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Approved Mar 30, 1950

ETHICAL VALUES AND POLITICAL THEORY

by

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A Thesis Submitted in Partial Fulfilment
of the Requirements for the Degree of
Master of Arts

In the Department of Philosophy

University of British Columbia

April, 1950.

ABSTRACT

ETHICAL VALUES AND POLITICAL THEORY

In this dissertation, we have argued that liberty - freedom - is not only good but essential to what we regard a civilized life. We began with an examination of both the absolutistic and relativistic aspects of ethical doctrine. This examination revealed the expediency of accepting judgements based on sufficient reason rather than judgements made in accordance with ultimate principles, as guides to human conduct. In accepting the relativistic doctrine of value we illustrated the fact that there are many value-systems, and that the value-system we accept is basic to our way of life. Acceptance is strictly a matter of preference. We concluded our discussion of ethical theory by establishing as our generic end of action "the greatest amount of happiness for the greatest number of people". This end of action we designated to mean a set of properties in accordance with which we make our evaluations. These evaluations become the postulates of our value-system: good and evil are only meaningful when judged in accordance with them. Furthermore, we found that these properties are contained within the framework of political and economic democracy.

Over the long stretch of five thousand years of human history, democracy, as we know it, has prevailed for only a century or two, and that brief span coincides with the period of capitalist development. Logic suggests that democracy and individual freedom are closely bound up with capitalism, at least in its earlier stages of development before economic control becomes too highly centralized. But the freedom we have achieved is not due entirely to the operation of the laws of laissez-faire Capitalism. Even a Capitalist system in its simple form, with reasonable economic equality, could not provide all the freedom that we enjoy. Since it would operate without any government intervention, it would to some extent be governed by the law of the tooth and fang, and the weak would suffer at the hands of the strong. Cosequently, during the nineteenth and twentieth centuries the government has intervened more and more to protect the weak and the unfortunate. Although in so doing it has enlarged the sum total of human freedom, such legislation is to some extent a departure from the principles of laissez-faire capitalism.

In arguing that the political and economic aspects of democracy are necessary characteristics of a just social order, we illustrated how political

equality can be achieved, as in a Capitalistic order, and social justice remain as far away as ever. In this case, one type of privilege (economic) has been substituted for another (political). We also found it perfectly feasible to assume that some people may prefer equality in the distribution of wealth to political liberty. But here again, as in the case of Marxian Socialism, economic equality is gained by sacrificing political democracy.

Thus, we endeavoured to achieve simultaneously, within the same system, both political liberty and social security, or equality. To achieve this end, we advocated a gradual transition from Capitalism to Democratic Socialism.

"Your sheep that were wont to be so meek and tame, and so small eaters, now, as I hear say, be become so great devourers and so wild, that they eat up and swallow the very men themselves. They consume, destroy, and devour whole fields, houses, and cities And though the number of sheep increase never so fast, yet the price falleth not one mite, because there be so few sellers. For they be almost all come into a few rich men's hands, whom no need forceth to sell before they lust (wish), and they lust not before they may sell as dear as they lust".

Sir Thomas More, "Utopia"

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INTRODUCTION

In this thesis we propose to discuss those elements of ethical theory which are necessary to, and are at the basis of, both political and economic democracy. Our task shall be to describe the ethical principles in accordance with which we choose to live, and having arrived at these fundamentals, our task will be the formulation of a political system consistent with them.

Open the book of the story of mankind anywhere and you will find the question being asked over and over again: What is good and what is evil? This has been, without doubt, one of the most persistent problems of philosophers throughout the ages.

Answers have been given in abundance, answers which appeared to the particular philosopher giving the particular answer -- to solve the problem for all times, but in a very few years the problem has arisen again in the thinking of others.

And so, throughout the history of man's thought we discover the problem of good and evil (which we speak of as "ethics" or "the ethical problem") persistently challenging each philosopher.

PART I

NATURE OF THE ETHICAL PROBLEM

In recent years interest has revived in the relation between the political sciences and ethics. It is not difficult to see that the recent war has robbed large classes of men of their faith in certain accepted institutions. Religious dogmatism is being questioned: consequently, new standards are sought. A solution to this problem bears directly upon our ideals of democracy, it being essential that the average individual know what is right and what is wrong, and that he possess the requisite powers of self direction.

We associate good in everyday life with behaviour in concrete situations, with the facts and interrelations constituting our physical and socio-economic world. In order to know whether men are virtuous or otherwise, we must consult results, not mere protestations of belief or motive. Though under special circumstances a motive may outweigh consequences, and the wrong-doer forgiven accordingly, the average of results is nevertheless decisive.

The conventional subjective virtues have ceased to command respect. To say that faith is the highest good, or that wisdom or justice, or mercy are supreme virtues, makes virtue immune to scientific testing. There is no way of proving a man evil by these definitions. Therefore, "as long as people seek transcendent truths, or sources of knowledge of good and evil, that are not empirically verifiable, so long science can have no place in ethics"^I.

If we reduce moral precepts to a categorical imperative it would not be difficult to separate science from a study of morality. The two would be worlds apart, and the question of relation dispensed with. If a sense of duty, or virtue for its own sake, or purity of motive constitute the whole of ethics, scientists will automatically be debarred from a discussion of ethics; they cannot then trace its roots nor resolve it into principles.

- I. Boucke, "The Relation of Ethics to Social Science", International Journal of Ethics, Vol. 33, p. 67.

If the empirical basis of ethics is granted, what will matter chiefly is a statement defining the "good". First, What is good? then, Who is good? The former represents the type of things held moral or immoral; the latter is the instance judged by that type. Class and individual are thus co-ordinated. Each contributes something to the understanding of the other.

Chapter I

MEANING OF VALUE: NATURE OF THE "GOOD"

Views on the definition of the "good" range from definability to indefinability. One extreme, as expressed by G.E. Moore, is that the "good" is indefinable: "good" is a simple notion, just as "yellow" is a simple notion.^I The other extreme is expressed by D.C. Williams, who states that "since the sole essential nature of a definition of a word is that it conveys information about how the word is used, and since no word can become part of a conventional language unless persons are able to agree upon and communicate concerning its application, it is idle to talk of the indefinability, in any strict sense, of a word such as "goodness". All words are definable."² We are now in a position to examine some of the definitions offered by contemporary philosophers of both the relativistic and absolutistic schools.

1. Moore, G.E., Principia Ethica, New York. Macmillan Co., 1903, p. 7.
2. Williams, D.C., Meaning of the Good, Philosophical Review, 1937, p. 416.

G. Santayana defined "good" in terms of reference to psychological processes such as desire, preference, or liking.¹ G.E. Moore refutes these moral systems by stating that the advocates had fallen into the "naturalistic fallacy." This fallacy had been committed because they had not discerned that the "good" is really a simple and unanalyzable quality, which characterizes objects intrinsically, that is, independent of human feelings, desires, and other natural processes. If this were so, then the good would be like nothing ever experienced by the human mind. B. Savery calls this falling into the non-naturalistic fallacy.

The alleged simplicity of the "good" is a matter of question depending upon the definition one employs. Perry defined value as "any object of interest."² Thus, if one takes relation to interest as definitive of value, one could raise the question whether or not the objects of value

1. Santayana, G., Winds of Doctrine, London, J.M. Dent & Sons, 1926. p. 9.
2. Perry, R.B., General Theory of Value, New York, Longmans, Green, 1926. p. II5.

are actually simple. Since the great majority of objects we designate as being valuable are not simple, this theory regarding the simplicity of the "good" may be rejected.

If by defining the "good" we mean a description of the essential qualities, we would have to assert that there is a conceivable way of determining the essential qualities of a thing. It seems obvious that judgement purporting to set forth the essential properties of a thing vary with the knowledge, the interests, and purposes of the definer. If some selection of attributes or properties is made by an individual thinker, who then asserts that the properties he has selected are constitutive of the thing in question, what is the fact which corresponds to, which verifies, this assertion. A philosopher of this nature would be forcing upon us the definition of a word as a "necessary truth" about some portion of reality.

Chapter II

ABSOLUTE VALUES IN VALUE THEORY

"Absolutism in ethics is the doctrine that intrinsic goodness (intrinsic positive-value) has one and only one valid meaning. Absolutists disagree as to the precise meaning of goodness, but they agree that whatever its meaning, there is but one correct meaning. If this absolute meaning were discovered then all value judgements would be made in terms of it ¹ if truth in value theory were to be achieved."

Thus, if the "good" is absolute, there is only one correct meaning for goodness. Then, the one task of ethics becomes the discovery of a definition of the "good" in terms of its "meaning". The definition of the "good" would then act as a universal standard applicable to all persons at all times in all places. To all those who accept the absolutistic view, "value is something wholly independent of our feelings, something pertaining to valuable objects, in a definite amount and degree, quite independently of the way in which we react emotionally to them, and to whether anyone acknowledges the value or not." ²

1. "Relativity versus Absolutism" in Value Theory", Journal of Philosophy, 1941, p. 155.

2. Schlick, Problems of Ethics, New York, Prentice-Hall, 1939, p. 100.

We are now prepared to examine a few of the definitions offered by the absolutistic schools. The Hedonistic definition of value is that the "good is pleasure". It is evidently impossible from an examination of this form of words to ascertain whether this is a definition expressing an intention to apply the term "good" to every instance of pleasure, thus connecting a name in discourse with a feeling discriminated in experience, or whether it is a judgement purporting to assert a fact. If the words "good is pleasure" are taken to be a description of fact, then what is the fact being described which would verify the proposition? For in that case, it would not be a definition but a proposition, and hence, either true or false. If we try to interpret it as a proposition, then the meaning of the subject and predicate must be independently specifiable, that is in order significantly to assert the "good is pleasure", it is obviously necessary to know, prior to the assertion -- what the terms "good" and "pleasure" mean, or what we are going to mean by them in this particular proposition.

But if we do know what "good" and "pleasure" mean before combining them as subject and predicate in a given proposition, then it is not this proposition which defines the "good": that is to say, it is not a definition but a proposition. Furthermore, if we assume that "good" is "pleasure" is a hedonistic definition of "good", how are we to know that "pleasure" is identical with the real nature of the "good"? In this case of interpreting "good is pleasure" as a definition, "good" does not, by hypothesis, have an independent meaning. It also follows that in such a case, we have only the feeling conventionally called "pleasure" and the name "good" thus, "there is no real nature to unfold, and no chance for truth or error, but only the decision to apply the name "good" to psychological states called "pleasure".^I It is admitted that the valuable produces feelings of pleasure in the observer, but this fact has nothing to do with the essence of value.

Another theory which fails to ascertain its validity in the light of empirical fact, is the "theory of objective values." It proclaims the existence of a system of values,

I. Reid, J.R., A Theory of Value, New York, Charles Scribner's Sons, 1938. p. 9.

".... which like the Platonic ideas, constitute a realm independent of actuality, and in which is exhibited an essential order of such a nature that the values compose a hierarchy arranged according to higher and lower, and its relation to reality is only established by the moral command which runs approximately, "act so that the events of things produced by your actions are as valuable as possible".¹

The question that immediately arises is, How am I to know that I am acting in a manner which will result in the things produced being as valuable as possible? Furthermore, how does one know when things are as valuable as possible? The futility of this type of moral command becomes fully apparent when one is asked,

"What does the word value mean?, which comes to the same thing, "What is the meaning of an assertion which ascribes a certain value to an object?" One must state exactly under what empirical conditions the proposition "This object is valuable" is true, and under what conditions it is false. If one cannot state these conditions, then the proposition is a meaningless combination of words".²

1. Schlick, Problems of Ethics, p. 101.
2. Schlick, Problems of Ethics, p. 101.

However, it is natural to want to give an objective criterion for objective values, thus one asserts, for example:

"Whatever contributes to the creation of spiritual possessions is valuable. But what shall pass for the spiritual possessions can only be determined by comparison with some standard. It cannot itself determine the standard. If in order to escape the circle, one arbitrarily establishes what should be understood by spiritual possessions, that determination would be arbitrary; At best one would have produced the definition of a concept based upon opinion, which one decides to call value: but this would not offer a criterion for that which we all mean when we use the word value." ¹

Thus, we can go along with Schlick in rejecting "the theory of objective values".

"A fundamental error lies in the basis of the whole attempt: it consists in seeking value distinctions in the objective facts themselves without reference to the acts of preference and selection, through which alone values come into the world".²

1. Schlick, Problems of Ethics, p. 104.

2. Ibid., p. 104.

Let us for argument's sake assume that there is a hierarchy of objective values wholly independent of our feelings. Value will become a property of objects, qualifying them in various forms (for example, beautiful, good, sublime, and so forth) and in different degrees. All these properties would form a system of values, in each case occupying a specific object. The only interest which could be taken in a realm of this sort would be scientific. It would be interesting to know that things contain in addition to other properties, those subscribed by the various absolutistic theories as criterions of value. But if asked, what their objective values mean?, one could only reply that they constitute guiding lines of conduct. If the question were pursued by asking, what would happen if one does not comply?, the only conceivable reply would be that one is not acting in an orthodox manner and therefore is not a good man. Since the "absolute good" is independent of our desires, feelings, etc., it follows that even if it made one extremely unhappy to follow the doctrine of the absolutists, they would still have to insist that one should obey those selfsame doctrines.

Immanuel Kant, in his Critique of Practical Reason, defines that which he calls the "absolute ought".¹ In that dissertation he stated that absolute authority in the world of morality is conceivable only in terms of the "good will" which is determined not causally by particular desires but autonomously by a law of reason which is universally binding. This law Kant calls the moral law. It expresses itself in the form of a "categorical imperative": act in such a way that the maxim of thy will may be accepted as the principle of universal legislation.² The sole motive to moral action is the sense of duty which is the consciousness of obligation to act from reverence for the moral law. Reverence for the moral law, however, is not an empirical feeling, but a feeling which has an intellectual source, and is the only feeling which can be known "a priori" and therefore as necessary. These moral precepts have the character of demands and each appears to us as an "ought". This meaning "I ought to do something" presupposes "someone wants me to do it." Therefore it is of the essence of

1. Greene, M.G., Kant Selections, New York, Charles Scribner's Sons, 1929. p. 338.

2. Ibid., p. 338.

the imperative to be "hypothetical". Perhaps Kant in wishing to avoid the hypothetical, explained that the "ought" proceeded from no "other"; that it is an absolute ought, and the ethical command is a categorical, not a conditional, imperative. But we have seen that a relation to a power which expresses its desires is essential to the concept of the "ought", just as essential as the relationship to some conditions (sanctions) is for the concept of the imperative. Thus, for example, the concept "father" is defined as relative to children; an absolute father would be nonsense. On that basis we are quite justified in disregarding the concept of the "absolute ought".

