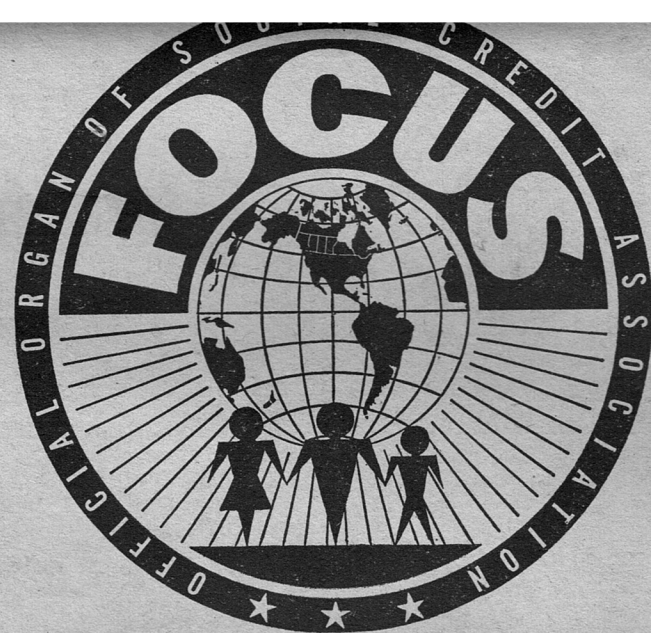


# THE CANADIAN SOCIAL CREDITER

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AUGUST, 1961



## Acceptance Speech of R. N. Thompson

Leader — National Social Credit Association

The Coliseum, Ottawa, Canada

Thursday, July 6, 1961

I wish to take this opportunity of expressing my gratitude to the delegates here at this National Convention and also to my host of friends across the nation, many of whom are with us by means of television, for their support and for their spirit of co-operation, which has been indicated not only at this Convention, but also during the past year from east to west. There is no doubt that during the past year there has been a great upward trend in the interest in Social Credit and the expansion of its activities. I am convinced that it is due

on one hand to the obvious failure of our old political parties to meet the needs and challenge of our day, and on the other, to the increased determination and activity of the 'hard core' of Social Credit support across the entire nation. It is false to assume that there is only interest and activity in Social Credit in Alberta and British Columbia. It is obvious from this Convention that there is a tremendous upsurge in the Province of Quebec, but it also should be noted that the Province of Ontario, long considered to be the property and heritage of the Tories, is realizing as it never has before, that Social Credit has the answer. It has been the propaganda of both of the old parties that Social Credit has succeeded in British Columbia and Alberta only because of oil and other rich mineral resources. The truth is, that last year Ontario produced more than 50% of the natural resource wealth in Canada, and in doing so, the government received barely sufficient income from these resources to pay the cost of administering the Department of Natural Resources. The per capita share was less than \$6.00 while in Alberta, the per capita share was \$112.00. The people of Ontario are beginning to understand that if SOCIAL CREDIT can produce the results which it has in Alberta and British Columbia, why should not Ontario likewise have a SOCIAL CREDIT Government? Because a Federal Election is in the offing, this increased activity is concentrated on the federal scene.

### Spreading Interest

There have been in our midst at this Convention nearly 150 voting delegates from Ontario; from Windsor to Kapuskasing; from the Lakehead to Ottawa; men and women, many of them prominent in their communities'

affairs, and in their fields of endeavour, are represented here in this group. Canadians, Social Credit is moving east and the proof of it will be seen at this next federal election.

It is this developing momentum which we as a national organization will continue to develop. The futility of effort which has overtaken private enterprise in Ontario and Quebec is directly responsible for the slow down of our national production and there is no one to blame other than our present government.

### Old Methods Inadequate

It is extremely interesting that this Convention should be staged within ear shot of the rumblings which are presently proceeding out from Canada's Capital Hill. The Coyne-Fleming controversy is serving as a camouflage to the basic economic ills of our government and yet it also is an evidence that all is not well. The Coyne affair indicates that the Conservative Government is not master in its own house, neither does it know which way to turn; thus, confusion reigns, and responsible Democratic Government becomes almost a joke! When the Canadian electors gave their vote of confidence to Prime Minister Diefenbaker, they did so because they expected him to fulfil the trust which they placed in him when they believed what he said in his commitment to the electorate. It is no wonder that dissatisfaction and disillusionment is filling the hearts of Canadians. It is a national disgrace, with the tremendous resources of this country and the character of its people, that our national economy could not have been kept up with our growth and population.

