. We have, for example in Canada no class corresponding to the ‘bourgeois’ of Europe. Our ‘middle class’ occupies a very different position from what in Europe is known as the ‘middle class.’ Most of our wealthy men have not inherited their wealth and by no means live an idle, self-indulgent life. They are, according to their lights, highly estimable citizens.

“The rather crude invective with which these ‘capitalists’ are

assailed has not only the effect of making their minds to a still greater degree impervious to modern social ideals, but it also prevents the workers understanding the true position of those whom they regard as the 'enemy,' and hence adopting the most effective form of attack. Not infrequently the members of the business and professional classes are as much the victims of 'the system' as the manual workers who have become 'class-conscious.'"

Mr. Woodsworth then gives us a picture of the early life of the capitalist as a farm boy, who only knew "the labour problem" at that time in connection with his father's hired man and hired girl. The "farm boy" then started business in a small town. "He called his employees by their first names." The only poor was the "village drunk." Since he moved to the city to his new big business he has become "isolated" and does not understand the change. The description then proceeds:

"...His isolation is complete, his class-consciousness assured.

"HE IS KIND-HEARTED. HE GIVES TO THE CHILDREN'S HOME, EVEN THOUGH HE PROTESTS AGAINST MOTHERS' PENSIONS. THIS IS NOT RANK HYPOCRISY. His early childhood and the village life gave him personal sympathy. But he has had no personal experience of the desperate struggle of modern industrial life, and no enlightenment with regard to modern methods of social service.

"He will send a Christmas basket to a poor family at Christmas but he will fight valiantly against organized labour. Again the key to his action lies in his own personal experiences with their limitations.

"He thinks he knows the problems of labour because he knew his father's hired man, or knew his men in the little town where he began business twenty-five years ago. He fails to realize that just as his mahogany-finished office and beautiful residence differ widely from the old barn in which he forked back the hay, or his

little bedroom with the rag carpet, so an absolutely new world has grown up about him.

“He has depended for his information on the newspapers and on his subordinates, and they have made only partial representations.

“He has, he thinks, a mass of new data, but the new data has all been run into the old moulds — the moulds of his personal experiences in a simpler social state.

“But is he not a leader in the new commercial and industrial life? Undoubtedly he has seen life not as a series of human relationships, but merely from the standpoint of dividends.

“He thinks himself just. He would not commit a vulgar theft. He would not insult his neighbour’s wife. He does not realize that he is the beneficiary of a system that is degrading womanhood and crushing out mankind. Can he be made to understand?”

Here we have a complete picture of class relationships à la CCF. What are the conceptions established here? They can be summarized as follows:

- (1) We have no bourgeoisie in Canada.
- (2) We have a wealthy class, who did not inherit their wealth and are highly estimable citizens.
- (3) Since moving from the village business to the city, the capitalist has become isolated and does not know the “trials of modern industrial life.” (The newspapers and his employees don’t inform him about things.)
- (4) He does not know that he is benefiting from a system that is driving down the masses.
- (5) The “most effective form of attack” is to “make him understand,” to “enlighten him”!

You see from this that there are, in reality, no classes, with fundamentally opposing interests. There are some unhappy people, who are isolated and do not understand things. The trouble is that enlightened

class-conscious workers are making it harder for them to understand. The problem is to break down the isolation of these wealthy people and enlighten them.

Let us examine the question of classes, and class relations.

What are classes? The ruling class thinkers at all times try to confuse the answer to this vital question. They describe classes according to wealth, according to culture, according to intelligence, ethics, or religion, etc. At all times they avoid the fundamental question which determines the division of society into classes — the mode of production. All class societies have been divided into classes on the basis of the different modes of production. Any attempt to define classes on the basis of “distribution,” or other arbitrary criterion, is merely to avoid the fundamental problem of the mode of production by which society lives.

Classes can only exist in society by the appropriation of the labour of one class by another class in accordance with the historically determined mode of production of that society. This appropriation of the labour of one class by another class under capitalism is the exploitation of wage-labour, the appropriation by the capitalist of surplus-value, the unpaid labour of the wage-earners. This is achieved by virtue of the fact that the capitalist class owns all the means of production. Its existence is dependent on the existence of another class which owns no means of production and therefore is compelled to sell its labour-power to the capitalist owners of the means of production.

Capitalism and the rise of the capitalist class was no such idyllic picture as Mr. Woodsworth gives us. Capitalism came into existence by the violent ruination of the masses of peasants and artisans, creating millions of paupers in order to place them as wage-earners at the beck and call of the capitalists. The early accumulation of capital was based on the slave trade, official piracy and plundering.

Mr. Woodsworth’s picture of the boyhood days of the big capitalist on his father’s farm and his later commencement of business in which he calls his employees by their first names, may be very touch-

ing indeed, but it hides the historical facts and realities. It is undoubtedly true that some of the capitalists in Canada did spend their boyhood on their fathers' farms, although the main origin and development of capital was quite different from this. But in Mr. Woodsworth's picture, he seeks to hide the early class differentiations.

Where did Mr. Woodsworth's capitalist get the capital to start in business? Where did his employees, whom he called by their first names, come from? Here, we must take into account the peculiar factor of free land (i.e., means of production), which existed in North America as a factor in the class development. It must be remembered that early feudalism in Canada was violently overthrown by capitalism, freeing the land and trade for capitalist development. But no sooner do farmers settle on the land than a class differentiation commences. Farmers are not a class, but are a stratum of the population which is constantly being broken up into classes. Mr. Woodsworth's capitalist had a father who employed a hired man and a hired girl. These were undoubtedly part of the vast host of the army of free labourers from Europe who were either driven or came voluntarily to Canada to supply the rising capitalist class here with wage-labour to exploit. In Mr. Woodsworth's case the hired man took up free land. So long as there was free land, this process continued to take place. The wage-slaves deserted and took up land. This intensified the drive to bring more "free" labourers from Europe and also made it possible for the labourers to force a higher price for their labour-power.

But this phenomenon did not stop the exploitation of labour. Mr. Woodsworth's capitalist secured his capital to start business from the unpaid labour of his father's hired man. If he did not secure it from that source, he secured it by plundering the Indians<sup>1</sup> in the fur trade, exploiting labour in construction, or brought it with him from Europe where he secured it by exploiting labour. This capitalist's father was

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<sup>1</sup> Outdated and derogatory term for Indigenous peoples; widely accepted in the 1930s when "Socialism and the CCF" was originally published. — NEPH

an early capitalist farmer. He had means of production and exploited the labour of those who did not have them.

His son starts business with the capital he has accumulated. But where did he get labourers to call by their first names? It is seen that his starting in business is dependent on the existence of a class which has no capital, and therefore cannot start in business. These “free labourers” were either imported from Europe, from the ranks of the unemployed army, or were ruined small farmers (ruined in the process of the enrichment of the capitalist’s father), but since at that time the differentiation between farmers and their division into rich exploiting farmers and poor farmers or wage labourers had not advanced very far owing to “free land,” we assume that the former is the case. The class division in Canada is, therefore, a reproduction of the class relations in Europe.

How did Mr. Woodsworth’s capitalist become a big capitalist? Mr. Woodsworth does not seek to enlighten us on this point. It is irrefutable that this small capitalist became a big capitalist on the basis of the exploitation of the wage-labourers whom he called by their first names. His paternal relations with them was undoubtedly only an additional way of ensuring their exploitation.

But that is not all. We have seen above that, in accordance with its own laws of motion, capitalist industry is compelled to expand in order to live. The development of large-scale industry is the process of the concentration of capital into fewer and fewer hands. The rise of one large capitalist means the ruination of dozens of small capitalists. This process has gone on until today capitalism is ruled by an omnipotent financial oligarchy, which holds in its hands the control of the whole life of every capitalist nation. On a world scale, it is represented by the world domination of the few, big, capitalist nations, i.e., domination by the financial oligarchy of the big powers.

The crisis today is crushing hundreds of small businessmen. It weighs down on the petty-bourgeoisie. These people dream of the return of the “old days.” Just as the peasants of Europe at the time of

the industrial revolution dreamed of the return of the “old days” and therefore, took a reactionary view, wishing to turn the pages of history backwards, so the petty-bourgeoisie today dreams of the “old days” of growing capitalism and wishes to turn back the pages of history. They visualize the old days of village small-business where the boss called his employees by their first names as an “equitable” system and try to fit the future into their dream. They try to picture the future of capitalism as a “more equitable capitalism,” without the startling contrasts of present day capitalism and without its “evils,” a capitalism in which their small possessions and privileges would be safe and secure. This point of view is the only point of view which the petty-bourgeoisie can arrive at independently. This point of view is an inherently reactionary one, and leaves the petty-bourgeoisie helpless before big capital, until sections of them are won over to support the workers’ revolutionary programme and movement.

By its very nature, the capitalism of the “good old days” was destined to become the capitalism of the present day under the domination of finance capital, centralized in the hands of the financial oligarchy. Based on exploitation of the wage-earner by the capitalist, the commodity system constantly divides society into two opposite poles. Social-reformists try to convince the workers and petty-bourgeoisie that capitalism becomes more and more “democratic” in its distribution of wealth. This, of course, is seen to be an utter fallacy. CONCENTRATION AND CENTRALIZATION OF CAPITAL IS A FUNDAMENTAL AND IRREVOCABLE LAW OF CAPITALISM. Intermediary strata of people between the capitalist class and the working class are constantly being broken up. This is very clear among the farmers. A very small number become rich capitalist farmers. The masses of farmers are driven constantly lower. Large sections of farmers are forced into the ranks of the agricultural or industrial proletariat. The section of small or poor farmers constantly grows larger at the expense of the medium-sized farmers.

At the one end of society capital becomes concentrated in fewer

and fewer hands, while at the other end of society the class of industrial workers, who are entirely without means of production grows larger and larger. For example, in Canada today the controlling group of financial lords is not larger than one hundred men. On the other hand, in the last ten years the rate of growth of the industrial proletariat has been many times faster than the rate of growth of the population as a whole.

Mr. Woodsworth's fable that there is no "bourgeoisie" in Canada as in Europe is made out of the whole cloth. Mr. Woodsworth may wish to base his distinction between Canada and Europe on "moral" grounds. He may tell us that the bourgeoisie in Europe is more indolent, more idle and self-indulgent. He may say "our" bourgeoisie is more alert and aggressive, more punctual in business and more efficient. But what difference does it make to the working class of Canada whether the capitalists are drunk or sober, sleepy or wide-awake? If there is any difference it is that the bourgeoisie of Canada by intensive methods drives the Canadian workers to greater speed in production. By its efficiency methods, it exploits the workers more ruthlessly. Is this your recommendation of the Canadian capitalists, Mr. Woodsworth?

As for the possible contention by Mr. Woodsworth that the "polarization" of society has not gone so far as in Europe, this would also be quite false. The development of monopoly in Canada is, if anything, greater than in Europe. There is not a significant industry in Canada that is not dominated by trustified capital, either controlled by the Canadian, American or British financial oligarchy.

Mr. Woodsworth says that most of Canada's capitalists did not inherit their wealth. This is a childish attempt to cover up the history of Canadian capital. The primitive accumulation of wealth in Canada was based on the plundering of the Indians<sup>1</sup> in the fur trade, the grabbing of lands, the big railway land grabs and vicious exploitation of

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<sup>1</sup> See footnote on p. 103. — NEPH

the early proletarians, the utilization of the state for parcelling out the spoils (forests, water sites, land, minerals and all kinds of monopoly rights) to dominant capitalist groups. Much of the early capital was imported from England, and onto it grew up Canadian capital and the Canadian capitalist class until it finally became a capitalist class in its own right. It is a common Horatio Alger book story that the big capitalists of today rose "from the ranks." It is true that because of the fact that capitalism started in the new country of Canada, certain small capitalists who commenced business with the small accumulations from the hired man, which had been made by their fathers, were able to become big capitalists. This also applied to gangs of adventurers and other plunderers and brigands, like Lord Strathcona. But what does it matter whether they inherited their fortunes or not? No capitalist becomes a capitalist because he is a "better man" than other men. It is never due to higher cultural attainments, greater intelligence, or greater moral virtues. No! It is due to participation in the primitive forms of capital accumulation or to the special and peculiar features of early exploitation in a new country. The fact that one or two large fortunes were not inherited is no virtue of "our" capitalists, but is due to the youth of Canadian capitalism. The fact, however, is that most Canadian fortunes were inherited by their present possessors.

Mr. Woodsworth says Canadian capitalists are not idle and self-indulgent. We have seen one side of the inaccuracy of this statement. But this statement is specifically intended to cover and conceal the parasitic character of capitalism. It would appear that Canadian capitalists are rich because they are busy and energetic, and that this somewhat excuses them. This is absolutely false. Finance capital by nature is parasitical. The old "family" business with the owner as the personal supervisor is no longer the predominant type of capitalist enterprise. This has long ago given place to the stock company, the corporation and the trust in which banking capital and industrial capital have fused into finance capital under the control of the financial oligarchy. Sir Herbert Holt is a characteristic figure of modern capitalism, a di-

rector of 367 companies and in indirect control of no one knows how many more. The modern “capital” is the fictitious stock capital, which is entirely divorced from production, but which sucks the blood from production. Production is controlled by the financial oligarchy through all its connecting strings. The capitalist class sucks off its profits from production as a parasite. Thus the dividend collectors of the CPR could live their whole lives in Africa but still collect their millions. The same applies to the whole capitalist class who annually collect the hundreds of millions of profits from Canadian industry. They are useless and superfluous parasites. What Mr. Woodsworth calls “isolation” is in reality pure parasitism. Mr. Woodsworth may here and there find a small capitalist who manages his own plant. Perhaps he is a good manager. But this is no virtue since his good management has the objective of profit by robbing the labour of his workers. He is an exploiter of workers. There are two million workers in Canada, every second one of whom could manage it just as well without profit. But such a capitalist is an exception, though he is none the less a parasite. But he is a parasite of a lower order. He has not kept up with the development of his species. The Canadian capitalist class, like the capitalist class of every capitalist country, is a parasitic leach living on the backs of the toilers of city and farm.

Perhaps Mr. Woodsworth thinks Canadian capitalists are not so idle and self-indulgent because they spend more time in hectic speculations and feverish worries about their impending doom than European capitalists. But that is hardly possible. Perhaps Mr. Woodsworth thinks they are not so idle and self-indulgent because they devote more time to culture. But that is not true. Nowhere in the whole capitalist world is capitalist culture so utterly bankrupt, degenerate and barren as in Canada. Perhaps the Canadian capitalists are more ethical and moral as Mr. Woodsworth suggests. But that is also false. The bourgeoisie established their code of ethics and morals only for the masses; not for themselves.

Mr. Woodsworth was apparently making a fully voluntary but

equally false attempt to completely wipe out the class struggle in Canada by a flourish of the pen. His entirely false painting and obvious admiration and complimentary words for Canadian “wealthy men” in preference to the European “bourgeois” is a sufficient cause for rather uncomplimentary words about Mr. Woodsworth on the part of anyone who would care to investigate even in the most superficial way the nature of the Canadian ruling class.

We have seen that the class divisions in modern society are the result of the private ownership of all the means of production by the capitalists through which they appropriate to themselves the labour of the other class, the wage-earners who are entirely propertyless (i.e., without the means of production). This system is based on the exploitation of wage-labour. But in “normal” capitalism, as we have seen, this very exploitation and the nature of the capitalist private property brings forward periodic economic crises. We have further seen that through these periodic “booms” and crises by which capitalism moves, the class division is not only maintained but is constantly reproduced on a higher and higher level. The society becomes more and more “polarized” — at the one end, the financial oligarchy, at the other end, the increasing number of proletarians.

The inner and fundamental contradiction in capitalism is the contradiction between social production and private appropriation. What does this mean? The development of large-scale industry and the conquest of the whole world by capitalism means that production has developed a tremendous, all-embracing social division of labour in production. Every industry is interdependent. The operation of one is dependent on the whole. The production of goods, therefore, is a social production, in contrast to the “individual” production of former systems. But on the back of this social production sits the capitalist class which owns all the means of production with which social production is carried on and appropriates for sale all the products of that social production. This causes anarchy in production, since the capitalists sell their goods in competition and can only realize their

profit (unpaid labour) in expanding production or foreign markets. Secondly, it is accompanied by the inevitable driving down of the “home” market in the form of wages by improved technique, intensification of labour and in the elimination of workers from industry. Thus, the contradictions between expanding production and lowering consumption is the result of this fundamental contradiction between social production and private ownership.

Out of the exploitation of the working-class by the capitalist class grows the class struggle.

Capitalism has necessitated a great extension of means of production (though by no means sufficient to supply all human needs if those “needs” were not restricted by capitalism). But what is the nature of this increased production? Its nature is social production! To understand this production we must understand the social relations involved. Capitalism has brought into existence a class which is capable of conducting social production of all wealth. It has, therefore, brought into existence a class which by its very position is destined to free social production from its bonds of capitalist private ownership. It is the class which represents the future society of social production without capitalist appropriation! It is the gravedigger of capitalism! That class is the working-class!

The development of capitalism constantly strengthens this class, both numerical and in solidarity. In the early capitalism of small-scale production, the worker sometimes identified his interests with that of his master, thinking that the more business to “his” shop, the better for him. This was shattered by large-scale production. It was replaced by other forms of capitalist influence among the workers. By blinding sections of the workers, so that they cannot distinguish between their temporary, sectional interests and general class interests, the capitalist class has been able to hold sections of workers under its influence. In the same way, it was able to secure the support of the workers for its predatory foreign wars.

But all such “solidarity” between the workers and capitalists is

only momentary and fleeting. Being always at the expense of the workers, it but prepares the basis for greater enlightenment and class solidarity of the workers.

The interests of the capitalist class and the interests of the working-class are in reality fundamentally irreconcilable. The class interests of the capitalists mean the maintenance of the bond of private property on social production. The maintenance of that bond causes the inevitable worsening of the position of the working-class. Capitalism leads to all the mortal anguish of the masses in the modern world. It forces the masses through the bloodbath of its wars. It has entered long ago the period of its decay and degeneration. The continued existence of the capitalist class is dependent on the submission of the masses to untold and unprecedented misery and hardship. The interests of the working-class require a constant fight against the capitalist class and the final destruction of the entire system, and the freeing of social production from the fetter of private property under Socialism.

We see, then, that the fundamental contradiction between private property and social production finds expression in the conflict of the two classes of capitalist society. Their fundamentally opposing interests are as irreconcilable as private property and social production are irreconcilable.

So much for Mr. Woodsworth's attempt to paint an idyllic picture of classes and "abolish" the class struggle. This would-be obliteration of classes lays the basis for the propagation of the capitalist theory of the "democratic" state.

## **B. THE CAPITALIST THEORY OF THE "DEMOCRATIC" STATE**

Declaring themselves to be against capitalism and for its abolition, while in reality advocating a programme of capitalist panaceas and state capitalism, the social-reformists base their system of deception of the working class on the capitalist theory of the democratic state. Be-

guiling the masses with the deception that they stand for the attainment of Socialism, they come forward as the main champions of capitalist democracy, and occupy themselves mainly with spreading the idea among the masses that Socialism can be attained through the capitalist parliament. The CCF programme declares:

“This social and economic transformation (!) can be brought about by political action, through the election of a government inspired by the ideal of a Co-operative Commonwealth and supported by the majority of the people. We do not believe in change by violence. We consider that both the old parties in Canada are the instruments of capitalist interests and cannot serve as agents of social reconstruction, and that, whatever may be the superficial differences between them, they are bound to carry on government in accordance with the dictates of the big business interests who finance them. The CCF aims at political power in order to put an end to this capitalist domination of our political life.”

Here we have the social-reformist promise of a “co-operative commonwealth” by the election of a CCF Government. We will leave aside for a moment the fact that what the CCF promises in its programme is, of course, not Socialism at all. We will consider the question of the capitalist state as a whole in relation to the working-class aim of Socialism: Can the working class attain its aim of doing away with the capitalist system and establishing a socialist system in which capitalist private property in the means of production will be done away with through the election of a majority to parliament?

The capitalist class always answers this question in the affirmative, declaring to the workers that all or any changes can be brought about by elections to parliament. Colonel Price, Attorney-General of the Ontario Conservative Government, the capitalist “hero” who distinguished himself by prosecuting the Communist Party under Section 98, recently made a fundamental, capitalist declaration on this question. He said:

“Under the representative system all and any changes are possible, the only condition is that you must first convince a majority of the people of the desirability of such a change. That is, our system is designed so that a numerical majority of the people must approve of what is to be done, on the theory that what suits most of the people, the rest must be content with.” (Mail and Empire, Sept. 10, 1933.)

This is in essence the capitalist position on the “democratic” state. This theory is taken over as a whole by social-reformism and advocated and supported in the working-class movement. This theory is the final link in the whole social-reformist chain of capitalist theories. This capitalist theory was fully exposed by Marx and Engels. At the time, when Marx lived, the military machine and state bureaucracy in England was relatively undeveloped. For that reason, Marx considered it possible for the workers to gain power peacefully in England, but at the same time showed that it could only retain power by the forcible suppression of the capitalists, who would organize a rebellion against the working-class power. This concrete historical observation of Marx was taken by the social-reformists and developed into a complete revision of the scientific, Marxian analysis of the state. They tried to transform Marxism into the theory of Colonel Price and the whole capitalist class, at a time when the capitalist state had developed the full characteristics of the present day, a tremendous military machine and an immense bureaucracy. It is significant that Colonel Price as a foremost representative of the Canadian bourgeoisie devoted a special speech from which the above quotation is taken to just such a distortion of Marx. It shows the tremendous importance which the bourgeoisie attach to the maintenance of the illusion among the masses that all changes can be brought about through parliament.

The bourgeoisie and the social-reformists of Canada develop this theory by contrasting the “democratic” state of Canada with the Tzarist state in Russia before the revolution, or with the present existing

Fascist dictatorships and frequently they contrast “democratic” Canada with the workers’ dictatorship in the USSR. They admit that no democracy existed under the Tzar or exists under the present Fascist regimes in Europe in order to try to emphasize that Canada is one of a few special countries in which genuine democracy exists, and in which, therefore, no proletarian revolution is necessary in order to attain Socialism. The bourgeoisie and social-reformists develop a vast range of arguments in support of the theory of the “democratic” state. They constantly place the question: bloody or bloodless revolution? By this, they would like to paint the Communists as bloody and violent people in order to play upon the people’s natural opposition to blood and violence. At other times, they paint revolution as imminent, and put forward the CCF as the only safeguard against revolution.

Mr. Irvine, MP, has formulated the capitalist theory of the “democratic” state in a full fashion in the following:

“The state,” writes Mr. Irvine, “under democratic government is not something that controls the people, but is the people in control of themselves.” (Mr. Irvine’s emphasis on the word “is” — GP) (“Political Servants of Capitalism,” p. 22.)

Here we have the essence of the capitalist deception of the masses concerning the state which is the fundamental basis of the whole social-reformist system of betrayal of the toiling masses of farm and city. Let us examine the true meaning of this capitalist theory.

We have seen that capitalist society is a class society. Its contradictions constantly sharpen the antagonism between the working class and the capitalist class. We see that capitalism has come to a position where its maintenance is conditioned by the constant deterioration of the position of the masses. The question arises: By what means has capitalism maintained the private ownership of the means of production in its hands? By what means has it imposed its will upon the masses throughout the decades? By what means does this minority

class continue to hold in its hands the private control of all the wealth production at the expense of greater and greater hardship to the masses? The means by which the capitalist class has maintained its rule is the STATE POWER.

The state is an organ of coercion. It came into existence when class society came into existence. The ruling class of every society appropriates the labour of the subject classes and in order to do this and maintain its rule, it must have in its possession the means of enforcing its will upon society. State laws are nothing but a political expression of the economic supremacy of the master class. Throughout the ages each state power bore the form and character best suited to the maintenance of the position of each particular ruling class in accordance with the various modes of production, i.e., the various ways by which the different rulers of different societies appropriated the labour of the exploited classes (slavery, feudalism).

Under capitalism, the state takes on the form best suited to the interests of the capitalist class. The state is a concrete historical formation arising from the concrete historical conditions under which the bourgeoisie came to power. The bourgeoisie as a class came to power by the violent overthrow of feudalism. The growth of capitalism necessitated the overthrow of the old feudal regime, which was based upon serf labour. Capitalism ripened within feudalism to the point where it could go no further without overthrowing feudalism. This overthrow represented the transference of power from one ruling class to another. The early capitalist class took over state power. It replaced the old feudal laws with capitalist laws for the protection of its private property and its rule. It established under its control the organs of state coercion, the army, the police, the courts, jails, etc. In addition to its weapons of coercion, the old feudal regime told the masses that it was appointed by God to rule over them and thus maintained its influence over the thoughts of the masses. In order to drag the early proletariat in its train, the new bourgeois rulers not only suppressed the unrest of the masses by means of its new state organs of

coercion, but came forward in the sham role of “liberators” of all “humanity,” and established its organs for controlling the thinking of the masses, part of which is the “democratic” form of the state, the parliament, etc.

During the course of the growth of capitalism, the capitalist state appears in its “democratic” parliamentary form. The bourgeoisie is confronted with a growing proletariat. Its economic power as the ruling class is the basis of its political rule and of its domination over the thinking of the working class. Its whole complicated state mechanism grows up on the basis not only of its direct coercion of the masses and their forcible subjection to the interests of private property, but also on the basis of the ideological domination of the masses, whom it teaches to identify their interests with those of their masters. It controls the mighty instruments of the press and the schools, etc. By its complicated method of the two party system, it maintains the forms of “democracy,” and by blinding the masses so that they are unable to distinguish behind each party, each programme, each statement or declaration, the special class interests represented, it is able to develop for a certain time, the faithful connection between the masses and its very instrument of class domination, the state.

In his pamphlet, “An Indictment of Capitalism,” Tim Buck fully exposed the essence of capitalist democracy. He exposed the essence of the apparatus of the franchise, the party system, the separation of legislative and executive functions by means of parliament and the Government. All of these “sacred” institutions which are said to represent democracy are really a sham. The whole press, the schools, the halls, the radio, are directly controlled by the capitalist class. The bourgeoisie places every possible obstacle in the way of the growth of the class-consciousness of the workers, and it is only the most determined struggle of the working class party which makes possible the expression of the class position and interests of the workers.