"Thus we conclude; if there were values which were absolute" in the sense that they had nothing to do with our feelings, they would constitute an independent realm which would enter into the world of our volition and action at no point; for it would be as if an impenetrable wall shut them off from us. Life would proceed as if they did not exist; and for ethics they would not exist. But if the values, in addition to and without injuring their absolute existence, also had the power of influencing our feelings, then they would enter into our world; but only in so far as they thus affected us.

Hence values also exist for ethics only to the extent that they make themselves felt, that is are relative to us. And if a philosopher says, "Of course, but they also have an absolute existence, "then we know that their words add nothing new to the verifiable facts, and therefore they are empty, and their assertion meaningless. I

The absolutist may now say, "If there are no absolute values in accordance with which we make value judgements, then what are the standards in accordance with which judgements are made?" Answering this query necessitates taking certain factors into consideration.

I. Schlick, Problems of Ethics, p. II9.

Chapter III

RELATIVE VALUES IN VALUE THEORY

It is undisputed that men have desires, interests, hopes, admirations; and that they make choices. Whether the assorted objects of such interests and admirations should be called values, may be largely a question of terminology; but it is clear that the question at issue in discussions of value is not reached until one asks whether some objects of desire are better than others.

Perry approaches this problem by asking whether there are relevant reasons for choosing some objects of interest rather than others. He asserts that any discussion, opinion, or even solitary speculation employs, to a greater or lesser degree, relative reasons and sufficient reason. "Though it is impossible to define "relevant reasons", this concept is not peculiar to value theory but is basic in logic and the theory of knowledge."¹

One finds that distinctions are continually being made between reasons which are relevant to the matter in hand, and those which are irrelevant.

1. Perry, C. M., "The Arbitrary as Basis for Rational Morality", International Journal of Ethics, 1933, p. 130.

Although obtuseness in regard to what constitutes relevant or sufficient reason is not uncommon, still one cannot affirm a complete ignorance of these concepts.

"If the problem of value is posed by asking whether it is possible to find relevant and sufficient reasons for making choices, then there is no doubt that an affirmative answer must be given!"¹

Further development of this trend shall suffice as illustration of the distinction between judgements based on sufficient reason, and judgements made in accordance with ultimate principles.

The Ten Commandments of the ancient Hebrews is a code of conduct which is believed by many to have been handed down from the seat of divine authority and has authority at all times and in all places. In opposition to this absolutistic view, the relativists believe that good and evil are relative to the conditions of the time and place, and that an act which is good in one place and time will be evil in another. For example, a maniac is chasing a man with the intent to kill him. The man passes us and turns to the right

1. Perry, "The Arbitrary as Basis for Rational Morality", p. 100.

dissappearing. Then the maniac comes up and asks which way his intended victime went. We would say that he turned left, and thereby save the life of an innocent man.

No matter what problem is proposed a normal human mind will arrive at some conclusion. Sometimes the conclusion may be that the person is unable to settle the problem with the evidence at hand. But this in itself is a conclusion; and leads to another conclusion, such as that more evidence should be obtained or that the problem should be put aside for the time being.

The majority of writers upon value have assumed that a theory of value must arrive at principles of valuation which should be accepted by all reasonable human beings, that value or good should be the same for everyone. In this manner value theory has aimed at discovering reasons which would be relevant and sufficient to a rational human being who for the time being discarded all his prejudices and beliefs.

The proper distinction is between arbitrary judgements and judgements based on sufficient reason. If the problem of value is to find reasons for choice, and if the finding of such reasons is dependent upon the existence of certain beliefs

and purposes, then it is evident that what constitutes a good reason for one person to choose in one way might be irrelevant to the choice of another person, or a reason why he should make some quite different choice. Despite the standardizations encouraged by modern cultures, it is quite unlikely that all people should have the same desires and moral principles. Consequently, there is no guarantee that different people will agree in their value judgements. Though it is assumed that rational judgements must agree, this belief applies only to the extent that the judgements are the result of a common purpose.

Thus, the relativist, in ethical theory, demonstrates the possibility that all the meanings which are attributed to being the exact meaning of the "good" are really only species of a common genus.

"We identify goodness with this common genus and show that as various systems of geometry are to the generic meaning of geometry, so also are the various meanings of goodness (value-systems) to the meaning of generic goodness."¹

1. Savery, B., "Relativity versus Absolutism in Value-Theory", Journal of Philosophy, 1941, p. 157.

To the relativist, this common genus to which the meanings of the empirical absolutists belong is the generic property "being an end of action".¹ This end of action is designated to mean, " that property or set of properties which is the standard in terms of which we make our evaluations".²

This does not mean that one's life cannot be measured by varying value-systems. A value-system is a way of life, and there are many ways,

*The value-system used will depend on the characteristics of a living being and the task at hand. The task at hand depends upon what the person would be doing if he were doing what he really wanted to do, and his knowledge of the means of achieving it."³

An analysis of contemporary societies will serve as grounds for our acceptance of value relativity. Let us illustrate. If we believe in due process of law, we cannot practice our belief very well when most of our neighbors see nothing wrong in lynch law. If we think the equality of sexes ideal, we cannot go very far toward our ideal when members of the opposite sex are unwilling to be treated as equals. The existence of moral disagreements, therefore raises a very serious practical problem.

1. Savery, B., "Relativity vs Absolutism in Value-Theory", p. 156.

2. Ibid., p. 156.

3. Ibid., p. 157.

Our mores are the customs of which we are conscious and whose violation we resent. What our conscience tells us to do, depends upon what social group we belong to. Our sense of values is directed by childhood training and by the pressures that were brought upon us to conform to the ways of the group.

Evidence of the relativity of moral notions may be found in an endless variety of moral codes. Anthropological surveys show us that every human group has a unique policy regarding some sex problem. We think it wrong for example, if a man marries his mother, his sister, his aunt, his daughter, or (in some instances) his first cousin. Each of these possible matches has been approved somewhere at some time. On the other hand, persons whom we would consider eligible commit a socially designated crime by attempting marriage in the wilds of Australia to an aboriginal, where distant relatives are ineligible.

Nearly half of the primitive tribes allow either husband or wife to obtain a divorce; about one fourth give the privilege exclusively to the husband; a few make it the prerogative of the wife; the rest

do not allow divorce at all, or only under
extraordinary conditions.¹ There are many other
chaotic disagreements on questions of sex.

Amongst some groups of Eskimos the rules of hospitality have required a host to let guests sleep with his wife; if the offer was refused, the guest was suspected of ill will. Amongst the North American Indians homosexuality is
²
accepted.

If we are amazed and shocked by these strange customs, our ways are just as disgusting to those who jar our sensibilities. In some parts of India, only a loose woman will shake hands with a man who is not her husband. In many parts of the orient, kissing is disgraceful. The idea of young people's demanding to choose their own mates is rejected by a substantial fraction of humanity as
³
insufferably impertinent. The Pueblos would recoil in contempt from our practice of allowing menstruating women to associate with other people.
⁴

1. Hobhouse, Morals in Evolution, Henry Holt & Co., 1928, p. 152.

2. Benedict, Ruth, Patterns of Culture, Mentor Books, 1948, p. 243.

3. Fei, Peasant Life in China, New York, Macmillan Co., 1945, p. 42.

4. Benedict, Patterns of Culture, p. 110.

The variation of moral ideas is extreme; but the variation is between groups and not within groups. Within a community, the violation of custom and dissent from traditional morality is the exception rather than the rule. Furthermore, hundreds of carefully checked field studies convince the anthropologist that the members of primitive societies are approximately as sincere as we are in their discrimination between good and bad.

The absolutist wishes to maintain that there is one and only one system of value that is best. He fails to realize that better is a comparative, valid only in terms of the premises of each system. To argue that one system of value ^{is} better than another system is meaningless. Desires vary with each individual within a given area, and so much more so between individuals living in different cultures. The system of value we accept is basic to our lives. Acceptance is a matter of preference.

CHAPTER IV

"MEANS - ENDS" PROBLEM

Before establishing the postulates of a system compatible with our way of life, we may eliminate further difficulty by making an analysis of the "means" "ends" problem. That men have values means that men strive in a certain direction, they so orient their conduct as to achieve their aims. Now, effort arises because man has to overcome difficulties, choice arises when there are alternate goals. Between the phenomena of choice and the attainment of ends, lie the tasks that constitute the means.

The relation of means and ends is fundamental in ethical theory. While we aim at certain ends, the means is something we choose because of the results it will yield. But we do not ordinarily evaluate means simply in terms of whether they will achieve a proposed goal, but also how well they will do so. This involves comparing the original end in mind, with ends implicit in the means. Furthermore, the end must also be estimated in terms of the values in the predicted consequences of its achievement. It is not enough that we want something and can get it; we must

consider the effects of our having it upon our lives and the lives of others. The end, then, is evaluated in terms of the consequences to which it leads.

The old controversy engendered by the maxim "The end justifies the means" is worthy of consideration at this point. Obviously this depends on the end, the price needed to attain the desired end, and the consequences which will result from the attainment of the desired end. In many a European country under Nazi subjection men were compelled to use any and every device in order to further their national liberation. For they realized that with such liberation most of the values to which they held would be permanently out of reach. On the other hand, in our society, the means they employed to achieve their ends would be condemned as unlawful and unethical if employed in everyday association with our neighbors. Clearly questions of the justification of means and ends have to be considered concretely in the light of ends held and means available, in order that the evaluation may be of the total activity and its consequences.

CHAPTER V

ESTABLISHMENT OF FIRST PRINCIPLES

I.

The generic end which we aim to achieve in our western democracies is founded on the Utilitarian principle of "the greatest amount of happiness for the greatest number of people".

Many things can contribute to the happiness of us all. Wealth can contribute to it. A rising standard of living will increase leisure, reduce the physical fatigue of labour, bring comfort and health to a growing proportion of our fellow human beings. Wealth, properly distributed, can tear down the slums, drive back the diseases of malnutrition, open a new realm to those who now lack these elementary necessities. Social equality could certainly increase our joy in living. It would rob wealth of its guilt, and take away the sense of shame that must haunt those of us who are rich enough to enjoy life in the present social order - the shame that arises from the thought that so many are denied, through poverty, an access to the means of happiness that

we possess. A sense of justice is necessary to all our happiness in society.

In the discussion which follows, as advocates of Democratic Socialism, we shall strive towards those ends which guarantee the greatest amount of social justice that can be made possible within our means.

During the recent war, one of the most commonly heard slogans was "Give me liberty or give me death". The American Declaration of Independence states that people are entitled to life, liberty, and the pursuit of happiness. British Constitutional History reveals a continual struggle for individual liberty. What do men mean when they declare liberty their object?

To a large degree the concept of liberty is negative in character: removal of obstacles or restraints. Yet, the idea of restraint implies a direction of striving, a positive goal which men struggle to eliminate. Thus a positive concept is contained implicitly in a negative idea.

The negative aspect of liberty is found on historical analysis to be basic to most revolutionary struggles. The American War of Independence was provoked by arbitrary British taxation. The French Revolution aimed at liberty from a host of feudal and semi-feudal restrictions. The Communist Manifesto calls upon workers to unite -- "The proletarians have nothing to lose but their chains".^I

Every age has witnessed the attempts of men to eliminate those obstacles which prevent the satisfaction of basic needs. The obstacles were either rigors of the physical environment or social arrangements which caused undue suffering. The removal of such impediments formed the specific content of struggles for liberty.

On the other hand, the positive aspect of liberty refers to the conditions which make the achievement of desired goals possible. To the American Negro liberty means equal opportunities for employment and the right to a standard of living the equivalent of his white neighbors.

I. Laski, H.J., Communist Manifesto, London, George Allen & Unwin Ltd., 1948, p. 168.

The Russian peasant in 1917 was interested primarily in land-ownership free from Tsarist burdens. In the French Revolution the peasant requested soil unburdened by forced levies; the poor of Paris wanted bread and work; the middle class desired freedom to buy and sell on the open market.

The various restraints imposed by society on human action have led men to seek a formula which would suffice as a guide toward rightful conduct. Such a formula would constitute a principle of general social liberty. John Stuart Mill expressed the formula as "the greatest happiness of the greatest number".

Mill poses the general problem as "the nature and limits of the power which can be legitimately exercised by society over the individual"^I. His account is worthy of consideration for two reasons. Firstly, it is historically important for the impetus it gave liberating movements; and secondly, it provides a liberal framework of approach to problems of social legislation.

I. Mill, J.S., On Liberty, London, Longmans, Green, and Co., 1921. p. 6.

Mill's principle may be regarded as a general criterion offered to legislators, educators, to be invoked when they are about to frame laws or exercise other social pressures against any activity of an individual or group.

In his introduction to the essay "On Liberty", Mill clearly outlines the ends which he believes society is struggling to achieve. Thus:

"The object of this Essay is to assert one very simple principle, as entitled to govern absolutely the dealings of society with the individual in the way of compulsion and control, whether the means used be physical force in the form of legal penalties, or the moral coercion of public opinion. That principle is, that the sole end for which mankind are warranted, individually or collectively, in interfering with the liberty of action of any of their number, is self-protection. That the only purpose for which power can be rightfully exercised over any member of a civilized community, against his will, is to prevent harm to others. His own good, wither physical or moral, is not a sufficient warrant. He cannot rightfully be compelled to do or forebear because it will be better for him to do so, because it will make him happier, because, in the opinion of others, to do so would be wise, or even right. These are good reasons for remonstrating with him, or reasoning with him, or persuading him, or entreating him, but not for compelling him, or

visiting him with any evil in case he do otherwise. To justify that, the conduct from which it is desired to deter him, must be calculated to produce evil to some one else. The only part of the conduct of any one, for which he is amenable to society, is that which concerns others. In the part which merely concerns himself, his independence is, of right, absolute. Over himself, over his own body and mind, the individual is sovereign".