### New Policy Required

The Liberals are capable only from the benches of the



Photo No. 1605-8

R. N. THOMPSON

Newly elected Leader of the National Social Credit Association

Opposition, but neither do they offer any solution to the problem. Manoeuvring and expedient politicking is not sufficient to win back the confidence of the Canadian people which the Liberals once had. That is why, when I say that it is time for a change — let's try SOCIAL CREDIT — I am merely re-echoing awakening sentiment of the Canadian people. If there were a SOCIAL CREDIT government in Ottawa at this time, there would not be a controversy at the House of Commons which is going on at this very moment. The authority and control of the Bank of Canada would be specifically in the hands of Parliament and Mr. Fleming as our senior financial executive, would be responsible to see that not only would the Bank of Canada function for the needs of Canada but also that Mr. Coyne fulfilled his responsibilities as a public servant. I do not say that Mr. Coyne has been entirely wrong because I am convinced that many of the threatening dangers which he speaks about really exist, but the authority of the government becomes a laughing stock to the nation when they

have to pass an Act of Parliament to fire a civil servant.

Where is the elected responsibility of the Government? Obviously, the Conservatives do not know where it is and thus they must answer for it. Mr. Diefenbaker has no alternative, in the light of his responsibility to the Canadian people, but to call an immediate election.

Only a few months ago, Mr. Coyne said: "We are now at perhaps the most critical crossroad of all, when economic developments and pre-occupation with doctrines of an earlier day are pushing us down the road that leads to loss of any effective power to be masters in our own household and ultimate absorption in and by another..."

### Debt Building

Mr. Fleming has produced evidence that Mr. Coyne was right because his recent budget offers nothing more than a billion dollar deficit and a Royal Commission to examine Canada's economic situation. Never before has there been a government with such a majority... never before has there been a government with so much indecision and

blundering... never before has there been a government with so many Royal Commissions which are nothing more than a cover-up for the fact of their own inadequacies.

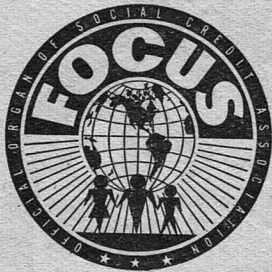
Our critics used to call SOCIAL CREDIT the 'funny money' people. Canadians, I contend that Alberta and British Columbia have proven that Social Credit's economic proposals are valid and strong and right and that the real 'funny money' people now occupy the House of Parliament! The present budget subverts the Canadian economy because it is based on high taxes and the largest deficit in peace time history. As a result, the freedom and initiative and genius of this Canadian people are dissipated. How can anyone defeat debt? How can tax be lowered with more taxes? How can freedom be maintained through more regimentation and centralization? Let us use more common sense and understand that methods which have brought us from success to failure will NEVER return us from failure to success.

I do not believe that we Canadian people are so foolish to think that the machinery of government can be used as a substitute for our own personal responsibilities. To say that the creation of debt is the key to prosperity is the sheer height of ignorance and folly and yet, under our present system, it is apparent that we are not to have progress without more debt. Already the tax burden of our nation is so heavy that for individuals it becomes too heavy to bear. Excessive taxation is the basic reason for the inflation of higher prices and why we have priced ourselves right out of the foreign markets. There is no doubt that Britain is about to align herself with the common market block of Europe. When that happens, Mr. Fleming's billion dollar deficit will soon become two billion and we will be in the midst of not a recession but a depression, and dear Mr. Hees will have resigned himself to skiing in the Alps.

At present we are living in the proverbial fool's paradise when the grim facts of the situation demand the most

(Continued on Page 7)





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### DECLARATION OF PRINCIPLES

- Social Credit is based upon the foundation of eternal principles which will remain true for all men in all places at all times.
- We believe man was created a free moral agent, and as such must have opportunity for exercising that freedom whenever it does not infringe upon the same freedom of others.
- We believe that man was given dominion over the whole earth, and that the good things of life should be made to bless all mankind.
- We believe in government with the consent of the governed; that one of our most precious freedoms lies in the confidence that all powers delegated to men are surrounded by effective checks and balances so that none may exercise unrighteous dominion over his fellows.
- Social Crediters are dedicated to the task of electing governments which will so reflect the people's will that they can obtain for themselves and posterity full realization of their rich heritage of economic security with individual freedom.

### FULTON SAYS BENNETT SCARED!

One cannot help being slightly disgusted at the way the Hon. Davie Fulton is lowering the dignity of his office by the manner in which he is attacking Premier Bennett of B.C. over the Columbia River power development project.

His latest effort conveys the impression he is conducting a personal political campaign instead of being the legal adviser to the Government of Canada on an important matter of international negotiation.

Speaking in Vancouver on July 25th, Mr. Fulton is reported as follows: "I wonder if this whole project isn't so big that Mr. Bennett is becoming afraid of it and trying to run away from it," he said.

If anyone is running away from the problems involved in the project, it is certainly not Premier Bennett, who has met the difficulties face to face in a way that is in strong contrast to the vacillating tactics of the old Liberal Government for 12 years and the present Conservative negotiating body headed by Mr. Fulton for the last four years.

It is common knowledge that the two committees representing the United States and Canada made practically no progress for 16 long years. It was not until the present dynamic Premier of B.C., impatient at the long-continued delay, had a survey made of an alternative power-site wholly within Canadian territory—the Peace River Trench—that the negotiating committees showed any sign of coming to an agreement satisfactory to Canada.