Tim Buck writes:

“During the war, the ‘democratic’ state becomes the instrument of forcing on the mass of the people the violent imperialist aims of Canadian imperialism in alignment with British imperialism against German imperialism, which was encroaching upon the markets and imperialist hegemony of England. The democratic state becomes the organizer of mass murder and war, the organ of the violent suppression of all opposition to its policy and the most vicious deception of the masses. The war cabinet, chosen by the capitalists, becomes an all-powerful dictatorship, without the usual expedient screens and masks — all at the behest of the capitalist ruling class. The Government and big capital drop the mask of formal separation and big capital and the state become one, working hand in hand for the war and enforcing their rule by open armed force. The government bureaucracy, together with the military machine, grow tremendously. Big capital is seen almost nakedly as the direct ruler, carrying through all measures and operating directly through the state for its enrichment through graft, bribery and every form of plundering and robbery with which we are acquainted.

“Following the war, during which we see the ‘democratic’ parliamentary state of Canada as the direct agent of big capital in the organization of imperialist war for profits, the state bureaucracy not only retains its tremendous size, but continues to grow. The police forces everywhere are augmented, and special measures carried through in accordance with the needs of the capitalist class to crush the unrest of the masses, whose wages are being cut, who are unemployed and destitute. In the Winnipeg strike and later in the Nova Scotia miners’ strike, the police, the soldiery, and the militia are mobilized to bludgeon, suppress and disperse the ranks of the workers, who are awakening to the tremendous deception of the great slaughter which has enriched the capitalists, murdered the best sons of the working-class, and left the workers destitute and starving.” (“An Indictment of Capitalism.”)

Again, he writes:

“In Canada, as in the European cradle of capitalism, violent revolution was the mid-wife at the birth of the contemporary capitalist ‘democracy.’ Under the conditions of the growth of capitalism, the ‘democratic’ parliamentary system flourished. It gave to the bourgeoisie as no other form of the state could give, the widest possible use of the two methods of rule employed by all ruling classes, — ideological domination and armed suppression.

“All Governments — from absolute monarchy to contemporary ‘democracy’ — rule by two means. Under absolute monarchy — the priest and the hangman. Under contemporary democracy — the whole bulwark of capitalist deception of the working class including, in the first place, the reformist labourites, and on the other hand, the police forces, the judiciary, the army and navy, and the whole apparatus of state force and violence.

“The ‘democratic’ form of capitalist rule has built up a powerful machine of deception of the workers on the one hand, and on the other hand has built a bureaucratic police and military machine for violent suppression of the workers, far superior to that of any absolute monarchy. The parliamentary system of the opposition and government capitalist parties gives the broadest base for deception of the masses. When Bennett is in opposition, he practises the most shameless, lying demagogy about ‘solving unemployment,’ etc. When Bennett is in power, King takes over the role of demagogic deception, Bennett, of course, at the same time still attempting to deceive the masses. The capitalists own the press, the radio, the schools, the church, and the hundred and one organizations and sacred institutions of bourgeois domination and deception of the workers. The election of members to the parliamentary pig-sty in no way determines the rulers. The rulers of Canada remain one and the same — the capitalist class, and above all, the financial oligarchy.” (Ibid.)

Further:

“Suffrage at best can only be a partial index to the class-consciousness of the workers who have the suffrage and can provide the workers with an additional platform in the parliament from which to expose the capitalist dictatorship to wider and wider masses. Suffrage can never express the will of the majority of the producers, the workers and poor farmers, and can never bring about the realization of their will! It only permits some sections of the producers to vote once in five years on which particular representatives of the ruling class shall hold the bureaucratic posts of parliamentary ‘democracy!’” (Ibid.)

In this way, Tim Buck correctly exposes the real character of capitalist “democracy” as an institution of capitalist rule.

The state apparatus is the means by which the bourgeoisie, as a class, carries on its dictatorship in capitalist society, its economic and political domination. This state organization assumes different forms, depending on the development of the class struggle. The forms of this state vary from bourgeois democracy to Fascism, in accordance with the needs of the capitalist class in suppressing the masses of workers and farm toilers.

Bourgeois democracy is characterized by the formal equality of all citizens before the state, while in reality the masses of toilers of city and farm are under the dominion of the bourgeoisie, i.e., the majority are ruled by a minority class. The general franchise, parliament and the freedom of press and assemblage, which supposedly make all citizens “free” and “equal” before the state are, in reality, instruments for the service of capital.

At the time of the origin of capitalism, the bourgeoisie was compelled to take up the fight against feudalism in the form of a struggle against the juridical forms of feudalism with its nobility and its juridically established rulers. It could not fight for the removal of the obstacles to capitalist exploitation, represented by the feudal economic

system, without fighting for formal, juridical, political freedom. Its classical, political ideology had to be expressed in “freedom” and “equality.”

But what was the real meaning of this “freedom” and “equality”? Its meaning is easily understood when we see that the rule of the bourgeoisie did not and could not rest upon the old, feudal, juridical forms of the aristocracy. The whole ideology of the bourgeoisie rests upon PRIVATE PROPERTY. For its rule it is impossible for the bourgeoisie to base itself upon the old, feudal forms of the rule of the aristocracy. Its juridical system is designed to safeguard the rule of capital, of private property only, and consequently formal political liberty and equality is indispensable to its juridical system.

The juridical “equality” under bourgeois democracy must be viewed in the light of bourgeois “economic equality.” The worker is juridically free to do as he pleases; but in reality he must work for a capitalist master or starve to death. Juridically, he is free to become a capitalist, but in reality the overwhelming masses of the whole population are condemned to spend their life in toil and hardship for the enrichment of the capitalist parasites. This economic “freedom” is nothing but the freedom of the bourgeoisie to exploit and rob the masses. The formal “economic freedom” is merely the ideological disguise which the bourgeoisie employs to hide its economic domination and exploitation, based upon its monopoly of the means of production.

Bourgeois juridical “liberty” and “equality” is of the same order. During the period of its growth, the parliamentary system and the franchise serve the bourgeoisie to drag the masses in their train, and hold them under their political and ideological domination. The bourgeoisie control the press, which is “free” only because it remains a monopoly of the bourgeoisie by virtue of its control of all the means of production. The bourgeoisie control the schools and the church as well as the auditoriums for public assemblage. Under these circumstances, the parliamentary system and franchise fully guarantee the se-

lection of the representatives of the capitalist parties. The working-class, under the leadership of its revolutionary party, must utilize all the possibilities of bourgeois democracy to build the working class press, organize workers' meetings and elect working-class fighters to the capitalist parliamentary institutions in order to strengthen the struggle of the working-class against capitalism. But it is seen that although the bourgeoisie, in advance, is guaranteed the only "free press" and "free speech," by its ownership of all property, it commences at once its attack upon the working-class press, working-class meetings, and the working-class party. In spite of the fact that the bourgeoisie has the only real possibilities of a "free press" by virtue of its property monopoly, it confiscates and suppresses the revolutionary working-class papers. In spite of the fact that it owns all the auditoriums, which make possible for it alone the only real "freedom of speech," it smashes with terror and violence hundreds of working-class meetings. Finally, when the bourgeoisie sees fit, it suppresses the working-class party and declares it to be illegal. The worker is "free" and "equal" before the state to propagate any views he wishes, but in reality he is deprived of his job, hounded by police, thrown into jail, clubbed on the head, and at times shot down and murdered in cold blood for his political views.

The parliamentary form of the capitalist state, which is by no means permanent but out of which an open dictatorship is developed when the bourgeoisie requires it, is characteristic of bourgeois democracy. The parliamentary form represents a division of executive and legislative functions; the parliament "legislates" and the government "executes." This so-called legislative function of parliament merely means that the so-called representatives of the people carry on debates for the purpose of deceiving the masses. The parliament is a special institution of the bourgeoisie for the ideological deception of the masses. Periodically various capitalist parties interchange the parliamentary positions of "government" and "opposition." A vast system of deception is built up through the mechanism of the capitalist, parliamentary parties, with their mutual parliamentary attacks and ma-

noeuvres. But the real government is carried on in the chamber of the big banks, in the offices of the big trusts and stock exchanges, in the courts and in the offices of the government police and the military. Through the parliamentary system the bourgeoisie develops its special stratum of skilled deceivers of the people, the whole riff-raff of the capitalist parliamentary system.

The bourgeoisie and their social-reformist lackeys always represent the state as being “above classes.” They represent the state as an instrument of “society as a whole,” à la Mr. Irvine. The state is alleged to be an eternal thing erected by “society in general” for its own good, which acts for the protection and maintenance of the “society as a whole.” They picture the state as an expression of the “majority” of the people. This theory is founded upon the capitalist deception of the equality of exploiters and exploited, and in reality is a justification of capitalist exploitation in general. It represents the whole outlook of the capitalist ruling class which pretends to speak for society in general, precisely because it is a minority ruling class, attempting to maintain its ideological domination of the masses. Every ruling class attempts to represent its state power as the embodiment of the interests of society as a whole. This is built into a broad theoretical superstructure by the bourgeois “scientists,” who in seeking to represent the state as eternal and a “general necessity” in the interests of society as a whole, even go to the length of “discovering” that a state exists among animals. This whole theory of the state is for the purpose of suppressing the working-class and the toiling masses, and at the same time deceiving them. The bourgeoisie is above all, interested in holding the faith of the masses in its rule, obscuring the fundamental antagonism of class interests and preventing the masses from recognizing the necessity of overthrowing its state power. It therefore, always represents its state as an organ of “society as a whole.”

Lenin profoundly summed up this question in the following:

“Parliamentarism as a state system has become a ‘democratic’

form of rule of the bourgeoisie, which at a certain stage of development needs the fiction of national representation, which outwardly would be an organization of a ‘national will’ standing outside classes, but in reality is an instrument of oppression and suppression in the hands of the ruling class.”

The state is an organization. It is an organization which has grown up in its present form in each country with the development of capitalism in each country. It is an organization of the capitalist class. It is quite true that by means of their state and the fact that they control all the means of production as well as the school, press, and all means of wide public expression, the capitalist class has been able with their apparatus of the parliamentary party system to make the masses their victims, to drag the masses along and get the masses to vote for their members of parliament. But that alters the character of their state in nothing but form. It remains an organization of a class, the exploiting and ruling class in society.

The state is the product of the irreconcilable antagonism of class interests. The economic exploitation and robbery of the masses by the capitalists, the ownership of all the means of wealth production by them is the very basis of their state organization. The franchise is merely an expression of the fact that the capitalist class has been able temporarily to establish its domination over the thinking of the masses by virtue of its economic and political domination. Political power is always possessed by the economically dominant class because otherwise its economic domination and exploitation of the masses would be impossible.

The idea that the masses participate in government or that the government is the reflection of the will of the majority of the people is expressly perpetuated by the ruling class by means of the superficial “democratic” forms and frills that the bourgeoisie has established, the franchise and the parliament.

These “frills” or special “democratic forms,” which are a special

historical product arising in the bourgeois revolution to overthrow feudalism are said to represent the “equality of all classes.” In reality, it is the political domination and suppression of the masses by the capitalist class and the monopoly of the means of production, which makes it necessary for them to use this deception. It is clear why the capitalist class, which is a small minority of society, finds it necessary to hide their organization of rule under the label of “equality” and “democracy.”

The state as a capitalist organization is the fixed and solidified embodiment of the monopoly of the capitalist class in the means of production. It is the chain which holds this monopoly intact. It is the organization which holds the whole system together. It is a bureaucratic machine and above all, a military machine, to maintain capitalism and capitalist private ownership. No equality between exploiters and exploited is possible. There can be no “pure” democracy in a class society. Capitalist democracy is democracy for the capitalist class only; it is the dictatorship of the bourgeoisie over the masses.

It is the fixed, state organization which prevents the capitalist system from being sprung to pieces by its own contradictions. We have seen that the basic contradiction in capitalism is the contradiction between social production on the one hand and private ownership and appropriation on the other hand. If it were not for the state organization, this contradiction would break up the capitalist system because it divides society into the two antagonistic classes of rich and poor. The private ownership of the means of production acts as a fetter upon social production. It holds back the operation and growth of the productive forces of society. But it is maintained by the state organization of the capitalist class. So long as the capitalist class has this state organization it will maintain private ownership of the means of production. It will prevent social production from being freed from the fetter of private ownership. It will maintain the working class in bondage, so long as it can maintain its state power. That is why the working-class must attain state power before it can do away with capitalism and

establish a Socialist society. For this reason the class struggle is a political struggle, a struggle for power.

The social-reformists would have us believe that this state organization can be taken over by the working-class by means of the frills and “democratic” adjuncts, the franchise and the parliament, which the capitalist class have attached to their state organization. They would have us believe that this “democracy” is not the solidified expression of the dictatorship of the capitalist class, but that it is a flexible, “neutral” organization, which can pass into the possession of the working-class, by virtue of the vote. No class struggle against the bourgeoisie is necessary, according to them. It is only necessary to utilize the vote. No class organization of the proletariat is necessary. All struggles of every kind become futile, according to these gentlemen. All that is necessary is to elect a majority of CCF candidates to parliament!

What is the essence of this theory of the CCF and Mr. Price, and the whole capitalist class? It is that the social-reformists, like the capitalists, wish the working class to see only the frills, only the special forms and fixtures screening the state organization of the bourgeoisie, in order that the masses will not understand the necessity of class organization for revolutionary struggle. It is precisely these fixtures and “democratic” frills which have been used by the bourgeoisie to deceive and drag the masses along under their influence for decades.

The capitalist state organization can never pass into the possession of the working class. That the capitalist class could or would ever permit their state organization (Government machine, state apparatus, army, police, courts) with all of its monstrous equipment of suppression and class rule to pass peacefully into the hands of the working class is a total absurdity. The whole state machine is directly headed and run by capitalists and representatives of capitalism, who are running it and have created it for the precise purpose of preventing the working class from getting political power. There is no other reason for the existence of the state except the maintenance of capitalism, the forcible suppression of the working class and the conducting of the

predatory foreign policy of capitalism. The idea that the capitalist state machine can ever pass into the hands of the working class is in contradiction to the whole reason for the existence of that state machine.

It would be a hundred times more sensible to try to prove the absurdity that the capitalist class will merely hand over the means of production to the working class and resign in a body as the owners and controllers of all wealth production than to try to contend that the state machine of capitalism can ever pass into the hands of the working class. For if the capitalists will not simply hand over the means of production to the working class, then, it is obvious that they will never give up the instrument which they have created to defend by force their ownership of the means of production. If the capitalists will not automatically cease to be capitalists, if they will not automatically give up their ownership and ruthless exploitation of the masses, how absurd it is to imagine that they will give up their state apparatus to the working class.

For the capitalist class to “give up” their machine or permit it to pass into the possession of the working class means that they give up their existence as a capitalist class. It would mean their automatic “resignation” as a capitalist class. It would be more reasonable to imagine that Socialism could be ushered in by the capitalist class, one and all, committing suicide at a given signal, than to imagine that the state machine of capitalism could pass into the possession of the working class. No ruling class ever gives up its rule without the most desperate struggle in which it uses its whole power to prevent itself from being overthrown. The capitalist class has perfected its tremendous state machine for the very reason that it is ready to prevent, by the most ruthless exercise of force and violence, its overthrow. To believe that they will give up this machine peacefully to the working class is to believe that a wolf can shed its fangs and its claws at will and cease to be a wolf.

The idea that the working class could ever come into possession and control of the capitalist state machine is, in itself, absurd, since

such a state machine could under no circumstances, be useful for working class aims and purposes, that is, the aim of abolishing capitalism and establishing Socialism.

From the army and the police to the courts and the bureaucracy, the state machine is built up of capitalists and small henchmen of the capitalists, recruited from the small bourgeoisie. To think that such a machine, built up on the basis of the system of exploitation and to serve this system could be utilized to do away with the system of exploitation, is a contradiction of ideas. One could more readily believe that a machine gun could sprout bananas than believe that the capitalist state could be utilized by the working class.

The whole history of capitalism reveals that it is completely unthinkable that the capitalist state machine could ever pass into possession of the working class and be utilized by the workers to put an end to capitalism and commence the building of Socialism. The working class has many, many decades of experience which show the real role and character of the capitalist state and the utter absurdity of such an idea. During many decades this state machine has directed the most ruthless force and violence against every revolutionary movement among the working class. This state machine has met by force and violence even the smallest struggles of the workers against the constant drive of the bourgeoisie to reduce their standard of living. Witness the violent strike-breaking of the bourgeois state machine, in spite of all its professions of neutrality. The great historical lessons of the Paris Commune and more significant still, the lessons of the proletarian uprisings in Europe and the victorious revolution of the working class in the Soviet Union are the living historical proof of the whole nature of the capitalist deception about the “democratic” state.

The capitalist state machine carried through the bloody slaughter of 1914-18. This fact alone is sufficient to show how absurd the idea is that the capitalist state machine can pass peacefully into the possession of the working class and be used to abolish capitalism and establish Socialism. That the imperialist bourgeoisie which conducted a

slaughter of ten million people in a war to maintain its profits, to maintain its position as the ruling class, would give its state machine peacefully to its class enemy to be used for its destruction as the ruling class — this is what the social-reformists and the capitalists would have the working-class believe.

The fact is that the capitalist class will use their state machine for the violent and bloody suppression of the working-class struggle for power to the last ditch. They will expend every last resource of violence and slaughter by their state machine in order to try to prevent the working class from gaining power. They would seek to slaughter half the working class of Canada, rather than give up their state power. Their violence, however, is by no means invincible.

It is clear that the franchise and the parliament are merely FORMS of the state which in no way alter but only conceal the real CONTENT of the capitalist state as A DICTATORSHIP OF THE CAPITALIST CLASS.

The position of the working class on the capitalist parliament in contrast to the position of social-reformism can be summed up in the words of Lenin:

“The attitude of the Socialist parties towards parliamentarism was originally, at the time of the First International (1860-80), one of utilizing the bourgeois parliaments for purposes of agitation. Participation in parliamentary activity was looked upon from the point of view of developing class consciousness, i.e., of awakening in the proletariat class hostility towards the ruling class. Changes in this attitude were brought about not through change of doctrine, but under the influence of political development. Owing to the uninterrupted advance of the forces of production and the widening sphere of capitalist exploitation, capitalism, and together with it the parliamentary state, acquired lasting stability.

“This gave rise to the adaptation of the parliamentary tactics of the Socialist parties to ‘organic’ legislative activity in bourgeois

parliament, and the ever-growing significance attached to the struggle for reforms within the capitalist system, as well as the predominating influence of the so-called 'immediate demands' and the conversion of the maximum program into a figure of speech as an altogether remote 'final goal.' This served as a basis for the development of parliamentary careerism, corruption, and open or hidden betrayal of the fundamental interests of the working class.

"During the previous epoch parliament performed a certain progressive function as the weapon of developing capitalism, but under the present conditions of unbridled imperialism, parliament has become a tool of falsehood, deceit, violence, and enervating gossip.

"Parliament has lost its stability like the whole bourgeois society.

"Parliament at present can in no way serve as the arena of struggles for reform, for improving the lot of the working people, as it has at certain periods of the preceding epoch. The centre of gravity of the political life at present is completely and finally transferred beyond the limits of parliament. On the other hand, owing not only to its relationship to the working masses, but also to complicated mutual relations within the various groups of the bourgeoisie itself, the bourgeoisie is forced to have some of its policies in one way or another passed through parliament, where the various cliques haggle for power, exhibit their strong sides and betray their weak ones, get themselves unmasked, etc., etc.

"At the same time, however, the revolutionary general staff of the working class is vitally interested in having its scouting parties in the parliamentary institutions of the bourgeoisie."

Social-reformism has become an integral part of the capitalist, parliamentary system. Basing itself on the capitalist theory of the "democratic" state, social-reformism grew up as one of the party wheels of the parliamentary system. But this parliamentary system, together

with capitalism, has long since ceased its progressive function; it is decaying and rotting. Social-reformism, however, cannot shift from this base and is going through the process of degeneration together with capitalism and the capitalist parliament.

A CCF majority in parliament would represent a continuation of the whole reactionary policy of the capitalist dictatorship without any change whatever. The only difference would consist in the “Socialist” phrases with which the CCF ministers of the government would attempt to conceal their imperialist, capitalist policy.

Parties represent class interests and class ideology. The common deception of the social-reformists that their party represents the people in general is part of their whole bourgeois system of ideas for misleading the people, which they share with all capitalist parties. The class interests of the working class cannot be reconciled within one party with the class interests of the bourgeoisie. The working-class party has the task of mobilizing the masses of semi-proletarians and toilers of the farms in support of the revolutionary programme of the working-class, but this does not mean a fusion of class interests. The only possible so-called fusion of class interests means that the working-class must give up its revolutionary aims and purposes of overthrowing capitalism. It is the very nature of capitalist parties that they pretend to represent all people, and thus seek to drag the masses in the train of the bourgeoisie. It is precisely the fact that the masses begin today to see the capitalist class interests behind the “old” parties, which makes it necessary for capitalism to create a new party, which can pose before the masses as representing them. This capitalist party is the CCF.

The fact that the working-class can never secure control of state power through the mechanism of parliament does not mean in any sense that the CCF would not be entrusted by the capitalist class with the task of forming a parliamentary government. This follows directly from the CCF programme. The whole content of the CCF programme means that the CCF moves and operates entirely within the

framework of capitalist parliamentary deception. Its whole content of liberal-capitalist theories and state capitalism means that its whole scope is entirely within capitalism, the administration of capitalism. The whole character of this programme is a capitalist programme, covered with superficial and hypocritical “Socialist” phrases. The “carrying into effect” of this programme in practice is nothing but a continuation and the administration of capitalism. Tim Buck clearly shows his fact, when he writes:

“If the coming to office of a reformist-labourite government were in any way a threat to the existence of capitalism and the rule of the capitalist class — in short, if the reformist party were a real working class party as it claims to be, and not a ‘third’ party of capitalism, as it is in reality, the capitalist class would commence the violent and forcible suppression of that party long before it came to a parliamentary majority and, if in spite of that, a real working class party gained a majority in a parliamentary election, the capitalist ‘democracy’ would drop its mask and the capitalist class, having long since prepared the Fascist weapons of armed and violent suppression of the workers, would attempt to establish its Fascist dictatorship and advance on the path of the destruction of the working class party by murder of its main ranks, as we have seen in numerous countries. The capitalist class always advances on the basis of violence and murder against the working class party much before the question of the ‘parliamentary majority’ of the party is on the agenda.

“But such a supposition in regard to the reformist Socialist and Labour Parties has nothing whatever in common with reality. The reformist party leaders develop through years of faithful service to capitalism. They are reared and trained through decades of capitalist tutelage in the deception and betrayal of the workers and are sometimes placed at the head of parliamentary governments as the most important and effective means at the disposal of the cap-

italist class for the deception of the masses.” (“An Indictment of Capitalism.”)

The whole deception of social-reformism that it can introduce Socialism peacefully through securing a parliamentary majority and thus taking over the state is in itself a contradiction of ideas. If capitalism will not automatically transform itself into “Socialism” without the utilization of the state by the working class in order to transform it into Socialism, it is clear that it will never allow its state to pass into the hands of the working class to be used against it.

To see examples of how a CCF government would function, it is only necessary for the Canadian workers to look at the experience of the Labour Governments in Great Britain, the Labour Governments in Australia, the Socialist Governments in Germany, etc. The working class of Canada has an example of how a CCF Government will function in the Brownlee UFA Government of Alberta. The practice of any CCF Government would be the practice of the essence of its programme, a capitalist practice, the maintenance of capitalism.

Thus, the CCF, basing itself upon and functioning within the limits of capitalist “democracy” supports the dictatorship of the capitalist class, a minority over the majority. To attain democracy for itself, i.e., for the majority, the working class in alliance with the toiling farmers must do away with the state representing democracy for the capitalist class, i.e., for the minority. He, who genuinely stands for democracy for the working class and toiling farmers, i.e., the proletarian dictatorship, must stand for the overthrow of capitalist democracy, i.e., the capitalist dictatorship.

## V. The Role of Social-Reformism as the Twin of Fascism

A. The Capitalist “Way Out” of the Crisis. B. The Evolution of Social-Reformism to Social-Fascism. C. Fascism and Social-Fascism. D. The Community of Ideas of Fascism and Social-Fascism. E. Parliamentary Deception and the Capitalist Offensive. F. Paving the Way for Fascism. G. Social-Fascism and the War Danger.

### A. THE CAPITALIST “WAY OUT” OF THE CRISIS

Having reviewed the “programme” of the CCF leaders in the preceding chapters, it is now necessary to see the relation of this “programme” and therefore, of the CCF leaders, to the practical realities of the present situation. We must now ask ourselves the question: What is the meaning of this “programme,” and therefore the role of its representatives in real life? This question can only be answered on the basis of an understanding of the realities of the capitalist “way out” of the crisis.

Capitalist production is based on the exploitation of wage labour. The wages paid to the workers by the capitalists who own all the factories, mills and mines, etc., do not represent the value of what the workers produce. The workers produce far greater value than their wages. This UNPAID LABOUR is taken by the capitalists. It is SURPLUS VALUE. The struggle to realize and constantly increase this surplus value in money form by the sale of the commodities is CAPITALIST COMPETITION. To carry on this competition the capitalists constantly strive to increase the productivity of labour by raising the technical level of production. The result of this struggle is the wiping out of the small competitors and the concentration and centralization of capital in fewer and fewer hands. Each step in this competi-

tive struggle therefore tends to reduce the number of workers employed and the total wages paid at the same time as it extends production. Thus pre-war capitalism moved in cycles of “booms” and “crises.” Production and its extension on the basis of capitalist competition is anarchic, the rush of capital into production for an UNKNOWN MARKET. This is inevitable because capitalism knows no other law but the law of exploiting wage-labour. Thus each “boom” is but the condition for the next crisis. Each cycle only raises this contradiction to a higher level.