In applying his theory, Mill is consistent in placing the burden of proof on the accusers - whether individual or government - who urge interference with man's actions. Thus, according to Mill, a man has economic liberty, liberty of thought, speech, political liberty, action in any direction he may desire, subject only to someone else's justifiable complaint. The state is destined to legislate according to experience; thus, those questions which give rise to complaints are to be dealt within the limitations of the "greatest good for the greatest number".

I. Mill, J.S., On Liberty, p. 6.

However, conduct is not to be judged arbitrarily. Mill says: "There are many who consider as an injury to themselves any conduct which they have distaste for, and resent it as an outrage to their feelings; as a religious bigot, when charged with disregarding the feelings of others, has been known to retort that they disregard his feelings, by insisting in their abominable worship or creed".¹ On these grounds Mill argues against all wholesale prohibitions. Puritans, "have endeavoured with considerable success, to put down all public, and nearly all private amusements How will the remaining portion of the community like to have amusements that shall be permitted to them regulated by the religious and moral sentiments of the stricter Calvinists and Methodists? Would they not, with considerable disgust desire these intrusively pious members of society to mind their own business? This is precisely what should be said to every government and every public, who have the pretension that no person shall enjoy any pleasure they think wrong"²?

I. Ibid, p. 49.

2. Mill, J.S., On Liberty, p. 51.

On these grounds, Mill argues, if you can offer sufficient proof that a man who spends flagrantly on intoxicants is depriving his family of necessities, and that consequently they are undergoing undue hardship, it is not an infringement of individual liberty to prohibit his drinking. But otherwise, the choice of whether or not to consume liquor, is any man's own. On the other hand, Mill recognized offenses against decency as adequate grounds for restraint; further, many actions not in themselves condemnable are objectionable if performed in public.

Mill demands absolute liberty in thought and discussion. To silence expression of opinion is to rob posterity. The opinion under attack may be true, to suppress it is, therefore, an unwarranted assumption of infallibility. It is one thing to act on probabilities - because action is necessary - and quite another to suppress an opposing view because one's own appears probably true. Man was not destined to have complete truth and therefore, its best chance for development lies in conflict with opposing ideas.

On the other hand, even when one is totally convinced that the opinion one is tempted to suppress is false, it does not follow that its suppression is justified. The discussions of all opinions, true or otherwise, make us conscious of the reasons for the views we hold. Finally, if contrary opinions are suppressed, beliefs will tend to be held as dogma and opinions will tend to become sectarian.

Mill recognized that the same reasons which make liberty of thought and discussion so valuable point to the liberty of action. As a practical principle he urges the widest decentralization of power consistent with efficiency, but he also urges that information be gathered from a central source, since correlation of knowledge is necessary for its rapid advance.

We must not assume that Mill's principles are immune from attack. There is a fundamental weakness in Mill's conception of the individual. He treats man as an isolated entity rather than a product of his society. He seemingly fails to appreciate the role of the interaction of men in the molding of the individual. This process is essential in establishing the very interests and desires whose satisfaction constitute happiness. Once this fact is

recognized, large scale remolding of men's character ~~through~~ socially established means becomes possible.

However, it is doubtful whether the values which Mill was striving to secure can be maintained by a system operating ~~the~~ in accordance with his fundamental principles.¹ Although he recognizes that the selfish pursuit of one's ends may bring injury to others, he denies that dissappointed competitors have any legal or moral right to immunity from such suffering unless there has been fraud, treachery, or force. Thus Mill advocates Free-Trade. But immediately afterward he says trade is a social act, thus removing it from the protection of his liberty principle. Nevertheless, he takes it for granted that "both the cheapness and the good quality of commodities are most effectually provided for by leaving the producers and sellers perfectly free, under the sole check of equal freedom to the buyers for supplying themselves elsewhere",² and he asserts that this view rests on grounds different from, "though equally solid with, the principle of individual liberty".³

1. Mill, J.S., On Liberty, p. 56.

2. Ibid, p. 56.

3. Mill, J. S., p. 65.

Economic Liberty, in Mill's sense, the right to buy what one chooses, sell what one chooses, and to compete in buying and selling, is possessed by very few people today. At this very date there are four hundred thousand unemployed in Canada. They are at liberty to sell their labour at a living wage, but with no buyers at that price, their liberty has little meaning. Unemployment insurance has been attacked on the ground that liberty has been sacrificed for the sake of security. However, existing evidence disposes of this argument, for the withholding of interference by the government may mean liberty for the employer, but on the other hand, the case of the employee is precisely the opposite.

This leads us to the problem of Unionism. Unionism means the restriction of certain powers of the employer -- such as the right to dismiss employees arbitrarily, or to work his employees long hours. The unions are continually undergoing attack on the grounds that they curtail economic liberty. The defenders of unionism declare that the growth of labour unions points in the direction of equalizing bargaining power and so gives workers in their organizations a greater share of economic liberty.

Economic liberty is thus redefined in terms of the dominant values of most men in their economic activity. Employment means earning power which in turn provides the necessities of life. The obstacles which impede this achievement become of prime importance, and their removal is an advancement in economic liberty. These obstacles arise out of decreased production, insufficient bargaining power, and other factors in close association with the two mentioned. Hence steps taken by the government to remedy these situations are liberating rather than restrictive, and should properly be referred to as supplements of economic liberty.

Should the government tolerate freedom of speech and press regardless of what position they may take? For example, should a press that publishes and advocates propaganda contradictory to the principles we uphold, be allowed full freedom? We may suggest that the danger lies in restricting, for the suppression of intermediate groups, then of all liberal opinion, and finally all political liberties disappear. For the growth of a minority view is usually indicative of serious social dislocations rather than too much liberty of expression. We may suggest that the suppression of civil liberties

defeats its own purpose, and therefore, attention should be directed against the evils out of which this dissension arises. We may readily agree with the view presented by Mill: thus;

"If civilization has got the better of barbarism when barbarism had the world to itself, it is too much to profess to be afraid lest barbarism, after having been fairly got under, should revive and conquer civilization that can thus succumb to its vanquished enemy, must have first become so degenerate, that neither its appointed priests and teachers, nor anybody else, has the capacity, or will take the trouble to stand up for it. If this be so, the sooner such a civilization receives notice to quit, the better".¹

Limitations of freedom of speech are, of course, necessary where there is immediate danger. During the course of a war, freedom of speech does not include the right to broadcast information valuable to the enemy, nor to spread capricious rumours favourable to the promotion of strife and internal disorder. Such acts would be punishable as seditious. We may readily appreciate the necessity of laws forbidding sedition and libel, but those accusations coming under those concepts must be well founded, otherwise they can be extended to include all opposition to those in authority.

I. Mill, J.S., On Liberty, p. 55.

Perhaps the most fundamental aspect of liberty is its economic basis. The realization of the need for economic security has persisted throughout history. Aristotle writes: "no man can live well, or indeed live at all, unless he is provided with necessities"¹. President Roosevelt's celebrated Four Freedoms include freedom from want, and the Atlantic Charter of August 14, 1941, speaks of "the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labour standards, economic adjustment and social security"².

Economic security is only one of the aspects of general social liberty. The necessity of conditions conducive to healthful living is widely recognized by all major nations of the world. The United Nations, realizing the urgent necessity for medical aid throughout the world, made it one of its prime objectives to encourage the accumulation and distribution of knowledge in this field. Industrialists having realized that health is indispensable to a productive economy and have improved working

1. McKeon, Richard, Introduction to Aristotle, New York, Modern Library, 1947, p. 558.
2. Atlantic Charter, London, His Majesty's Stationary Office, March 9, 1944.

conditions. Thus, vacations, moderate hours of labour, parks, medical service, social insurance, all belong to the concept of liberty.

Similarly, education is a prime necessity of a highly industrialized society. The United Nations has made provisions for the advancement of the sciences and human knowledge in general. Russia lagged far behind her European neighbors in industrialization mainly because the vast majority of her citizens were uneducated. The government of India is finding it exceedingly difficult to apply her newly won freedom because of the ignorance which prevails throughout her territories. Thus, political or social rights are only two of the aspects of liberty. We have found liberty to be a complex whole which is necessarily dependent on each of its parts.

Liberty then, is desired for the benefits toward which it is instrumental. In this instance, it is a necessary end. Whether one votes or not, the right to vote is recognized as a valuable possession. Similarly, whether or not people take advantage of their liberty to cross inter-provincial boundaries at will, this freedom of movement is greatly cherished.

Now, if we take positive liberty as the provisor of necessary conditions for leading a good life, these conditions will become incorporated as ends. We shall argue herein, that the only conceivable route to our desired social order lies in the pathway of democracy, and that the political method of democratic government is an essential principle of any society in which a maximum of social justice can be achieved.

2.

At this point it is necessary to make clear the sense in which the term democracy shall be used. In political discussion democracy is usually used quite ambiguously. It is often used in such a way as to make it synonymous with the phrase "the just society". Before any such persons will call any society a democracy, it must be completely free from social inequalities and economic insecurity. By using the word in this way it is possible to say, that we have not got "democracy" in Britain, or America. In none of these countries has inequality, or insecurity, passed wholly away.

Democracy in its Utopian sense, does not exist within these nations. They only possess capitalistic democracy or political democracy. They do not possess economic democracy.

It is obvious that the institution of political democracy exists in some real sense since it is possible to distinguish "capitalist democracies" from "capitalist dictatorships". There must be therefore some sense in which democracy is compatible with capitalism and consequently with economic inequality. It is with this limited form of political democracy, its meaning and value, that we are here concerned.

Democracy in this sense consists of certain definite characteristics and institutions. The first of these characteristics is the ability of the people to choose a government. Incorporated within this affirmation is an appraisal of the value of human personality. Disagreement between individuals is of the very essence of human beings. As long as we are different persons, ~~there~~ will be some of us who like certain things and some who do not; some who desire one order of society and some another, some who believe justice to be realized in one set of circumstances and some who disagree with that judgement.

Now the course of action taken at any moment, and the form of society thus brought slowly into existence, are determined largely by the government. The government has its hands upon the controls, and is therefore the immediate authority determining social policy. The nature of the decisions taken by the government will depend on the character of the persons forming it. Consequently there can be no control of the form of society by us, the masses, unless it is possible to change the personnel of the government whenever necessary. This is the first and most obvious characteristic of political democracy - the existence of a government responsible to the people; and the dependence of it and the membership of the legislative assembly upon the free vote of the people.

Modern history has taught us that the essential thing to attain and preserve is the power of the people to dismiss a government from office. This negative power is in reality an important positive power, because ordinary men and women are moved more deeply by the disapproval of measures they dislike

in practice, than by their less definite ideas of what they desire in the future. By the slow testing of ideas and institutions, by rejecting all that which is disapproved of and insisting upon the gradual extension of things found suitable by experience, an intelligent electorate unconsciously constructs a society compatible with its wishes.

We may find it advantageous to stress the fact that the negative power to destroy a government is part of the broader right to choose a government, and is perhaps a "principle of sustenance" constituting the sub-stratum, a necessary and fundamental component of democracy.

The right to choose a government implies a second essential political institution. If liberty is to exist, if there is to be an actual dependence of government upon the will of the people, the latter must always have a choice. This implies the constant maintenance of a critical and essential institution ---- that of freedom to oppose the government of the day. It is then essential for the electorate to have more than one possible government before it, more than one political party able to place its views before

the voters, with the opposition free to prepare itself to take over power, and the government willing to surrender it peacefully after an electoral decision against it.

The absurdity of electoral practices in modern dictatorships, such as those experienced in Hitlerian Germany and Fascist Italy, becomes most apparent. They copied the device of the General Election, but theirs was a sordid, pitiful and silly limitation. What was the choice before German or Italian electorate? There was only one party in the election and therefore the possible formation of only one government.^I There may be a choice of individuals, but there was certainly no choice of party, no choice of government, and consequently no choice of policy. The alternative before the German people was between Fuhrer Hitler and Fuhrer Hitler.

Thus the acid test of democracy may be defined as the toleration of opposition. In so far as alternative governments are tolerated and allowed to come into existence, we believe democracy to be present. On the other hand, when an opposition is

persecuted, rendered illegal, or stamped out of existence, democracy is not present.

However, there are varying degrees of freedom permitted those in opposition to the government. The Canadian government extends complete legal freedom to parties in opposition to the government. Their rights in politics are the same as those of the government in office. From this extreme there is an infinite gradation of liberty, through mild dictatorships, to the ruthless insistence upon uniformity that characterizes Germany and Russia. There is no precise line, in our estimation, at which it is possible to say that all communities on this side of it are democracies, and all on the other side are dictatorships. But the test is nevertheless valid. The suppression of opposition is one of the foremost and basic proofs of dictatorial ambition.

There is also another characteristic necessary to the existence of political democracy. Both previous characteristics - responsible government and legal opposition - are the definitive properties of democracy, but they are not the causes of democracy.

When they are present, we acknowledge the existence of democracy, when absent we are not able to speak of the presence of democracy in any significant manner. But they do not cause democracy to become present; they simply define democracy. Then, what is the substantial social condition guaranteeing existence. We may suggest that mutual toleration is the key to democracy.

Let us imagine for a moment that this condition is not fulfilled. Let us suppose that the Liberal Party, has reason to believe that the C.C.F. opposition has never accepted, or does not now accept, the obligations of this informal compact of toleration. The government has reason to think that, if and when the C.C.F. party comes to power, it will use that power not merely to carry out its programme, but to break up and destroy the Liberal party as a political organization, and to stamp out by persecution, Liberalism as an idea. That is, it is the known intention of the C.C.F. Party - as it is the known intention of the Nazi and Fascist parties - to use the power vested in them as the government, to liquidate the parties in opposition to them.