Then, spurred into action by the strong bargaining weapon which Mr. Bennett's action placed in the hands of the Canadian committee, the U.S. committee were keen for a settlement and agreed to better terms for Canada.

### SALES OF MORTGAGES

A transaction of great interest took place recently between a branch of the Government of Canada and the money lenders. It is recorded in Hansard of June 21st and deals with a matter that the Hon. D. J. Walker, Minister of Public Works, announced as a very prosaic statement.

Looking up the dictionary, one will find that "prosaic" means "dull, tedious, uninteresting". The statement which Mr. Walker described as "prosaic" had to deal with mortgages—housing mortgages held by the Central Mortgage and Housing Corporation—and being offered for sale to the highest bidders, and it was far from being a matter of "no interest".

It appears that the Government would like to get rid of these mortgages, and therefore is offering them in blocks to the highest bidders. The transaction is recorded in Hansard of June 21st, 1961 as follows:

Hon. D. J. Walker:— "As I announced in the House on May 19th, Central Mortgage and Housing Corporation offered mortgages to approved lenders and investment dealers at auction in the form of 30 parcels, each covering a different geographical area and each valued at approximately \$500,000.

"The mortgages offered, all carried an interest rate of 6¾% with approximately 25 years to run . . . the bidders for these mortgages are all professional buyers of securities who know it costs about one point to put an investment of this kind on their books."

So you begin to see what these Canadian citizens who are trying to finance a home of their own are up against. Just figuring at simple interest, a \$20,000 house at 6¾% will, in 25 years, require \$33,750 to pay it off.

Some idea of how charges mount up will be gained from pursuing Mr. Walker's statement a little further. He said: "On the remaining 25 parcels, worth approximately \$12½ million, the total bids amounted to \$31 million. So, a further profit was envisioned. Now, we are not against profit nor interest charges, but like most things—"too much of anything is good for nothing". There is reason in every-

thing and surely any person can see that the Government could arrange for the Central Mortgage and Housing Corporation to get money from the Bank of Canada at cost and loan it out to individual citizens for building houses for themselves to live in, at an interest charge of about one per cent.

Look at the situation. The money so loaned would immediately result in new houses being built within one year. Every house would be a capital improvement and add to the assets of Canada. A nation of well-housed people, each one owning their own home—if desired—is surely a better foundation for a contented democracy, than having a large proportion of the people living under unsatisfactory housing conditions.

This is one of the present discontents that a Social Credit administration would quickly remove. The Liberals and Conservatives have both had plenty of opportunity to remedy this blot on our civilization. What would the New Party do? Well, the C.C.F. financial critic in the House of Commons, Erhart Regier, made his statement after Mr. Walker had finished. He said: "I think the Minister is to be congratulated on the successful and very remunerative sale of the mortgages that were sold."

The Socialists run true to form. "Taxes, taxes and yet more taxes," as Lenin said. Excessive interest is taxation. The people will appeal in vain to have either interest or taxation lightened by a Socialist government. Their pleadings will fall on deaf ears because Socialism depends upon harsh taxation to make the slave-state, alias 'welfare state', effective.

Only Social Credit has the fortitude to challenge the embattled power of finance; together with the knowledge to administer it in the interests of all the people.

The people who are trying to pay for their homes through the Central Mortgage and Housing Corporation under the terms required by these re-sold mortgages are apt to find the times ahead are exciting rather than prosaic, as Mr. Walker would speedily find out if he was one of the mortgagors.

### THE NEW PARTY

With more than 1700 delegates and lots of bubble and froth above and sinister currents beneath, the "New Democratic Party" has elected its new Party Leader.

It is a re-enactment in these more prosperous times, of the formation of the old C.C.F. Party during the great depression in 1933. That was an attempt to amalgamate labour, farmers and "progressively-minded" individuals into one party. The aim however, was Socialism.

So it is now. In spite of the stated aim to coalesce organized labour, small "l" Liberals and farmers, into a party left of centre, but not openly advocating national Socialism, events will prove stronger than the stated aims—however well-intentioned—of those who are engineering the coalition.

In making his election speech, Mr. "Tommy" Douglas said that as Premier of Saskatchewan he had established more "public-ownership" than any government—past or present—in Canada. He went on to say, "We must now have a social and economic revolution that will make these services available to the people of Canada."

Mr. Douglas has not reasoned the matter through. Public ownership does not, of itself, make the goods available to consumers any more than does private ownership. It is consumer purchasing power that counts and that

is determined by financial policy.

At present, manufacturers, so-called capitalists, as well as all workers with brain or hand are exploited by the financial policy. Refusing to investigate and analyze this basic reason, the leaders of organized labour have committed themselves to carry on a "class war" against the "haves".