The central feature of the capitalist crisis is the overproduction of commodities in relation to the NARROWING MARKET. It is seen that this arises from the fundamental contradiction of capitalism, between social production and private ownership and appropriation. The contradiction between growing productive capacity and narrowing consuming capacity works through the mechanism of the market. Overproduction means a fall in prices. The fall in prices means that production is no longer profitable on its former scale. Production is stopped or restricted. Unemployment becomes widespread. Purchasing capacity is further restricted and the crisis develops with all of its features.

What is the “way out” for the capitalist class? The only way out is the restoration of profit! If profit can be restored, production starts again. In “normal” pre-war crises, profit was restored in two ways: First, the reduction of labour cost by intensification of labour and by raising industry to a new technical level which involved the ruination of smaller firms and which at the same time, by the tremendous investment of capital in the new plants gave an impetus to basic industries and thus started a new cycle with conditions created for a deeper crisis, by reducing the per capita wages per unit of production and eliminating workers from production. Second, the securing of foreign markets. This was represented by the conquest by capitalist nations of colonial sources of raw material and their intense exploitation and in the export of capital by the main capitalist countries to either colonies,

semi-colonies, or “new” countries like Canada, Argentina, Australia. This exported capital was usually “marked” and returned to the exporting country in the form of the purchase of means of production and therefore represented the same phenomena as the first method of restoring profits with this difference, that it reproduced more and more throughout the world the conditions for the overproduction crisis by the world overproduction of the means of production.

Thus, pre-war capitalism could find two ways of restoring profits:

1. Reduction of labour costs.
2. Foreign markets.

The sole aim of capitalism is to restore profits and maintain its position. For capitalism there is no other way out. This is the path along which capitalism is seeking the way out of the crisis at the present time.

But the present crisis is to be sharply distinguished from the pre-war “normal” crises of capitalism. The predominant industry of every capitalist country is large-scale industry, comprising enormous production plants. It is under the sway of finance capital.

The crisis is furthermore a world crisis. During and after the war a whole series of new countries were industrialized, thus, for a moment causing an outlet for capital from the predominant countries, particularly England and the USA. But this industrialization of such countries as Canada only aggravated the overproduction of means of production. The crisis today therefore is a gigantic world overproduction. The entire markets of the world have been divided between the predominant capitalist countries. There are no places in the entire world which are not under the sway of the dominant imperialist nations, except the Soviet Union. Having served at the beginning as a new market or outlet of capital and thus as a means for the extension of production, the colonies and semi-colonies are today fully accounted for in the world overproduction crisis.

How then can the capitalist class seek a way out today in reducing labour costs and securing foreign markets?

The struggle of finance capital to find a way out in the reduction of labour costs takes the form of a direct onslaught on the standard of living of the masses. The monopoly control of production already on a large scale hinders, holds back and obstructs the old solution of commencing a new cycle by extending and raising the technical level of the producing plants. It is true that in branches of industry where production is still on a lower technical level and not highly monopolized such a process is theoretically possible, but in reality it is obstructed and prevented by the crisis of the predominant industries which are controlled by monopoly finance capital. With producing plants on a gigantic scale and under monopoly control, the way out is sought not in extending means of production with greater productivity of labour as the means of destroying competitors. The way out is sought directly at the expense of the standard of living of the masses.

Before monopoly large scale production and finance capital developed, large capitalist enterprises arose in the competitive struggle, wiping out the small plants and small capitalists. But once having reached its large-scale monopoly stage this process is hampered and restricted. Thus, for example, there is no question today of the CPR and CNR solving their competitive struggle by one wiping out the other through extending its lines and greatly raising the level of its equipment. The struggle of these gigantic monopolies enters the realm of the state and the predominant CPR group which now controls the state seeks its advantage at the expense of the capitalist group which controls the CNR. This, of course, involves direct utilization of the state for the advantage of one against the other. But what is the general direction? It is not the extension but the monopoly restriction of transportation equipment and operation. And at whose expense? At the expense of the railway workers and toiling masses generally! Whereas formerly competition drove to the extension of production as the means of reducing labour costs, under monopoly conditions in the present crisis finance capital drives towards the monopoly restriction of production at the expense of an onslaught against the

standard of living of the working-class. Likewise, if we take other gigantic monopoly industries which are controlled by finance capital, such as automobile, electric equipment, electricity, pulp and paper, chemical, steel, etc., there is no question today of finance capital abandoning these gigantic plants and constructing still more gigantic plants, which would be the essence of the “normal” way out of the crisis. The way out is sought entirely at the expense of the masses.

For these reasons, the reduction of labour costs assumes today the form of an offensive on the part of finance capital to reduce the standard of living of the masses to an unprecedented low level. This offensive assumes not one but every possible form. In the first place comes the attack on wages. It is reaching unprecedented extremes. Hand in hand with this goes the system of part-time work, by which capitalism reduces large sections of workers to a new low standard of living, while still utilizing their social labour. Within production at the same time, the intensity of labour is increased by “crisis rationalization” which means the speed-up of labour by the organization of labour on a restricted production basis. Thus, the greatly reduced production is carried on with less labour cost than would have been required for the same production before the crisis.

Side by side with these and numerous similar phenomena the mass unemployment grows as the crisis deepens. After being compelled to grant relief, the Government representing finance capital, nevertheless, at once commences an offensive to cut the relief granted to the unemployed. The more workers are thrown out of employment by finance capital, the sharper becomes the drive of the Government to cut down the relief. Hundreds of thousands are reduced to semi-starvation. The most reactionary phenomena appear. Slave-labour by which masses of workers are compelled to labour not as “free” wage-earners, but as chattel slaves, not in exchange for wages, but in exchange for the barest upkeep, becomes an important method by which finance capital disposes of its superfluous wage slaves. The drive to cut unemployment relief and the introduction of slave-labour is part of

the struggle of finance capital to reduce labour costs, since these are borne indirectly by production.

In the struggle for foreign markets we see the highest development of the contradictions of capitalism. Under the present conditions of monopoly finance capitalism, the scramble for foreign markets assumes the form of the sharpest competitive struggle. The markets of the world are already divided between the great capitalist nations. The only “economic” means of securing new markets or retaining the declining markets, on the part of one capitalist country against another, is the cutting of prices. Tariffs are the expression of this struggle. Tariffs are a means of monopoly or semi-monopoly control of the home market in the first place. As such, they are a weapon of the financial oligarchy of each country for holding prices above the level of the world market and thus further reducing the standard of living of the working-class and farmers of the given country. In Canada, the tariffs serve directly as instruments of monopoly price control. As such, tariffs are directly instruments for cutting the real wages of the workers and increasing the exploitation of agriculture by industry by increasing the spread between agricultural prices and monopoly industrial prices (“scissors”). This monopoly price formation on the “home” market is the basis for “dumping” by the capitalist class of each country in the world market. The mass production of commodities seeking a foreign market has gone far beyond the limits of that market, which also is shrinking and narrowing. Thus the clash between the capitalist states on the world market assumes the form of the greater and greater monopoly character of the price formation on the “tariff-protected,” home market in order to “dump” on the narrowing, foreign market. This competition between the gigantic capitalist states is, therefore, directly at the expense of the workers and farmers. The “Liberal” idea about foreign trade that imports must balance exports is, of course, ridiculous. There is no such connection between imports and exports. The market goes to the lowest bidder over no matter what obstacles. Thus, this struggle is waged up to the point of the outbreak of war by

imposing monopoly price burdens on the masses and intensifying exploitation by the offensive against the whole working-class. This drive against the masses is, likewise, carried on in the colonies.

We see from the above that the present economic crisis is to be distinguished from pre-war economic crises of capitalism. The former methods of emerging from the cyclical economic crisis by the bankruptcy of the weak and antiquated concerns, by technical improvements and increased productivity, by wasting or gradually absorbing the surplus commodities, by depreciating basic capital, etc., no longer apply in the manner of former crises. The policy of the financial oligarchy under the present conditions of monopoly capitalism has altered this. Production is curtailed to an unheard of extent in the present crisis and the vast productive machinery is kept idle not for a few months or a year, but for many years. The drive of finance capital is to reduce the cost of production for an extremely low level of production. Monopoly capital in conjunction with its state power resists within certain limits the drop of prices, e.g., witness the enormous monopoly price formation in Canada in the paper, railway, textile, automobile and forty or fifty other of the most important industries. This creates a yawning gulf between industrial and agrarian prices, while at the same time agricultural produce is encumbered with gigantic burdens of debt, interest, rent and taxation, which is pauperizing the masses of Canadian farmers. Numerous small capitalist concerns are swept into bankruptcy while the large banks and monopoly trusts swallow up immense new credits, plunder the small bourgeoisie, sweep into their coffers the millions of small savings and in this way maintain enormous profits. The large monopoly concerns utilize their state to maintain themselves in spite of everything. Currency is depreciated, slicing the wages of the workers and the miserable relief pittance of the unemployed and wiping out a large part of the small savings, but at the same time relieving the big financial lords of a large part of their debts. The state is utilized to rescue big corporations through loans and guarantees of loans (as in the case of the CPR),

through preferential tariffs (as in the case of a hundred large monopoly concerns), through state subsidy (Vickers) and through “nationalization” (Abitibi). All of this involves the placing of gigantic new burdens upon the masses through monopoly prices, inflation, wage-cuts, relief cuts and taxation (fifty-one per cent of the taxation in Canada is raised on articles of consumption) in order to safeguard the financial rulers. Canada, which has been long the paradise of monopoly capitalism (e.g., since Confederation the capitalist class has utilized its state power to secure “government aid” for its railways alone amounting to \$2,701,000,000 plus 47,000,000 acres of land), gives the highest expression of all of these tendencies of monopoly capitalism in the present crisis. It would, of course, be absolutely incorrect to draw from these facts the conclusion that capitalism will collapse of itself. The result is the deepening of the crisis and the impoverishment of the masses of workers and farmers and acute distress for the small businessman.

The irrefutable conclusion from these facts is that there is no purely economic way out of the present crisis for capitalism. The capitalist crisis no longer supplies the mechanism through bankruptcy and renewal of fixed capital for overcoming itself. Monopoly capitalism has developed to such a point of direct integration with the entire capitalist state machine that it has rendered unworkable the old mechanism for overcoming the economic crisis. Monopoly capitalism bases itself directly on its whole state machine and holds its position at the expense of the vast masses of the people.

But there is no absolutely hopeless position for the capitalist BECAUSE THEY HOLD STATE POWER AND HAVE AT THEIR DISPOSAL THE GIGANTIC STATE MECHANISM OF VIOLENCE AND WAR. There is no purely economic way out, but that does not mean that capitalism collapses. On the contrary, capitalism intensifies its plundering of the masses and its monstrous state repression of the masses and feverishly prepares for a new imperialist war for a REDIVISION OF THE MARKETS OF THE WORLD.

This is precisely the capitalist way out of the crisis which is being pursued by Canadian imperialism under the leadership of the Bennett Government. In the realm of domestic policy, the Canadian bourgeoisie is intensifying its plundering of the masses by all the means at its disposal. It is conducting a concerted offensive against the standard of living of the masses. Its whole state apparatus of coercion is brought more and more into play against the masses who protest and fight against its attacks. The capitalist class advances to Fascism along the line of intensifying its coercion of the masses. In the realm of foreign policy, the Canadian ruling class concentrates its whole efforts upon the preparation of war against the Soviet Union. Together with British imperialism, which is today the leader of the imperialist front against the Soviet Union, it sees the solution of the economic crisis in the destruction of the workers' state in the land of growing Socialism and the subjection of the people of the Soviet Union to the capitalist world, opening up for British and Canadian capitalism new markets and avenues of capitalist exploitation. The Canadian bourgeoisie feverishly manoeuvres for the most advantageous position in the sharpening imperialist antagonisms between the big powers, who are engaged in a gigantic armament race in preparation for armed struggles to redivide the world. The Canadian bourgeoisie aligns itself with the war of Japanese imperialism against China and the preparation of a new military base for war against the Soviet Union in Manchuria.

The meaning of the capitalist "way out" of the crisis is now clear. The capitalists' economic measures to maintain profits are dependent upon the successful utilization of the state mechanism of coercion to crush the masses at home and prepare war abroad. In the realm of domestic policy, class war against the masses to hold them under its parasitic exploitation; in the realm of foreign policy, a new imperialist slaughter a hundred times more vicious than the war of 1914-18. This is the capitalist way out of the crisis! The capitalist way out means perpetuating decaying, parasitic capitalism at the expense of unprecedented hardship for the masses, their subjection to the capitalist state

coercion and their slaughter in new imperialist wars!

## B. THE EVOLUTION OF SOCIAL-REFORMISM TO SOCIAL-FASCISM

The present world crisis of capitalism and the realities of the capitalist drive for a way out of the crisis by the offensive upon the masses, the advance of Fascism and feverish war preparations exposes in all clarity the real character of the CCF programme and its role in the sharpening class struggle. The question of the role of the CCF is not an academic question; it is a question of life and death for the Canadian working-class movement. The Canadian working-class is confronted with a sharpening offensive of capitalism upon their standard of living. It is faced with the imminent danger of war. It finds itself confronted with advancing Fascist reaction. What shall be the answer of the working-class to the capitalist drive to Fascism and war? Shall the working-class be dragged under the iron heel of advancing Fascism and slaughtered for Canadian imperialism in the next war? These decisive questions are bound up inextricably with the role of the CCF. The answer to these questions will be written in scarlet upon the pages of history.

In order to secure a more complete understanding of the present role of the CCF, let us examine briefly its historical background.

The bribery of a small upper stratum of workers was the common, economic basis in all capitalist countries for the establishment of capitalist influence in the working class movement before the war. By the exploitation of the colonies, the powerful imperialist states of Europe were able to reap a superprofit in the days before the world war, when imperialism was in its early stages of development, and the chronic contradictions and sicknesses of capitalism had not reached the present advanced stage. On the basis of these superprofits, the capitalist class was able to BRIBE an upper section of the working-class, with higher wages and better conditions. In Canada and the United States

and other newer countries, this bribery of an upper section of the working-class was possible as a result of superprofits secured mainly through the superior technique of the new industries in competition on the world market. THIS BRIBED, SMALL, UPPER STRATUM OF THE WORKING CLASS BECAME THE BASE OF CAPITALIST INFLUENCE IN THE WORKING-CLASS MOVEMENT.

This section of the working-class constituted the social-economic basis for the current of social-reformism, which grew up in the working-class movement in the pre-war era. It must also be remembered that the working-class finds itself constantly surrounded with the petty-bourgeoisie and constantly under the pressure of the ideologists of the capitalists class, the capitalist speakers, writers, preachers, etc., who penetrate into the working-class movement with the ideology of the ruling class.

As a result of these factors, social-reformism became the predominant current in the labour movement before the war. It completely dominated the Second "Socialist" International. In Germany and other countries in Europe, where Marxism, the revolutionary teachings of the great founder of scientific Socialism, had become earlier the predominant current in the Labour movement, social-reformism took the form of the abandonment of Marxism in practice and its revision in theory, under the leadership of Kautsky and Bernstein. In England, where Marxism had not gained predominance owing to the special monopoly position of British capitalism at that time and the consequent high degree of bribery of the upper strata of the British workers, the social-reformism of the British Labour Party, led by Ramsay MacDonald developed as a "radical" form of Liberalism, at a time when the working-class was already awakening to political consciousness and advancing to independent struggles, and when Liberalism could only seek to maintain itself and carry on its work of deceiving the workers and inculcating class peace by grafting itself onto the rising working-class movement.

In the history of the Canadian working-class movement, during and after the war, various tendencies of the development of social-reformism are to be seen. The Socialist Party of Canada and other Socialist parties developed the full tendencies of revision and abandonment of Marxism and inevitably collapsed after the war, the adherents of Marxism joining the Communist Party, and the remainder entering openly on the path of the bourgeois distortion of Marxism. The various Labour Parties which developed after the war represented the grafting of liberalism onto the working-class movement, illustrated most clearly by the Winnipeg Independent Labour Party. The social-reformists like Simpson, in league with open capitalist agents like Moore, crystallized their domination of the Canadian trade unions upon the basis of the "labour aristocracy."

The struggles of the workers in that period and even after for a time forced concessions from the bourgeoisie, in the form of "reforms." THESE REFORMS WERE BY-PRODUCTS OF THE CLASS STRUGGLE. The bourgeoisie could in that period quickly gain compensation for these reforms, through increased exploitation of the masses of workers in order to bribe an upper stratum, through greater monopoly and concentration of capital, through greater utilization of the state budget for the plundering of the people, etc.

Social-reformism opposed and revised Marxism. Basing itself on the petty-bourgeoisie and the bribed upper stratum of workers, it declared that capitalism will gradually be transformed into Socialism. It sought to show the workers that the reforms were not by-products of the class struggle but represented the process of the gradual "reformation" of capitalism and that the class struggle was unnecessary. It wished to prevent the workers from building revolutionary organizations. It denied the necessity of a revolutionary party. It renounced the aim of the final revolutionary overthrow of capitalism and wished the workers to give up this aim and turn their attention exclusively to the small reforms, which the bourgeoisie could grant them. IT PROMISED THAT CAPITALISM WOULD BE REFORMED

THROUGH THE CAPITALIST STATE, thus serving as a means of chaining the whole thinking of the masses to the state machine of the capitalist class, and helping capitalism to deeply implant reformist, parliamentary illusions among the masses.

Thus, the social-reformists originated as the PURVEYORS OF CRUMBS FROM THE CAPITALISTS TO THE WORKERS, DURING THE PERIOD OF "HEALTHY" CAPITALISM. Their aim and role, as the agents of capitalism, was to prevent the growth of revolutionary class-consciousness among the workers in the class struggle, and to represent the by-products (reforms) of this struggle as the road to final Socialism.

From the time of its pre-war role of purveyor of crumbs to the workers, world social-reformism has written a monstrous history of crimes against the working-class. In every phase of the development of the class struggle of the workers against parasitic capitalism from that time to this, social-reformism has stood on the side of the capitalist class against the working class.

The first stage of its history of betrayal is the great war. Having gained the confidence of the masses by its deception of introducing Socialism "peacefully," through "democracy," social-reformism in every country threw itself into the support of its own imperialist bourgeoisie in the war. German social-reformism supported German imperialism in the name of "Socialism" and "democracy." British social-reformism supported British imperialism in the name of the same "Socialism" and "democracy." The Canadian social-reformists flocked to the banner of Canadian imperialism. The Jimmy Simpsons, who had gained the faith of the workers by resolutions for struggle against war in 1913, became the main recruiting sergeants of capitalism in 1914. Together with the capitalists, the social-reformists promised the workers eternal peace, social justice and democracy, if they would agree to die as cannon-fodder for the enrichment of the Canadian bourgeoisie. Social-reformism aided the bourgeoisie in crushing the outbursts of the masses against the war. With the outbreak of the proletarian rev-

olution in Russia, German social-reformism supported the campaign of the Germany army against the Russian workers and peasants. When the wave of proletarian revolutions swept over Europe following the war, the social-reformist parties were the main aid of the bourgeoisie in massacring the workers and drowning in blood the revolutions in Germany, Austria, Hungary, Finland and Italy. In the present day, social-reformism follows this up by the work of the Mensheviks and the Second International in organizing wrecking in Soviet industry and aiding the intervention plans of world imperialism.

In the second stage of its development, following the war, social-reformism appears in the role of the most active servant of capitalism in its efforts to extricate itself from the post-war crisis. In Europe, social-reformism held the masses under the bloody heel of capitalism, and helped the imperialist bourgeoisie to once more fasten the yoke upon the backs of the masses, with the greatest suffering for the masses. In Canada, the social-reformists headed the wave of strike struggle after the war in order to lead the strikes to defeat and diffuse their propaganda of class peace among the masses. The great general strike in Winnipeg, in which the masses of workers displayed the greatest heroism, was the occasion for the infusion into the working-class movement of a whole series of capitalist leaders and the commencement of a concerted drive of social-reformism to spread defeatism among the workers, to preach class peace, to conduct propaganda against strikes and develop systematically the social-reformist propaganda of the “peaceful, parliamentary” transformation of capitalism into Socialism.

The third stage of the development of social-reformism is during the period of relative capitalist stabilization preceding the present crisis. In this period, social-reformism becomes the active agent of capitalist rationalization. The Canadian social-reformists transformed the unions into instruments of capitalist speed-up and wage-cutting in the

factories and mines. The infamous B & O plan<sup>1</sup> was introduced on the railways. Actively supporting the big trusts and financiers, the AF of L endorsed rationalization. During this period the social-reformist politicians fully developed their deception that capitalism gradually transforms itself into Socialism by constantly improving the conditions of the workers, and utilized particularly the policy of monopoly finance capital in nationalizing the CNR, the Ontario Hydro system, etc., in order to spread this illusion among the masses. The Woodsworths and Simpsons became the boosters of capitalist prosperity. The trade union bureaucracy became closely integrated with the whole state apparatus and the daily collaborators of the employers, actively participating in every rationalization plan of the capitalists. The social-reformists became the open organizers of strike-breaking against the miners and other workers, who dared to struggle against the speed-up and rationalization. As the social-reformists proceeded with this active support of the bourgeoisie, they launched a vicious struggle against the Communists and revolutionary workers. In the trade unions, they commenced an expulsion drive against the Communists who actively fought their class-collaboration with the employers. They tightened up their bureaucratic machine and suppressed the opposition of the workers. In the Canadian Labour Party, the social-reformists passed over to more and more reactionary extremes and commenced a policy of splits and expulsions against the Communists, attempting to prevent the formation of any united front of the workers in daily struggles against the capitalist class.

In this same period we have the Labour Party Government in England. Having secured the faith of the workers by promising to relieve unemployment, raise wages, carry through disarmament, and make “democratic” peace in India, the Labour Party Government intensified capitalist rationalization and speed-up in industry, reduced

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<sup>1</sup> Baltimore and Ohio railroad plan, a joint union-business management scheme. — NEPH

wages and lengthened hours, declared martial law against the textile strike, cut down expenditures on social insurance, massacred the Indian people and conducted predatory war against the Egyptians and Arabs, increased military armaments and commenced to prepare together with French imperialism a united military intervention against the Soviet Union (the role of the Labour Government in the naval agreement between France and Italy).

The CCF is the outgrowth of the development of Canadian social-reformism from the pre-war era. The social-reformists have passed through their whole development under the guiding hand of monopoly capitalism, from support of the imperialist war to capitalist rationalization. The CCF is not a new party; it is an old party with a long history of service to capitalism. Its leadership is not a new leadership; it is an old leadership, which has passed through the reactionary development of social-reformism under the aegis of monopoly capitalism. The CCF is the product of the co-evolution of social-reformism with monopoly capitalism through the period of the world slaughter of 1914-18, the post-war, counter-revolutionary resuscitation of capitalism, the period of capitalist rationalization, culminating in the present period.

During this development of Canadian social-reformism, its social-economic basis has changed, and it continues to change. In this connection, we must take into account a series of important factors.

In the first place it is necessary to understand that the economic basis of the former "labour aristocracy" has narrowed greatly and is continuously in the process of narrowing. In contrast to the conditions of the pre-war origin of social-reformism, the workers of the so-called "sheltered trades" today are suffering together with all workers from the capitalist offensive upon their standard of living. As a result of capitalist rationalization and speed-up, the conveyor system, the introduction of women and youth labour, the "labour aristocracy" has been narrowed greatly and to some extent replaced by the "straw bosses" and foremen, who stand at the conveyor in the various depart-

ments to check every movement of the workers. The narrowing of the labour aristocracy is seen clearly on the railways. Some fifty thousand railway workers have been eliminated from the industry in spite of tens of years of so-called "seniority" which used to be looked upon as a guarantee of security and good wages. Those who still retain their jobs are working 10 to 14 days per month with a 20% reduction in wages. The building trades workers, who formerly enjoyed a comparatively high standard of living, are now in the main unemployed.

The reformist trade unions, the AF of L and the ACCL, have always constituted the main base of social-reformism and are today the base among the workers for the CCF. The bureaucracy of these unions has become closely integrated with the whole system of monopoly capitalism and with the capitalist state. At the time of the origin of social-reformism, the reformist trade unions, composed mainly of the better paid and more skilled workers, established the ascendancy of social-reformism in the whole labour movement at the expense of the broad masses of workers. Having passed through the last twenty years of their evolution under the direction of monopoly capitalism, the trade union bureaucracy are part of the whole system of the coercion of the workers, based upon the economic dependence of labour upon capital. The railway union bureaucracy, which are the back-bone of the reformist trade union bureaucracy, are integrally connected with the management of the railways, and work hand in hand with the management to the detriment of the workers. The social-reformist trade union bureaucrats are frequently drawn into state posts (Heenan, Robertson, Dennies, Murdock, etc.) as ministers of capitalist governments. Simpson is the Bennett Government emissary to Geneva through which the Canadian trade union bureaucracy links itself with the international, imperialist machine of finance capital, the International Labour Office. Dozens of trade union bureaucrats occupy various posts in the state apparatus from coast to coast. After faithful service in betrayal of the workers they are frequently rewarded with state posts (McLeod, McMaster, etc., etc.).

The development of the CCF graphically illustrates the changes taking place in the social-economic basis of present-day social-reformism. The CCF organization guarantees the hegemony of the petty-bourgeois elements. The unity of the trade union bureaucracy, the town middle-class elements in the CCF clubs and the reformist farm organizations dominated by the rich capitalist farmers characterizes the whole system of CCF organization. After organizing the CCF in three federated sections (so-called Labour, CCF Club and Farmer Sections), the trade union bureaucracy, the petty-bourgeois leadership of the clubs and the leaders of the reformist farmer organizations are now striving to perfect the party into a highly-centralized, social-fascist organization in order to control the growing ferment among the sections of radicalized workers and farmers, who have entered the organization. The leadership of the CCF in every province and locality is drawn from the petty-bourgeoisie and the trade union bureaucracy. The main base upon which the leadership orientates in order to draw the workers along in support of their reactionary policy and practice is made up of the middle-class elements of the cities, the office workers, the trade union officials and the capitalist farmers. The whole social structure of the CCF grows out of the system of its programme based on the tactic of dragging the workers behind the petty-bourgeoisie who, because of the weakness of the revolutionary movement in winning sections of them as allies of the working-class movement, are subordinated to the influence of monopoly capitalism.