We suggest that if such be the case, the continuance of democracy under these circumstances is inconceivable. Furthermore, it is dubious whether the party so threatened will surrender power peacefully. To hand over the reigns of government to an opposition of the above designated calibre is to court political death. People are not apt to arm those who are their would-be assassins.

Indeed, it may very well be the duty of a political leader not to hand over the control of government voluntarily to a persecutor. The leaders of the Liberal Party, in this hypothetical case, are the responsible leaders of the major section of the community. They have been entrusted with certain interests and certain ideas. It may be their duty not to give way, even in the face of popular will, to give place of power to persecutors and tormentors. This judgement applies, we believe, to Germany in 1932. In the November election of that year, the parties that ultimately combined to support Hitler's Chancellorship obtained 44.3% of the votes cast. The Communists obtained 17.2%.

I. Appendix I

We suggest that had the leaders of the democratic minority, or of the anti-Hitler majority, not permitted him to obtain power peacefully, it may have been better for them, and for the rest of the world.

Thus democracy requires the peaceful alternation of Parties in government. This is impossible if the government believes that the opposition intends to liquidate them if and when, they, the opposition, obtain power. It is not likely that the government would surrender power willingly under such conditions. If they did, democracy would nevertheless cease to exist, since the victorious opposition would proceed, by the persecution of those who disagreed with them, to the destruction of the democratic principles in themselves. Political democracy depends then, upon mutual toleration between opposing parties.

History has shown us that no person or group can be trusted to execute the popular will, unless they are responsible to it. However noble the principle of the regime may be - whether monarchy or theocracy, the moment the majority of people are able to express their opinions - in

Reform Bill agitation or Civil War - the irresponsible group in power find themselves with the majority of people against them. On those grounds we argue that responsible government is the only certain method of securing the society that ordinary men and women desire.

Many dictatorships have claimed themselves to be popular dictatorships. If popular, why cannot opposition be tolerated? If opposition could be victorious in a free general election, in what sense is the absolute government popular? We suggest that there can be no validity in the claim that a regime incapable of permitting its fate to be decided by free voting is really executing the will of the voters.

Another main argument states that toleration of opposition within the nation is the only method by which real unity can be secured. That this should be the case is paradoxical, since one of the basic principles of the democratic method lies in the toleration and protection, of disagreement within the nation. As we have seen, democracy is based upon the toleration of the opposition. The law actively protects the right to disagree.

We have, in this country, developed this principle to its logical conclusions. We now pay people to denounce and criticize the government. If the C. C.F. Party is victorious at the next general election, Mr. St. Laurent as leader of the opposition would be paid a substantial salary. We recognize the significance of founding our political life on the principle of duality in politics, upon the principle of discussion between the organized parties to the debate - parties who have equal rights to be heard, and who do not fear liquidation with the alternation of power.

Yet if we examine the broad division of the nations of the world into democratic and authoritarian states previous to 1945 - Canada, Britain, United States, on the one side, Russia, Germany, and Italy on the other - it is surely obvious that the deeply divided nations are the dictatorships and not the democracies. For in those dictatorships the divisions were so deep that vast numbers of secret police, punishment without trial, imprisonment, torture, exile, and murder of hundreds of thousands, complemented the governing

of the state. All political organizations except one are illegal. Open disagreement is suicide. And yet they were divided, so deeply divided, that the secret police were maintained in great force, the concentration camps were continually enlarged, the annihilation of life was carried on with all ruthlessness. Meanwhile, the Governments of the democracies pay salaries to the leaders of their oppositions.

Democracy, as a method, serves another important function, that of compromising and reconciling conflicting interests. When individuals or groups disagree (nations, classes, and parties within the state are included), the most important question is not what they disagree about, but the method or methods by which their disputes can be resolved. If force is to be used in rendering a decision, chaos and suffering will inevitably result. Civilization cannot be built on destruction and the evils which accompany it. The vital question is that of method for it is the means that will determine the ends.

This conclusion does not necessarily draw one toward pacifism. We do not contend that it is the duty of any man to surrender his own purposes simply because other persons or groups use force. That appears to be nonsensical. It may very well be our duty to repel force with force, and to see that - once the peace is broken - the group to which we owe our loyalty is victorious in the ensuing struggle.

We may suggest the use of compromise instead of force or pacifism. It would then be our supreme social duty to persuade contending groups to agree to abstain from using force in the settlement of their disputes. To set the maintenance of such agreements first in the sequence of our social values would become a primary obligation.

We must not forget that at all times, and in all parts of the world, there are minority groups within the nation, and a minority of nations within the society of nations, who will not accept the agreement to use peaceful methods - who advertise and act upon the intention to alter the world in the direction of their desires, and pursue what

they regard as their rights, by the use of the whole of the force at their command. As a consequence, the agreement not to use force must be protected by force; the aggressive minority must be restrained by force; law must be enforced by the police, and international order protected by collective methods. Here we have sufficient reason for the establishment of an international police force.

It might be argued that political democracy is only one of the necessary characteristics of a just social order, and therefore no more fundamental than any other: for example, the existence of a just distribution of wealth. It is perfectly feasible to assume that some people may prefer equality in the distribution of wealth to political liberty. Such a programme, it is our bias, does not touch the problem of constructing a just society. Economic equality can be fully achieved, and social justice remain as far away as ever, because one type of privilege (political) has been substituted for another (economic). The problem of a just society is not the single problem of economic equality, but the much more complex one of

achieving simultaneously in one society both liberty and equality.

Our civilization, that of the Western World, is founded upon the Capitalistic system. Since 1945 the government of Great Britain has been in the process of introducing Democratic Socialism to her people. The United States and Canada have retained the Capitalistic system. Both systems are based on political democracy, but it is being argued that only under Socialism can economic democracy be secured. Before a fair appraisal can be made, or a valid judgement passed, it will be necessary to weigh the criticisms of both against their corresponding values.

PART II

AN APPRAISAL OF CAPITALISM:
AS RELATIVE TO ECONOMIC DEMOCRACY

Under the capitalist system, the primary struggle is between the owners and controllers of industry, and the workers by hand and brain who have little or no share in its ownership.

Until the middle of the last century, the ideal of security and plenty for the masses was an unrealizable dream. Men still worked with hand tools. The average man could not produce more than a bare living. In Tsarist Russia eighty per cent of the population were never able to produce enough food for the bare subsistence of themselves and the other twenty percent of the people.¹ Even if the product of industry had been equitably distributed, the mass of workers would still have had to live in comparative poverty. Under these circumstances, there was little material foundation for the dreams and hopes of the social prophets of the past. During the last few generations, however, the situation has been revolutionized. The mammoth machines now found in our industries; harnessed to

Selsam, Howard, Socialism and Ethics, New York, International Publishers, 1943, p. 15.
I. Pares, Sir, Bernard, A History of Russia, New York, Alfred A. Knopf, 1947, p. 391 - 408.

steam and electrical power, "have placed millions of tireless slaves at the command of our productive forces and for the first time in civilization have made it possible to abolish poverty and to bring leisure and abundance to all who do their share of the common task".¹

"The problem of ethics as stated by Howard Selsam is "not whether capitalism has been a good or bad system, but whether it is - as a result of its own operation, accomplishments and limitations - the best system we can have now for ordering human economic relations".²

The plausability of raising the above question is substantiated by empirical fact:

"We in America now have at our disposal forty times the amount of physical energy per capita as ~~held~~ had our forefathers of a hundred years ago. With our increased power of production, as Dean Dexter S. Kimball declares, "if poverty and industrial distress still exist, it is because of our inability to keep our industrial machinery in operation and to distribute equitably the resulting products."
I

1. Laidler, H.W., Socializing our Democracy, Harper & Bros., New York, 1935, p. 2.
2. Selsam, H. Socialism and Ethics, p. 17.

It is not sufficient to produce abundantly; we must be able to distribute intelligently. "The Columbia University Commission on Economic Reconstruction takes a similar position. "It is clear", the Report of the Commission declares, "that if our society could continually utilize to the full the productive capacity which is actually available it could thereby overcome the evils of poverty and unemployment, assuming an equitable distribution of national income." "While, according to Ralph E. Flanders, former vice-president of the American society of mechanical Engineers, every engineer knows that, with proper social direction, engineers can provide "raw material, machinery and trained labour sufficient to flood, bury and smother the population in such an avalanche of food, clothing, shelter, luxuries and the material refinements as no Utopian dreamer in his busiest slumbers has ever achieved".¹

Regardless of all the marvels of the twentieth century, with its accompaniment of mighty machines and vast mineral and power resources, we have failed to abolish poverty. Extreme inequality, unemployment and misery, the concentration of vast powers in the hands of a few, political incompetency and corruption, imperialistic policies which contain

I. Laidler, Socializing our Democracy, p. 2.

the seeds of war and pestilence, are all still present, and perhaps are increasing. Capitalism has failed to cope adequately with these problems; therefore, in our appraisal of capitalistic doctrine we shall try to determine its inherent weaknesses.

CHAPTER IV

CAPITALISM:

ITS ASSUMPTIONS AND PROFIT - MOTIVE

John Stuart Mill, whose assumptions are implicitly contained within Capitalistic doctrine, stated that political economy rests on grounds different from, "though equally solid with, the principle of individual liberty".¹ These assumptions as enunciated by Mill are:

".... both the cheapness and the good quality of commodities are most effectually provided for by leaving the producers and sellers perfectly free, under the sole check of equal freedom to the buyers for supplying themselves elsewhere. This is the so-called doctrines of Free-Trade the individual is not accountable to society for his actions, in so far as these concern the interests of no person but himself.... whoever succeeds in an overcrowded profession; or in a competitive examination; wherever is preferred to another in any contest for an object which both desire, reaps benefit from the loss of others, from their wasted exertion and their disappointment. But it is, by common admission, better for the general interest of mankind, that persons should pursue their objects undeterred by this sort of consequences".²

1. John Stuart Mill, On Liberty, p. 56.

2. Ibid.,

By developing these assumptions to their logical conclusions we derive the basis of our present capitalistic economy. These are enumerated by Henry C. Clay. He lists four assumptions:

"That individuals in their economic relations can be relied on to pursue their own interest, and that their action will be rational and informed; that competition in industry will result in the survival of the socially fittest; that as a rule private wealth or property will be acquired only by service and, conversely, that services will be induced by the possibility of acquiring private wealth, so that it will be the private interest of someone to supply every service in which there is public interest; and, that market values correspond roughly with social values, and are an adequate indication of need for production to follow".I

I.

The first is an assumption of rational self-interest. Thus capitalism operates on the theory that selfishness is the most reliable human motive. Economists defend this reliance on selfishness by arguing that we know our own interests better than anyone else does, and better than we know the interest of others, and that therefore self-interest will

I. Clay, Henry, Economics for the General Reader, London, Macmillans, 1928, p. 395.

provide for the interests of all better than any other system, and with a smaller expenditure of human energy.

The biological approach to this question may be somewhat different. Here it is argued that self-interest is conducive to, and is an accompaniment of, the process of survival. It is also established that a well-developed capacity for co-operative action must likewise be present in the forms of animal life, because monkeys for example, are highly gregarious and work together for common ends. At any rate, most defenders of the capitalist system have assumed that self-interest is the only reliable motive on which to base an economic system, whereas socialists have assumed that man is capable of response to other motives. They do not deny that men, as at present constituted, are moved largely by self-interest; but they insist that this is mainly because of the environment in which men have been reared, and if they had been reared in an environment in which self-interest was stressed less and the general good more, they would be unselfish enough to respond to incentives other than that of personal gain. Socialism, Communism,

and Fascism all rely to some extent on other motives than self-interest. The socialists as stated before, preach the good of the many as opposed to the few, the Communists advocate the equality of all men (a classless society), and the Fascists subordinate the rights and freedom of the individual to the glory and greatness of the state.

If capitalism is to work successfully, self-interest must be rational and informed. The fact is that capitalism does not always provide goods of satisfactory quality and reasonable prices, nor is the average consumer rational or informed.^I In the first place, many are either naturally averse to the mental effort necessary to make choices or, the necessary information is far vaster than the average person can obtain and retain for constant reference. In the second place, powerful advertising and selling agencies are dedicated to the task of building up various types of irrationality in buyers.² Furthermore, much of our productive energy is devoted to making and selling things which contribute little to human welfare.

I. Appendix IX, X

2. Appendix II

There is waste in working at cross-purposes, in advertising and salesmanship, in cudgelling and battering the consumer with appeals for consideration of distinctive flavours, qualities, and styles whose distinctiveness is largely a mirage. Yet, with all the waste of productive energy, the capitalist system has worked, has perhaps satisfied people's wants better than any other system that has yet been tried.

2.

The assumption that competition in industry will result in the "survival of the fittest" may be criticized on various grounds. If "fit" is used in the sense that the "fittest" are those who can accumulate money, by producing wealth, or in other ways, not always the most legitimate, they can be called the fittest:

".... only if the end of man is the production of material wealth. The distinctive feature of man is that he is a moral being; he can choose his end, and judge his fitness by reference to that end. To justify free competition on the ground that it gives position and influence to the "fittest" is therefore to choose the production of wealth as the chief end of man.

If any other end be chosen, for instance art, the religious life or the service of others, then free competition will stand condemned, because the survivors of the economic struggle are not conspicuous for love of beauty, piety or disinterested philanthropy. A St. Francis or a Stevenson survives by reason of his very unfitness to make money; the cathedrals of the thirteenth century are a great achievement just because their builders did not adopt the methods that bring wealth in a competitive society".^I

3.

Another assumption of capitalism is that of an association between wealth and social service. In a capitalist society production is left to the private entrepreneur on the assumption that as a rule they can acquire wealth for themselves only by rendering a useful social service. In some fields of human endeavour, unfortunately, financial rewards are often inversely related to the quality of the productive work, and the "fittest" - those who are most generously rewarded pecuniarily - may be the ones who are willing to do shoddy work of no enduring merit. Many cartoonists are paid more than Walt Whitman or Edgar Allan Poe ever dreamed of receiving, or actually ever received.