With their mistaken idea that democracy means the iron rule by compulsion over the minority, their tendency is to set up an organized labour dictatorship. This, the majority of farmers resent and rebel against. Their contact with nature's laws of abundant rewards for competent management and diligent work refuses to be fitted to the cast-iron regulations imposed by uninformed totalitarian mentalities. These two groups of personalities can no more be amalgamated under the present system, than can "miry clay with iron." When to this is added the smaller section of so-called leftist liberals with a small "l", you have an irreconcilable conglomeration.

If these elements would give some real study to the basic problem of finance, economics and political democracy, they would realize that only Economic Democracy can give them a common cause. It is only the principles of Social Credit that can enable them to get together on a solid foundation and realize their stated objectives.

Immediately, Mr. Fulton's chief, Mr. Diefenbaker, dashed off to Washington to sign a treaty—so as to get all the glory—before the details were completed.

Had it not been for the pressure exerted because of Mr. Bennett's action, Canada would have had to take the short end of a long deal.

As an M.P. representing a B.C. Constituency, the Hon. Davie Fulton must have been aware of all this. His attempts to make political capital out of the negotiation of an international treaty which was only made possible by the decisive action of the B.C. government is too transparent to deceive anyone.



## HOME FROM OTTAWA

By THOMAS IRWIN, White Rock, B.C.

The National Convention at Ottawa was an intriguing affair, not so much in itself as in the aftermath. When I got home again I found that the newspapers for the period of my absence had been preserved for my benefit. Upon looking through them I found that the press here on the West Coast had not been so kind to us as had the Eastern Press. It was quite obvious in the East that the press was recognizing that Social Credit was a factor in our National life and were prepared to give us a reasonably factual coverage without the usual embellishments of

"funny money" and "crackpotism" that still dominates the West Coast press. As an example, the Vancouver "Sun" on July 3rd published a despatch from Alex. Young, their Ottawa correspondent, which I suppose they endorse, to the effect that we were still what they thought we were some ten to twenty years ago. The "Sun" apparently does not feel that its endorsement of Social Credit Policies of eighteen years ago, was quite right and now seeks to perpetuate the "funny money" sophistry to which it swung later on.

Alex. Young says, after commenting on the opportunity that the Fleming-Coyne episode presented, "To take advantage of the opportunity, they (Social Credit) will have to do better than they have in the past. If the party continues to be a refuge for anti-Semitic elements and economic crackpots who want to debase the currency by cranking up the printing presses, Social Credit will have no effective rebirth." If what Alex says was true I would be inclined to agree with him, but the fact is that we have not been a "refuge for anti-Semitic elements" any more than a union is a refuge for Communistic elements or the little band of Christ's disciples was a refuge for traitors.

If we had or have them, they are so small a number as to be negligible except to the extent that people like Alex Young choose to dig them out and place a totally unwarranted emphasis on their importance. In any event the use

of the term "anti-Semitic" is stupid for there are many Semites or descendants of the tribe of Shem who are not Jews, and I have a feeling that Alex is really thinking in terms of anti-Jewish rather than anti-Semitic. What Alex is really trying to do is to link Social Credit with Hitler's National Socialism, and that is futile and stupid. As a body, we are not "anti" anything except the thick-headedness that fails to set up a sane Monetary Policy and seeks to remove sound ethics from our political and economic system.

### Fantasy!

Furthermore, Social Credit has never, at any time, advocated "cranking up the printing presses" and debasing our currency. That is only the figment of a distorted imagination which cannot realize that the printing presses only produce about 5% of the purchasing power in the country and there is no reason to suppose that more than that is necessary. Printing press money and coins are only the petty cash of our system and would only be increased if and when they did not meet the petty cash requirements, just as the petty cash of the treasurer of an organization may be required to be raised or lowered from time to time. And it is important to note that this can only be done if authorization appears on the minutes.

It is well to remember that the control of the amount of paper money or coins in existence at any time has been—and is—in the hands of an ap-

pointed board—The Bank of Canada. If a raise of the amount was written into their minutes, or a diminution of the total was written into their minutes, that is what happened. Social Credit contends that that control should be—to quote the British North America Act, Section 91—"the exclusive legislative authority of the Parliament of Canada". The British Parliament thought that was right in 1867; Abraham Lincoln thought it was good in 1863; Mackenzie King thought it was all right in 1935. What makes anyone think it is wrong in 1961?

It is at that point that we must bear in mind that the ethical principles inherent in Social Credit Philosophy are important. It is necessary that we have men and women in Parliament who are bound by that philosophy so that the stupidities that have been apparent in our monetary and fiscal policies in this country will not be perpetuated.

Another issue of the Vancouver "Sun", July 5th this time, by another Ottawa correspondent — Tom Gould — speaks of a "Bitter Backroom Battle", citing the main contestants as Premier Manning and Premier Bennett. Rubbish!