From all of the above facts, we see the background of development of world social-reformism, including Canadian social-reformism. This development has prepared social-reformism for its role in the situation today. The situation has radically altered since the origin of social-reformism during the hey-day of the pre-war imperialist development of capitalism. The social-reformists promised that capitalism would develop towards Socialism; but it has developed to the deepest crisis of its history. The social-reformists promised "economic democracy," "peace" and continued prosperity; but instead monopoly capi-

talism has consolidated its position at the expense of the masses, since the great war there has not been a day of peace, today the flame of a new world war is already starting in the far east and capitalism is advancing towards Fascism. Capitalism is not growing into Socialism; it is in an acute crisis of decay. Reforms are not being made; a vicious offensive is being conducted against the masses. Capitalist “democracy” is not flourishing; it is decaying and the bourgeoisie and its state apparatus are advancing to Fascism. With this process, social-reformism has become social-fascism, the main features of which we can now go into.

### C. FASCISM AND SOCIAL-FASCISM

The capitalist class and the capitalist state moves towards Fascism in its increasing application of the methods of force and violence for the suppression of the struggles of the working-class and toiling farmers. In this period of decaying, monopoly capitalism, when the capitalist class is striving to shift all of the burdens of the crisis on to the backs of the workers and farmers, the bourgeoisie advances along the path of political reaction to Fascism. The growth of capitalism has given place long since to its decline and degeneration; in the same way, the parliamentary system has long since ceased the certain “progressive” functions, which it had to perform during the growth of capitalism, and the capitalist state now evolves through political reaction to Fascism as the class struggle becomes sharper and sharper.

In Germany, Poland, Italy, Yugoslavia and other countries of Europe, the capitalist class has already established a Fascist dictatorship. In these countries, the contradictions of the crisis and the class struggle reached such a sharp level that the capitalist class dropped the democratic drappings of its state machine and adopted the methods of Fascist counter-revolution against the rising forces of proletarian revolution.

Fascism does not represent a new type of state. The social-reform-

ists and the bourgeois Liberals try to represent Fascism as fundamentally different from bourgeois “democracy,” from the state form which we have in Canada. As a matter of fact, there is no fundamental difference between the capitalist democracy of Canada and the Fascist dictatorship of Germany. THEY ARE BOTH DICTATORSHIPS OF THE SAME RULING CLASS, THE CAPITALIST CLASS. The ruling class changes the form of its state in accordance with its requirements in striving to maintain its rule and crush the revolutionary forces of the working-class and toiling farmers.

Capitalist democracy in Canada is already streaked with the elements of Fascism. In Canada, we are seeing before our very eyes how Fascism grows organically out of capitalist democracy along the path of political reaction. What we have seen in Italy, Poland and Germany serves to show us accurately and clearly towards what goal the Canadian bourgeoisie is heading, unless the forces of the workers and toiling farmers prevent it.

In Canada we see the following tendencies which show the fascization of the capitalist class and capitalist “democracy”:

1. Bennett’s “blank check”: This represents the almost total separation of the Government from the so-called “legislative” functions of parliament. These “emergency powers” of Bennett to maintain “peace, order and good government” and “solve unemployment” represent the further decay and degeneration of the parliamentary institutions of the capitalist class. All Government measures (from backing gigantic loans to the CPR, depreciation of currency, manipulating the tariffs in the interests of monopoly capital to the granting of titles) are carried through by “order-in-council.” This “blank-check” was voted for by many of the CCF members of parliament.

2. Illegality of the Communist Party: The act of illegalizing the Communist Party which was achieved in Germany by the decree of a Fascist dictatorship is achieved in Canada by capitalist “democracy” on its way to Fascism. The imprisonment of the Eight Leaders of the Communist Party and the illegalizing of the party under Section 98 is

a definite Fascist tendency, because it commences the work of Fascist civil war against the working-class and the attempt to break up the revolutionary organizations of the working-class and in the first place, the Communist Party.

3. Increasing “legal” and “extra-legal” application of the state apparatus of force and violence against the workers: During the last years, the Canadian ruling class has unleashed an unprecedented reign of suppression and violence against the Canadian workers and farmers; 1,500 workers and farmers have been arrested in the last year for their activities in the class struggles; workers have been murdered in cold blood (Estevan, Zynchuk, Jaaska, etc.); a reign of kidnapping terror has been instituted against the workers by the government (Hans Kist was deported to Germany for his political activities to die at the hands of the Fascist executioners and now Tom Cacic has been deported to the Fascist murderers of Yugoslavia); hundreds of meetings and demonstrations of workers against hunger and reaction have been smashed by the methods of the most brutal police terror; we witness the spectacle of tanks being sent against the striking workers in Stratford and the open mobilization of the police for strike-breaking (Hespeler, Port Arthur, Rouyn, etc., etc.).

No honest person can fail to see the growing elements of fascization in the transforming of the RCMP into a national, militarized police force, especially trained for the task of brutal suppression of the working-class. The RCMP fulfils all the requirements of a mercenary army of reliable Fascists, a “select bourgeois guard.” The elements of Fascism are seen as clearly in the militarization of the forced-labour camps under the Department of National Defence. At the same time, in addition to robbing the workers of the right to organize legally their revolutionary party, suppressing the meetings, literature and press of the revolutionary party and breaking up with methods of violence hundreds of workers’ demonstrations, the capitalist regime is also curtailing the already narrow, so-called democratic franchise, removing thousands of unemployed workers from election lists, giving special

powers to the bourgeoisie and petty-bourgeoisie (in Verdun half the city council is elected only by property-owners votes, the other half by the rest of the voters) and placing hundreds of municipalities under “control boards.”

One can see with clarity from these facts that Fascism GROWS OUT OF BOURGEOIS DEMOCRACY. It would be a great mistake to conclude from these facts that the Bennett Government is already a Fascist dictatorship. It is not yet a Fascist dictatorship; it is bourgeois democracy on the road to Fascism, already streaked through and through with Fascist tendencies. Bennett is already commencing the work of Fascism; bourgeois democracy in this period everywhere is commencing the work of Fascism and is moving along this line to Fascist dictatorship. Bourgeois “democracy” of the type which was characteristic of the last century is no longer to be found anywhere in the world, since capitalism has entered the epoch of its decay and overthrow. The bourgeois “democracy” of today is the system of political reaction advancing towards Fascism.

The decisive factors in Fascism must be clearly understood by the working-class. The factors of Fascist dictatorship can be listed under the following four points:

First, a bloody offensive to smash the labour movement, to break up the Communist Party, the revolutionary trade unions and mass organizations of the working-class, annihilating the most active workers, smashing the workers’ press, abolishing the right of assemblage and drowning in blood every struggle of the workers. The purpose of Fascism is to try to make the working-class bow to the unlimited power of capital by the methods of terror and mass murder. It is not difficult to see that this first factor in Fascism grows directly out of capitalist “democracy.” Under capitalist “democracy” as under all forms of the capitalist state, the capitalist class rules both by means of armed force and by means of deception of the masses; the Fascist form of the capitalist state is the one in which the application of armed force against the suppressed masses is more naked and accompanied by spe-

cial forms of deception in accordance with this fact. But there is no difference IN PRINCIPLE between the shooting of the Estevan miners and the execution of Communists in Germany. There is no difference in principle between the sadistic brutality of “Draper’s heroes” and that of the Fascist Brown shirts. There is no difference in principle between the attempt to murder Tim Buck, while he was locked in his cell, and the murder of Vuk by the Fascist hangmen of Yugoslavia. There is no difference in principle between the occupation of Stratford by the tanks and the military occupation of workers’ neighbourhoods in Germany. Fascism perfects the system of capitalist suppression in a more naked form.

Second, Fascism strives to abolish the class struggle and replace it with the one-sided aggressive dictatorship of the capitalist class. It prohibits the right to strike and seeks to force compulsory arbitration on the workers by methods of force and violence. Fascism utilizes the idea of the “classless state” in order to justify its suppression of the toilers, chaining the workers to slavery, as a duty to the state. Anyone can see that this grows directly out of capitalist “democracy.” There is here no difference in principle from the present “democracy.” Today, the bourgeoisie in Canada, with the aid of the trade union bureaucracy, are forcing the wage cuts over on the workers methods of “arbitration” and “class co-operation,” while strikers are murdered, towns where large strikes are going on are occupied by tanks (Stratford) or by battleships (Anyox), strikers are arrested en masse for picketing (Rouyn) and brutally attacked by the police (Hespeler). All of this is carried through with the deception that the state is “above classes.” Fascism perfects the system of “class co-operation” by means of violent subjugation of the toilers to the exploiters, developing to its most ruthless extreme the capitalist dictatorship of the “democratic” form.

Third, through Fascism, the bourgeoisie transforms the trade unions into organs of state coercion similar to the police, courts, prisons, etc. This is fully prepared under bourgeois “democracy” by the direct integration of the trade union bureaucracy with the capitalist state and

their role as agents for the carrying through of the capitalist offensive against the toilers.

Fourth, the parliamentary party system is replaced (though this is not always necessarily the case) with a semi-military, capitalist organization, the so-called Fascist Party. The main feature of this is that the bourgeoisie re-arms itself with a special organization for civil war against the working-class. Side by side with the organization of Fascist terrorist units, the bourgeoisie perfects a purely class army, a "selected guard." This factor in Fascism is prepared by bourgeois "democracy." The facts given above concerning the RCMP illustrate the manner in which a select class army is prepared and this can be also applied in some respects to the methods of the Canadian bourgeoisie in organizing the Militia. While bourgeois "democracy" illegalizes the Communist Party, the nucleus of Fascist terrorist bands is full developed. In practically every city in Canada, the Canadian bourgeoisie has already formed the nucleus of its Fascist terrorist detachments (Chalifoux' "Labour" Clubs in Montreal, Blue Shirts in Windsor, Fascist Party in Vancouver, National State Party in Toronto, Knights of Confederation in Calgary, etc.), to say nothing of the fascization of such organizations as the Canadian Legion, the Ku Klux Klan, the Orange Order, etc. Fascism perfects the weapons of civil war against the working-class.

In order to blind the masses to the real nature of Fascism and the growing tendencies towards it, the Canadian bourgeoisie and the CCF leaders try to make it appear that the main feature of Fascism is the abolition of parliament and the franchise. This is false. The abolition of parliament and the franchise is not at all an absolutely essential feature of Fascism. In Poland, parliament is still retained. In Germany, Hitler retains the franchise. To the system of economic coercion, mass deception by lying promises, through the vast instruments of deceiving the masses, the banning of the Communist Party, corruption, bribery and police terror, which is used under Canadian "democracy" to control the franchise, Hitler has added additional methods growing

out of these in the form of mass terror. Pilsudski has perfected and carried to its full fruition the method of Bennett's "blank check." Where Fascism abolishes these drappings of "democracy" altogether, this is only a by-product of its main role, civil war against the masses.

To understand the present role of social-reformism and the CCF particularly, it is necessary to understand the methods employed by the bourgeoisie for carrying through their offensive against the masses, advancing to Fascism and preparing for war.

The economic and political offensive does not lessen the capitalist need for the demagogic and parliamentary deception of the masses but increases it. On the one hand, the capitalist class will never relinquish their economic and political offensive against the masses, lowering the standard of living to a new low level, and introducing more and more suppressive measures of a "legal" and "extra-legal" character to crush the resistance of the masses. On the other hand, they utilize every means of deception to hold the masses under capitalist influence, and try to prevent and hinder the rapid growth of the revolutionary, working-class movement and influence, which constitutes the only force organizing and leading the resistance of the masses to the capitalist offensive, and which alone leads to the working-class way out of the crisis, the establishment of working-class power.

The fundamental concern of the capitalist class in seeking to hold the masses under capitalism and away from revolutionary influence, is to prevent the masses from uniting in struggle against its offensive, its wage-cutting, relief-cutting, evictions, foreclosures, forced labour schemes, etc., to hold the faith of the masses in its "democratic" institutions of parliament and prevent the masses from taking up the revolutionary path out of the capitalist crisis. This is of primary importance to the carrying through of their economic and political offensive. It is essential for the advance of capitalist reaction and the preparing of the Fascist arms of the bourgeoisie.

To attain this end under the conditions of sharpening class struggle social-reformism is the indispensable instrument of the bourgeois-

sie. It promises the masses an easy road to Socialism through parliament. It thus sustains and revives the faith of the masses in capitalist parliament. It turns the very desire of the masses for a way out from capitalism into a support and prop for capitalism. But by this means it attains also the immediate class aims of the bourgeoisie. It denounces the immediate mass mobilization of the toilers in struggle against the attacks of capital in the name of attaining Socialism through parliament. Far from linking up the strengthening and developing of the decisive immediate struggles with revolutionary parliamentary activity, it puts forward its whole parliamentary activity, its whole parliamentary propaganda and agitation in such a way as to prevent, hinder and destroy the decisive struggles of the masses against the capitalist attacks. It becomes the main bulwark against Communism and takes over the lead of counter-revolutionary propaganda, counterposing capitalist "democracy" to "Communist dictatorship," counterposing capitalist "peace" to "Communist bloody revolution." Thus it fulfils the primary class purposes and aids the fundamental class interests of capitalism. It can be, as it has been in many countries, the parliamentary opposition and through these tactics strive to hold the masses with its parliamentary promises and speeches, while capitalism carries through its attacks and strengthens reaction. It can come into office as the government and manoeuvre and manipulate in other ways to deceive the masses, while directly carrying through the capitalist policy.

The establishment of a national social-reformist party was the prerequisite for the fulfilment of this task. The local and provincial Labour Parties, Socialist Parties, and farm-reformist parties up to the time of the formation of the Co-operative Commonwealth Federation found themselves decidedly cramped in attempting to divert the attention of the masses from the necessity of struggle to new parliamentary hopes and illusions. This, of course, did not prevent them from utilizing all the influence they possessed in trying to prevent the unemployed from organizing to conduct a struggle against the starvation

relief systems and in trying to prevent the employed workers from struggling against wage cuts, or to attempt to lead such struggles to defeat. On the contrary, it is clear that the local reformist leaders utilized their full influence and demagoguery to assist and support the capitalist attacks upon the standard of living of the workers.

The absence, however, of a nationwide, social-reformist party deprived the local reformists and the reformists in general of one of their main means of deceiving the masses, namely, the tactic of justifying and screening their disassociation from and opposition to the struggles of the workers behind high-sounding talk of “Socialism” and the promise of a “new social order” through the Federal Parliament.

Thus, for example, the “Labour” alderman, controller or member of the Provincial Legislature before the formation of a national reformist party, was unable to easily conceal his opposition to the unemployed struggles, his acquiescence in the starvation relief scales and his support of the police terror against the unemployed behind high-sounding CCF speeches about a “peaceful revolution through the Federal Parliament.” The whole system of reformist deception which rests upon the parliamentary illusions, created and fostered among the masses for generations by the capitalist class, was incomplete and “inefficient” without a national reformist party.

The CCF illustrates graphically how the bourgeoisie assists not only indirectly, but also directly, in the building of the social-reformist party as its main and best bulwark against revolutionary Marxism.

We have seen how the whole theoretical equipment of the CCF comes directly from the bourgeoisie. Its theories are all products of the capitalist class. It completely discards the working-class science of Marxism-Leninism, which is the congealed form of the vast historical experience of the working-class, the realities of working-class tasks and problems in the light of living experience. In place of the scientific Socialism of the working-class it substitutes the vulgar, liberal theories of the bourgeoisie. In the case of the CCF these theories are largely borrowed from the cleverest capitalist liberals, the subtle deceivers of

the workers — the English liberal, capitalist spokesmen, such as Sir Joshua Stamp, J.A. Hobson, Sir William Beveridge, John Maynard Keynes, Sir Arthur Salter, John J. Hodgson, etc.

The Canadian bourgeoisie directly provides the ideological leadership for the CCF from the ranks of its liberal-bourgeois professors. They are assigned the task of the “scientific” leadership of the workers and farmers. The CCF “brain-trust” is the direct contribution of “experts” by the bourgeoisie to the new party, which is designed to hold the masses under capitalist influence. The “brain-trust” is almost exclusively made up of Rhodes scholars and Oxford graduates — F.H. Underhill, professor of political science in Toronto; J.J. Parkinson, professor of “economics” in Toronto; H.F. Cassidy, department of “social science” University of Toronto; Graham Spry, Rhodes scholar; Eugene Forsey, department of “political economy” at McGill; J. King Gordon, professor of Christian Ethics, United Colleges, Montreal. This is the bourgeois “expert” general-staff of the new capitalist party.

The bourgeoisie can, of course, only gradually raise its corps of leaders for its “workers’ party.” This corps of leaders is directly drawn from the Liberal Party, from the trade union bureaucracy, which is already fully dominated by bourgeois liberalism, and from the farm-reformist movement, which is in ideology and content a completely bourgeois-dominated movement. The main leaders are directly “injected” into the working-class movement from the ranks of the special stratum of bourgeois ideologists — professors, teachers, ministers, etc. They come into the working-class movement not on the basis of subordinating themselves to revolutionary working-class principles, but for the purpose of transforming the working-class movement into an appendage of the bourgeoisie and subordinating it to bourgeois ideology. Here we have Woodsworth, Irvine, Coldwell, Bland, Brownlee, the “brain-trust,” etc., etc.

From its ideologists among the masses of farmers the capitalist class finds a large section of its corps of leaders for social-reformism — Agnes MacPhail, Williams, Gardiner, Garland, etc., etc.

As a rule these people come directly from the Liberal Party, which is the instrument by which the bourgeoisie gives the most direct aid to the building up of the “third” party of capitalism. In cases of special expediency, such as exist today the bourgeoisie directly transfer leaders from the Liberal Party to the CCF. Thus, we have Captain Philpott, as the leader of the CCF in the largest industrial province in Canada, Ontario. At the last Liberal Party convention, Philpott ran against Hepburn for the leadership of the Liberal Party in Ontario. As editorial writer of the “Globe,” the so-called national organ of the Liberal Party, he received his special training as a “Socialist” leader. Convenient forms were found for transferring him over from the Liberal Party to the CCF through the commencement of a “Liberal crusade,” which finally brought him to his destination as the leader of the CCF.

The Liberal Party, as the representative of the bourgeoisie, gives also very practical assistance to the building of social-reformism. Most of the CCF members of Parliament (running in the last election in the names of their respective reformist parties), were elected directly with the practical assistance of the Liberal Party. In many cases, the Liberal Party withdrew its candidates in favour of these reformist leaders. In this way, Woodsworth was elected with the support of the Liberal Party. The election apparatus is thus utilized by the capitalist parties directly to aid the growth of their “Socialist” party. By their election manoeuvring they sometimes directly “fix” the parliamentary status of the “third” party in accordance with their needs within the general limits of the influence of all three capitalist parties as opposed to the Communist Party.

In the line of practical and direct assistance of the bourgeoisie to the building of the CCF as its “third” party, it must not be forgotten that the largest daily paper of the capitalist class, the Toronto Star, is now directly devoted to the building of the CCF. This paper, which is connected with big finance, has become nothing short of the “official organ” of the CCF, a contribution of not less than millions of dollars in commercial value to the building of the “third” party bul-

wark against Marxism.

#### D. THE COMMUNITY OF IDEAS OF FASCISM AND SOCIAL-FASCISM

Itself the product of the whole co-degeneration of social-reformism with monopoly capitalism during the past 25 years, the CCF has begotten a programme which represents a dress-suit of monopoly capitalism in its latest stages of decay and degeneration. The ideological superstructure of social-reformism grew up as an integral part of capitalist ideology. In philosophy, it is based on capitalist religious-idealism and conducts a fight against working-class Marxism, materialist dialectics. In sociology, it adopts the ruling-class theory of the reconciliation of classes and the "state above classes," which is the theoretical justification of the economic and political dictatorship of the capitalist class. In political economy, it adopts the vulgar theories of liberal-capitalist economy, which attempt to paint a bright future for capitalism by false theories of "curing" it through "readjustments." Having this basis, the programme of social-reformism has degenerated with monopoly capitalism and with the whole ideology of the capitalist class.

The CCF programme represents the real tendencies of monopoly capitalism dressed up in utopian theories. It is an ideological cloak for the system of decaying monopoly capitalism, which presents each one of the degenerating tendencies of capitalism as avenues to "Socialism," striving in this way to awaken hopes in the masses for an "automatic," "peaceful" way out of the crisis and thus prevent them from understanding the necessity of a revolutionary way out of the crisis. By cloaking the tendencies of monopoly capitalism with a mantle of Socialist words, the CCF provides a justification and a basis for the counter-revolutionary, degeneration and retrogression of the imperialist bourgeoisie and makes the manifestations of this retrogression appear as "progress." We have already examined in detail the various main

elements of the CCF programme. Now let us summarize.

**Planning:** The CCF programme proposes “planning,” “control” and “regulation of production” by commissions of “experts” under the direction of the state. Actually, monopoly capitalism utilizes its state more and more to “control” and “plan” for the interests of its monopoly trusts, banks and corporations, thus saving them from bankruptcy by means of tariffs, subsidies, special state bonuses, etc., etc. This is the only planning possible under capitalism. It does not represent the control of the state over monopoly capitalism but the utilization of its state by monopoly capitalism. The CCF theories serve as a cloak for this, representing it as the “intervention of the state in business,” as “the inevitable advance to Socialism.” It tries to make the people believe that a way out lies in this direction. The people are to place faith in “experts” to “readjust” and “control” matters, and are, therefore, to remain passive themselves (except for voting for the CCF). In order to preserve faith in their theory they “criticize” in a parliamentary way the manner in which this “planning” and “control” takes place in reality, professing that it can be done in a “better way,” a more “expert” way. With this theory they build up faith in the capitalist, parliamentary state as the “saviour” which is going to readjust matters some day. They cap all of this with the utopian theory that along these lines “consuming and producing power will be balanced,” and “the national income equitably distributed.” Fundamentally, the same deception is used by all capitalist governments; that they are “regulating,” “controlling” and “intervening” in the interest of the people. The same demagogy as that of the CCF is utilized by Roosevelt.

**Socialization of Finance:** Under this imposing phrase the CCF leaders present their theories of “regulated currency and credit,” “Social Credit,” “inflation,” “a central bank” and “state control of finance.” Bennett has inaugurated inflation, having already cut the value of the dollar by about 40% and achieved a consequent reduction of the standard of living of the masses, depreciated the small savings and eased the debts of the monopoly trusts. Bennett has already inau-

gured the move for a central bank to “control currency, credit and foreign exchange.” The financial machinery, the large banks and trusts, are already closely integrated with the state; the so-called state control of finance is the control of its state by finance capital, and can never be otherwise until the proletarian revolution. The theories of the CCF provide a cloak for all these tendencies of monopoly capitalism; to make this cloak effective it is, of course, necessary to conduct demagogic criticism in the name of the “interests of the people.”

**Social Ownership:** The CCF programme and leaders represent state ownership as “Socialism.” They try to make the masses believe that the nationalization of enterprises by the capitalist state is the “inevitable advance to Socialism.” Actually, the “socialization” of enterprises by the capitalist state is the “socialization” of the debts of monopoly capitalism. It follows from the CCF programme that the Conservative Party is in the vanguard of the advance to Socialism, with the CNR, Hydro, Abitibi, National Radio Commission, etc. Today, the real tendency of capitalism is to place the nationalized enterprises under private control (this is the case with the CNR and Hydro). State monopolies represent one feature of monopoly capitalism, the direct integration of the large trusts with the state and the further intensification of the contradictions of capitalism. The CCF pictures this living phenomenon of monopoly capitalism as the path to overcome waste, competition and anarchy and to attain “Socialism.” Side by side with this the CCF advances the theory of “industrial democracy,” the ideological cloak for transforming the workers into slaves of the parasitic state.

**Agriculture:** The CCF programme stands for the maintenance of capitalism in agriculture and conceals the results and consequences of capitalist agriculture for the masses of farmers under utopian, petty-bourgeois theories and deceitful demagogy. Its theories all aim at preventing the masses of poor farmers from carrying on mass struggles against debts, taxes, etc., and from understanding that their only way out lies in aligning themselves with the forces of proletarian revolution

which will open the way for the abolition of capitalism in agriculture and the voluntary collectivization of farming on the basis of modern technique and the Socialist organization of labour. The CCF, like Bennett, promises the farmers that it will secure foreign markets by monopoly trade devices. It dangles vague pictures of “co-operatives” before the farmers, although the experience of the farmers shows clearly that all agricultural marketing co-operatives are instruments of the rich capitalist farmers and finance capital, and in no way solve, but only aggravate the crisis of capitalist agriculture. The CCF tries to restore the faith of the farmers in capitalism by representing matters as if a bookkeeping revolution in connection with credits and currency can solve their problems and bring them to the promised land. But this bookkeeping revolution is really nothing but inflation which will temporarily help the rich farmer but will pauperize the small and medium-sized farmers. Like all capitalist parties, the CCF directs its fire against the revolutionary programme of the voluntary collectivization of agriculture and the proletarian state nationalization of land, which will put an end to the robbery of the masses of farmers by the rich; and in place of this, it proposes credits to the farmers (which have been always in the programme of capitalism and are also in the programme of Bennett — to aid the rich farmers and further enslave the poor) by which capitalism, the rich farmers and finance capital, already in reality, have carried through the capitalist “nationalization” of the land, reducing the mass of farmers to the position of serfs.

**External Trade:** The CCF programme proposes “public boards” to control export trade. Mr. Woodsworth has repeatedly stated that there is “little” the CCF can do apart from world conditions and world trade. In the struggle for foreign markets, the capitalist state becomes the main instrument of monopoly capitalism, imposing monopoly burdens on the masses at home in order to promote its imperialist competition abroad. The CCF programme proposes to extend and perfect these functions of the capitalist state. Its main line is the line of Canadian imperialism, a fight for foreign markets, although it

clothes this under pacifist words about brotherly relations with other states, which are part of the vocabulary of all imperialist politicians.

