

2633 Columbia St., Vancouver, B.C.

June 6th/36.

Prof. F.R.Scott,  
c/o The Montreal Branch,  
The League for Social Reconstruction,  
Montreal, P.Q.

Dear Mr. Scott:

I am obliged for your long and thoughtful letter of the 22nd ult.

I note that the tenor of your argument does, as you intimate, support Mr. Connell's views so far as he has disclosed them. On the other hand the left wing of the provincial movement is planning to make a bid to free an incoming C.C.F. Government from dependence on private financiers. Left wing leaders say they appreciate the dangers and difficulties, but they claim they would be in a worse position if they did not make this step. So intense is the demand for a radical change by large numbers of the dispossessed in this province, that it is possible Mr. Connell, once in office, might have his hand forced by a majority of his own followers, and be compelled to adopt a more challenging policy. A provincial convention will be held next month, and should give some indication of the relative strengths of the right and left wing policies.

I agree with you that a C.C.F. Government must so proceed as not to cause the collapse of the industrial fabric. I agree that conducting the business of B.C. with the aid of two currency systems would, quite apart from the constitutional aspect, present almost insuperable practical difficulties to a democratic movement. The Finance Committee, up to the present time, has aimed solely at getting control of Government credit and finance away from the banks by a process of sapping their strength, through the offering, in what we hope are legal ways, of better government services to savers, current depositors, and borrowers.

This Committee's tentative Plan "A" may not be adopted by the Convention; it may not be wholly adopted even by the Planning Commission, before which the case has not yet been argued. We hope the Commission will get round to it soon; then I shall send you a copy of the approved financial policy for your criticism.

I am pleased to see you approve of the issue of consols to relieve the debt situation; also that you approve of provincial savings banks.

Your reference to the Swedish idea of including a capital charge with the income tax is interesting and worth considering. I have not yet read the book SWEDEN:THE MIDDLE WAY, but I have now ordered it, and will give you my impressions in due course.

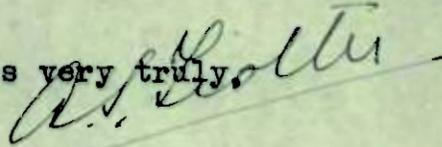
I think your ideas on the socialization of industry, contained in the second last para. of your letter pretty well represent the ideas of the Finance Committee. A sub-committee was appointed to consider your letter, one from Hugh Dalton of Ottawa, and a couple of financial papers recently handed me. ~~Alterations~~ Recommendations to be made by this sub-committee may form the basis for alterations and/or additions to the financial report already submitted to the Planning Commission.

So long as I am chairman of the Finance Committee (it will probably be only until the provincial convention!) I shall certainly take advantage of your kind offer of assistance. Shall be very glad to receive such further suggestions as you care to make from time to time. Indeed, I am quite sure I can make the same statement on behalf of any person who may be appointed in my place after the next convention.

Harold Winch, by the way, showed me a letter he wrote you some time ago in which he made a series of inquiries. He seems to have been able to ask more questions than I!

We are short-handed just now of stenographic and typist assistance, so I am not able to send you a copy of the Finance Committee's present report; however, as I stated above, I shall see you get a copy of this report as finally approved. Meanwhile, please accept for yourself and colleagues the thanks of the Committee and self for your study on our behalf.

Yours very truly,



A.S. Trotter

N.B. Please note my new personal address.