I. Clay, Economics for the General Reader,
p. 375 - 376.

This is not altogether a fault of capitalism, however, but rather a fault of human beings, as Hartlet Withers says:

"Under capitalism the value of our work, like that of everything else, is what it will fetch -- that is, what we can get for it out of our fellows. If they are vulgar, tasteless and stupid, we can sell them rubbish and grow fat on them, if we happen to be greedy rogues".^I

Aside from the fact that the public taste for some rubbish has been developed by profit minded advertisers who would not be at work in a socialist economy, it seems likely that the wants of the people would not be very different, and that they would demand and get somewhat the same kind of goods and services as they have now. The only way to avoid this would be to turn to some form of autocracy wherein the people would be obliged to content themselves with something really better than they really wanted; but there is no certainty that an autocrat would provide something better.

I. Withers, Hartley, The Case for Capitalism, London, Eveleigh Nash Company, 1920, p. 35 - 36.

4.

As mentioned earlier, the capitalist assumes the market price to be a satisfactory indicator for production. The point can be vigorously contested on factual grounds. To the extent that there is competition and equality of incomes, the assumption has great validity; but to the extent that these two conditions are absent, the market price indicator is ineffective. Furthermore, because of economic inequality the goods produced do not afford the greatest possible total satisfaction, for the rich with their large incomes can appropriate for themselves goods which would satisfy far keener wants for people with small incomes.

CHAPTER VII

CRITICISM OF COMPETITIVE ASPECTS

Many people assume that capitalism in its competitive aspects is a type of game in which the ablest contestants are liable to win. In reference to the ethical validity of this sort of game, Frank Knight says:

"However favourable an opinion one may hold of the business game, he must be very illiberal not to concede that others have a right to a different view and that large numbers of admirable people do not like the game at all. It is then justifiable at least to regard as unfortunate the dominance of the business game over life, the virtual identification of social living with it, to the extent that has come to pass in the modern world". I

The game may be fun for most of the leaders, those who are equipped to play it and hope to win, and perhaps for those who lack the cultural interests or qualities to play any other type of game; but for many others it is a boring and drudged sort of game. In a fair race the contestants all start from scratch. To secure a perfectly fair race in business we should have to eliminate all inequalities environment and training; and this would leave little of capitalism as the game is played.

- I. Knight, Frank Hyneman, The Ethics of Competition, New York, Harper & Bros., 1935, p. 66.

"Thus we appear to search in vain for any real ethical basis of approval for competition as a basis for any ideal type of human relations, or as a motive to action. It fails to harmonize either with the Pagan ideal of society as a community of friends or the Christian ideal of spiritual fellowship. Its only justification is that it is effective in getting things done; but any candid answer to the question, "What things"?, compels the admission that they leave much to be desired. Whether for good or bad, its aesthetic ideals are not such as command the approval of the most competent judges, and as for the spirituality, commercialism is in a fair way to make that term incomprehensible to living men. The motive itself has been generally condemned by the Best spirits of the race".¹

John Stuart Mill, was similarly critical of the competitive struggle:

"I confess I am not at all charmed by the ideal of life held out by those who think that the normal state of human beings is that of struggling to get on; that the trampling, crushing, elbowing, and treading on each other's heels, which form the existing type of human life, are the most desirable lot of mankind, or anything but the disagreeable symptoms of one of the phases of industrial progress".²

1. Knight, Ethics of Competition, p. 74.

2. Mill, J.S., On Liberty, p. 74.

CHAPTER VIII

PROS AND CONS OF THE PURSUIT FOR WEALTH

The main motive of economic activity in a capitalist society is acquisition in terms of money. Successful businessmen have the outward appearances necessary for reputability - large homes, streamlined cars, expensive raiment, in other words, that comfort and power that makes life pleasant. Since so much that is pleasant goes with business success, many businessmen become so lost in the pursuit of money - which should be the means to a good life, rather than the end - that they forget the end itself.

There are no absolute limits to the acquisition of wealth. The expansive character of capitalism has indeed brought us great material wealth on which we have built a civilization of physical comfort that has served as the basis of more kindness and humanity than the world ever knew before. On the other hand, the supremacy of business interests over all other values has meant, in some respects, low cultural standards.

Many critics point to the vulgarity of the capitalistic spirit as it appears in the advertising business. Our newspapers and most of our magazines are more a medium for selling goods than for purveying news. To reach and sell to the greatest possible number of buyers, advertising appeals to the relatively numerous but untutored masses. Finer things - books, for instance, and good music - are seldom advertised to the same extent as the Lever Bros. soap products.

Another important aspect is the increasing tendency for emulation of those in the higher income brackets. We are more anxious to SEEM than to BE. We strive for wardrobes and shiny cars, rather for ^{than} contentment, fundamental culture, and appreciation of real beauty. Not knowing how to spend our time, we take what satisfaction we can in spending our money.

CHAPTER IX

WASTES IN THE CAPITALIST SYSTEM

1.

The waste of resources is a vice natural to capitalism, for in their exploitation there is no identity of private and social interests. Natural resources: timber, oil, natural gas, furs, the soil itself, have been flagrantly wasted. For this reason we may maintain that natural resources should be publicly owned, and this is one of the respects in which socialism is definitely superior to capitalism.

2.

The competition essential to capitalism is in itself wasteful in various ways. Many men who have not the necessary qualities enter the various competitive businesses and as a consequence lose their savings within a very short time. Such waste as this is inevitable in an economy of free enterprise. If men are free to choose their own work, some will inevitably fail; but it may be well that those who lack the qualities in a business should fail, for if they did not, many of our enterprises would be inefficiently operated. This need not necessarily be the case. In a socialist economy

where those entering businesses would need to meet certain qualifications, there would be fewer failures presumably, although managers might be less efficient and there may be less freedom in the choice of occupations.

3.

There is also a great deal of waste due to extravagant advertising and salesmanship.^I In the words of Stuart Chase:

"The advertising industry, viewed from an aeroplane would be seen to consist of some 600,000 workers - writing copy, canvassing for clients, designing layouts, painting pictures, engineering campaigns; supported by printers, compositors, paper makers, chemical workers, lumber jacks, railroad men, carpenters, sign painters, electricians, lithographers, bill posters, wood workers, paint makers, mail clerks, letter carriers, telephone operators, stenographers, bookkeepers, psychologists, and efficiency experts - to name only a few. Advertising keeps the whole 600,000 busy. If they lived in Denmark - where advertising is restricted - they would have to turn to some productive occupation. In other words, the industry reaches down into the ranks of the gainfully employed, picks up a half million odd workers, and says to them "Now shout! and furnish the paper, ink and paint for shouting!"²

I. Appendix II

2. Chase, Waste, p. II2

The total amount spent for advertising is twice the total income of all our colleges and universities.^I

As Stuart Chase says, "In America one dollar is spent to educate consumers in what they may or may not want to buy for every seventy cents that is spent in all other kinds of education - primary, secondary, high school, university."²

The function of advertising, as we see it, lies in the dissemination of news about coming events, new inventions, new products. National advertising for the education of the consumer, if conducted by some impartial and scientific body, might conceivably provide a great channel for eliminating wastes in advertising. "But nine-tenths and more of advertising is largely competitive wrangling as to the relative merits of two undistinguished and often indistinguishable compounds - soap, tooth powders, motor cars, snappy suits, breakfast foods, patent medicines, cigarettes."³

If all the various brands represented really different kinds of goods, the high cost of marketing them all would be compensated to some extent by the extra-ordinary wide selection made available to the

1. Appendix III & IV

2. Chase, Stuart, The Tragedy of Waste, p. 124.

3. Ibid, p. 113.

consumers, but the number of really different varieties and qualities constitutes only a fraction^I of the total number of brands.

As regards advertising, the Canadian economists Logan and Inman state:

"Advertisers have defended non-factual advertising in various ways: they speak of the art of "graceful" living as contrasted with living by the calculus mentality. There is a spiritual exaltation just in buying - in shopping among the unknowns. What if our oriental rug never saw the handworkers of Ispahan, what of it? Our enjoyment of such things consists in what we think they are. Shopping where everything is known and measured would be no more fun than poker playing with a marked deck. Others again have pleaded the case for colorful advertising in terms of its indirect compensations. It brightens and cheapens our magazines and newspapers, provides us with radio programmes, etc. Without advertising all these goods and services would cost us much more than they do. The judgement stands, however, that most competitive advertising of identical goods brings no gain whatever to the consumer of these goods and that exaggerated representations generally tend to confuse and lead the buyer away from the most intelligent use of his funds."

1. Appendix II
2. Logan, H.A., and Inman, Mark K., Asocial Approach to Economics, Toronto, The University of Toronto Press, 1948.

The advertiser "pulls strings" through various devices other than the presentation of real information. He employs various techniques which are indicative of the advertiser's attention to practical psychology.^I Thus advertising is used to promote style changes and to make people discontented with what they have, it is worse than waste; it is largely destructive. Style changes persistently destroy the value of much of the women's clothing, and to a lesser extent men's clothes.

We may conclude that persuasive sales methods are of some educational value. The multitude of competing opportunities to spend which are offered consumers tend to make some buyers more careful in their purchases - a few perhaps become totally indifferent to the pleas of sellers. Advertising wars between industries competing for the consumer's dollars may produce a few facts about each. On the other hand, the so-called educational work may be designed merely to stimulate conspicuous consumption, such as the correct suit for every occasion, or a style change for each hour of the day. Consumers are goaded to maintain superficial appearances at the expense of more fundamental needs.

4.

A capitalist economy evidences great waste in the duplication of plants and services. In Canada there are 49,271^I retail stores selling goods that could probably be sold much cheaper by half as many. Groceries, milk, and other commodities are delivered by several trucks whereas one could handle all deliveries much more cheaply; in many towns and cities several taxis representing different companies meet every incoming train, although there may be enough passengers for only one car.

5.

The capitalist economy is subject to periodic depressions and to consequent unemployment of men and capital which represents a tremendous waste of productive power. In 1932 approximately one-third² of Canada's total labour force was unemployed. Some of these workers were unemployed for four or five years or even longer, and in so extended a period of unemployment many of them lost their health, spirit, and hope, and were no longer good workmen when they finally did find jobs.

I. Canada Year Book, Bureau of Statistics,
1948 - 49, p. 814.

2. Appendix V

Losses from unemployment ultimately affect all sections of our economy, but to the worker upon whom the burden falls in the first instance, they come as a direct infringement upon his standard of living and even as a challenge to life itself, except as it rests on a basis of charity.^I Psychologically as well as materially, the effect is demoralizing. The regular habits of industry are broken, and the sense of personal value as a contributing member of society, appreciated as such, is weakened. To people who have been self-reliant and self-controlled by means of the services they have been selling to society, to be laid off and denied the right to work, or even to live in fear of being laid off, is to reduce the satisfaction from the goods they do consume. To be thrown upon actual charity is to turn their bread to bitterness. Socially and politically, the results are to be deplored.

6.

One of the vices commonly attributed to capitalism is imperialism. Like Capitalism itself; the notion of imperialism is a rather complicated bundle of concepts, it changes from one stage of development to another; and for all these reasons it is impossible to define precisely. In what is called political imperialism,

the exploitation is carried on for national aggrandizement; whereas in what is called economic imperialism the exploitation is assumed to be carried on for economic gain, through trade and investment. The latter is a policy which seeks economic and political control of outlying territory, particularly that of so-called backward peoples: as a place to invest capital, or as a source of raw materials. Economic imperialism became most hideous in Britain's exploitation of India's resources, and the abuse of the bulk of its inhabitants. British capitalists built railroads and a few other industries in India, but their general policy was to prevent any industries that would compete with those of England; indeed, soon after the occupation of India the British instituted various measures to destroy her world famous cottage-industries. Indian industries were held down for more than a century: and when this policy was changed, early in the twentieth-century, to a policy encouraging industrial development, India's new industries were largely controlled by British capitalists.^I

I. Nehru, Jawaharlal, Glimpses of World History, p. 418 - 419, 671, 672.

It may be well to include a short account of the brutality of imperialist exploitation; for it has not been the machination of heathens, but on the contrary, the manipulation of so-called civilized whites. For more than a century Africa was a slave hunting ground for some of the nations of Europe, as well as for the United States. Slave traders rounded up millions of blacks, drove them to the coast, chained together like oxen, crammed them into the hold of sailing vessels so thickly that they had to lie on their sides throughout a trip which lasted for five weeks or more, and then sold them at a high profit to plantation owners in various parts of the world.

Perhaps Britain has behaved no worse than France, Belgium, Holland, Italy, Germany, or Japan. Indeed we may rightfully argue that Britain spear-headed the abolition of slavery. English politicians such as Wilberforce devoted their lives to the abolition of this utterly barbaric treatment of the coloured peoples. Yet when the British crushed the Indian rebellion of 1857, according to Nehru, the British "spread terror everywhere. Vast numbers

were shot down in cold blood; large numbers were shot to pieces from the mouth of cannon, thousands were hanged from wayside trees. An English general, Neill, who marched from Allahabad to Cawnapore, is said to have hanged people all along the way, till hardly a tree remained by the wayside which had not been converted into a gibbet".^I

Up to the present time, nations have developed no effective codes of moral conduct like those that govern the relationship between individuals. Their prime consideration has been selfish national interest. Nehru, expresses this tendency in the following quotation:

"With the growth of nationalism, the idea of "my country right or wrong" developed, and nations gloried in doing things which, in the case of individuals, were considered bad and immoral. Thus a strange contrast grew between the morality of individuals and that of nations. There was a vast difference between the two, and the very vices of individuals became the virtues of nations. Selfishness, greed, arrogance, vulgarity were considered utterly bad and not tolerable in the case of individual men and women. But in the case of large groups, of nations, they are praised and encouraged, under the noble cloak of patriotism and love of country.