The same fundamental analysis applies to every element of the CCF theory and programme. It promises an “emergency programme” of “public works” and “unemployment insurance” to be financed by inflation; Bennett also promises public works financed by inflation which will further reduce the standard of living of the masses and ease taxation for the rich, and for the same reason as the CCF, i.e., the pressure of the growing struggles of the workers, promises unemployment insurance. The CCF promises to work to reform the League of Nations; but every imperialist politician must screen the head-long drive to war behind criticism of the League of Nations and promises to reform it. The CCF promises to abolish the Senate; the Liberal Party also promises to abolish the Senate, for the same reason that the CCF promises it, to keep alive democratic illusions among the masses of the people.

Understanding these facts, the community of ideas between the social-fascism of the CCF and Fascism becomes plain. Both Fascism and social-fascism represent ideological superstructures of decaying monopoly capitalism. For this reason they intertwine and coincide in all fundamental respects. Monopoly, decaying capitalism is incapable of producing new leading ideas; what it produces is a retrograde ideology, covered with a screen of deceptive demagogy. Fascism and social-fascism, both growing up as a modern screen of decaying capitalism, adopt common ideas for deceiving the masses, growing out of religious-idealist philosophy, the denial of the class struggle, the theory of the “classless state” and the theory of curing capitalism without abolishing capital.

The community of ideas between Fascism and the CCF for deceiving the people with theories of money reform, credits, etc., is startlingly plain. The money reform and credit theories starting with Major Douglas’ Social Credit, and shading off in inflation schemes, technocracy, and all forms of credit-crankery, serve the purpose of be-

witching the petty-bourgeois mass, the farmers, small businessmen, office workers, professional people, etc. Sections of this stratum of the people become more and more the common social basis of fascism and social-fascism. They are becoming radicalized and sections of them, particularly the toiling farmers, the poorly-paid office workers, and the poorer sections of middle class people in the cities are potential allies of the working-class revolutionary movement. The credit theories of Fascism and the social-fascism serve the aim of canalizing their discontent into support for capitalism against the revolutionary movement.

All credit theories are for the maintenance of capitalism. The utopian social credit theory which is adopted by the CCF is a theory against the working-class, and for the bolstering up of capitalism. It is a theory of “regulated capitalism” by which the workers would be regimented under the lash of capital through state regulation of credit (Douglas proposed that any workers violating a wage agreement would lose the so-called “national dividend”; he also proposed an all-round 25% reduction in wages to start off his credit plan).

But the credit theories provide social-fascism and Fascism with a facade of radical phrases, with which to appeal to the petty-bourgeoisie. Hitler’s programme declares: “In credit-slavery all peoples and governments find themselves bowing to the might of Loan Capital.” Hitler’s main demagogy was developed “against” Loan Capital, the “Jewish” bankers, international finance. He whipped up petty-bourgeois hysteria on the question of “debt.” Mosley, the British Fascist leader, is developing his Fascist demagogy by attacks on “finance” and “inherited wealth.” Roosevelt, advancing towards Fascism, is developing his main demagogy by attacks on the “bankers” and “financiers,” by “financial investigations,” etc., while at the same time he has handed \$3,000,000,000 over to the banks from the state coffers. The CCF demagogy is identical with that of Hitler, Mosley and Roosevelt. The British Labour Party, the Australian Labour Party and world social-fascism adopt the same tactic.

This tactic strives to mobilize the petty-bourgeois masses for the support of capitalism under the radical cloak of an “attack” on “finance.” Both Fascism and social-fascism paint “finance” as the villain in order thereby to inculcate the petty-bourgeoisie with the idea that what is necessary is only a readjustment of capitalism. Mr. Woodsworth’s manufacturer is a common victim of finance, together with the workers and farmers.

Both Fascism and social-fascism utilize this theory to direct the faith of the petty-bourgeoisie to “experts,” to the strong state as the “regulator,” which stands above classes and which will “control” finance in the interests of all. Thus, they seek to draw the petty-bourgeoisie away from the revolutionary movement and maintain them as a social base for the capitalist dictatorship. Social-fascism utilizes these theories to foster passivity among the masses and strengthen democratic illusions, while Fascism utilizing this passivity, whips sections of the petty-bourgeoisie into hysteria as the terrorist detachments of the bourgeoisie against the working-class.

The same community of ideas prevails between Fascism and social-fascism in respect to “planning.” Here we have the same elements of the maintenance of capitalism, the reliance upon “experts” and the “state as above classes” serving as the regulator.

Still more important is the slogan of “nationalization” or “socialization” which is shared in common between Fascism and social-fascism. The CCF promises to nationalize some of the large utilities, etc., making this appeal to the small capitalists and petty-bourgeoisie by the guarantee that the small enterprises will not be nationalized. Hitler’s demagoguery was identical with this. He promised to nationalize the large concerns. The English Fascist, Mosley, promises the same thing.

Fascism puts forward the theory of the “Corporative State.” According to this theory the state stands above classes and acts as the “planner,” “controller,” “regulator” in the interests of the “nation.” In the name of the “idea of the state” as a “united nation,” the capitalist is supposedly “controlled” but, in reality, receives the eternal right to

exploit, and the worker, in the name of the same “idea of the state” and the “national spirit,” must submit himself to eternal exploitation. The workers’ organizations, the trade unions, “share” in the state and “participate” through the state in supporting the “common good.” This is the theory of Mussolini and Hitler.

Where does this theory differ, except in formulation, from the theory of the CCF? According to the CCF, the state stands above classes as the “regulator,” “planner” and “controller” of society for the common good. Under the aegis of the state “private co-operative effort” will prevail. For the common good, the capitalist will exploit and the worker be exploited. In the name of the “Commonwealth,” deriving the “common good” from the virtue of the “national state,” class conflict will disappear. The trade unions become part of the “management” and participate in “genuine industrial democracy.”

Thus, it is seen that a fundamental community of ideas exists between the Fascism of Hitler and the social-fascism of the CCF. Having the same fundamental basis, having the same objective of diverting the masses from the revolutionary overthrow of capitalism, Fascism and social-fascism utilize fundamentally the same ideological cloak for decaying and dying capitalism, — money reform theories and nationalization. These theories are devised to get possession of the discontent of the masses, to fight against the Communist revolution under the deception that their programme represents a “revolution.” The purpose is one and the same — to save capitalism, to prevent its revolutionary overthrow. The radical appeal covers the counter-revolutionary content.

It would be absolutely incorrect to conclude from all these facts that Fascism and Social-fascism are identical. It is true a community of ideas exists between them. Their theories and words have the same ideological content. But they adopt different tactical views and play different tactical roles, which complement and facilitate each other. To understand these divergencies is of decisive political importance for the working-class movement.

## E. PARLIAMENTARY DECEPTION AND THE CAPITALIST OFFENSIVE

The function and role of social-reformism has always been to bolster up the faith of the masses in parliament. But today this function of social-reformism assumes a different significance than at the time of the origin of social-reformism before the war.

Today parliament has entirely ceased the “progressive” functions which it fulfilled in aiding capitalism’s growth. With capitalist decay, parliament has become a reactionary, parasitic institution serving only the purpose of deceiving the masses. Moreover, reforms within the framework of capitalism, the former by-products of the class struggle, have become a thing of the past. They have almost reached the vanishing point. When they are in question at all, it is usually a matter of a manoeuvre to strengthen the attack on the working-class.

Lenin’s words ring true for Canada and for the whole capitalist world:

“Parliament at present can in no way serve as the arena of struggle for reform for improving the lot of the working people... The centre of gravity of political life at present has been completely and finally transferred beyond the limits of parliament.”

The arena of struggle in the fight against the capitalist offensive is not and cannot be parliament. A Communist will use his position in parliament to mobilize the masses and conduct revolutionary propaganda, in this way aiding the struggles of the masses; but parliament can never be the arena of the struggle. In order to fight hunger, the only way open to the unemployed masses is mass organization and struggle. To fight against their burdens of taxes, debts, low prices, seizures and foreclosures, the only avenue open to the small farmers is one united front struggle. For the employed workers, the only avenue of defence against wage cuts and worsening conditions is united front strike struggle, and other forms of struggle.

The belated formation of the CCF as the Federal party of Canadian social-reformism was necessary precisely to fill the role of confusing, splitting and demoralizing the ranks of the workers in these struggles, by means of parliamentary promises. The whole essence of its present work is to try to convince the masses that parliament alone holds the key to the problems of the masses, to cause the masses to forego the line of struggle in exchange for new parliamentary promises.

To advocate reforms and panaceas for capitalism before was to try to spread illusions that the reforms granted by capitalism as a result of the struggle of the workers really represented a transformation of capitalism into Socialism and to assume the “credit” for these reforms; to advocate the CCF programme today as a way out of capitalism means to DIRECTLY FACILITATE THE CAPITALIST OFFENSIVE AGAINST THE STANDARD OF LIVING OF THE MASSES.

To use the demagogic deception of the possibility of the attainment of “Socialism” through the capitalist parliament, while in reality advocating “state capitalism,” at the time of the origin of social-reformism meant to bolster up the whole system of “democratic” illusions among the masses and to participate in the fake freedom of “democracy” of that time, which was based upon the “prosperity” of capitalism; to advocate the slogan of “Socialism through parliament” today means to FACILITATE AND SERVE AS THE MAIN PROP OF ADVANCING FASCIST REACTION, attempting to disarm and befuddle the masses in the face of the whole political and economic offensive of capitalism.

Thus, the role of the parliamentary demagogy and deception of social-reformism has changed. Under the former conditions, the actions of the social-reformists in “participating” in city councils, in various state bodies and in parliament, was to drag the masses behind the capitalist class. Capitalism was not yet in a profound general crisis. But today, this “participation” in the city councils, in the various state bodies and in parliament — together with the whole utilization of

their official positions in the labour movement — is a direct part of the carrying through of the economic and political offensive against the workers and farmers, a direct part of the growth of Fascist reaction and war preparations.

The CCF was created as a new wheel of the capitalist parliamentary machine of deception. The capitalist class grows more and more uneasy today at the weakening faith of the masses in parliament, expressed in the growth of the united front strikes, unemployed and farm struggles. To facilitate their plundering of the masses and advancing political reaction and war preparations, they are interested, above all, in diverting the radicalization of the masses into parliamentary channels, away from the real arena of struggle, occupying the attention of the masses with the fake parliamentary “struggle” and the “bitter attacks” and “denunciation” between parliamentary parties, with which capitalism attempts to pull the wool over the eyes of the masses.

The essential machinery of the parliamentary system for the deception of the masses is the relation between the capitalist parties. The traditional wheels of this machinery are the two old parties of the capitalist class, the Liberal Party and the Conservative. For decades, these two parties have served to deceive and befuddle the masses, because the masses have not learned to distinguish the real class interests represented by them hidden behind their mutual attacks, their various high-sounding declarations made in accordance with their alternating positions as “Government” and as “opposition” party.

The crisis renders the old two-wheeled machine of capitalist parliamentary parties obsolete. The demagogic deception of the masses by the old, Liberal “opposition” party in the Federal parliament is inadequate today, because the masses remember its former role when in government. The masses begin to see through the dual roles of the capitalist parties — the role of “Government” party and the role of “opposition” party, the one executing capitalist policy, and the other absorbing the discontent and opposition of the masses to the govern-

ment policy. THE DEMAGOGY OF THE LIBERAL PARTY IS NOT ADEQUATE TO COMPLEMENT THE FASCIST, REACTIONARY POLICY OF THE GOVERNMENT PARTY TODAY.

The character of the capitalist, parliamentary system as an instrument of deception of the masses, which is revealed by a million facts from the history of Canada and graphically illustrated by the last general election, can never be dwelt upon too often or at too great length, for it constitutes a fundamental and decisive part of class-conscious, working-class thinking and strikes at one of the foundations of capitalist influence. It concerns us here, however, only insofar as it constitutes the background and the soil out of which grows the present relation between fascist reaction and social-fascism in the present new situation of chronic, capitalist crisis and sharpening class struggle. The economic crisis has become so devastating in its effects upon the masses and the role of the "government" party has become so openly reactionary in carrying through the political and economic offensive of capital that the second or "opposition" party, even though it indulges in the finest demagogy and "swings to the left," as the Liberal Party now does in words, cannot serve as the best or a sufficient instrument of maintaining capitalist parliamentary deception. Because of the breaking down of the faith of the masses in capitalism, and because of the existence of the revolutionary, working-class party, the Communist Party, a "third" party of capitalism is now necessary which is distinguished from the "old" parties mainly by the fact that it not only declares itself to be in "opposition" but, in words, declares itself to be an ANTI-CAPITALIST party and promises to do away with capitalism and introduce SOCIALISM THROUGH PARLIAMENT. The masses would lose faith in the capitalist parliament and too easily see through the parliamentary system of deception, and turn more quickly to the revolutionary working-class party, if capitalism retained only its old equipment of an "opposition" party in the present situation. In order to hold the faith of the masses in the parliamentary system of deception, in order to try to make this machinery

fulfil its purpose of hoodwinking and deceiving the masses today, it is necessary to add a new party to this machinery, which promises SOCIALISM THROUGH PARLIAMENT.

The present situation in Canada presents us with as full and complete a picture of the two-sided roles of all three capitalist parties, as could be desired. In Ottawa, the Conservative Party holds government office and is in "opposition" in Quebec and Alberta. In Quebec, the Liberal Party is in office and in "opposition" in Ontario and Ottawa. In Alberta, the CCF (UFA Government) is in office, while the CCF is in "opposition" at Ottawa. What situation could be more instructive for the masses of workers and small farmers?

In regard to the Liberals and Conservatives, it is only necessary to mention the characteristic facts. The Conservative Bennett Government at Ottawa is heading the whole capitalist offensive, political and economic, against the masses of Canadian people. The Conservative Party in Quebec and Alberta plays the role of the "opposition," the main task of which is to deceive the masses by demagoguery. In Quebec the Conservative Party outstrips the CCF in "defending" the unemployed and "opposing the vicious police brutality." It "demands" ten dollars per week relief. One of its papers carried "exposures" of "police terror" against the unemployed, etc., etc. It characterizes the Taschereau Government as "reactionary." In all this, it is fulfilling the normal function of every capitalist party of deceiving the masses with demagogic phrases.

With the Liberal Party, the roles are reversed. In Quebec it has the Government and is carrying through the capitalist offensive against the masses as the Conservatives are in Ontario and at Ottawa. Its police terror is by no means less vicious than that of the Conservative Government in Ontario. At Ottawa and in Ontario, however, the Liberal Party has the "opposition" function, and fulfils it in the same manner as the Conservative Party fulfils the "opposition" function in Quebec, by demagogic deception. In Ontario and at Ottawa, the Liberal Party is against police terror, even against Section 98, etc. It speaks

of the “deplorable position of the masses,” and pretends to oppose the capitalist offensive.

Insofar as the CCF is concerned, it plays the role of the “opposition,” “Socialist” party in the Federal parliament, as well as in BC and Manitoba. In addition to this, we have before us in Canada a Government of one of the most important organizations of the CCF, the Alberta Government of the United Farmers of Alberta. It is true that the Alberta Brownlee Government was not elected as a CCF Government, and on this basis most of the social-reformists try to prevent the masses from drawing conclusions from the practice of the Brownlee Government as to what the practice of a CCF Government would be. No honest person can agree to this. The Brownlee Government was elected on the programme of the UFA which in every fundamental respect is the same as the programme of the CCF. Moreover, the UFA can rightly claim to be the founder of the CCF. In addition to these facts, it must be remembered that Premier Brownlee was personally one of the sponsors of the CCF. It is, therefore, a fact which cannot be refuted that we have before us in Canada a living example of a CCF Government in the shape of the UFA Government in Alberta.

The practice of the Brownlee Government is the practice of administering the dictatorship of finance capital. It confirms once again before the very eyes of the Canadian workers and farmers the fact established by the British, Australian and German “Labour” Governments that the social-reformists on securing the much-talked-of “parliamentary majority” take up the administration of the capitalist state, carrying out the full capitalist policy in the same way as all capitalist parties. The Brownlee Government is as reactionary in practice as any Government in Canada, in spite of the “Socialist” programme of the UFA. On “bloody Tuesday,” December 20, 1932, the Brownlee Government ordered the RCMP to brutally smash the peaceful march of the Alberta workers and farmers to Edmonton to present their demands to the government. Brownlee called out the Militia against the striking relief workers in Calgary. He has applied the “iron-heel” in

the most ruthless manner, throwing relatively more workers into jail for labour activities than any other provincial government. He has mobilized the state machine of violence against every struggle of miners. He has supported the unabated plundering of the farmers, whom he is supposed to “represent.” In all respects, the Brownlee Government is an example of capitalist dictatorship streaked with Fascist tendencies.

In the Brownlee Government and the Ottawa CCF “opposition” we see the practical operation of the CCF as the third wheel of the capitalist party system. It serves as the “opposition,” striving to divert the discontent of the masses into parliamentary channels. It also, at times, serves as the “Government” party, directly executing the policy of the bourgeoisie.

Great significance must be attached to this fact because the parliamentary tactics of the CCF have been designed cunningly to utilize the inexperience of the Canadian masses with a “Labour” Government. The CCF programme was especially framed to meet the needs of the most cunning parliamentary deception in the present situation when capitalist democracy is heading for Fascism. Formerly, reformist parliamentary programmes consisted of reforms or immediate measures which the parliamentary members were to work for and secure even though in a minority in parliament and the reformist parties held out the hope of these immediate reforms.

Such a programme is not suitable to the needs of social-fascist deception today. In the first place, such a programme would make it difficult to restrain the workers who follow the CCF from mass mobilization and mass campaigns for their immediate needs and demands. It would make it more difficult for the CCF to disarm, disorganize and prevent the immediate struggles of the workers and hinder the building of the united working-class front. In addition to this fact, such an “old-fashioned,” social-reformist programme is not suited to serve as a screen for the fascization of capitalist “democracy” when not only are reforms not being made, but a concerted offensive against the

masses is being conducted. For these reasons, the CCF programme had to be fashioned differently than the old social-reformist programmes.

The first requirement which the CCF programme had to meet in respect to parliamentary deception was to hold the masses back from immediate struggles against the capitalist offensive. Therefore, the CCF programme was formulated without any immediate demands or “reforms.” It was formulated in this way, in order to serve as the basis for conducting defeatist propaganda among the workers in immediate struggles, under the theory that only the election of a full Federal parliamentary majority of the CCF is of any value and that pending this, all immediate struggles are futile. In order to lend credence to this, the CCF programme is presented as the promise of a “peaceful revolution.” This tactic of social-reformism is the result of the fact that it has ceased the role of the conveyor of crumbs to the workers because capitalism is no longer giving crumbs to the workers. This tactic is adapted to the needs of the capitalists in conducting an offensive against the working-class, to the end of disorganizing the resistance of the workers. When capitalism was giving additional crumbs to the workers in reforms, as a result of the workers’ struggles, social-reformism’s task was to prove that not mass struggle of the workers, but parliament, was the arena for the improvement of the lot of the workers. Now, in the midst of the capitalist offensive, when parliament is being exposed as a reactionary, corrupt institution, and when parliamentary deception must facilitate capitalist reaction, the reformists adopt the new tactical line of the long-range parliamentary promise of “Socialism,” pending the “fulfilment” of which the immediate struggles of the workers are to be suspended as “futile”! It was on the basis of this tactic of a long-range parliamentary promise that the CCF programme was formulated.

This tactic provides the CCF leaders with a “left” cover under which to fight against the immediate struggles of the workers. The CCF leaders conduct propaganda against the “reformist” idea of

“small ameliorations” of the conditions of the workers and farmers, alleging that nothing short of their “fundamental change” is of any avail. They talk in an airy way against “patching up the system.” In this way, they would like to cover their shameless betrayal of the masses, their cowardly and unscrupulous treachery. For, in reality, the immediate struggles before the workers today are not struggles for “reforms.” Only a fool can speak of reforms when capitalism is conducting a drive against the masses of unprecedented ferocity. Only a cringing lackey of capitalism can resort to the base deception that the immediate struggles are “reformist” at a time when the masses are confronted with the task of mobilizing all their forces to maintain a bare minimum of existence in the face of the capitalist drive.

The struggle against hunger and for unemployment insurance, the struggle against wage cuts, the struggle of the farmers against debts and seizures, are today all part of the working class struggle against the capitalist way out of the crisis and are inseparable from the fight for the revolutionary working class way out of the crisis. The CCF tactic of long-range parliamentary promises and renunciation of the immediate struggles is the instrument of capitalist deception, calculated to imbue the masses with passivity, to cause sections of the masses to split away from the immediate struggles, to prevent the united front of the masses and thus to promote the capitalist offensive and the capitalist way out of the crisis.

The masses are unable, as yet, to understand and see through this tactic of the CCF leaders. Sections of the masses are impressed with the long-range promise of “Socialism,” being unenlightened as to what this “Socialism” really is.

They are impressed with the radical parliamentary speeches of Woodsworth and Company. They accept these speeches as genuine. They think that CCF promises are different from Bennett’s promises in that they are “sincere.” They cannot see, as yet, that the more the capitalist offensive sharpens, the more “left” must be the speeches of the CCF leaders in order to promote the capitalist offensive by hold-

ing the faith of the masses in a distant parliamentary promise. The masses have not yet learned by bitter experience that this distant promise is a malicious deception, and have not yet seen the real practice of a Federal CCF Government. The “bitter attacks” between the CCF and the Liberal and Conservative parties, which are an inseparable part of parliamentary deception, help to throw sand in people’s eyes. They are impressed with the necessity of doing away with the whole system of capitalism and beguiled with the idea of an “easy” and “peaceful” way out. They do not see clearly as yet the ends which this deception serves. They are impressed with the “pious sincerity” of the CCF, and cannot yet understand fully, in spite of all the experience with “pious sincerity” in the Great War, that the more the social-fascists are able to create the impression of sincerity, the greater is their danger to the workers, and the greater their service to capitalism. Their habits of thinking created over decades by the capitalist press and the schools, the parliamentary illusions, the illusion of “democracy,” the illusion of “constitutionalism” and the “sanctity” of capitalist “law,” all serve to facilitate the CCF deception.

The main instrument which has made possible the carrying through of the capitalist offensive up to now, has been the social-reformists, the CCF and the bureaucracy of the AF of L and ACCL. Had it not been for these capitalist agencies within the working-class, the masses could have been mobilized in united resistance against the offensive and could have defeated dozens of wage cuts and forced the capitalist class to disgorge adequate relief for the unemployed. The Communists, however, have not yet been able to shatter the reformist influence and have succeeded as yet in mobilizing only some section of the masses against the capitalist offensive. These sections are growing ever larger, and their successful resistance to the attacks of capitalism is only the beginning of a new awakening, a new upsurge of the masses of Canadian workers and farmers.

In the struggle against starvation relief rations, slave-labour camps, and for unemployment insurance the social-reformists have rejected

the line of the united working-class struggle and followed a line of united front with capitalism. The line of the CCF members of parliament at Ottawa has been to take advantage of the semi-starvation of the unemployed masses in order to promote the deception of their long-range parliamentary promise of "Socialism." Not once have they supported the struggles of the masses for adequate relief. A section of them voted in parliament for Bennett's "emergency powers." Mr. Woodsworth can proudly claim to be the "father of the slave-labour camps," having been the first MP to propose a "peace army" for highway labour to absorb the unemployed of the cities. He rejected the offers of united front struggle for unemployment insurance and other demands of the unemployed. In place of this, he calls the unemployed struggles "futile," declares that unemployment insurance is a mere "palliative," calls the unemployed struggles "the stirring up of civil strife," and engages in the most cynical demagoguery about the CCF programme curing unemployment. While the masses of unemployed have been engaging in hard-fought struggles, faced with the vicious terror of capitalist reaction, Mr. Woodsworth and Co. have been found utilizing their parliamentary posts not in order to call the masses to greater unity in struggle, not in order to promote and aid the struggles, but in order to disorganize and disunite the struggles, in order to break off sections of workers from the struggle, in order to try to lull the masses to passivity and defeatism by representing the struggle as futile and holding out the distant promise of curing unemployment. How better could the MPs of the CCF aid the hunger programme of capitalism?

The demagoguery of the CCF Federal MPs has been combined with the role of the local CCF municipal officials and the trade union bureaucracy as the greatest obstacle to the struggles of the unemployed workers. In Toronto, the CCF demagoguery has played a tremendous role in holding the unemployed masses back from struggle against the starvation relief. Combined with the general demagoguery, the CCF puts forward in the municipal elections (as the Labour Party before it) a

hypocritical programme of unemployed demands, including “non-contributory unemployment insurance.” At the same time, James Simpson, the arch-traitor of the workers, is the main pillar of the whole starvation regime in Toronto, boasts of the “splendid relief,” supports the police terror against the unemployed, and provides a “labour” screen for the whole capitalist offensive in the city. The Trades and Labour Council finds the hostels “as good as can be expected.” Brownlee, the bosom friend of Woodsworth, and one of the founders of the CCF, carries through the starvation regime in Alberta and herds workers into slave-labour camps. The CCF city council in Edmonton administers the semi-starvation rations and the police terror to keep the unemployed submissive. Members in the Winnipeg city council, belonging to Mr. Woodsworth’s ILP participate in the Police Commission, while unemployed are being clubbed for fighting against the relief system, in the administration of which the ILP also participates. In Verdun, the CCF mayor turns against the unemployed after having been elected by promising to grant their demands. In Hamilton, Lawrence plays a “left” role in order to hold the unemployed under reformist influence.

The trade union bureaucrats of the AF of L try to prevent the formation of a real united front of the workers for the unemployed demands by utilizing the hypocritical side-show of passing resolutions in their “legislative mouthpiece,” the Trades and Labour Congress. They ask for contributory insurance, which really means a wage-cut for all employed workers and, in reality, excludes from benefits all who are at present unemployed. At the same time, Moore makes a united front with Bennett’s slave-labour programme and “commends” the work of the Government in the Social Service Council. The AF of L bureaucrats are fearful that the workers in the AF of L will join the movement for the unemployed demands. They are afraid that the employed and unemployed will unite. They, therefore, utilize all their influence to prevent Labour Day from becoming a day of struggle for the unemployed demands, and make it a day of advertising for capi-

talist concerns and a day of united front with the capitalist governments against the workers. Mosher and the ACCL bureaucracy follow fundamentally the same line of opposition to united front struggles for the unemployed demands.

