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Social Credit **Socred Goal**

Monetary Reform Ideas Of 1935 Remain Valid Today - Premier

By **DOUG SAGI**

[Herald Staff Writer]

EDMONTON — Twenty years a premier and still very much a Social Creditor, Hon. E. C. Manning Monday outlined a three-point program of monetary reform based on principles he maintains are as sound now as they were in 1935.

Mr. Manning — at 54 — will celebrate his 20th anniversary as premier of Alberta in May.

In a special interview with The Herald Monday, he said he finds himself "not quarrelling or disagreeing a bit" with the financial proposals of his former mentor and Alberta's first Social Credit premier, William Aberhart.

The Alberta government under Mr. Manning has been described as "right wing" or "small c" conservative. This he does not deny, but he insists monetary reform is an essential part of the "right wing" or as he prefers to call it "free enterprise philosophy."

REALIGNMENT TALK

It has been Mr. Manning's recent talk of a "realignment" of Canadian political parties," to result in the formation of a left versus right two-party system, that has nurtured the suspi-

cion in many minds that perhaps he pays only lip service to Social Credit.

The new party of the right he sees emerging is, he said, an expression of opinion from an "analyst" and not necessarily an "advocate."

He declines to comment on which individuals might form the party and he has no notion of what name it might be called.

But he is quite prepared to comment on Social Credit's monetary proposals and is disturbed at the "funny money" label which has been applied to them.

LESS FOREIGN CAPITAL

Apart from increasing consumer purchasing power, he said, monetary reform could reduce the need for foreign capital to develop Canada.

Mr. Manning does not now talk of "dividends" in the manner of the early Social Crediters nor does he speak of "financial barons" manipulating an outdated money system for their own benefit.

But he does say the "dividend" principle, source of the \$25-a-month promise of Mr. Aberhart, is sound and there are



PREMIER E. C. MANNING

... still backs Aberhart's views

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certainly "international bankers" who profit from the workings of the financial system.

Social Crediters who claim there is a "secret money power" working in the world's back rooms of finance or a "conspiracy" get no support from him.

"This 'hiding under the bed' theory has never been in my thinking at all," he said.

IDEAS PUT FORWARD

He nonetheless feels there is something wrong with the Canadian monetary system and he has ideas about improving it.

His three proposals:

● Government action to maintain a balance between the aggregate buying power of consumers and the aggregate normal price value of the available goods they want to buy.

"For every dollar's worth of goods that have been produced there must be somewhere a dollar's worth of buying power," he said.

● Provision, through the Bank of Canada, of enough "social capital" at interest rates high enough only to pay the administrative costs of the loans. The "social capital" would only be provided to government levels for public works such as schools, hospitals and highways.

● Complete revision of the federal taxation system to make it less complicated with perhaps some adjustments to make it easier for corporations to expand their interests.

The last two points, Mr. Manning believes, could reassure those Canadians who are uneasy about the amount of United States capital invested in Canada and the increase in the number of Canadian companies which are being taken over by U.S. interests.

BENEFITS ACKNOWLEDGED

The premier is not, by the way, one of those people who are terribly worried about this situation.

"If we had not had American capital in Alberta we would not have developed to the point we are today," he said.

He added that any government should be able to develop controls of investment from foreign countries to protect its own people from the loss of their resources.

It is the fact that all governments — local, provincial and federal — have to go to Canadian money markets to borrow their "social capital" needs that is contributing to the inflow of U.S. capital into Canada, he said.

If "social capital" could be provided at nominal interest — perhaps as little as one half of 1 per cent — Mr. Manning believes there would be more pri-

vate capital coming from Canadians for corporate investment.

Government notes and debentures, he argued, would not be competing for private investment funds as they are now.

TAX CUTS SEEN

The "social capital" from the Bank of Canada would form a "revolving account" being repaid by taxpayers who would consequently find their taxes reduced, he said. It would not be inflationary.

Removal of the complexities of the Canadian tax system would not necessarily result in lower taxes, he said, but it could provide room for "adjustments" which would also stimulate private investment, again to the advantage of the Canadian business man.

The balancing of purchasing power with production is an old Social Credit goal and Mr. Manning gives it prime importance in any scheme of monetary reform.

Mr. Manning claims, as did Mr. Aberhart, that there is a "gap" between the purchasing power of consumers and the things available which they want to buy.

Mr. Aberhart wanted to fill the "gap" with his \$25-a-month offer in 1935.

PROBLEM DIMINISHED

Mr. Manning, while arguing that the dividend might still be useful to fill a "gap" as wide as the one that existed in the 1930s, pointed out that there is no severe money shortage at present.

"But the need for the gap to be filled is as important today as it was then," he said.

The dividend of Social Credit, he said, has been paid by the federal government in family allowances, old age pensions, unemployment insurance and other benefits.

The method of filling the "gap" should be a simple matter, he

said, but it would not involve "printing press" money.

Social Credit, he said, advocates government control of the amount of money in circulation according to the need for it.

"We attach a comparable concern for deflation as we do for inflation," he said.

EASY INDICATORS

The "obvious indicators" — abnormal price changes and shortages of purchasing power — should be enough to provide the government with the information it requires to regulate the money supply, he said.

The early Social Crediters frequently found themselves involved in arguments over detailed analyses of the workings of the financial world.

Said Mr. Manning: "I'm not concerned with theory. I am concerned with the fact there is a shortage of purchasing power."

When talking of earlier Social Credit proposal of "just prices" or "compensative price discounts," he said: "These are mechanics of application that I'm not concerned with . . . Any half-dozen intelligent men could work something out."