- I. Nehru, Jawaharlal, Glimpses of World History, New York, John Day Company, 1942, p. 471

Even murder and killing become praiseworthy if large groups of nations undertake it against one another. A recent author has told us, and he is perfectly right, that "civilization has become a device for delegating the vices of individuals to larger and larger communities".^I

The imperialist ambitions of powerful capitalist interest, backed generally by their respective governments, have been the cause of many wars.² The first World War was imperialist on a grand scale. Germany wanted to expand her dominion eastward along the Danube to the Black Sea and the Bosphorus; France sought to retain the rich material deposits of Alsace and Lorraine; Great Britain hoped to retain her control of the seas and to gain additional colonies; Russia coveted particularly Constantinople and the waterway from the Black to the Aegean Sea; Austria-Hungary hoped to absorb Serbia, and additional territory in the Balkans; Italy wanted to enlarge her empire by adding the territory around the Adriatic Sea and other colonies elsewhere. None of the participants wanted war; but their territorial ambitions, secret treaties, and vast military establishments provided the munitions dump which needed only the lighted match to bring on the explosion.

1. Ibid, p. 415.

2. Appendix VII

In the Versailles Treaty which concluded the First World War, Great Britain got most of the German colonies; France got the rest, and a part of Alsace and Lorraine; because she was weak, Italy got little of what she was promised; Austria-Hungary was dismembered and a group of small states were created. President Wilson went to this conference with hopes of establishing a just peace and a League of Nations to administer it; but he had pleaded in vain. The American people, it now appeared, had been fighting not for democracy but to turn victory from one group of imperialist powers to another.

The second World War was to a great extent a war of "ideologies", yet the post war world reveals that it was not altogether a war against the brutal and barbarous principles of Fascism and Naziism, but in some degree an imperialist struggle for colonial possessions, markets, and raw materials.

When Mussolini and later Hitler, with the help of industrialist and army officers, proceeded to wipe out labour unions, kill or imprison socialists and communists, and reduce the masses to subordination, the aristocratic Tory government of Great Britain was at first rather friendly to them, as

were certain business leaders in France and other countries. But when it presently appeared that Mussolini and Hitler were aiming not only at the unions and democracy but at the conquest of the other European powers and their empires, Great Britain and France were obliged to fight. They did not fight because Fascism was undemocratic, but because it threatened their colonies and, indeed, their very existence as nations. So too the United States had made no effort to stop the Japanese invasion of China and had sold Japan the iron and steel and oil with which to wage war; but when Japan struck at Pearl Harbour, they were forced to fight - after having to arm her for the war against them. Although the governments of Great Britain, France, and the United States had shown no particular hostility to Fascism, they would defend their possessions.

Thus imperialism has been an important factor in many wars. Capitalism, is strongly expansive. Modern industry is vastly productive, and foreign markets are demanded for the goods produced; great capitalist combinations are profitable and foreign

investments are needed for surplus savings; industrial production calls for vast amounts of raw materials, and foreign supplies of them may be required.^I

Capitalists inevitably clash in their quest for foreign markets, investments, and raw materials; and since they are usually backed by their governments, wars result.

I. Appendix VIII

CHAPTER X
VIRTUES OF CAPITALISM

I.

The most important virtue of capitalism is perhaps that it has been enormously productive. The era of capitalist expansion - roughly the past three hundred years - coinciding with the machine age, has been a period of amazing increase in wealth. This vast increase, including the machines that produced the wealth, has been the offspring of capitalist philosophy. The reliance on self-interest, on the profit motive, has brought powerful productive forces into operation.

2.

From a broad historical point of view, personal freedom and democracy, appear to be in considerable measure the fruits of capitalism. Throughout most of the world's past history, and in nearly every country, the usual condition was government autocracy, with virtual slavery or serfdom for the masses. Over the long stretch of five thousand years of human history, democracy, somewhat as we now know it, has prevailed for only a century or two, and that brief span coincides with the period of capitalist development.

The above suggests that democracy and individual freedom are related to capitalism. Truly, capitalism calls for individual initiative; it involves the assumption that men, left free to work out their own destinies, will profit in proportion to their social contribution; it assumes competition, which can operate satisfactorily only when competitors enter the field on something like even terms; all this demands a measure of economic democracy. Capitalism assumes that the right of private property is fairly secure; but that right cannot be very secure if the government is highly autocratic. Capitalism in this form demands a democratic form of government, with a minimum of government interference; it is therefore incompatible with political autocracy.

On the other hand, it was argued by Ruskin and Carlyle, ^I that the individual freedom afforded by capitalism is of no great benefit ~~to~~ labourers, who are compelled to work for whatever they can get, ^{being} driven by hunger. If Carlyle was writing this thesis might he not ask, How much better off are the common labourers who must live in slum tenements, picking up whatever jobs they can get, never certain how long their jobs will last or if they lose them that

they can get others, with no reserve funds for sickness or emergencies, ^I periodically unemployed, perhaps for weeks or months, while their families lack food - how much better off are they than slaves, Gurth the swineherd? How real is political democracy to those thousands who had no recourse but to charity or relief camps during the last depression? Freedom has little meaning for the unemployed; even though they may be receiving unemployment benefits, men who are jobless and hopeless of finding work are generally willing to surrender their freedom for jobs and security. This is proved by the action of the unemployed in Italy and Germany at the of the Fascist revolution. Although Fascism puts labour, along with most other classes, in a position scarcely distinguishable from slavery, many of the unemployed welcomed the Fascist regime and were probably happier under it, before the war, than they had been under capitalism. Had the depression of 1929 - 1939 lasted much longer, we may very well believe that the unemployed, if given the chance, would very likely have turned to Communism or Fascism or any other political ideology that would give them jobs and economic security.

- I. Hospital insurance applies to a very small percentage.

We had earlier in this thesis concluded that political democracy is a must, or a necessary pre-requisite of, the political system we select as being compatible with our way of life. It then becomes apparent that the solution to our economic problems lies in the fusion of economic democracy with political democracy. This we believe can be achieved through democratic socialism; but before we deal with that topic, we will find it of value to trace the development of socialistic ideology.

PART III

A CLASSIFICATION OF ATTITUDES:

THE DEVELOPMENT OF SOCIALIST DOCTRINE

In their attitude toward economic systems and economic change in general, people may be classified in various ways. Thus they are often classed as reactionaries, conservatives, liberals, progressives, or radicals. Reactionaries want to go back to some earlier situation which they regard as better than present; they are particularly interested in eliminating most of the government's interference in business. Conservatives do not necessarily want to go back, but they are opposed to further changes. They may not disapprove of the prevailing government intervention but will oppose any further extensions of it. Liberals, as this term is often used, have no strong bias or preconceptions either way, but are willing to approach questions with an open mind. Radicals want changes to be both extensive and rapid.

In the political field, one of the most fundamental questions, as we have already witnessed, relates to the extent of government intervention. On this question we have the anarchists who want no government whatever, to the Communists who favour government control of both production and consumption.

Between these extremes are the conservatives who are opposed to any extension of government activity, and the socialists who favour government ownership and operation of important productive capital, but not government control of consumption. Capitalism, as revealed by our analysis, implies a minimum of government interference. Although there is much left in America of the old "laissez-faire" capitalism, our economic system has some definitely socialistic elements, such as the municipal ownership and operation of public utilities, and some elements that even approach communism, as in our public school system.

The common assumption is that one political system is definitely and entirely good or bad, or even definitely better than another. Every system has its merits and its vices when reviewed in relation to economic and other conditions, race, traditions, and particularly ends and ideals; and no system is necessarily good for all individuals and peoples in all possible circumstances. The principle of relativity applies here as in all political systems. If our ideal is the production of wealth, we may readily accept capitalism; but if our ideal is contentment, it might not rate so high,

and in the waging of war it seems quite inferior to Fascism.

Socialism, in one form or another, is one of the most potent influences in the political and economic life of the world. Since World War I, moderate Socialists have served at intervals as Presidents or Premiers of many important countries of Europe -- Elbert in Germany, Adler in Austria, Macdonald in Great Britain, Attlee in Great Britain, Stauning in Denmark, and Branting in Sweden. Socialists of the Left, or more truly Communists, now occupy the chief offices in Russia, concerning one-sixth of the territory of the globe, while in many other countries Socialism has become a vital parliamentary force. Under these circumstances, as well as that of an impending World War III, it is more than of academic importance that the major aspects of Socialism should be thoroughly understood.

CHAPTER XI

VARIETIES OF SOCIALISTIC OPINION

Socialism has taken many forms, for although Socialists agree in advocating increased government intervention in economic activity, they differ as to its extent, as to the rate at which government should take over private business, as to the as to the processes by which it should assume control of economic functions, and as to the general spirit in which it should carry on its functions. Some Socialists call for government ownership and operation of all enterprises, including such small businesses as retailing and farming, whereas others favour private operation of small enterprises. Some insist on the immediate adoption of the Socialist program; others favour a more gradual procedure, or assume that Socialism is inevitable and therefore any great agitation or propoganda is unnecessary. Some believe that it can be achieved by Democratic processes, by persuading people to vote for it; others --
I
Karl Marx -- was among them -- assume that this is impossible and that except perhaps in England and the United States, the Socialist state can be achieved only by violent revolution and the forcible expropriation of property owners. A great many

1. Karl Marx and Fredrick Engels, Manifesto of the Communist Party, Vancouver, Whitehead Estate, 1919, p. 28-41.

advocate Socialism in a spirit of sympathy for the classes that have faced ill under Capitalism; but others, for instance the Marxians, although moved to some extent by sympathy for the under-privileged, are also moved by a fierce rage at what they call "the exploiting class" and by a determination to deal harshly with it when the revolution comes.

CHAPTER XII

MARXIAN SOCIALISM

Modern Socialism should probably be dated from Karl Marx, who, in collaboration with Frederick Engels, Published the COMMUNIST MANIFESTO in 1848, and his monumental work DAS KAPITAL in 1867. Although Marx is usually regarded as a Communist rather than a Socialist, his significance in the Socialist movement is so great that he must be considered here.

1.

One of the most important contributions of Marx is to be seen in his historical evolutionary point of view. The economists who preceded him thought of economic institutions as unchanging and analyzed the operation of the economic system as it existed in their time, giving little attention to the changes which were even then taking place, or its probable future development. Marx, on the other hand, viewed human institutions, including the economic system as constantly changing. Marx adopted the Hegelian Dialectic with the exception that he "turned the dialectic right side up and interpreted it materialistically." ^I The essence of the logic he formulated was the dialectic. Hegel's dialectic

1. Sabine, George, H., A History of Political Theory, New York, Henry Holt and Company, 1946, p. 691.

method conceived that change took place through the struggle of antagonistic elements, and the resolution of these contradictory elements into a synthesis, the first two elements forming a new and higher concept by virtue of their union. Thus it resolved itself politically in this fashion:

"As a result of the conflict between the rising proletariat -- the antithesis -- and private property -- the thesis -- we might expect to see the emergence of a new form of society -- a synthesis".¹

2.

Before the time of Marx, and even until now, most histories have been the records of political and military leaders, with little reference to underlying economic conditions. Marx turned away from the theory in his conclusion that

"legal relations as well as forms of state could neither be understood by themselves, nor explained by the so-called general progress of the human mind, but.....are rooted in the material conditions of life.... The mode of production in material life determines the general character of the social, political and spiritual processes of life".²

1. Laidler, H. W., A History of Socialist Thought, New York, Thomas Y Cromwell Company, 1927, p. 151.

2. Ibid, p. 201.

In changing the modes of production, mankind changes all its social relations:

"The hand mill creates a society with the feudal lord; the steam mill a society with the industrialist capitalist. The same men who establish social relations in conformity with their material production also create principles, ideas and categories in conformity with their social relations". I

"What else", wrote Marx, in the Communist Manifesto, "does the history of ideas demonstrate except that intellectual production changes its character in proportion with the changes in material production. The governing ideas of each period are always the idea of its governing class."²

Marx's economic interpretation of history is of great significance; for it throws a revealing light on many historical developments. Most of the American Indians, for instance, securing their livelihoods by hunting, fishing, and food-gathering, held to communism in land ownership because it was appropriate to their economic life; even their idea of heaven - a "happy hunting ground" - may be said to reflect their mode of production in material life. Those who are disturbed by the rising tide of radicalism may find an important cause for it in the development of great factories with large numbers of property-less

1. Laidler, H. W., A History of Socialist Thought, p. 201.

2. Laski, H. J., Communism, London, Thornton Butterworth, 1936, p. 64.

workers, and the gradual separation of labourers from their means of earning a living. Our rising divorce rate is the result not so much of changing moral standards as of the economic emancipation of women, or better opportunities of making their own living.

3.

The essence of Marxian value theory was expounded by Adam Smith who stated in his *Wealth of Nations*:

"In that early and rude state of society which precedes both the accumulation of stock (capital) and the appropriation of land, the proportion between the quantities of labour necessary for acquiring different objects seems to be the only circumstance which can afford any rule for exchanging them for one another. If among a nation of hunters, for example, it usually costs twice the labour to kill a beaver than which it does to kill a deer, one beaver should naturally exchange for, or be worth, two deer".¹

The essential element in Capitalism, according to Marx, is the exploitation of labour by capital; and the basic conception in the Marxist interpretation is its concept of value. According to Marx all value is an expression of human labour -- not, however, of any labour, only of that kind and amount of labour which is socially necessary.²

1. Smith, Adam, *Wealth of Nations*, NEW YORK, MODERN LIBRARY, 1937, p. 47.
2. Venable, Vernon, *Human Nature: The Marxian View* New York, Alfred A. Knoff, 1946, p. 49.

Every commodity has a certain value which represents the socially necessary labour which must be devoted to its production. This value will usually be larger than the value which has been meanwhile consumed by the labourers, since it is characteristic of human labour that it constantly increases the wealth owned by society. Under the capitalist system, however, the workers who create wealth do not receive back, in wages, the full equivalent of what they have created. The capitalist, owing to the ownership of his means of production and to the existence of a reserve army of unemployed, is able to pay his workers only what is necessary to maintain their strength and efficiency, while the remainder of the value which they create, the "surplus value", he retains for himself. Surplus value represents the difference between the wages paid to labour and the value of the products created by labour.

"Through their ownership of the means of production the capitalist class is in a position to compel the labourer to produce beyond the value of his wage, the difference going to the capitalist class as a surplus value of profit. This exploitation of labour at the point of production gives rise to the class struggle -- a conflict over withheld wages of surplus value".¹

I. Williams, M., The Social Interpretation of History
New York, Sotery Publishing, 1921. p. 89.

4.