In the line of struggle against wage cuts, the social-reformists, whether CCF politicians or trade union bureaucrats, are found in a united front with the capitalist class and against the united front of the workers. Their policy of class-collaboration has led from support of capitalist rationalization during the period before the present crisis, to direct promotion of the wage-cutting drive of capitalism at the present time. The AF of L bureaucrats have carried through the wage-cuts of the railway magnates against the railway workers. Mosher and the ACCL bureaucracy directly participate in this united front of the railway magnates and trade union bureaucrats against the workers. The UMW<sup>1</sup> bureaucrats carried through the wage cuts against the miners in Nova Scotia and in Drumheller, Alberta. The bureaucrats cut the wages of the street-railway workers in Toronto, Vancouver, London and other cities, while the OBU<sup>2</sup> officials in the interests of the Winnipeg Electric cut the street-railwaymen's wages in Winnipeg. In the same way, the bureaucrats carried through wage-cuts in the pulp and paper, budding, printing, metal and other trades.

In the mass strike movement led by the Workers' Unity League, the social-reformists and trade union bureaucrats have formed a united front with the bosses against the struggles. In Alberta, Brownlee sends the RCMP against striking miners and tries to prevent picketing. In the Stratford strike Moore and Mosher united against the striking workers. In Nova Scotia, the AF of L is a scab-herding agency. In Hespeler, a trade union bureaucrat tried to intervene to break the strike. The reactionary trade union bureaucracy at times head strikes at the command and under the instructions of the employers in order

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<sup>1</sup> United Mine Workers. — NEPH

<sup>2</sup> One Big Union, reformist syndicalist trade union. — NEPH

to prevent the workers from uniting in a militant union and to maintain the bosses' system of class-collaboration at the expense of the workers (tailors and cloak-makers). The only other occasion on which the trade union officials conduct strikes is as an instrument of racketeering, as in the case of the motion picture projectors (the AF of L bureaucracy were the first large-scale racketeers in the United States and Canada).

The CCF tactic of diverting the masses to distant parliamentary promises is inseparably connected with the wage-cutting drive. The CCF demagoguery is one of the best instruments of capitalism for trying to prevent the workers from striking against wage-cuts. When the wage cut was being carried through against the pulp and paper workers, Mr. Woodsworth opposed any struggle and held out the promise to the workers that the CCF would "nationalize" the industry. This is a most direct illustration of the whole role of CCF demagoguery in facilitating wage cuts. Mosher develops his theory of the "futility of strikes" and carries through the wage cuts of the railway workers with the aid of "left" propaganda that only a "complete change through parliament" can help the situation. The trade union bureaucracy of the ACCL and AF of L, who are the most direct agents of the wage-cutting drive, are the main support of the CCF in the working-class movement.

The farm-reformist organizations, which provide the biggest organized base of the CCF, have been the main instruments of the financial oligarchy for holding the mass of farmers back from active mass resistance to the offensive of capital. The United Farmers of Alberta, which was the founder of the CCF, is completely dominated by the rich farmers. The UFA Government carries through the plunder of the farmers for the banks, while holding the farmers back from struggle by means of its "Socialist" demagoguery. The UFA and UFC<sup>1</sup> officialdom, which has been connected integrally with the whole

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<sup>1</sup> United Farmers of Canada, federal organization of the UFA. — NEPH

mechanism of the capitalist state and finance capital through the “wheat pool,” which was an efficient debt-collecting agency and means of robbing the farmers, have set themselves the main task of preventing the farmers from giving organized mass resistance to taxes, debt-collections, seizures and foreclosures, and of diverting the mass of toiling farmers to parliamentary hopes. They have in this way served as the agents of finance capital and the rich capitalist farmers among the mass of small and medium-sized farmers. The United Farmers of Ontario, which formed a reactionary provincial government a decade ago, has played the same role in Ontario and is now trying to perpetrate CCF deception among the Ontario farmers so far as Federal politics is concerned. These reformist farm organizations with their reactionary officials have been the main obstacle to the development of mass struggles of the farmers against capitalist monopolies which pay the farmers low prices for their products, and in turn sell them to the workers in the cities at exorbitant prices.

Thus, the CCF policy and practice supports every line of the capitalist offensive upon the toilers — the wage-cutting, the hunger programme for the unemployed, the plundering of the farmers. In addition to all these, it must be added that the CCF leaders support the whole inflation, price-raising programme of monopoly capitalism which is a very important phase of the offensive against the masses at the present time.

## F. PAVING THE WAY FOR FASCISM

What does the CCF tactic of a distant promise of “Socialism through parliament” mean for the whole development of the present capitalist drive towards Fascism and War? That is the question which every Canadian worker and farmer must answer.

We have seen the real meaning of the CCF promise of Socialism. The CCF promise of “Socialism” is a hoax. It is a fallacy and a lie. It is monopoly capitalism covered with deceitful words. It is a fraud, an

outgrowth of decaying, degenerating capitalism.

What does it mean then to hold up this hoax as a promise of Socialism through parliament in the far distant future?

The tactic of the CCF is built up around the hope of a CCF parliamentary majority at Ottawa. It is, therefore, necessary to take into account the question of elections. There are two possible perspectives in this connection.

The first is that at the next Federal election the CCF will receive a majority in parliament. This is very improbable, since the bourgeoisie and the CCF leaders know that the formation of a CCF Federal Government would destroy the usefulness of the CCF. The CCF leaders do not desire a CCF majority in the next parliament. But taking for granted that such would be the case, or that the CCF would enter some coalition government, it would mean that the CCF leaders would take up all the executive functions of the Canadian imperialist government. They would carry out the identical policy of Bennett and would hasten and push forward the capitalist drive against the masses, the frantic drive towards Fascism and war — all under “Socialist” phrases. This would expose the CCF and “left” social-fascist groupings, splitting from the CCF, would take up the functions of deceiving the masses with a still more distant perspective of another parliamentary majority and another “Socialism through parliament.”

The alternative to this is the perspective that the CCF will not attain a parliamentary majority at the next elections, but will remain a parliamentary “opposition.” In this case, the long-range parliamentary promise is put off for another five years, altogether six or seven years, until the following general election. As a matter of fact, the CCF leaders dangle their promise of “Socialism” at the end of a much longer string. Not one of them ever speaks of fulfilling their promises in less than 15 years. Most of them relegate any idea of carrying out their promises to the remote future, variously fixing the time anywhere between 20 and 150 years. This is the real tactic of the CCF leaders.

But what is going to happen in the next years during which the CCF holds out to the masses the hoax of "Socialism through parliament"? During these next years the Canadian masses will be faced more and more sharply with war and Fascism. During this time the bourgeoisie will run the whole gamut of their Fascist and war policy. Anyone who tries to deny this is trying to blind the masses to what is taking place and is ahead. The masses must be clearly enlightened as to what lies ahead in order that they may understand the true meaning of the CCF promises.

The CCF leaders represent the present and the future before the working-class as if it were a matter of the workers making a choice between the CCF "peaceful" way to "Socialism" and the Communist revolutionary way. With this shameless talk, they wish to befuddle the masses so that they cannot see the real issue. It would appear that only a fool would reject the nice, peaceful and brotherly path of the CCF to "Socialism." The CCF leaders make it appear (as do the whole bourgeoisie) that only a bloodthirsty villain would desire the proletarian revolution in preference to the CCF "peaceful way." Thus, do the bourgeoisie and their lackeys ever perpetrate their malicious deception of the people.

We must ask the gentlemen of the CCF: "Where will you be during the next years? What are you doing now and what will you be doing as Fascism continues its advance and war breaks out?"

We know very well where these gentlemen are, and where they will be. We know very well what they are doing and what they will do. They are and always will be found on the side of the bourgeoisie. They are and will be trying to lull the masses to sleep, to drug the masses with their poisonous deception of "Socialism through parliament," to hold back and beat back the masses from revolutionary struggle against fascism and war. They are and they will be, for the whole coming period, paving the way for fascism and preparing imperialist war under the false deception of "Socialism through parliament." Every pious, philistine word they utter to deceive the masses

with their hoax will be paid for in the blood of the best sons of the Canadian toilers, unless the Communists succeed in tearing the mask from their pious faces, exposing them and destroying their influence among the masses.

No honest man, who truly wishes to see and understand the course of events, can fail to see the stark reality of these facts. They are proven by the whole programme and practice of social-fascism and the CCF in particular. At this late date in the history of working-class struggle, there is no cause for uncertainty as to the role of the CCF. What they are doing and where they are heading is not open to the least shadow of doubt.

The capitalist theory of the “democratic” state is the fundamental point of departure of all social-reformist betrayal and deception of the masses. Taking their point of departure from the theory that the state is not the dictatorship of the capitalist class but “is the people in control of themselves,” the whole course of social-reformist policy is inevitably tied up with the interests of the capitalist state power. The whole line of the imperialist policy of the state is fundamentally justified, but is criticized within the limits of the general, capitalist, parliamentary deception and the by-play of parliamentary parties. The whole reformist defence and consistent support of capitalist policy in practice is covered with a philistine mask, the defence of “democracy,” the same mask with which the bourgeoisie screen their dictatorship. Obviously, if the state is “the people in control of themselves,” its reactionary policy is not due to the class rule of the bourgeoisie. The bourgeoisie are not to blame. The reactionary role of the state and its suppression of the masses is not explained by the fact that it is the capitalist class dictatorship, which rests upon the economic domination of the bourgeoisie. It is to be explained by the fact that the masses have not voted “right.” The “people” are to blame for not having elected the “right people” to parliament. In this way, the social-reformists mobilize in support of the bourgeoisie to try to conceal the fact that the state is a class organization, which existed long before the

general franchise, and developed its “democratic” forms in accordance with the conditions of the growth of capitalist exploitation and the subjugation of the masses by the two principle means of capitalist rule, forcible suppression and deception of the masses. They wish to conceal the fact that the state was never determined by voting, but that voting was determined by the state and the class rule of the bourgeoisie. Had the class-consciousness of the masses (i.e., their freedom from the influence of capitalist deception) and their struggle against capitalism reached such a level as to be revealed in a majority, revolutionary, Communist vote, the capitalist state either would have deprived the masses of the vote and changed to a Fascist form, or would have been overthrown by a victorious proletarian revolution.

From the social-reformist theory that the state is “the people in control of themselves,” the social-reformists derive their whole system of defence of the capitalist dictatorship against the revolutionary struggles of the workers. If this state represents the people it is obviously necessary to defend this state. This state must play the role of the “regulator” in society and must therefore suppress the struggles of the workers against it. It is necessary to fight against the overthrow of this state. From this system of views flows the whole anti-working-class, counter-revolutionary practice of social-reformism. Its whole development is along the lines of, and determined by, the capitalist state. There is obviously nothing wrong when the Brownlee Government clubs the workers and farmers in Alberta and unleashes the apparatus of state violence against them. In line with this, there can be no criticism of Jimmy Simpson, the main pillar of police terror in Toronto. At the same time, the whole line of practice of social-reformism in support of the imperialist wars of “their own” imperialist state flows directly from this theory. If the state represents “the people in control of themselves,” it is obviously impossible to fight for the overthrow of this state when it is at war; it is necessary to support its wars. Under this deception, European social-reformism drowned in blood the proletarian revolutions in a whole series of countries. Under this

deception, world social-reformism supported the war of 1914-18.

Thus, social-reformism develops its whole system of views in order to retain the masses in support of the capitalist dictatorship. Its whole programme hinges around support of the capitalist state. State capitalism, “industrial democracy,” liberal-utopian theories of money reforms and “planning” to be carried through by the capitalist state — every element of its programme only serves to build up a system of deception by which to try to convince the working-class not to overthrow the dictatorship of the bourgeoisie but to support it. It utilizes the desire of the masses for the abolition of capitalism in order to try to hold the masses in support of decaying, dying capitalism by making the whole system of its deception about Socialism dependent on the maintenance and defence of the capitalist state. In this way the social-reformists serve as the main prop and support of the capitalist dictatorship, the main social prop of advancing Fascist reaction.

The whole system of CCF and all social-reformist deception which promises a “peaceful” road to Socialism is based on covering its inseparable connection with and allegiance to the capitalist state as it advances towards Fascism and war with new parliamentary promises, new illusions of “democracy,” new faith in the capitalist dictatorship, which is draped with a “democratic” fig-leaf.

Lenin pointed out:

“Without support among the proletariat” (through the social-reformist agents of the bourgeoisie) “the bourgeoisie of Western Europe and America are not in a position to stay in power.”

The social-reformists provide the main social bulwark of the capitalist dictatorship because their whole policy is the main agency of capitalism for using the workers and toiling farmers, whose mission is to overthrow capitalism, as a support of capitalist rule. Without this social prop, the capitalist class would not be in a position to maintain its dictatorship.

As we have seen the capitalist class dictatorship in Canada and in

all capitalist countries is moving towards Fascism and war. Social-reformism moves inevitably in the same direction as a law of necessity. The only alternative is to move towards proletarian revolution; but social-reformism has no other content but a fundamental opposition to the proletarian revolution. As the Canadian bourgeoisie heads towards Fascism and war, the CCF goes also towards Fascism and war. Social-reformism remains the main social bulwark of capitalist rule so long as capitalist rule lasts, during the whole process of fascization and after the fascist dictatorship emerges from bourgeois democracy, during the whole war preparations and after war breaks out. The question of whether capitalism can succeed in establishing a Fascist dictatorship and whether it can succeed in herding the masses to war is the question of whether or not the social-reformist leaders can be isolated from the masses and this main social support of capitalist rule destroyed, i.e., whether or not Communism wins the majority of the working class for the revolutionary way out of the crisis.

It would be a great mistake to ignore the fact that Fascism emerges from bourgeois democracy by stages. The social-reformists hold up the spectre of a Fascist “coup” in order thereby to hide the fact that Fascism grows out of bourgeois “democracy,” to direct the attention of the masses away from the actual growth of Fascism and the need for mass organization and struggle to some distant “putsch.” To see the role of social-reformism as the social prop of the capitalist dictatorship right up to and after the establishment of Fascist dictatorship, it is only necessary to look at Germany.

The events in Germany are of tremendous significance to the Canadian working-class. The bourgeoisie of Canada and the CCF leaders are putting forward every effort to prevent the Canadian masses from learning the lessons of Germany. They are making loud and hypocritical speeches against German Fascism in order to close the eyes of the Canadian masses to the fact that capitalist “democracy” in Canada is directly on the path to Fascism. They speak of Fascism as “foreign to Canada” in order to lull the masses to sleep in the face of the

fascization of the Canadian bourgeoisie, the state and Canadian social-reformism. The events in Germany definitely mirror the future events in Canada unless the revolutionary movement is able to mobilize the wide masses against fascism and social-fascism.

German Social-Democracy, the German equivalent of the CCF, crushed the German proletarian revolution in 1918. Its leaders organized the bloody massacre of the revolutionary workers. It restored capitalism, declaring that the “democratic republic” was the way to Socialism. It pushed forward capitalist rationalization, betraying the masses to the employers in the name of “peace in industry.” It has been the government in the province of Prussia for the last 14 years. It commanded majorities in numerous municipalities. It administered the police terror against the workers in the name of the “state standing above classes,” murdering workers in Berlin on May 1st, 1929. It befuddled the masses with the fake theories of curing capitalism and of “capitalism being transformed into Socialism.” It conducted a hypocritical fight against Fascism in order to try to strengthen the faith of the masses in “democracy” and hold the masses back from revolutionary struggle against capitalist democracy. With this tactic it supported Hindenburg and the Bruening Government as a “lesser evil” than Hitler, thus holding the masses as the support for capitalist dictatorship on its path to Fascism. The bourgeoisie needed Bruening and Hindenburg to prepare for Fascist dictatorship. It needed to pacify the masses and prevent them from overthrowing its rule in order that it could achieve Fascism. It needed to split the workers and prevent them from general mass strike movements going over to revolutionary struggle.

Social-democracy fulfilled all of these tasks. Its deception led the masses from one capitulation to another. In this way it paved the way for Hitler, making it possible for Fascism to whip masses of the petty-bourgeoisie into sadistic hysteria against Communism. It demoralized sections of the petty-bourgeoisie and even workers with its vicious deception of “Socialism through parliament” and thus prepared them

for Fascist propaganda. It rejected the line of the united front strikes and mass struggle against Fascism and split the ranks of the working-class in the face of Fascism. Thus, it brought Hitler to power. Having brought Hitler to power, it now co-operates with Fascist gangs and serves as the main social prop of Hitler's regime, licking Hitler's boots, turning the trade unions into Fascist organs and trying to fill the masses with defeatism, in order to prevent them from fighting Hitler. It supports Hitler's war preparations against the Soviet Union and splits the ranks of the workers.

This same history was repeated before in Italy and Poland. In Italy, the Socialists betrayed the great metal strike under the theory that "democracy" is the way to Socialism and not revolution. This opened the door for the "Socialist," Mussolini. In Poland, the Socialists prepared the way for Pilsudski. In Poland and Italy, the Socialists remained the main social prop of the capitalist dictatorship after Mussolini and Pilsudski came to power, splitting the ranks of the workers and co-operating with Fascism.

The CCF is walking in the footsteps of German Social-Democracy. Its full metamorphosis from the cocoon to the butterfly has not unfolded yet, of course; it is in the process of unfolding. But just as surely as every cocoon unfolds through various stages to the butterfly, unless its course is interrupted, so surely will the CCF evolve in the footsteps of German Social-Democracy, unless its course is interrupted and prevented.

In the present stage of the fascization of the Canadian capitalist dictatorship, the CCF is playing a more and more decisive role. It serves as the screen for fascization. It serves as the splitter of the workers' ranks in the fight against fascization, capitulating step by step to fascist reaction. It is striving to overcome the opposition of the workers and farmers under reformist leadership, small business people and office workers to the imperialist fascist policy of monopoly finance capital, and to transform sections of these people into direct defenders of this policy and active supporters of finance capital in the fight

against Communism.

Let us examine concretely the role of the CCF in connection with the fascization process of Canadian capitalist “democracy.” We will deal later with the role of the CCF in the preparations for war, in which Mr. Woodsworth has made a direct alliance with R.B. Bennett and MacKenzie King in support of Canadian imperialism’s foreign policy.

The role of the CCF directly aids the “strengthening” of the powers of the capitalist state, which is part of the organic growth of fascism out of “democracy.” In the first place, the whole line of the CCF that the state is the “people in control of themselves,” serves to hold social support for the dictatorship of finance capital at a time when the masses are ready to be broken away from their old parliamentary illusions. But the CCF turns this to direct usefulness in increasing the formal “democratic” powers of the government, “representing the people.” Many of the MPs who are in the CCF voted for Bennett’s “blank check,” to “maintain peace, order and good government” and “solve unemployment.” The line of agitation of the CCF about the role of the state as the organ which is supposed to “regulate” and “plan,” etc., serves as a screen for every move of the imperialist bourgeoisie, and this is only further advanced by the parliamentary attacks of the CCF on the Bennett Government. The line of CCF propaganda about the Duff report, the Hydro, the Radio Commission, the CNR, etc., serves as a screen for the role of the state in saving monopoly capitalism at the expense of the masses, diverting attention from the fundamental issue of this plundering of the masses to “parliamentary criticisms.” The propaganda about “experts” as the hope of the masses, the support of the demagogy of Roosevelt (which is made all the more effective by criticisms to give the impression that the CCF would do the job more “fundamentally”), and the hypnotizing of the masses with fake financial schemes, serves to help the capitalist dictatorship in all its manoeuvres with “commissions,” “advisory boards,” etc., and to keep the faith of the masses in such “operations,” which

is only further promoted by “criticizing” the present given operations and manipulations. The CCF leaders frequently talk of the “obsolescence” and “inefficiency” of parliament, and in connection with the numerous provincial governments, they speak of “overgovernment” and propose revision of the BNA Act in the direction of strengthening the Federal Government — all of which is in line with the whole tendency of fascization to strengthen and centralize the executive organs by lopping off the “democratic” red tape which is more and more a hindrance to finance capital. As an additional cover for themselves, and in order to divert the masses from a real understanding of the capitalist dictatorship, the CCF and some sections of the Liberals talk of the “abolition of the Senate,” “liberty for all,” “humanizing the law,” etc. By all of these means, the CCF generates anew the parliamentary illusions of the masses and screens the fascization of the capitalist dictatorship.

It is no accident that the CCF is set up in the same period that the Communist Party is driven underground. Social-fascist deception of the masses is an indispensable weapon of capitalism in its fascist suppression of the revolutionary Communist movement.

Many workers, who are still followers of social-reformist leaders, believed when the Communists attacked Woodsworth and Co. for their role in connection with the banning of the Communist Party under Section 98, that they were motivated by personal animus and not by the facts of the case. It appeared to these workers that the CCF leaders played the role of a definite opposing force against the fascization expressed in banning the Communist Party. But this is not the case.

The real role of the CCF leaders in the banning of the Communist Party can be summarized in the following: (1) The CCF leaders adopted tactics in order to prevent any real reformist hindrances to the banning of the Communist Party. Masses under the influence of “democratic” illusions were shocked by this fascist act of the government and threatened to join forces with the revolutionary workers in

real resistance and struggle against it. Under these circumstances, the CCF leaders were compelled to resort to the “left” manoeuvre of demagogic speeches against Section 98, combined with an intensification of their whole deceptive propaganda in order to draw the attention of the masses away from struggle and have them place their faith in the “future” revision of Section 98 by a “CCF Government.” (2) The CCF leaders combined this tactic with the splitting of the united front of the workers in order to force the masses to capitulate to the imprisonment of the Communists and the banning of the Communist Party, under Section 98, thus ensuring the consummation of this fascist measure. For this reason, the CCF leaders combined their parliamentary demagoguery with a direct fight against the building of a working-class united front even for mass meetings and demonstrations, to say nothing of mass strikes, which would have been the most effective weapon to combat this Fascist move of the Federal and Provincial Governments. (3) The CCF leaders, together with Price, Bennett and the whole bourgeoisie adopted tactics to prevent the masses from coming ever to Communism and to turn the unrest of the masses in regard to the suppression of the Communists into new illusions supporting capitalist dictatorship. The CCF leaders took up the whole tactic of Price and Co. of covering the suppression of the Communists under the guise of “opposition to violence,” “maintenance of democracy.” They intensified their propaganda of the lie of “peaceful revolution” in order to aid the bourgeoisie in their efforts to represent the Communists as people who desire bloodshed in spite of the “fact” that “all changes” are possible by “peaceful means.” They rejected the proposal of the Canadian Labour Defence League for united front meetings against Section 98 on the grounds that the CLDL leaders are for “civil strife,” thus falling in with the desire of the bourgeoisie to prepare the illegalizing of other working-class organizations, and tacitly implying that any real agitation against Section 98 should be rejected because it stirs up “civil strife.” At the same time, the CCF caucus in the Federal House of Commons, through the mouth of A. Heaps,

launched a vicious slander campaign against the revolutionary movement, provoking new suppressions, and pointing out to the bourgeoisie that Section 98 was not indispensable, since the same purpose could be attained under other sections, against which no mass sentiment existed. As Mr. Woodsworth once pointed out in parliament — the sedition laws are “more fundamental to the welfare of the country than Section 98.”

This illustrates graphically how social-fascism paves the way for and assists in carrying out every move of the bourgeoisie in the fascization of the state. The role of social-fascism in paving the way for reaction to advance, step by step, to Fascism depends upon the maintenance of the democratic illusions of the masses in order that they will place faith in parliament and, therefore, capitulate before each attack, since these attacks can only be rebuffed by mass action.

While the social-fascists of the CCF stop at nothing in their assistance of the fascist suppression of the workers, they, like other bourgeois groups, at the same time strive to maintain the parliamentary and juridical forms. The 12th Plenum of the Executive Committee of the Communist International pointed out:

“Both fascism and social-fascism (social-democracy) stand for the maintenance and the strengthening of capitalism and bourgeois dictatorship, but from this position they each adopt different tactical views. In view of the fact that the position of the ruling bourgeoisie of every country is one of inherent contradictions at the present time, which compels them now and again to manoeuvre between a course for determined struggle against their enemies at home and abroad, and the more prudent course, this inherent contradiction in the position of the bourgeoisie is also reflected in the difference in the positions taken up by fascism and social-fascism. The social-fascists prefer a moderate and ‘lawful’ application of bourgeois class coercion, because they do not want to contract the basis of the bourgeois dictatorship; they guard its ‘democratic’

drappings, and strive chiefly to preserve its parliamentary forms, for without these, the social-fascists would be hampered in carrying out their special function of deceiving the working masses. At the same time, the social-fascists restrain the workers from revolutionary action against the capitalist offensive and growing fascism, play the part of a screen behind which the fascists are able to organize their forces, and build the road for the fascist dictatorship.”

This is fully borne out in Canada in the whole course of the growth of police terror, deportations, arrests, class war murders and imprisonments. The whole line of the CCF is aimed at preventing the masses from mass action against the political attacks of the bourgeoisie on free speech and assemblage, etc. But in order to promote this tactic, they wage a sham battle for “legal methods” of suppression.

In Toronto, James Simpson, CCF controller, has been for years the main pillar of the reactionary police terror, serving as the “Labour” screen for every act of brutality and terrorism of Draper’s minions. In order to prevent real mass action, which would smash Draper’s attacks, the CCF, the trade union bureaucrats, some sections of the capitalist press and the Liberal Party, all conduct an agitation for “legal” methods of police terror and suppression, and against “extra-legal” methods. When the police smash a meeting, they declare that what should have been done was to arrest the organizers and bring them to trial. When the police threaten hall owners in order to prevent a meeting, they advocate that the meeting should be permitted, and the speakers arrested quietly after the meeting, etc. By this tactic they strive to keep alive the democratic illusions of the masses, while Draper conducts his police terror offensive. If the bourgeoisie and particularly the CCF had not succeeded in carrying out this tactic during the past years, the masses in Toronto could have been mobilized to give really smashing blows to the police terror. To fight seriously the police terror in Toronto, this social-fascist tactic must be frustrated.