### Not in a Groove

There is a vast difference between a "difference of opinion" and a "bitter battle". Sure, Premier Bennett is attracted to Real Caouette. Why not? He himself is an ebullient, exuberant extrovert. So also is Caouette. On the other hand Premier Manning and Dr. Thompson cannot be described in that manner. But do not let the press fool you into believing that Premier Bennett and Premier Manning have any bitterness between them. They both know that, if they are to succeed either in their home provinces or in the wider field of Dominion politics, where the ultimate success of Social Credit must be decided, the Dominion battle demands co-

operation. There will be differences of opinion between them. That is not a source of weakness but one of strength. They can afford to have different approaches to the ultimate goal, but that goal is in the minds of both. And Real Caouette is just as real as his name and he will do as much to weld the movement together as any other influence we have had to date. Real is sincere and determined. He has powerful lieutenants who are just as sincere as he is. Mr. Gregoire can evince all the enthusiasm of his chief and can be counted on to adhere to the Social Credit philosophy and policy. With that combination at his elbow, Dr. Thompson can be sure of unbounded enthusiasm to offset any possibility of his own quiet strength being discounted by the public.

With that combination at the helm of our ship, navigational problems that have frustrated us in the past will have a speedy and sound solution and it will have, I am sure, the support of both Premier Bennett and Premier Manning, to say nothing of the support of the public at large. Both of these gentlemen in their own way, keep their

### NOTICE

A good supply of the photos which have been printed in "Focus" from time to time, as well as some that will be printed in future, will be available in Central office. If any of the delegates to the Convention, as well as any other readers, would like to have a copy of one or more of these photos, we can supply them in 5" x 7" size, for \$1.00 each. Write to the Social Credit Association of Canada, 200 Empire Bldg., Laurier West at O'Connor, Ottawa, for as many as you would like. In future, we will identify each photo with a number as it appears in "Focus" and this will enable everyone to be sure of getting the picture they wish to have.



Mayor Charlotte Whitton and some of the platform party.

Photo No. 1602-3

fingers on the pulse of public opinion and interpret the reactions they get in the light of their experience and principles and govern themselves accordingly. Who will say that, up-to-date, they have not successfully gauged public reaction fairly faithfully? Despite press reports and speculations, they continue to do just that and the "bitter battles" will turn out to be merely a continuance of the search for the public needs and desires. All you and I have to do is to adhere faithfully to our principles and policies and the outcome is certain.

Thomas J. Irwin,  
White Rock, B.C.

## Okanagan Boundary Federal Riding

On Tuesday, July 11th, Mr. F. D. Shaw, the Provincial Organizer and Mr. W. B. Carter, journeyed to Kelowna, some 40 miles north, armed with a tape recording speech of Dr. Thompson's. The recorder peeled forth our Leader's Vernon speech, secured several weeks earlier, and gave us an address which was thoroughly enjoyed by those who were present. Later, Mr. Shaw and the Federal President also spoke briefly and told of the Ottawa Convention, which brought encouragement to all. It was a hot, sultry night and the audience was small, but none the less appreciative. The local group provided sandwiches and liquid refreshments which were very much appreciated. Mr. Otto Leboe, President of the Kelowna group occupied the chair. Arrangements for the meeting were in the hands of the local Secretary, Mr. Earle Johnson. Hot, but happy, we arrived home about midnight, having spent several hours of keen enjoyment, which passed very rapidly, discussing Social Credit proposals and policies.

## ALBERTA'S OIL

A recent news dispatch reports that in July nearly \$8 million was added to the Provincial income through the sale of petroleum and natural gas crown reserves.

These leases were sold to private industry which bids for a share in Alberta's development by investing its risk capital in the development of Alberta's natural resources. In the first place, such investments help to keep down Alberta's taxes. Since 1948, over one billion dollars has been paid over by the Provincial Government to Alberta's municipalities with money derived from the investments made by private enterprise. Some of this money has been put into a Revolving Fund, from which loans are made at a low rate of interest to villages and towns for the purpose of installing water and sewage systems, also electric light and power. The revenue derived from the users of these facilities is paid back into the Fund which is thus kept in a condition to make new loans to newly-formed villages or municipalities. In this way, both principal and interest is kept within the Province, aiding its development without debt.

Alberta is prevented by overriding Constitutional power from creating the new financial credit required for its development. It is therefore forced to do the best it can under the present financial monopoly, by using over and over again the insufficient amounts available. By so doing, it is showing a masterful comprehension of the best way to keep the inadequate money supply working to its limit.

The humorous aspect of the situation is that those who have not the wit to perceive there is a fundamental flaw in the present federal financial policy, are just sufficiently idiotic to accuse those who are making a fairly passable job with it, of being the advocates of — "Funny Money!"



## THE BANK OF CANADA

The Bank of Canada is a banker's bank. It is a bank for the use of governments. It does not accept deposits from the general public. Created by legislation in 1934, it was opened for business March 11, 1935. Originally the capital stock was held by private individuals. In 1936 amending legislation increased the capital stock, with the additional stock going to the government of Canada, giving it 51% of the total. In 1938, a further amendment provided for paying off private shareholders, leaving the government sole holder of a capital stock of \$5,000,000. The Bank has a board of directors from which an executive board is chosen. The Governor is appointed by the Board and must meet with the approval of the Cabinet and he has power to veto any action or decision of either the Board or the Executive Committee—subject to confirmation or disallowance of the Governor-in-council (the Cabinet).