Fundamental to Marx's general theory is the doctrine of the class struggle. Marx and Engels begin their Manifesto with the ringing pronouncement:

"The history of all hitherto existing society is the class struggles. Freeman and slave, patrician and plebian, lord and serf, guildmaster and journeyman, in a word, oppressor and oppressed, stood in constant opposition to one another, carrying on an uninterrupted, now hidden, now open fight, a fight that each time ended either in a revolutionary reconstitution of society at large, or in the common ruin of the contending classes.

In the earlier epochs of history we find almost everywhere a complicated arrangement of society into various rulers, a manifold graduation of social rank. In ancient Rome we have patricians, knights, plebeians, slaves; in the middle ages, feudal lords, vassals, guildmasters, journeymen, apprentices, serfs; in almost all of these classes, again, subordinate graduations.

The modern bourgeois (capitalist) society that has sprouted from the ruins of feudal society has not done away with class antagonisms. It has established new classes, new conditions of oppression, new forms of struggle in the place of old ones.

Our epoch, the epoch of bourgeoisie, possesses, however, this distinctive feature; it has simplified the class antagonisms. Society as a whole is more and more splitting up into two great hostile camps, into two great classes directly facing each other: Bourgeoisie and Proletariat".1

Thus according to Marx, there are only two important classes. The bourgeoisie steadily grow richer while as he puts it in the manifesto, the modern labourer instead of rising with the progress of industry, sinks deeper and deeper below the conditions of existence of his own class:

"The lower strata of the middle class -- the small tradespeople, shopkeepers, and retired trades men generally, the handicraftsmen and peasants - all these sink gradually into the proletariat, partly because their diminutive capital does not suffice for the scale in which Modern Industry is carried on, and is swamped in the competition with the large capitalists, partly because their specialized skill is rendered worthless by new methods of production. Thus the proletariat is recruited from all classes of population".2

1. Marx and Engels, Manifesto of the Communist Party, Vancouver, Whitehead Estate, 1919, p. 10, 11

2. Ibid, p. 21.

But the conditions developing with capitalist production are increasingly unfavourable to the rule of the bourgeoisie; for as more people are forced into the proletarian class and as increasing numbers of labourers are brought together in the great industries the workmen learn to organize and co-operate. In the ensuing struggles between the proletariat and the bourgeoisie, the bourgeoisie is usually victorious at first; but finally the workers win, overthrow the bourgeoisie, and open the way for the "sway of the proletariat".¹

"The development of Modern Industry, therefore, cuts from under its feet the very foundation on which the bourgeoisie produces and appropriates products. What the bourgeoisie therefore produces, above all, are its own "gravediggers". Its fall and the victory of the proletariat are equally inevitable".²

This victory is to be world-wide, not limited to national boundaries, because "the working class have no country".³

1. Marx and Engels, Communist Manifesto, p. 26.

2. Ibid, p. 28.

3. Ibid, p. 36.

This proclamation that the "workingmen have no country" is one reason why Marxian Socialists ~~believe~~ have been subject to much criticism, Socialists believe that the real enemies of the masses are the bourgeoisie of their own country, not the masses of another country, and that the real war is thus a class war, not a war between nations.

In examining the validity of Marx's views on the class struggle we find his arguments quite sound. What Marx calls the "exploited classes" have not always struggled very valiantly, for in earlier historical eras the classes that were really exploited ruthlessly were singularly docile and resigned. Although there were some uprisings - the Spartacan Revolution in Rome, The Peasants Revolution in central Europe, the Wat Tyler Insurrection in England, the French Revolution, and the widespread labour revolution of 1848 - the miserable slaves of Roman times and the serfs of the Middle Ages: accepted their lot without violent protest, probably in the belief that it represented the natural order of events. Plato seems to have taken slavery as a matter of fact institution, but the fact that they accepted their lot in all humility and complete subordination is a matter of question.

In our contemporary world the proletarian class has shown great class consciousness, particularly

the labour class which as Marx says, is the only revolutionary class.

"Marx made two predictions: (1) capitalism must soon collapse; (2) there can be no so social progress as long as Capitalism exists. What are the facts? Capitalism has not collapsed; there has been social progress under Capitalism....Social progress has stood still since Marx! Nothing has happened in the past half century that could in any way indicate how Capitalism would be abolished".¹

Many people strongly resent the suggestion that there is anything valid in Marxism or that there are real class differences in America. They insist that we are one happy family, democratically constituted and governed, and that the interests of all are the same. It appears, however, that this identity of interests works only one way. What is good for business leaders is presumed to be good for labour; but there is no assumption that what is good for labour is good for business leaders. It is very obvious, especially in the United States that when a political administration follows the wishes of our entrepreneurs and capitalists, there are - or should be - no class differences;

1. Williams, Maurice, The Social Interpretation of History, p. 90-91.

but when Congress enacts legislation called for by labour; the happy family is promptly disrupted - by the very men who insist that it is a happy family and who object to the idea of class differences. Furthermore, although labour and capital have an identical interest in the profitable operation of industry, for neither can prosper if this is lacking, diversity of interest appears as soon as they begin to divide the gross profits.

Can unqualified assent be given to the doctrine of the Class Struggle? In dividing the people into bourgeoisie and proletariat, and in giving little attention to the middle class, Marx made the matter too simple. The "ruling class" is usually pretty well unified, but the rest of the people cannot be dumped together as proletarians. Marx underestimated the importance of the middle class and greatly exaggerated the rapidity with which it would fall into the class of the proletariat. The tendency of Capitalism seems to incline towards a reduction of importance of the middle class; in fact, its decline has probably been going on in America for some time, for more and more individual retailers have been driven out by the chain stores, whereas the number of wage workers has increased greatly. On the other hand, there

I.
I. Appendix V and XI

has been a marked increase in the number and proportion of workers in the various occupations, particularly clerical and professional, and most of them should be rated as belonging to the middle class.

Marx seems to have been too pessimistic about the future of the middle class, and he made his classification of society too simple. There are great numbers of classes, shading from the wealthiest capitalists to the poorest of lay labourers, from the professional men with comfortable incomes to rural teachers who barely manage to live, from salesmen who earn a comfortable living to hawkers who make only enough for a miserable existence, from highly skilled craftsmen to the unskilled and casual labourers who must go on relief when jobs are scarce. Even the labourers themselves are not of an undifferentiated proletariat, for the ranks of labour are also split as is easily recognized in an analysis of American trade unionism.

CHAPTER XIII

REVISIONISM AND SYDICALISM

Even while Marx was working for his "inevitable revolution", the revisionist movement, a more moderate socialist movement, was developing in Germany; and thirty years after "Das Kapital" was published, Edward Bernstein the leader of the Revisionists, pointed out some of the more obvious errors in Marxian doctrine.

"He denies that there is an imminent prospect of the breakdown of bourgeois society; he asserts that in the working of Capitalism there is not a decreasing number of Capitalists, all of them large, but there is an increasing number of Capitalist; he rejects the dogma that in every department of industry concentration is proceeding with equal rapidity, and he challenges this with special reference to agriculture.... Mr. Bernstein also modifies the Marxian view of the materialist conception of history and of the economic necessity, of the class war and of value. And he does this whilst continuing to proclaim himself a Socialist, because he takes the true scientific view that every dogma and every theory is subject to the law of evolution as well as society itself".¹

I. Laidler, A History of Socialist Thought, New York, Thomas Y. Crowell Company, 1927, p. 297.

Marx was wrong in emphasizing the final end of the evolutionary process. Bernstein emphasized the necessity of steady advance without much regard to the final end to be achieved, for this he could not clearly foresee.^I

Largely because of the pressure of working class organizations, factory legislation and the democratization of local government, many of the social evils described by Marx have been greatly reduced. When Marx wrote, there was little legislation for the protection of labour; but between 1867, when "Das Kapital" was published, and 1899, when Bernstein published his "Evolutionary Socialism", there was a great advance in such legislation. The Socialism Bernstein advocates is definitely more appealing than that outlined by Marx.

One of the most characteristic forms of Radicalism grew up in France and is known as Syndicalism. They believe in the class struggle, any form of direct pressure, strikes, boycott, and sabotage. They also believe that the unit of social organization should be the trade union.

I. Macdonald, J. Ramsay, The Socialist Movement, London, William and Norgate, (no date) p. 212-13.

This movement did not gain much strength.

"When invited to an Italian Syndicalist Congress in December, 1910; M. Sorel¹ replied that, in his opinion, "syndicalism had not realized what was expected from it".²

1. George Sorel, Ed. Berth, Leone, Labriola, were the founders of the Syndicalist movement.
2. Simkhovitch, Vladimir, G., Marxism versus Socialism, New York, Columbia University Press, 1923, p. 293.

PART IV

DEMOCRATIC SOCIALISM

In our discussion of ethical theory, we established as our generic end of action, "the greatest amount of happiness for the greatest number of people". This end of action we designated to mean a set of properties in accordance with which we make our evaluations. Furthermore, we found that these properties are contained within the framework of political and economic democracy. In arguing that both the political and economic aspects of democracy are necessary characteristics of a just social order, we illustrated how political equality can be achieved, as in a capitalistic order, and social justice remain as far away as ever. In this case, one type of privilege (economic) has been substituted for another (political). We also found it perfectly feasible to assume that some people may prefer equality in the distribution of wealth to political liberty. But here ^{again}, as in the case of Marxian Socialism, economic equality is gained by sacrificing political democracy. Thus, in formulating a political system consistent with the ethical principles we established as necessary, we shall endeavour to achieve simultaneously, within the same system, both political liberty and social equality. We shall argue herein, that this feat may be accomplished through the medium of Democratic Socialism.

CHAPTER XIV

ASSUMPTIONS AND PROPOSALS OF
DEMOCRATIC SOCIALISM

In America, most democratic socialists advocate the public ownership and operation, in accordance with democratic principles of the socially important productive industries. J. Ramsay Macdonald states that Socialism:

".... is the creed of those who, recognising that the community exists for the improvement of the individual and for the maintenance of liberty, and that the control of the economic circumstances of life means the control of life itself, seek to build up a social organization which will include in its activities the management of those economic instruments such as land and industrial capital that cannot be left safely in the hands of individuals. This is Socialism. It is an application of mutual aid to politics and economics. And the Socialist end is liberty, the liberty of which Kant thought when he proclaimed that every man is an end in himself and not as a means to another man's end. The means and the end cannot be separated. Socialism proposes a change in social mechanism, but justifies it as a means of extending human liberty. Social organization is the condition, not the antithesis, of individual liberty".¹

It then becomes apparent that the solution to our economic problems lies in the functioning of

I. Macdonald, J. Ramsay, The Socialist Movement, New York, Henry Holt & Co., p. II

democratic socialism.

We have already pointed to the productive inefficiency of capitalism, resulting from its waste of natural and human resources. Most of all we have stressed the injustices that permeate our system. We shall therefore endeavour to formulate a system more in keeping with our ideals of satisfactory living. By this change we may hope to bring wealth into closer causal relation with popular well-being and to establish a condition approaching equality of opportunity for all people. We may hope, furthermore, to develop a higher efficiency based upon a more whole-hearted general participation in economic activity and a conscious direction of energy toward the satisfaction of human wants. These ends, we believe, may be achieved by the following procedure.

I.

The first step would be to limit the application of the private ownership of wealth. A distinctive line should be drawn between producer's wealth and consumer's wealth. As far as the latter is concerned, private ownership and control are desirable. It is a type of wealth which is for use and one should have

the right within the limits of his income to acquire what goods he chooses and to use them as he sees fit. Under Socialism, therefore, our clothing, homes, and automobiles would be ours to enjoy under the same guarantees of exclusive rights as we have today. Significant producer's wealth, land as well as other capital goods, would be owned collectively. This applies to the ownership of factories, railways, mines, public utilities, and large merchandising establishments. The latter refer to the large productive units of land and capital - those involving employment of others and a complex basis of organization - would be taken over into the new property system. The people who worked in them would be employed by the government, or other agent of society, and all returns from them after wages were paid would redound to the common benefit.

The democratic socialists state that change will be affected by purchasing industries at their full value. It has also been suggested that the right to bequest should be taken away, thus reverting all such wealth to the state on the death of the present owners.

Along with collective ownership the socialists would have the collective management of industry. In this connection, the purpose of industry is to be different from what it now is: production is to be planned in accordance with human wants and not the profit-motive. Questions of importance arise regarding wage and price schedules, the quality of the goods to be produced, how much of society's savings should be turned to this industry as contrasted with that, and more fundamental than these again, how much should be made accessible to the people for their enjoyment in the form of consumer's goods as contrasted with the proportion that should be carried back into industry for the maintenance and extension of industrial plants. These questions, cannot be answered arbitrarily, for Democratic Socialism contemplates an economic system which is constantly concerned with keeping the expenditure of productive energy related always to the fullest satisfaction of wants.

The collective ownership of producer's wealth carries with it the right to receive the returns from it. Under the Capitalistic system there are incomes from property as well as wages, fees, and salaries. In this manner, those who have property have this leverage over those who have'nt.

Landowners receive rent, while others get interests and profits. Socialism would sweep away these individualistic advantages. All people will be rewarded alike for their services in accordance with the worth of their service, or their needs, or a compromise between the two. The aim of modern socialists is not equality, but equality of opportunity. All persons are to stand alike as wage workers with equal access to the socially owned capital.

2.

As already stated, socialists stress the injustices of our system and insist upon as close an approach as possible to the equality of opportunity. In this connection they make collective authority responsible for keeping everyone employed. This would be an aspect of productive planning.

Most important, however, in the achievement of the equality of opportunity is access to education. Socialists have long stressed the significance of education. In short, they advocate making education synonymous with the whole social environment surrounding a child from its earliest

years, and would place upon society the responsibility of developing his talents in the best interests of the community. Education would then serve as a means to help man escape from the short-comings of thought processes that have developed in our profit-seeking society. Socialists feel that men function according to their environmental training, of which education is a great part. The problem may be posited in a form similar to this, "How would be people act if they knew all the facts about the world in which they live?" It is our bias that they would act in accordance with the precept "the greatest good for the greatest number".