The CCF demagoguery goes hand in hand with its direct participa-

tion in the increasing application of the state apparatus of violence against the masses. Simpson directly participates in the state violence against the workers in Toronto. "Labour" Mayor Knott directs the police suppression in Edmonton. The ILP is represented on the police commission in Winnipeg. Brownlee mobilizes the apparatus of state violence against the workers in Alberta. There is not so much as a shade of difference in the degree of application of the state apparatus of force and violence against the workers, between a CCF mayor, premier, or other official, and a Conservative mayor, premier or other official, unless it is in that the CCF lackeys are more quick to turn batons and guns on the workers in the interests of their masters.

The present CCF tactic of a distant promise of "Socialism through parliament," which is calculated to keep the masses back from mass struggle for the whole next period of years, during which Canadian capitalism will intensify its drive to Fascism and war, is the basis for the "lesser evil" tactic of the CCF which will characterize the whole line of CCF manoeuvring during this time. Insofar as CCF city councils and provincial governments may come in question during this time, they will practice the typical manoeuvre of all capitalist city councils and provincial governments, utilizing the limitation of powers in relation to the Federal government. They will justify their whole reactionary line under the plea that nothing can be done to attain "Socialism" until the promise of a federal majority is fulfilled. The Federal opposition, holding out the illusion of "Socialism through parliament" in the remote future, will develop its deception by the tactic of the "lesser evil."

The "lesser evil" tactic is developed into a whole system by social-reformism and specifically by the CCF. It is dependent upon preventing the masses from seeing what lies ahead, from understanding the course of events as a whole and thus inducing the masses to capitulate step by step before capitalism in accepting what appears to be a "lesser evil." In the line of the capitalist economic attack, the reformists try to get the masses in given instances to accept a 10% wage cut as a

“lesser evil” than the 20% wage cut originally proposed, postponing the additional 10% cut until later. In the line of the political attack, they befuddle the masses with the idea that “lawful suppression” is a “lesser evil” than “extra-legal” police suppression. The sedition laws are represented as a “lesser evil” than Section 98. Lawful and duly arranged deportation is a “lesser evil” than kidnapping. If the masses can be drawn into support of the “lesser evil” they can be prevented from revolutionary struggle and thus rendered helpless before capitalist attacks.

This “lesser evil” tactic in its broadest aspects directly leads up to capitulation before Fascism and war. German social-democracy drew the masses into supporting Bruening and Hindenberg as a “lesser evil” compared to Hitler, and thus paved the way for Hitler by holding the masses back from revolutionary struggle.

In Canada, the CCF and some sections of the bourgeoisie are conducting mass propaganda in order to distort the danger of Fascism. They contrast “democracy” and “dictatorship,” in order to prevent the masses from seeing that Fascist dictatorship is only another form of the same capitalist dictatorship. Once the masses understand that Fascism is the same dictatorship as capitalist “democracy” but only more naked and frank, they will understand that to fight Fascism means to mobilize in mass revolutionary struggle against the present dictatorship. They will understand that Fascism can only be defeated by smashing through mass action every reactionary move of the bourgeoisie. They will understand that there is no alternative to Fascism but the proletarian revolution. The “lesser evil” tactic is designed to prevent the masses from understanding this. It is the form of capitalist parliamentary deception adapted to the transition from bourgeois “democracy” to Fascist dictatorship.

As the bourgeoisie of Canada advances further and further towards Fascism in its suppression of the revolutionary movement, certain sections of the bourgeoisie and particularly the CCF will strive to draw the masses more and more into support of capitalist dictatorship

under the slogan of the “defence of democracy” against “dictatorship.” They will strive to draw the masses into support of the various manoeuvres of the bourgeoisie, to prepare for Fascism (such as support of coalitions, given reactionary measures to strengthen state power supposedly against both Fascism and Communism). They will develop further their system of contrasting “democracy” and “dictatorship” in order to hold the masses back from revolutionary struggle under the plea that “democratic peace” is far preferable to proletarian revolution, arguing that revolution will be defeated, that it will cause “bloodshed” and “disorganization.” In this way, they will support every bloody blow of capitalism against the proletarian revolution, aiding the advance to Fascism. At the hour when Fascism must be smashed by revolutionary action, when the masses must organize the proletarian revolution or submit to Fascism, they will raise aloud the cry of “defence of democracy” in order to try to paralyse the masses and force them to capitulate before the bloody Fascist dictatorship. Thus does social-fascism pave the way for Fascism. Thus will the CCF complete its metamorphosis unless it is prevented from doing so by the revolutionary movement.

When confronted with the fact that the bourgeoisie is striving inevitably to advance to Fascism, and that the capitalist class inevitably will resort to violence to try to prevent the establishment of Socialism, the CCF leaders always use the occasion to try to give credence to their deception that they stand for Socialism and to spread defeatism among the masses.

Mr. Woodsworth says:

“Well, if many take the position that we cannot do this thing constitutionally, and behind it is the threat that it will not be permitted to be done constitutionally, then none of us can answer as to what may actually take place.” (Hansard.)

“We cannot answer for what will happen” — this is the answer of the CCF leaders to the certainty that the struggles of the workers will

meet with Fascist civil war and will face the new imperialist war which the bourgeoisie is now preparing. Here is exposed the whole treachery of the CCF. If the CCF succeeds in dragging the masses behind its hoax of "Socialism through parliament," if in this way it prevents the masses from revolutionary organization and aids the bourgeoisie in smashing the revolutionary organizations of the workers, then there can be no question but what the bourgeoisie can successfully establish a Fascist dictatorship. Holding out the perspective of dragging the masses along with their parliamentary deception right up to the threshold of Fascist dictatorship, the CCF leaders declare that they "cannot be responsible," "cannot answer" for what will happen then. What will happen then is clear. Either the masses will desert the CCF and take up revolutionary struggle, or, if the CCF's influence remains strong enough to hold the masses in passivity, the masses will be crushed under the Fascist iron heel, until the Communists succeed in reorganizing the forces of the proletariat and preparing the proletarian revolution.

With such deception, the CCF leaders would try to induce among the radicalized workers an attitude of "try the CCF first." If it should succeed in causing the workers to think in this way, thus preventing revolutionary organization, it will fulfil a large part of its task of paving the way for Fascism. If the masses can be held back from united organization and support of the revolutionary movement up to the moment when they are confronted with fascist civil war, then the CCF will have succeeded in its purpose. The masses will be faced with fascist civil war with their ranks divided and unarmed with the decisive weapon for the struggle, a mass revolutionary party having the support of the majority of the working class.

Without such a weapon, it is of course, ridiculous to imagine successful struggle against fascist civil war. This is precisely the work of social-fascism — to try to prevent the working class from developing in the course of struggle against each and every attack of the bourgeoisie mass revolutionary unity under the leadership of a firm, working-

class Marxist-Leninist party, without which the bourgeoisie can never be defeated. This is precisely the path to victory which the CCF tries to stop the workers from taking. It is to do this that the CCF was organized. The CCF leaders are sure of only one thing — that they will always oppose the struggles of the workers, that they will always fight against the proletarian revolution. They wish to fill the workers with illusions now in order to prevent them from preparing in the whole course of the fight against the capitalist offensive for the final battle, thus trying to ensure beforehand that the workers will be defeated in the decisive battle with fascist civil war.

The fascization of the capitalist dictatorship in Canada and the fascist dictatorship of the bourgeoisie after it is established (Germany, etc.), has two sides: on the one hand, it is the result of the disintegration of capitalism and on the other hand, it means the struggle of the bourgeoisie for the consolidation of their rule. The process of fascization in Canada and other so-called “democratic” countries and the coming to power of Fascism in Germany means that the antagonism of the broad masses to capitalism is growing, that the capitalist class is unable to maintain its rule by the old “democratic” methods and is passing to open terrorist dictatorship. In Fascism in Germany today, we see with striking clarity the strong elements of the breakdown of capitalist rule. The opportunist defeatist views regarding Germany are spread by the lackeys of the bourgeoisie in Canada in order to foster defeatism among the Canadian masses concerning the possibility for successfully fighting Fascism in Canada, the prerequisite for which is the breaking up of the influence of social-fascism, the CCF Social-fascist ideology fosters the idea among some workers that fascism is an inevitable stage, that the working class must pass through fascist reaction in order to understand the necessity of revolution. These opportunist views all lead to passivity in the struggle to win the masses away from social-fascism, they promote fatalistic passivity among the advance-guard of the workers in the fight against fascist reaction and aid the whole treacherous line of social-fascism. The defeat of the growing

fascist reaction in Canada and the defeat of Fascism in all countries becomes inevitable as a result of the revolutionary struggle of the masses led by a mass Communist Party, as a result of the winning of the masses away from the influence of social-fascism.

As the crisis deepens and the class struggle sharpens, various processes of disintegration go on within the CCF, which are to be seen today in their early stages. Here we must take into account the possibility that the CCF will be called upon to supply the bourgeoisie with open fascist leaders. It must not be forgotten that Mussolini and Pilsudski were provided by the social-reformist camp. The English fascist leader, Mosley, came from the Labour Party. As social-reformism in the past in, Canada has provided individuals for special roles in open capitalist parties (Heenan, etc.), so in the future social-fascism may be called upon to provide either open fascist leaders or Ramsay MacDonalds, Snowdens and Thomases.

The most important development, which is already making its appearance in the CCF, is the establishment of a division of labour between a "left" wing and a right wing. As the struggles sharpen and the issues become ever clearer and clearer to the masses, social-reformism commences to disintegrate. The masses commence to move more and more rapidly to the line of the united working class front and Communism. Within the social-reformist camp including the reformist trade unions a mass ferment is developing as a result of the striving of the masses towards united front struggle against the capitalist offensive. To meet this situation and try to prevent the desertion of the masses from their camp, the social-fascist leaders of the CCF are resorting to more and more "left" demagogy and "left" manoeuvres, of which they are past-masters. The future will see the feverish development of a broad deluge of "left" demagogy from these leaders in their efforts to hold their influence upon the masses. This, in itself, however, is not sufficient.

For social-fascism today a special "left" wing is indispensable. The "official" social-reformist leaders cannot carry through their role with-

out quickly discrediting themselves among the workers unless they are aided by a special “left” detachment. The role of the special “left” detachment of social-fascism is to “criticize” the officials and conduct the widest “left” demagoguery in the name of “true Socialism” in order to hold the masses, who are deserting the social-reformist camp. The workers of Canada have had much experience in the past with “left” social-reformists, which serves as the basis for fully understanding the present role of “left” social-fascism. Jimmy Simpson for years played the role of a “left” both in the Labour Party and in the AF of L. Mosher and the ACCL bureaucracy have played the role of a “left” rival of the AF of L ever since the ACCL was formed. The OBU has always played the role of a “left” complement of the Independent Labour Party and the reformist trade union bureaucracy. What do these experiences with the “lefts” prove. They prove that the “lefts” carry out the identical policy in practice of all social-reformism, but PROVIDE SOCIAL-REFORMISM WITH A SPECIAL “LEFT” MASK, A SPECIAL RESERVE OF “LEFT” DECEPTION. Thus, James Simpson becomes today the foremost social-fascist, not in spite of, but because of his former “left” role. The ACCL carries out the same wage-cutting policy as the AF of L, but provides a “left” channel in which to catch the workers who are deserting the AF of L. The OBU carries out the wage-cutting policy of all social-reformist trade union bureaucrats, supports the Fascist Mayor Webb and the whole reactionary policy of the Winnipeg ILP, but hides this under shameless “left” talk about the “revolution,” “Marxism” and a “nationwide general strike.”

The “left” leaders in the CCF are already taking up their special tasks on a local scale although they have not yet been linked up nationally as is the case in other countries. The leaders of the so-called Socialist Party branches provide the main “left” wing of the CCF in each locality (e.g., Lynch in Vancouver and Robertson in Toronto). Their task is to propagate “revolutionary” phrases and to “criticize” the top leaders of the CCF. In order to prevent the growth of the

revolutionary party of the working-class, they seek to hold the workers in the CCF who are moving to the left by the most shameless deception. The Socialist Party in Toronto pretends to play the role of the “fighter for true Socialism” within the “backward CCF” The Socialist Party in Vancouver declares that it will split with the CCF if (!) “opportunists” (!) gain the “upper hand.” These “lefts” are radical phrasemongers par excellence. Their manoeuvres even go so far as to pretend to agree with the Communists in principle, but to represent the Communists as “impractical” people “too far ahead of the masses,” which makes it necessary for them to have a separate “Communist” party in order to win people for “Communism.” They are particularly skilful in using the base deception that the CCF is a “stage” by which to win the masses over to real “Socialism.” These “left” leaders play with the question of the “united front” wishing to make a united front of top leaders on condition that no serious actions be undertaken against capitalism and for the immediate welfare of the workers, and strive with their playing with the phrase “united front” to prevent the social-reformist workers from going over to serious united front actions on immediate concrete issues.

These “lefts” are the most treacherous and dangerous enemies of the working-class movement because they are the “last hope” of social-fascism. They are the last instrument of social-fascism for preventing the social-reformist workers from going over to the revolutionary movement. Joseph Stalin pointed out:

“To ensure the success of the struggle against social-democracy, it is essential to concentrate on struggle against the so-called ‘left’ wing of social-democracy, the same ‘left’ wing which, by bringing into play ‘left’ phrases and cunningly deceiving the workers in this manner, impedes the desertion of social-democracy by the workers. It is clear that without smashing the ‘left’ social-democrats, it is impossible to overcome social-democracy in general.” (Leninism, vol. II., Joseph Stalin.)

Shading off from the “left” Socialist leaders in the CCF, we have the renegades from the Communist Party, the Lovestonites and Trotskyists, who exposed their real social-reformist ideology by deserting the Communist Party with the commencement of the present capitalist offensive, when the party took up its task of organizing and leading the struggles of the workers against it.

The social-fascist and “left” social-fascist leaders have the most despicable co-workers in the counter-revolutionary Trotskyist agents of the bourgeoisie. The latter supply the bourgeoisie and the social-fascist leaders with weapons for the struggle against the revolutionary influence of the USSR in the form of their theory that Socialism is not being and cannot be built up in the Soviet Union. They supply the bourgeoisie and the social-fascist leaders with weapons for concealing the preparations for a robber intervention against the Soviet Union by stating that there is no immediate danger of war against the USSR. They assist the bourgeoisie and the social-fascist leaders in the attempts to stifle the growing revolutionary struggle in defence of the Soviet Union by their slanders against the peace policy unswervingly pursued by Soviet foreign diplomacy. They aid social-fascism in paving the way for fascism by denying that social-reformism is social-fascism and by fighting against the Communist policy of united front from below, with the theory of a “bloc” with social-fascism. They try to prevent social-reformist workers from joining the Communist parties by their cry about the degeneration of the Communist International and by their unsuccessful attempt to create a 4th International.

In the above, we have summarized the role of the CCF as the twin of Fascism, paving the way for the organic growth of Fascism out of capitalist “democracy.” The menace of the social-fascism of the CCF is a burning reality for the Canadian workers and the toilers of the farm. Sections of the Canadian masses have become imbued with the idea that the CCF is “progressive” and acts as a “progressive force.” In this consists the danger of social-fascism. In this consists its whole art of paving the way, step by step, for the capitalist offensive and Fas-

cism. It is a reactionary force, an indispensable instrument of dying capitalism for perpetrating the enslavement of the people. It is the main social bulwark of the rule of finance capital in its drive towards Fascism and War.

## **G. SOCIAL-FASCISM AND THE IMMINENT DANGER OF WAR**

Thus far we have seen that the CCF, in reality, supports the whole line of Canadian finance capital in its drive for a capitalist “way out” of the crisis in the sphere of domestic policy. Let us now examine the role of the CCF in supporting Canadian imperialism in its drive towards war as the capitalist “way out” in the sphere of foreign policy.

The question of the working class attitude towards imperialist war is one of decisive importance. It is a question upon which there must be the utmost clarity. The essential combustible elements for a new imperialist world war are all present in the world today. The working class will not be consulted as to when a new imperialist war will commence. On the contrary, war is being prepared insofar as possible behind the backs of the masses. The essential character of its commencement will be SUDDENNESS, SURPRISE. The imperialist method is to throw the masses SUDDENLY INTO the new slaughter, bringing all the pressure of their state machine quickly into action to achieve this purpose. WE STAND DAILY BEFORE THIS DANGER. That is why we must allow no words to be minced on the question of war.

We have seen that the capitalist “way out” of the crisis leads directly to war. The Canadian Government plays the role of a leading provocateur of war against the Soviet Union. It is linked up with the whole “secret” war diplomacy of British imperialism. The aim of this secret diplomacy is mainly to prepare war against the Soviet Union in order to try to solve the acute crisis of British imperialism, and the growing crisis in the Empire at the expense of the masses in the Soviet

Union, who are building up a Socialist society.

The deepening crisis of world capitalism results in the present feverish armament race of the imperialist powers. In every country, gigantic armaments are being built. There is only one "prosperous" industry in the capitalist world, the armament industry. We do not attempt to give a picture of the tremendous war machinations of the imperialist powers. The feverish war preparations must be obvious to every thinking person. Suffice it here to say that the war has already commenced in the far east. Japan has seized Manchuria. The objective of Japanese imperialism is to create in Manchuria a war base against the Soviet Union and against the growing forces of the Chinese revolution. Japan, a country without the industrial base for war, carries out her whole imperialist policy with the secret but direct support and backing of British imperialism and Canadian imperialism. Canadian imperialism aligns itself directly with Japanese imperialism in its war policy against the Soviet Union and the Chinese Revolution. British imperialism heads the imperialist anti-Soviet block. Fascist Germany feverishly seeks to provoke war in Europe. British and American imperialism are preparing for a struggle for world hegemony.

At the beginning of the chapter, we have seen that the foreign war policy of the Canadian bourgeoisie, which is integrally connected with its attack upon the masses at home, springs from the whole character of capitalism. The "peaceful" diplomacy of Canadian imperialism abroad only leads to direct participation in the next war. The participation in the war will be the continuation of its present "peaceful" diplomacy by the means of armed force. The Canadian capitalist class will inevitably attempt to throw the Canadian masses into the new world slaughter, a hundred times more terrible than the last great war.

The imperialist war of 1914-18 proved that social-reformism did, does and always will betray the masses in imperialist war. The war exposed the real substance of this current in the labour movement as a direct supporter of the bourgeoisie against the working class. In all countries, without exception social-reformism came to the support of

the war of “its” bourgeoisie. THE WAR PROVED THAT THE POLITICAL SUBSTANCE AND REAL CONTENT OF SOCIAL-REFORMISM IS INSEPARABLE FROM SUPPORT OF IMPERIALIST WAR WAGED BY THE IMPERIALIST BOURGEOISIE OF ITS GIVEN COUNTRY. Social-reformism and social-chauvinism (i.e., patriotism of the “Socialists” to their own bourgeoisie) were proven to be identical. More than that! Social-reformism proved to be the main pillar of the imperialist war policy of the bourgeoisie of each country, since without having their agents thus in control of the trade unions, Socialist parties and press and other workers’ mass organizations, the bourgeoisie of each country could not have succeeded in throwing the masses into the imperialist slaughter.

The great war resulted in the collapse of the Second International of social-reformism and opportunism. Only IN ONE COUNTRY, RUSSIA, WHERE SOCIAL-REFORMISM WAS NOT THE PREDOMINANT CURRENT IN THE LABOUR MOVEMENT, BUT WHERE MARXISM AND LENINISM WERE PREDOMINANT, DID THE WORKING CLASS SUCCEED IN TRANSFORMING THE IMPERIALIST SLAUGHTER INTO CIVIL WAR AGAINST THE BOURGEOISIE, UTILIZING THE DIFFICULTIES CREATED BY THE WAR TO OVERTHROW THE BOURGEOISIE AND ESTABLISHING A WORKERS’ REVOLUTIONARY SOCIALIST GOVERNMENT. As a result of the war crisis and the victorious proletarian revolution in Russia, and the split created in the international working class movement by the betrayal of the social-reformist leaders, unity of Marxist revolutionary Socialism with degenerate reformist socialism in the old, traitorous social-reformist parties became inadmissible. The Third International was formed, and the Communist Party established throughout the world, representing true working class internationalism.

Today, social-reformism is aiding the imperialist preparations for war in fundamentally the same way as it aided the war preparations before 1914. The very art of imperialist war preparations consists in

the fact that the imperialist warmakers appear before the masses as advocates of “peace” right up to the SUDDEN declaration of war. The art of social-reformist assistance to the imperialist war preparations consists in appearing before the masses as Socialist enemies of war right up to the war declarations. The social-reformist leaders prior to the last war posed as “revolutionary” opponents of war right up to the declaration of war. They declared themselves over and over again for a general strike in the event of War. In this way, they held the confidence and faith of the masses and were thus able to herd the masses into the imperialist slaughter for the capitalist class, when war commenced.

The point of departure of the CCF programme and all leaders of the CCF on the question of foreign policy is fundamentally the same as that of all capitalist parties, the same as that of the Bennett Government. This fundamental imperialist standpoint is: foreign markets. The CCF programme directly calls for an extension of the foreign markets of Canadian imperialism. In reality, as we have seen, the CCF programme advocates a system of licenses on imports, which is a higher stage of imperialist policy in the world market than the tariff policies of the Bennett Government. This expresses the fundamental capitalist programme of securing foreign markets. Mr. Woodsworth has declared that the CCF Government would be unable to effect any “radical improvement” without the extension of foreign markets. Thus, it is clear that the CCF position rests upon the fundamental premise of the whole foreign imperialist policy of the Canadian bourgeoisie, the securing of foreign markets.

But this is screened with “opposition to war.” The CCF takes the same stand “against war” today that was taken by all the social-reformist parties before the last slaughter of 1914-18.

The CCF convention declared:

“We stand resolutely against all participation in imperialist wars... Canada must refuse to be entangled in any more wars

fought to make the world safe for capitalism.” (CCF Programme.)

The social-reformists before the war of 1914-18, which they supported and helped to conduct, adopted much more revolutionary sounding declarations against war than this. This declaration of the CCF convention, nevertheless, represents a typical social-chauvinist and hypocritical way of stating opposition to imperialist war.

Why does this typical reformist declaration of the CCF convention represent a mere pose IN WORDS against imperialist war? Anyone who genuinely stands against imperialist war must expose the acute and imminent danger of war, and the fact that all the elements for a new world war explosion are present in the world today, and must show in all concreteness that this war danger is in the first place the danger of an imperialist attack upon the Soviet Government. Anyone who stands genuinely, against war must expose the WAR POLICY OF THE BENNETT GOVERNMENT, WHICH IS ONE OF THE MAIN IMPERIALIST PROVOCATEURS OF WAR AGAINST THE SOVIET UNION. But even these points are not the most important. The most important and decisive question is: DO YOU STAND FOR THE MASS MOBILIZATION OF ALL THE CANADIAN WORKERS AND FARMERS AGAINST EVERY WAR MOVE OF THE BENNETT IMPERIALIST GOVERNMENT? Anyone who stands for such a mass struggle against the war policy of the Bennett Government cannot speak of being “against participation in imperialist war.” He must speak of class mobilization and struggle against imperialist war. He cannot speak of “Canada” refusing to be entangled in any further imperialist wars. He must speak of the working class and poor farmers fighting determinedly against the war policy of the capitalist class and the capitalist government of Canada.

The essence of all social-reformist declarations against imperialist war is that they represent a method of standing at the head of the peace sentiments of the masses in order to delude the masses that rev-

olutionary struggle against war is unnecessary, that the war can be postponed without such a struggle, and finally that peace can be maintained without the revolutionary overthrow of the bourgeoisie and its government. In this way all declarations of social-reformist and open capitalist politicians for peace ALWAYS SERVE THE PURPOSE OF IMPERIALIST SECRET WAR DIPLOMACY AND WAR PREPARATIONS.

It makes little difference under what disguises one avoids the question of revolutionary struggle against war. The CCF convention declared that “genuine international co-operation is incompatible with the capitalistic regime” and then proceeds to call for “strong efforts” to rescue “the League of Nations from its present condition of being mainly a league of capitalistic powers.” Such hypocritical phraseology is unparalleled! Under cloudy phrases, they hide the fact that war is imminent and that war is inevitable under capitalism. Then, to avoid the inevitable conclusion that only the proletarian revolutionary overthrow of capitalism can put an end to imperialist war for all time, they propose the reformation of the main instrument of imperialist war diplomacy, the League of Nations. Why is this? Because the masses have lost faith in the capitalist-boosted League of Nations and as a result of the present Japanese war see it more and more clearly as an instrument of imperialist war. In order to revive faith in the League of Nations, the CCF goes the limit of fantasy by proposing that it be reformed from a “league of MAINLY capitalistic powers.”

The CCF declared:

“Within the British Commonwealth, Canada must maintain her autonomy as a completely self-governing nation.” (CCF Programme.)

Did not the last imperialist slaughter sufficiently prove that the British Commonwealth is a commonwealth of imperialist interests, which are willing to slaughter the masses for their aims? Does not everyone know that Canadian imperialist interests are identical with the

imperialist war aims of British imperialism against the Soviet Union? It is not hard to see how the CCF leaders will aid the war aims of this commonwealth of imperialist interests with the disguise of “autonomy.” One of the CCF leaders has given a full formulation of how this will be done. Mr. Garland (CCF leader and MP) declared in the House of Commons:

“Let us stay where we were in 1914. I am satisfied the good judgement of the Canadian people will rise to the occasion and that the bonds of love and affection which are stronger than any treaty will stand us in good stead when England requires assistance and that those bonds will bind us as one.” (Hansard.)

Does this not clearly show that the CCF, behind their “autonomy,” their fine declarations “against imperialist war,” their reformation of the League of Nations and their statement that “Canada must refuse to participate in any more capitalist wars,” nevertheless does and will support a “genuine” war for “liberty” and “democracy.” And does not everyone know that all imperialist wars are fought as wars of democracy, honour and liberty? Does not the twin organization of the CCF in Japan, the Japanese Socialist party, support the war of bloody Japanese imperialism against the Chinese people and its war provocations against the Soviet Union, under the slogan of “honour” and “liberty”?