The Bank of Canada is empowered to accept non-interest bearing deposits from the government of Canada, any provincial government, any chartered bank or any Quebec savings bank. The Bank is authorized to make advances to the government of Canada, to the provincial governments or to the chartered banks. The Bank took over the issue of bank notes (bills) in 1936 and gradually retired those that had been issued by the chartered banks. Since 1950, there are practically none of these left in circulation.

### Bank Act

It will be seen that the people of Canada, through government, have granted considerable powers to this bank. In the Bill to incorporate the Bank it was stated:

"In return for the privileges which the state confers upon it, the bank should use its store of experience in the service of the community, without the desire or the need to make profit a primary consideration." One of the responsibilities imposed upon the Bank was that:

"... it should endeavour to regulate credit and currency in the best interests of the economic life of the nation ..."

The power to do this in Canada is similar to the power exercised by the Bank of England in that country. This power is described by the Encyclopaedia Britannica in the following terms: "The Central Bank by adjusting bank rate and when necessary making it effective, **absolutely dominates** the credit market."

Briefly the functions of the Bank of Canada may be stated as:

1. To regulate internal credit.
2. To regulate foreign exchanges.
3. To mitigate fluctuations in the level of production, trade, employment and prices as far as may be possible within the scope of monetary action, and
4. To give expert and impartial advice to the government of the day.

It will be seen that the Parliament of Canada has given sufficient power to this bank, which if exercised rightly, can be for the good and welfare of the people of Canada. It largely depends on the purpose which those in authority

have in view, as to how much good can be done with that power. If exercised solely from the point of view of orthodox bankers, it would be merely a banker's bank, and while conforming to the letter of its charter, could miss the spirit of it entirely. In that case, it would merely strengthen the present banking system without being of any benefit, in the way of encouraging production and consumption, to the people of Canada.

### Letter or Spirit?

On the other hand, if the powers which have been conferred upon the bank are exercised by enlightened individuals who understand the function and effect of the power to issue or withdraw credit in the interests of the production and consumption needs of the people of Canada, then it can be a mighty lever for the accomplishment of those objectives.

For instance, the Central Bank has the power to: "buy, sell or re-discount bills of exchange and promissory notes endorsed by a chartered bank, drawn or issued in connection with the production or marketing of goods, wares and merchandise."

### Credit Creation

This means that the Central Bank has the power to accept these securities from chartered banks and by doing so to make it possible for the chartered banks to make more loans. This is done when it is desirable and possible (in the central banker's view) to promote an expanding economy. If (in the central banker's view) it is desirable to reduce prices and production at whatever cost, and allow a deflationary policy, the re-discount policy is largely curtailed. The interest rate may be raised or lowered by direct action of the central bank, or it may be hinted to the commercial banks that their cash reserves should be increased. This is called "moral suasion". As a result, the central bank "sells securities" instead of buying them; and the commercial banks may cut down on further loans and also begin to call in those they have made.

The cumulative result of such a policy is to decrease the amount of circulating credit among the people. Retail buying begins to dwindle and as a result, stocks pile up, retail orders cease and manu-



Alberta's Premier Manning giving the Keynote address.

facturers slow down or even stop production and reduce their staffs. This begins a period of deflation and describes what some bankers call—"getting back to normal".

In addition, commercial banks may buy Federal Government Treasury Bills or bonds by simply granting the government a credit on their books to the value of the bills or bonds. These paper securities can then be deposited with the central bank and are regarded as being similar to a cash deposit.

Thus the strength of Canada's banking system is not because of the virtue of the reserves of the banks, or the Central Bank, but because the law has based their credit expansion power upon the productive ability of the people of Canada.

### Moral Suasion

In addition to the ordinary mechanical devices used by the central bank to influence the financial policy of the chartered banks, there is another method called "moral suasion". The following quote is from a book entitled "The Bank of Canada" by Milton L. Stokes, M.A., L.L.B., PhD., with a foreword by Dr. Cyril James of McGill University:

"In a country with a highly centralized banking system, (Canada) where there are only ten banks, four of which conduct three-fourths of the total banking business, there is the possibility that exhortation and advice or "moral suasion", on the part of the central bank will be more effective in carrying out a given monetary policy than the ordinarily mechanical means of enforcement such as the re-discount rate and open market operations. "Moral suasion" is likely to be far more effective in Canada than in the United States due to the fact that the managements of a few large commercial banks feel

## MONETARY REFORM — Has People Thinking

The Social Credit Party of Canada held a national convention and chose a leader. This is important news to the members of the party, as well as to those people in Canada interested in politics.

But perhaps the most thought-provoking aspect of the entire convention is the

more responsible for credit conditions than the managements of 15,000 banks, as in the United States, can be made to feel."