3.

Socialists disclaim entirely, therefore, the capitalist assumption that the self-interest, profit-motive, which, as we have pointed out, is the dynamic principle of our business system, is necessary for calling forth and sustaining the best productive effort. We may validly argue that the provision of a social environment conducive to the development of new motives will bring about such a transformation in men's minds that they will respond to other than purely

selfish influences; and society would then enter not only into benefits of greater efficiency but into the satisfaction of that which go with a sense of dignity and a finer philosophy. This we may rightly feel is a far cry from the elevation of competition and profit making to the highest place in our economic system and relying on them to furnish us with the necessary goods and services.

4.

Democratic Socialists are fairly well agreed that the change to socialism is to be achieved by democratic means, by convincing a majority of the voters that it is necessary and that the socialized industries will be operated democratically, and not by an irresponsible government dictatorship. The Fabian Socialists believe that socialism will come gradually, and inevitably. The Fabian doctrine of gradualness is accepted by most contemporary socialists; but the inevitability does not seem as inevitable as it once did. Although the government of every capitalistic country has steadily expanded its functions, most such governments have reached only the fringes of the great area of private enterprise

and there is reason to doubt that our Liberal government, at any rate, will take over the vast field of private enterprise at any future date that can be clearly foreseen.

5.

It is often said that Socialism would be very fine if people were fine, but that people are too selfish to respond to the idealism of the socialist system. Socialism does indeed assume a less acquisitive disposition in human beings than our present system does. Our grotesque inequalities in wealth and income - if they have any logical foundation at all - rest on the assumption that only by offering fabulous salaries can we induce capable businessmen to do their important work of managing and directing productive enterprise. No such salaries would be offered in a socialist state, for as we have seen, the philosophy of socialism is strongly equalitarian.

Socialists are inclined to argue that if people are conceded to be essentially selfish, they are so partly or largely because of environment and tradition, because from the cradle to the grave they are made constantly aware of the heavy emphasis

on money as a measure of reputability; and they insist that if environment and training stressed other ideals, people would respond to them almost as well if not quite as energetically as to the love for money. There is much truth in this view. Many teachers could earn far more in business, but prefer to take their compensation partly in forms other than money. Office holding in the socialist state might carry with it so much honour and distinction that able men would be willing to serve for modest salaries. Whether human beings could ever be so reared and educated that they would largely lose their selfish desire for individual possession and personal gain, whether they could ever be trained to find in collective ownership and gain somewhat the same satisfaction that they now find in personal ownership and gain, is quite another question. The desire for personal possession is deeply rooted. Yet we must concede that the opportunities for personal ownership are declining anyhow, and that man is apparently adjusting himself to a world in which fewer and fewer people think of it as essential.

Selfishness, intelligent selfishness, would not necessarily make Socialism impracticable. If Socialism is really a more efficient form of economic organization, intelligent selfishness should lead most people to favour it. Those who have profited handsomely under the capitalist regime would of course be hostile, but they constitute only a small proportion of the population. Moderate Democratic Socialism, which did not include farms and small retail establishments would deprive only a small percentage of the people of the opportunity to amass fortunes.

6.

A serious argument against socialism relates to individual freedom. As we noted, human freedom as we know it came with the development of capitalism, and there is a clear possibility that it may largely disappear if capitalism is abandoned. However, many of the lower and middle classes - labourers, clerks, salespeople, stenographers and the like - probably have less freedom than they realize, for their daily routine is largely determined for them. We may suggest that if a people have a deep love of freedom, and most people of the United States and Canada have, if they

develop the social intelligence needed in a Socialist regime, the masses might well have more freedom under a Socialist system than they do in a Capitalist economy.

PART V

CONCLUSION

EXISTING TREND TOWARD SOCIALISM

We may point out that our economy is already socialized to a great extent, and that the trend toward further socialization is very strong. Since World War II, and even before its beginning, the government increased its intervention. The Dominion government has become active in hospital, unemployment, and crop insurance. The old age scheme has been altered and provisions have been made for the provision of medical services and leisure time activities.

In many other tendencies we can see the steady growth of government functions. The railroads are closely regulated as to wages, rates, and services rendered; natural resources are controlled by the government; roads, parks, and most utilities are governmentally controlled; little is left of the concept of private property and private enterprise in these fields. In almost every field of activity the government is reaching out further with each coming decade; at the same time it is taking an increasing share of the returns of private industry through heavier and heavier taxation.

The trend is strongly toward Socialism, and there is little basis for hoping that it can be reversed. We shall always believe that the State was made for man, and not man for the State. In the service of the State great happiness may be found, but only because the State can be used to preserve the life, and secure the happiness, of its humblest members. That, in our view, will always be the desirable end of social action - the happiness of ordinary men and women.

The conception of a better society, by which the ends we aspire to achieve can best be instituted, is therefore of a specific kind. We need not be content with anything less, nor need we ask for more, than a society in which property as a source of social inequality is gradually made to whither away, in which the establishment of a rational central board has restored expansion and has created economic stability, in which political democracy is preserved and perfected as a method of government. This is what we mean by a more just society. One in which children may grow, free from fear, into a sociable and happy maturity. An important, indeed an essential, part of it is the constituent principle of Socialism.

APPENDIX I.

On the 28th. of February, Hitler issued a decree "for the protection of State and People" All liberties of the Weimar republic were suspended On March 21st. the death penalty was imposed for all sorts of political crimes, and special courts were instituted to deal with the Opposition. In this panic the Reichstag Elections of March 5th. were held. The Left opposition Parties were without a Press and under terror. The Nazis were in possession of the most effective means of propaganda, the Press and the Radio, and had the only effective election machine. Yet, in spite of this, they did not gain an absolute majority. The figures were:

National Socialists	288
Social - Democrats	120
Communists	81
Centre	73
German Nationalists	52

The National Socialists were still, apparently, dependent on their allies the Nationalists, for a majority. But the Nazi methods were simple. The Communists were either in prison or virtually outlawed. Thus they had their majority. And even without a majority, the pressure from beneath, the Terror of the Storm Troopers, was sufficient to bend other Parties to their wishes. From the moment of Hitler's accession to power the Reichstag, as the symbol of democracy, and as an executive body, ceases to have any power.

Pascal, Roy, The Nazi Dictatorship,
 London, George Routledge & Sons, Ltd.
 1934, p. 131 - 132.

APPENDIX II.

Stuart Chase, The Tragedy of Waste, Grosset
& Dunlap, 1925, p. 119.

An analysis of the 45 advertisements in a New York elevated car on October, 1923, the 116 advertisements in Hearst's International Magazine for November, 1923, and the 82 advertisements in the Smart Set Magazine for November, 1923, give this result:

ANALYSIS BY PRODUCT	TOTAL	ANALYSIS BY APPEAL	TOTAL
Correspondence Courses, Books..	44	Appeal to vanity....	39
Beauty and Cosmetics.....	43	Appeal to shame.....	22
Jewelry.....	28	Appeal to sex.....	17
Automobiles and Novelties.....	21	curiosity	
Patent Medicines and Lost vigor	19	Appeal to cupidity..	17
Music, movies, etc.....	16	Appeal to fear.....	8
Food.....	12	Palpably false.....	44
Clothing.....	12	Harmful products (not)	
"Earn More Money".....	11	including tobacco...	28
Investments.....	7		
Laxatives.....	6		
Shelter.....	2		
Tobacco.....	6		
Gum.....	2		
Miscellaneous.....	15		
Total Advertisements	244		

Of the 244 advertisements, 233 had to do with competitive products, while 5 announced a genuinely new product, and 6 carried genuine news value. It cannot be maintained that this analysis passes in any final way upon the advertising reviewed. It is merely one investigator's reaction. It does, however give a rough cross section of what one finds about him in the day - by - day run of advertisement.

APPENDIX III.

DOMINION BUREAU OF STATISTICS
EDUCATION STATISTICS BRANCH

Annual income of Universities and Colleges in Canada,
1946.

From Endowment	Gov't Grants	Student Fees	Miscellaneous	Total
\$2,420,117	\$7,771,358	\$9,733,093	\$5,609,252	\$25,533,820

APPENDIX IV

DOMINION BUREAU OF STATISTICS
DEPARTMENT OF TRADE AND COMMERCE

Merchandising and Services Statistics:

Total billings of 57 advertising agencies of the type which contract for space, radio or other advertising media and which place advertising for clients on a commission or fee basis amounted to \$52,169,461. Advertising agencies in 1946 provided employment for 1,816 persons who received \$5,003,265 in salaries.

APPENDIX V

DOMINION BUREAU OF STATISTICS
GENERAL STATISTICS BRANCH

Estimates of Total Number of Wage - Earners in Employment
and Unemployed.

November	Total estimated number of wage- earners (in thousands)	Estimated number of wage-earners in employment (in thousands)	Estimated number of wage-earners unemployed (in thousands)
1938	2,744	2,346	398
1937	2,795	2,502	291
1936	2,645	2,267	378
1935	2,577	2,154	423
1934	2,530	2,057	493
1933	2,527	1,943	584
1932	2,436	1,764	672
1931	2,561	2,051	510
1930	2,620	2,230	390
1929	2,621	2,443	178
1928	2,462	2,391	71

Summary Statistics Resulting from the Labour
Force Surveys November 1945, to February 1948.

	Employed	Unemployed
Nov. 17	4,326,000	172,000
Feb. 23	4,312,000	213,000
Jun. 1	4,702,000	126,000
Aug. 31	4,860,000	117,000
Nov. 9	4,733,000	115,000
Mar. 1	4,565,000	141,000
May. 31	4,821,000	91,000
Aug. 16	5,008,000	73,000
Nov. 8	4,847,000	87,000
Feb. 21	4,669,000	156,000

APPENDIX VIPERSONS DRAWING BENEFIT AND BENEFIT DAYS PAID DURING
1946.

CLASSIFIED by DAILY RATE OF BENEFIT

DAILY RATE OF BENEFIT	PERSONS	DAYS
Under \$0.60 - \$2.40		
Total	351,476	23,860,678

APPENDIX VII

"Lincoln Steffens tells a story which passed around in Paris among correspondents at the time of the Versailles Peace Conference. Whether true or not, the story forcefully presents the conflict between the moving forces in international relations and the desire for world trade and brotherhood. One morning, the story goes, Clemenceau suddenly exclaimed to Lloyd George and Woodrow Wilson: "One moment, gentlemen, I desire before we go any further to be made clear on one point". They asked him what it was. He said that he had heard talk about a permanent peace, a peace to end war forever, and he asked them: "Do you really mean that - do you, Mr. President really mean what you say?" Wilson said he did. "And you, Mr. Lloyd George?" Lloyd George said he meant it. Then Clemenceau continued, "Very important, very important. We can do this: we can remove all the causes of war. But have you counted the cost of such a peace?" The others hesitated. "What costs?" they asked. "Well, we must give up all our empires and hopes of empires. You, Lloyd George, you English will have to come out of India, we French out of North Africa, you Americans out of the Phillipines and Puerto Rico, and leave Cuba and Mexico alone. We must give up our trade routes and our spheres of influence. And yes, we shall have to tear down our tariff walls and establish free trade in all the world. This is the cost of permanent peace; there are other sacrifices. It is very expensive this peace. Are you willing to pay the price, all these costs of no more war in the world?" They protested that they did not mean all this. "Then", Clemenceau is reported to have shouted, "you don't mean peace. You mean war".

Selsam, Howard, Socialism and Ethics,
New York, International Publishers, 1943, p. 30.

APPENDIX VIII

FOREIGN TRADE OF THE UNITED KINGDOM BY PERIODS
(000,000) omitted

Year	General Imports	General Exports	Re-exported Exports	Net Imports	Domestic Exports
1901 - 5	\$2,637	\$1,787	\$ 342	\$2,295	\$1,445
1906 - 10	3,066	2,374	440	2,626	1,934
1911 - 15	3,628	2,719	503	3,125	2,216
1916 - 20	6,022	3,642	498	5,524	3,145
1921 - 25	5,131	3,890	555	4,576	3,335
1926	6,038	3,777	610	5,428	3,167

APPENDIX IX

News Comment, Ottawa, Vol. IX. No. 12, p.5.

Life Insurance Terminated in Canada During 1947.

Insurance Term- inated naturally (death, annuity)	Increase in Natural term- inations, 1947 over 1946.	Insurance Term- inated by sur- render lapse in 1947.	Increase in Terminations By surrender Lapse, 1947 over 1946.
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Can. Comp.	\$78,577,847	8,484,329	297,485,254	75,449,844
Br. Comp.	\$ 2,709,989	536,200	11,164,232	3,544,364
For. Comp.	\$63,416,919	3,043,555	116,250,450	14,504,553
Total	<u>\$144,704,755</u>	<u>10,991,684</u>	<u>424,899,936</u>	<u>93,498,761</u>

The amount of life insurance for all companies in Canada terminated by surrender of lapse, when people could no longer afford to pay, was nearly three times the amount terminated naturally by death of the policy holder, payment of annuities or whatever the policy called for. (When policies lapse or are surrendered it is usually with heavy penalties to the policy holder).

APPENDIX X

Published by C.C.F. political party, 510 Kerr Bldg., Regina Sask

WILL YOUR LIFE INSURANCE BE SAFE WITH C.C.F. IN POWER?

The state of Massachusetts has a publicly-owned life insurance organization which, of course, is bitterly fought by the line companies. During the ten years period from 1929, one straight life policy of \$1000 at the age of 38, the average yearly net costs have been:

APPENDIX X, continued.

The Massachusetts publicly-owned
companies

per \$1000 2.74

Canada Life..... 920

Sun life..... 742

Dominion Life.....10.24

Lowest Can. Co. Mutual Life 4.79 - or almost double that of
publicly-owned Massachussets organizations.

APPENDIX XI

Commercial Failures, Canada Year Book, 1948-49, p. 854.

YEAR	TOTAL
1938	1,219
1939	1,392
1940	1,173
1941	1,008
1942	737
1943	314
1944	260
1945	272
1946	278
1947	545

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