Under the disguise of opposition to war, by means of spreading the illusion of peace without revolutionary class struggle and finally revolutionary overthrow of capitalism, by imbuing the masses with the illusion that capitalist democracy and not the proletarian revolution opens the way to Socialism, by branding the proletarian revolution as “force and violence” and thus perpetrating and supporting capitalist force and violence, social-reformism led the masses into the slaughter of 1914-18. They used skilful words and deception. The English socialists told the masses that they stood for peace and Socialism, but that only by the victory of England could peace and Socialism

be attained. The German Socialists told the masses that they stood for peace and Socialism, but that this could be attained only by the victory of German imperialism. They all declared themselves in words for Christian brotherhood, honour, peace, Socialism, co-operation, constructive principles, internationalism, etc., etc. They made a division of labour among themselves. Some were pacifists, in order to hold back the masses from revolutionary struggle. Some were direct participants in the imperialist war government and recruiting agents of capitalism. All aided and assisted the imperialist war. Social-reformism, which has become social-fascism, is now preparing to consummate a ten-times more terrible crime by dragging the masses into the imminent world imperialist war.

The CCF leaders stand in diametrical opposition to class struggle against capitalism. He who stands in opposition to the working-class struggle stands opposed to the struggle against imperialist war, and such a tendency within the working class movement represents to the measure of its influence on the masses, the strongest prop of imperialist war. He who speaks of peace in the present situation of imminent eruptions without calling for revolutionary struggle against every war measure of the capitalist government, is aiding the secret war diplomacy of the Bennett Government. He who talks of peace without explaining to the masses that in an imperialist war the revolutionary working class must stand for the defeat of its own imperialist government and must utilize the military reverses of its imperialist exploiters to overthrow them, is preparing the way for a treacherous betrayal of the masses to the imperialists in the next war.

The pacifist phrases of the CCF leaders are not only intended to lull the masses to sleep in the face of the imminent danger. The whole line of the pacifist deception of the CCF leaders is to prevent the mobilization of the masses against the concrete war preparations and policy of the Bennett Government, to divert any petty-bourgeois, pacifist opposition to war into support for Canadian imperialism's war preparations and to disarm the masses completely in the face of imperialist

war. This is shown most clearly by the united front of Woodsworth with Bennett and King. Rejecting the line of a working-class united front struggle against the imperialist war policy of the Bennett Government at a time when the Bennett Government is acting as the war ally of Japanese imperialism and the main provocateur of war against the Soviet Union, Woodsworth makes a united front with the war policy of Canadian imperialism.

“The aim of Canadian foreign policy is peace.”

This is the unscrupulous, lying statement, which Woodsworth signed jointly with R.B. Bennett, the provocateur of war against the Soviet Union and MacKenzie King, who expelled the Soviet Trade Delegation from Canada. In the same statement Woodsworth approves the slaughter of Canadian workers and farmers in the interests of Canadian imperialism in the last war, reaffirms the line of the reformist betrayal at that time and throws his support behind the campaign of pacifist deception of the masses now being conducted by the Canadian bourgeoisie and led by the Bennett Government.

In this way, the CCF comes to the active support of the war preparations of Canadian imperialism against the Soviet Union. In this way, they mobilize in support of the whole line of Canadian imperialism of seeking a way out of the crisis by smashing the first workers' state, which alone pursues a true peace policy since it has no imperialist aims but is engaged in the peaceful building of Socialism. The social-fascists are the main agents of the Canadian bourgeoisie, in trying to prepare the masses for war against the Soviet Union. The AF of L opposes the renewal of trade relations with the Soviet Union, in spite of the mass demand of the workers and farmers in favour of it. Humphrey Mitchell, one of the MPs of the CCF, conducts a vicious slander campaign against the Soviet Union. The social-fascists prepare the main slogan of the bourgeoisie for war against the Soviet Union. This war will be a war of “democracy” against “dictatorship.” The USSR, of course, will be the “aggressor.” It will be a war to save “civilization” from “bolshevik anarchy and destruction.” The whole line

of CCF deception helps to prepare the ideology of the future war against the USSR.

The great, working class leader, Lenin, who laid bare the foul treachery of the social-reformists in 1914-18, declared:

“The advocates of victory of ‘one’s own’ government in the present war, as well as the advocates of the slogan ‘Neither victory nor defeat,’ proceed equally from the standpoint of social-chauvinism. A revolutionary class in a reactionary war cannot help wishing the defeat of its own government, it cannot fail to see the connection between the government’s military reverses and the increased opportunity for overthrowing it. Only a bourgeois who believes that the war started by the governments must necessarily end as a war between governments, and who wishes it to be so, finds ‘ridiculous’ or ‘absurd’ the idea that the Socialists of ALL the belligerent countries should express their wish that ALL ‘their’ governments be defeated. On the contrary, such expression would coincide with the hidden thoughts of every class-conscious worker and would lie along the lines of our activity which tends to turn the imperialist war into civil war...”

“The Socialists must explain to the masses that there is no salvation for them outside of a revolutionary overthrow of ‘their’ governments and that the difficulties of these governments in the present war must be taken advantage of for just this purpose...”

“...Whoever wishes a durable and democratic peace must be for civil war against the governments and the bourgeoisie.” (“Socialism and War,” p. 24-25.)

The workers and small farmers must see behind the hypocritical opposition of social-reformism to “force and violence,” not only the main prop for the constant strengthening of capitalist force and violence against the masses, but also the direct agency for herding the masses into a far more terrible imperialist bloodbath than that of 1914-18. Social-reformist deception places the question: For democ-

racy and peace or for violence and revolution? The aim of the social-reformists who place the question in this way is to conceal the fact that there is no democracy and there can be no peace under capitalism, but on the contrary, there is growing political and economic oppression of the masses, and imminent danger of war against the Soviet Union. Their aim is to hold the masses back from struggle against capitalism. The question which focusses the fundamental difference between Communism and Social-reformism is: For capitalist reaction and economic and political oppression of the masses, for a new imperialist war ten times more terrible than the last, or for revolutionary struggle against capitalism and against imperialist war? History permits no other presentation of the question. The imminence of war and the fact that only by revolutionary struggle against the war policy of Canadian imperialism can the working class and small farmers of Canada postpone the war and finally overthrow Canadian capitalism and establish a lasting peace, places this question before every Canadian worker and farmer. No one can escape answering it! It is the question upon which depends the life or death of masses of Canadian people in the next imperialist war. It is the question upon which hangs the fate of Canadian imperialism!

Social-fascism is the main social prop of dying Canadian capitalism in its feverish drive to Fascism against the masses at home and to a new imperialist war abroad. It is the main social support of the capitalist “way out” of the crisis.

## VI. The Only Way Out

Capitalism is the last class society in human history; it must inevitably be overthrown and replaced with classless society. Wage-slavery, the poverty of the masses, the vicious repression of the people, the carnage of war, cultural degeneration and barbarity — all spring from the capitalist class ownership of the means of social production. The ushering in of the new society means the freeing of social production from the capitalist class and, therefore, the establishment of a classless, Communist society.

We are living at the great moment in history when the working-class and the farm toilers come to direct grips with this mighty historical transformation. We are living in the era of the Proletarian Revolution.

The capitalist class cannot restore the stabilization of capitalism. It is tightening the vice of hunger and exploitation upon the masses, using more and more the methods of fascist violence. By their aggressive, imperialist, foreign policies, the ruling class of the capitalist nations are plunging towards war. But under Communist leadership the masses of workers and toiling farmers are turning more and more to the path of revolutionary struggle against capitalist hunger, reaction and war. Great class conflicts are arising. The world is approaching a new round of wars and revolutions. A world revolutionary crisis is maturing.

Before the Canadian masses there are only two paths:

One is the path of defeat. This is the path of the CCF and of the illusion of a “peaceful” way out which it fosters. In order to divert the masses onto this path false recipes and promises are being utilized to hide the real meaning of the course of events, the present and future realities of the capitalist “way out” of the crisis. This path means submission to the capitalist “way out,” which does not solve the crisis but only tightens the burden of suffering on the backs of the masses, crushes the people under fascist repression and butchers them in im-

perialist robber wars. This path postpones the inevitable doom of capitalism, making it possible for the parasite system to maintain itself for a time longer at a tremendous price, paid in the blood and mortal anguish of the people. In the end, the masses must turn to the one alternative path as the only way out.

The other path is the path of victory. It is the path of revolutionary, mass organization and struggle against every step of the capitalist offensive. It is the path of working-class unity, in alliance with the masses of small farmers and supported by the office workers and the lower middle-class people of the cities, whose interests, in the end, are tied up with the victory of the working-class over capitalism and for whom there is no way out so long as capitalism exists. This is the path which exposes and rejects the drappings, false recipes and lying promises of "better things," which are invented by capitalism and its lackeys to try to pacify the masses under the unbearable conditions of the present and conceal the still more intolerable suffering which capitalism inevitably has in store for them. In place of the parliamentary deception of the CCF, the working-class must utilize revolutionary Communist parliamentarism, electing to parliament working class fighters who will use their position to help rally and organize the struggles of the workers and farmers. This is the path of effective struggle against every step of the capitalist offensive. It is the path of the united working-class front against hunger, fascism and war.

There are no other alternative paths. We must choose either submission to the capitalist offensive or united struggle against it. We must choose either growing, reactionary, capitalist violence leading to fascism or militant class organization and mass action against it. We must choose either imperialist slaughter for the maintenance of capitalism or revolutionary struggle against it. We must choose either the present dictatorship of the capitalist class, which means further enslavement and degradation, or the dictatorship of the working class, which means freedom and Socialism.

The Communist Party is the banner-bearer and leader of the line

to victory. Its principles and policies are the scientifically established and historically proven path of emancipation from capitalism to the establishment of Socialism.<sup>1</sup>

To fight against unemployment and for the demands of the unemployed workers, and in the first place for full and free unemployment insurance at the expense of the capitalists and the state, the working-class needs unity in struggle; therefore, the Communists work daily to unite all workers, irrespective of political views, in common action on this front. To fight the wage-cutting offensive, the workers need unity of action in the factories, mills and mines; therefore, the Communists strive for unity of all workers, irrespective of organizational divisions, in action on this vital front, and throw their efforts into the organization of the unorganized workers in militant class unions. To fight against evictions, foreclosures, debts, taxes and against the monopoly concerns which rob the farmers by low prices and, in turn, rob the workers by high prices, the toiling farmers need a united front in action on each concrete issue and a close alliance with the workers in the cities; therefore, the Communists strive to build the united front of all toiling farmers against monopoly capitalism and its provincial and Federal governments, and also against the rich, capitalist farmers whose interests will always draw them to monopoly capitalism in opposition to the masses of farmers. The Communists strive to mobilize the workers, farmers and lower middle-class people in the fight against inflation which is resulting in a general wage-cut, the wiping out of small savings and leading to a further impoverishment of the wide masses of people.

These struggles of the masses against the economic offensive of capitalism are connected inseparably with the struggle against growing political reaction and the war policy of Canadian imperialism. The

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<sup>1</sup> The reader may study this question fundamentally in the vast literature of Marxism-Leninism. No attempt is made here to do any more than mention the outlines of the tasks of revolutionary policy.

banning of the Communist Party was in the first place an attempt of the capitalist class to stamp out the leading force of the struggle of the workers against wage-cutting and for unemployment insurance, and against imperialist war. The apparatus of force and violence is in the first place directed against the strike struggles and the fight of the unemployed workers for better conditions, which makes inevitable the development of these struggles into political struggles. The aggressive, imperialist, foreign policy of Canadian capitalism is carried through in the first place at the expense of the Canadian masses, and therefore the Canadian workers and farmers must link up the daily struggle with an intensive fight against every step in the foreign policy of the Canadian imperialist government. In the course of the immediate economic struggles, the Canadian working-class and working farmers must unite against every move of political reaction, against police terror and against the banning of the Communist Party, for the release of the imprisoned Communist leaders and other political prisoners, for the right of mass picketing, and freedom for mass demonstrations and meetings. Every move of Canadian imperialism in carrying out its imperialist foreign policy, particularly its embargo against the Soviet Union and its shipment of war materials to Japan must be met by the mass mobilization of the toilers.

The CCF leaders and the officials of the AF of L and ACCL constitute the main obstacle to the united front of the masses in these struggles. Against every front of the workers' and farmers' struggle, they have formed a united front with the capitalist class against the workers and farmers. Their influence is the factor which disorganizes and pacifies the otherwise invincible strength of the working-class and farmers — the factor which has facilitated the advance of the capitalist offensive up until now and which threatens to pave the way for Fascism and war.

But a new awakening and militant upsurge is taking place among the workers and farmers. In the cities, ever wider and wider masses of workers are mobilizing in struggle against wage-cuts, building up the

Workers Unity League. The unemployed workers are uniting in greater and greater numbers against the hunger programme of the Bennett Government. In the rural areas, the farmers are turning more and more in the direction of united action for their needs. The Communist Party, which, as the party of the working-class, must know how to combine legal and illegal work, stands in the leadership of this militant upsurge and is growing in strength in the struggle in defence of the welfare of the masses.

But little time remains in the face of the imminent danger of war and growing fascist reaction in which to forge the mass, united, working-class front. Little time remains in which to mobilize and solidly organize the mass forces of the Canadian proletariat. Every day is precious. A determined fight must be waged against opportunist tendencies to underestimate the speed at which Fascism and imperialist war preparations are advancing. An equally determined fight must be waged against fatalism, expressed in views to the effect that the social-fascist leaders will be able inevitably to disorganize the masses in the face of war and fascism, or to the effect that Fascism and war are automatically inevitable and the masses unable to fulfil the task of putting an end to capitalism in order to avert Fascism and war.

The Proletarian Revolution is not a “putsch.” The capitalists and the social-fascists constantly picture the Proletarian Revolution as a “conspiracy,” a “plot” of some small group of “fanatics” suddenly, out of a blue sky to capture power and set up a “minority dictatorship.” This misrepresentation goes hand in hand with their attempt to paint the Communists as “the party of force and violence.” Such slander and misrepresentation of the party of the working-class and its programme is indispensable to the defenders of capitalist force and violence, who are paving the way for Fascism and war. The Communist programme is founded upon the bedrock of the whole historical experience of the working-class; it is irrefutable.

The Proletarian Revolution will grow out of a revolutionary situation, which springs from the whole crisis of capitalism and the sharp-

ening of the class struggle between the capitalist class which is driving to war and fascism and the working class which is fighting against hunger, fascism and war. With the development of a revolutionary situation, the ruling class finds itself unable to rule in the old way; a crisis exists in the ruling class. The masses of workers and farmers find themselves unable to bear the existence of capitalism any longer and are ready to put an end to the old order. A strong, disciplined, Communist party has been built up by the workers and has the following of the majority of the working-class and toiling farmers, because practical experience has proven the correctness and necessity of the Communist Party.

The Proletarian Revolution inevitably presents itself on the agenda of history. The masses must choose either Proletarian Revolution or imperialist war, Fascism and the maintenance of capitalist slavery. It rests with the class-conscious workers to ensure through firm and loyal devotion to the cause of the working-class, through the most determined work to build the united working-class front, and through frank exposure of the social-fascist leaders, what that choice will be.

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With the ending of the post-war, partial stabilization of capitalism and the completion of the foundations of Socialism in the Union of Socialist Soviet Republics, the struggle between the world of dying capitalism and the rising world of Socialism has become the pivotal point of world politics and world economics. It is in the light of this struggle that political parties, their programmes and their policies, their words and their deeds are tested. Political doctrines now pass quickly from the sphere of demagogic promises into actual practice which the masses feel and perceive in their daily life.

In the period since the world war the workers and the toiling masses of the world have the experience of the proletarian dictatorship after the October Revolution in Russia. They have also the experience of revolution in Germany and other countries, the experience of so-

called “democratic socialism” in all its variations — political democracy, industrial democracy, constructive socialism; the experience of “labour” governments and of “Socialists” in coalition governments, the experience of the so-called winning of the majority by legal, parliamentary means, and the experience of fascist dictatorship growing out of the bourgeois democratic form of the capitalist dictatorship.

These experiences show that only the Marxist-Leninist world Party stands and fights for Socialism and Communism through the establishment of the dictatorship of the proletariat. It shows that all the other parties stand and fight for the maintenance of capitalism and the capitalist dictatorship, both in theory and in practice. This is most glaringly proven by their hostile attitude to, and slander and counter-revolutionary plotting against the first Socialist society which is being built in the USSR.

The contrast today between the capitalist world of crises, hunger, fascism and war and the Socialist system, which has abolished exploitation, anarchy and crises, is ever more striking. In the Soviet Union the workers took power in 1917, defeating the counter-revolutionary bourgeoisie within the country and the interventionist forces of the imperialist powers. There the workers took over the means of production, and reconstructed the national economy ruined by the intervention. It is there that the Proletarian Dictatorship launched the industrialization of the country, using the monopoly of foreign trade to protect its market from imperialist exploitation. This Socialist industrialization has made possible the Socialist reconstruction of agriculture on the basis of mechanization and collectivization. It has also abolished the dependency of the Socialist industry and agriculture on capitalist technique. In this process unemployment has been completely abolished, the number of industrial and office workers almost doubled, their wages and material conditions greatly improved and the 7-hour day and 6-day week introduced in industry, with a 6-hour day in hazardous industries. The material and cultural conditions of the masses of poor and middle peasantry have been greatly improved,

especially through the collective farms.

The carrying through of the gigantic work of the First Five-Year Plan was possible only because of the existence of Soviet Power. Under the leadership of the party of Lenin, the mass initiative and creative will of the tens of millions of toilers of the Soviet Union completed this gigantic plan in four years, conducting a heroic struggle against the class enemy at home and abroad and overcoming all obstacles and difficulties. On the basis of this policy of Socialist construction the basic mass of poor and middle peasantry have completely turned towards Socialism. The Socialist forms of economy have now the predominant position in agriculture, as well as in industry.

The victorious workers and collective farmers in the Soviet Union have already begun the successful carrying out of the Second Five-Year Plan. Under this plan, the Socialist reconstruction of the whole national economy on a higher technical level will be carried out. The causes which give rise to exploitation of man by man will be eradicated completely. Classes will be abolished in general. The whole toiling population will be converted into conscious builders of a classless, Socialist society. The material and cultural well-being of the Socialist workers and farmers will be raised to unprecedented levels, the pace of advancement being even faster than the pace up to now (real wages will be doubled, general consumption of goods will increase 300%, the number of workers will increase 30% and prices will be reduced by 30-40%, health and social insurance will increase 400%, 5,000,000 workers will be trained in specialized schools, hundreds of communal buildings and vast numbers of workers' dwellings of a modern type will be constructed; hundreds of similar additional facts could be cited which show the vast, unlimited sphere of advancement which has been attained by the Soviet workers).

Socialism is no longer a visualized aim; it is a living reality in the Soviet Union. The promise of Socialism through the Dictatorship of the Proletariat has become a fact. The scientific teachings of Marxism-Leninism are vindicated in practice by the will and power of the work-

ing-class under the leadership of the Communist Party. The Soviet workers are the pioneers blazing the trail through Socialism to Communism! The real path to Socialism is a blazed trail; the theories of the social-fascist leaders of the CCF are an historically proven deception!

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Soviet Canada will be established with the triumph of the Canadian workers and toiling farmers over the forces of the fascist bourgeoisie and their lackeys. The Canadian Soviet Government will be the dictatorship of the working-class in alliance with the toiling farmers, led and guided by their only party, the Communist Party. It will be a dictatorship against the counter-revolutionary attempts of the bourgeoisie to regain power. It will be the working-class, organized as the ruling class to build Socialism and thus abolish classes.

In Soviet Canada democracy for the majority becomes a reality for the first time in the history of the Canadian people. The capitalist dictatorship hides itself behind the mask of “democracy” because it represents the interests of a small minority against the majority; the dictatorship of the workers in alliance with the farm toilers has no need for such a mask, since it is the state organ of the majority against a counter-revolutionary minority. The unrestricted franchise becomes the right of all toilers. The Canadian Soviet Government is built up from the base of the Local Soviets (councils) in every city, town and rural community. The representatives on these Soviets are elected directly from work places, shops, factories, mines, farms, army, etc., the principle of recall applying throughout. By direct representation the local Soviets will be combined into provincial Soviets. The National Congress of the Soviets is the highest Government Power, electing its Executive Committee to function between sessions. Thus, the Soviets are real democratic organs with legislative and full executive power; the fiction of parliamentary talk-shops is discarded forever. The Canadian Soviet Government becomes part of the World Soviet Union

(the imperialist slave empires will be broken up and the colonial peoples will be freed and assisted on their path to Socialism). The Canadian Soviet Government will put an end to the present situation in which the French-Canadian workers and farmers are the most exploited, giving the French-Canadian people the full right of self-determination and freedom to establish an autonomous republic if they desire to do so. Soviet Canada will give special assistance to the French-Canadian toilers in their economic, political and cultural development, establishing full cultural and lingual freedom for all minority nationalities.

The Canadian Workers' and Farmers' Government will open the transition from capitalism to Socialism. In view of the vast means of production already to hand in Canada, this transition will be short and rapid in comparison with the transition in the Soviet Union, where it was necessary to build the main means of industrial production. The proletarian state will transform all industries, services and finance from the robber property of the capitalist class into social property, including all large landed estates. Temporarily, private property will survive in petty industry, small farms and petty trade (but as the Socialist economy is quickly organized, the farmers and small traders to their greater advantage will quickly integrate with the general economy).

The Canadian Soviet Government will immediately commence a complete transformation of the economic and social conditions of the toilers. Freed from capitalists and the capitalist state, which as parasites devour and crush the people's economic forces, Soviet Canada will eradicate unemployment speedily. Production will advance by gigantic strides, increasing enormously the social wealth for the welfare of the toilers. Wages will be raised sharply and will continue to rise with ever-increasing production. The 7-hour day will commence at once, with 6 hours in dangerous industries and for youth between 16-18, and there will follow with increasing productivity a further shortening of the work-day. All discriminations against women and youth

will be abolished. Social insurance at full wages will be guaranteed to all workers against old age, unemployment, sickness, accident, etc. Full and well-organized medical attention will be developed as a free state service, including sanatoriums and rest homes, etc. Every worker will receive a minimum two-week, fully-paid vacation each year. A vast housing, industrial and community building plan will be launched at once. All workers will be provided quickly with proper dwelling places. The poor farmers will be immediately freed from all debts, mortgages and taxes, by which they are exploited and held in slavery. All forms of land rent will be abolished. The land will be divided and organized on the basis of use, for which purpose the government will provide the small farmers with seed, machinery and scientific leadership.

Planned production will become possible only under the Canadian Soviet Government. Socialist industry, organized by the Soviet Government, will immediately prove its superiority over anarchic capitalism, because once having eliminated the whole parasitic structure of capitalism, it will abolish crises, remove all limits to the volume of production for the social welfare, and co-ordinate the whole industrial mechanism into a planned whole, operating for the sole purpose of advancing the welfare of society. The mass democratic trade unions become a gigantic instrument of the workers for formulating and enforcing all social insurance laws, all safety regulations, etc. The capitalist class having been abolished, the trade unions become powerful, mass democratic instruments of the onward march of Socialist industry. The retailing co-operatives, once capitalist production and exchange relations have been abolished, cease to be capitalist institutions and become one of the main elements of the Socialist economic system.

The Soviet Government will raise quickly the standard of living of the farmers and open the way for voluntary collectivization of agriculture. Once freed from the millstone of capitalism, the farmers will see quickly the tremendous advantage of organized, Socialist agricul-

tural production and the fetish of private property will be overcome. The market problem of agriculture will be solved by the productive union of industry and agriculture and the farmer will become a Socialist worker, his standard of living advancing apace. From the slavery, poverty and crisis of capitalism he will emerge into the new, Socialist life.

Soviet Canada unleashes a tremendous cultural revolution. Women are emancipated; the barbarous sex inequality of capitalism under the guise of the "sanctity of the home" is abolished and woman takes her place as the full equal of man. The youth, who are only objects of exploitation and of a pernicious system of mental enslavement by capitalism, which sees in them potential cannon-fodder, commence a new life, being freed to develop their powers and initiative in every phase of Socialist life. While the care of children rests directly with the parents, the state ensures their whole life, guarding their physical well-being so as to prevent the evil starvation and physical degeneration caused by capitalism, and guiding the unfolding of their life as full men and women of a society without parasites and exploitation. Churches will remain free, but without special state rights, religious schools for minors being abolished. Full freedom will be established for scientific, anti-religious enlightenment. The vile, degenerated culture of capitalism, with all its hypocrisy, superstition and savage commercialism gives place to free science, art and culture, open to the masses of the people. Having removed the social causes, Socialism heals the evil, gaping cancers of capitalist society; crime, prostitution, alcoholism, physical degeneration, etc.

This is not a utopian dream nor idle speculation. It is a real world growing up in the Soviet Union. It must be ushered in by the Canadian masses as the only alternative to capitalist crisis, fascist terrorism; imperialist war, poverty and parasitism.

The capitalists speak of "human nature" as "irreconcilable with Socialism". How the capitalist parasites love to think that "human nature" ensures them for eternity! The day is not far off when Soviet

Canada will show, as the Soviet Union is now showing, what “human nature” can do when freed from capitalist bondage. Capitalism destroys, crushes and kills human initiative and creative energy; Socialism frees them and gives them scope for development, such as cannot be dreamed of under capitalism. Capitalist competition is destructive and parasitical; Socialist competition is the initiative and creative enthusiasm of the masses freed from parasites. Capitalist “incentive”, based on robbery, is anti-social and degenerating, crushing the masses; Socialist incentive is free, opening unlimited development, because it is based on social production.

Communist society will emerge from Socialism. Classes will disappear. The state, being an organ of class domination, will die out. Human history will commence as conscious, social advancement, the blind struggle of social forces having disappeared. With great forces of production, the time devoted to material production will diminish, and culture will flourish. This is the goal of the inevitable proletarian revolution. Before this mighty revolution, world capitalism and its lackeys, the social fascists, are trembling.