In view of the interest roused all across Canada by the circumstances surrounding Mr. Coyne's resignation, we think that far more Canadians should be well-informed about what a Central Bank can do; and also what may be expected of it under differing conditions.

A certain amount of latitude is allowed to the Governor and it largely depends upon his outlook, and his relations with the Minister of Finance of the day, to what extent he gives active support, drags his feet, or opposes the government policy.

The better informed Social Crediters become, the better able they will be to foresee the difficulties with which their Government may be faced after election and the necessity for giving them well-informed support. Nothing is to be gained and a lot can be lost by making wild charges and demanding changes which are not necessary. A clear understanding of what is possible with the law as it is but with a dedicated Social Credit government in office; will give confidence that unreasonable financial restrictions can be terminated very quickly and the way opened for the enjoyment of conditions as prosperous as Canadians, by their work and efforts, can make them.

—H. E. Nichols

announced crusade to put monetary reform ideas into action in the federal field—that is, if Social Credit is elected to Ottawa, and most experts say that this is an impossibility.

The pronouncement on monetary reform was made by Premier Manning of Alberta. Although it is not a new approach, it is one that does provoke serious consideration. Premier Manning stated:

"The purpose and objective of this crusade is to end once and for all the most absurd paradox of our day — the paradox of insecurity in the midst of material abundance, recession in the midst of potential prosperity, and pyramiding debt in the midst of almost limitless wealth."

### Change Needed

Whether the Social Credit party can or cannot put this objective into practice we certainly cannot forecast. But the statement does touch one of the most ironic aspects of our present times. There is no doubt that what Premier Manning says is true. On the one hand we do have poverty, shortages, and lack of goods and material. These create many and varied hardships on the people living in these countries.

Then, on the other hand, we have countries like Canada and the United States. Here there is an abundance of everything — natural resources, land, and an unlimited potential production of both foods as well as material goods. The irony of the matter is that amidst this overabundance we too have poverty and compulsory unemployment which leads to a lower standard of living.

We are not saying that the Social Credit party has the answer to this problem. But the situation is one that thinking people must wonder about.

—Osoyoos Times.



## Letters to Editor

The Editor,  
"Focus",

Dear Sir:

When finance decided in the U.S.A. to tighten money, the effect was to bring about heavy unemployment, and eventually it led to the defeat of Mr. Eisenhower and the Republican party.

Similarly, in Canada, the same procedure was followed and the effect was the same, mass unemployment and the defeat of the Liberal party. Since then we have seen the struggle of the Conservative party to reverse this trend with no success at all. The dismissal of the Governor of the Bank of Canada will not make the slightest difference. All governments are committed to a policy which only issues money as a debt, and no more will be issued until the debt is reduced. Mr. Stuart Chase, the noted U.S. economist, in 1958 wrote as follows: "In the depression of the 1930s banks called loans right and left, causing billions of dollars to vanish. This reduced the power of the people to spend and made unemployment progressively worse." Further, he says, "Money is very flexible in the form of numbers appearing and vanishing on the ledgers of banks. Monetary customs could be changed at our convenience. Serious inflations and depressions are in one sense a form of cultural lag."

But finance will not wait, for in today's paper I read, "U.K. told austerity lies ahead. Economic crisis arouses labour." The Conservative government warns the British people it is going to impose a severe austerity program to meet a growing crisis. Yesterday, they were being told by their government, "you never had it so good" — today — "you must bear the necessary burdens and disciplines for your survival. Finance has spoken, the loans must be recalled, so tighten your belts." It looks as if heavy unemployment and the fall of another government is in the cards. How long will the people suffer such a system?

E. Le Gresley,  
Victoria, B.C.

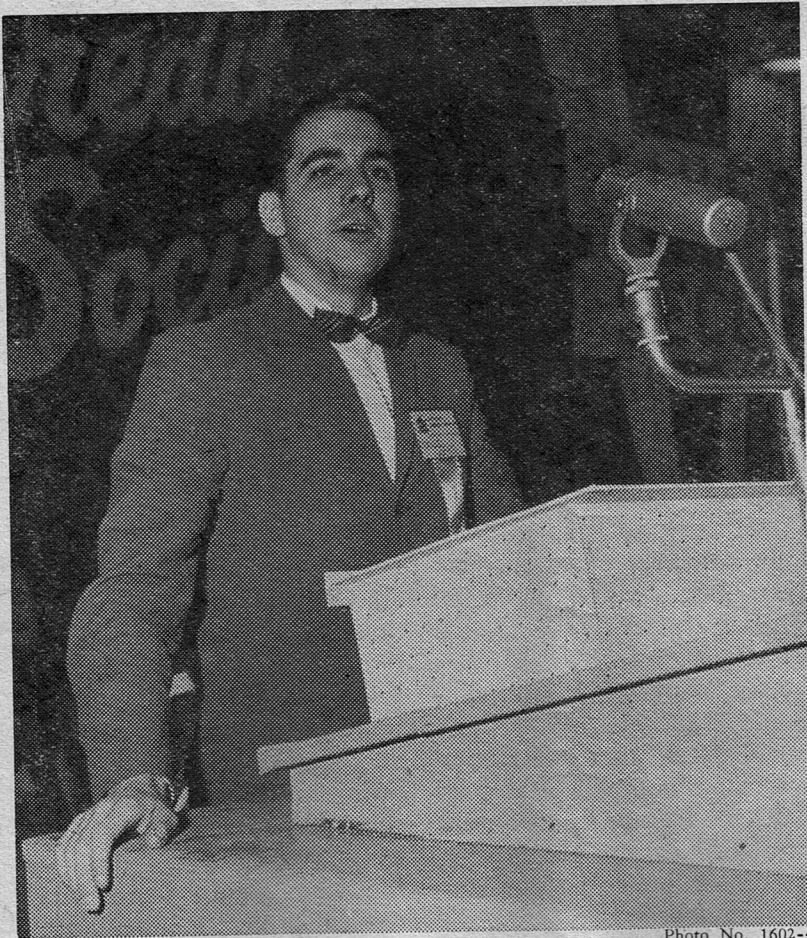
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The Editor,  
"Focus".

Dear Sir:

No doubt the talk of our latest National Convention will not die down for many years to come, for much was done and much accomplished. It was truly a great Convention and the impact was felt throughout the nation. Here in Ottawa the results are now bearing fruit.

There is one factor about our performance as delegates that it is imperative that I bring out, for it is fundamental to the survival of our organization and a free democracy as a whole, and that is the manner in which persons got together to work out good policies, and most important, where persons of



C. M. Ennals, newly elected President, Canadian Young Social Crediters — Acceptance Speech.

## PRESIDENT KELLN'S MESSAGE

Fellow Social Crediters:

The greatest Convention of the National Social Credit movement is now part of the past. It is timely that we recognize the great contributions made to this successful Convention of the former National President, Robert N. Thompson, his executive and staff.

The future of Social Credit is now in our hands; the greatest opportunity ever afforded us is here; the minds of men and women are open to our message; we must open our hearts and give voice to our convictions and provide the leadership Canadians are looking for.

The Convention chose as its National Leader, Robert N. Thompson—a man of courage and conviction. In Mr. Caouette, his deputy, we have a man of vigor and determination whose dynamic approach has already stirred the province of Quebec. As you become acquainted with these men, your faith and hope for the future is fortified.

This outstanding team, at great sacrifice, is giving us their leadership, whatever position we hold as Social Crediters; we should do no less to assist them and the executive to carry out their responsibilities. As your new President, may I give you the

assurance that I will work along with our leaders to help lighten the load that they must carry.

First, plans must be laid to ensure that every constituency in Canada will have a Social Credit candidate to give every Canadian the opportunity of a real alternative. To fully meet this initial step, we need the full co-operation and complete support of every man and woman in each federal constituency across the country.

It is your duty as a Social Creditor to contact your neighbours, and other key men and women in the surrounding district in order to make preparation to nominate your standard-bearer for Social Credit. Let those of us that have a knowledge of the truth accept our responsibility to make it known to our fellow men.

It is the wish of the executive and myself that you contact your office indicating any problems and pledging your support.

I am counting upon you to back up your national organization both financially and with hard work. In this way, we shall give evidence of the confidence we have placed in our new leadership.

Sincerely yours,  
MARTIN KELLN  
National President.

## Provincial Treasurer

### DO YOU KNOW

THAT . . . when the Social Credit government came into office in 1935, the net funded and unfunded debt and guarantees by the Province were \$167,000,000.

It took 51% of Provincial Revenue to pay the debt charges alone. By 1946 (a full year before substantial oil revenues began to come in, the DEBT was REDUCED by \$19,000,000. By 1958 it took less than 1% of Provincial Revenue to service the debt.

### DO YOU KNOW

THAT . . . Alberta's per capita debt: 1935, \$216; 1960, \$20.00.

## This Crazy World

There is of course only one possible subject this month under this title—the suggestion that Britain should import American coal because it's "cheaper." Everybody seems to feel instinctively that in principle and in commonsense it's crazy, but everybody appears to be baffled by, but accepts, the specious "30/- a ton cheaper" aspect, without bothering to examine the fundamental financial arrangements which result in such an inversion of commonsense.

Though the Welsh miners and the Trades Union Congress are rightly determined to fight this proposal to the death, simply because they think it's crazy, which it is, they're really absolutely clueless as to what to do about it, or how to answer this "30/- a ton cheaper" claim which decides the issue. This is a perfect example of finance not reflecting commonsense or physical reality, so why don't they examine all the financial aspects of their position, right down to the roots, to find where finance departs from commonsense? If 'orthodox' financial thinking gives the wrong 'commonsense' answer, surely they should dispassionately examine orthodox financial arrangements, to see why it does. We'll try to give them some clues.

### Work for Work's Sake

First of all, is the financial answer not commonsense? Well, the coal itself is, for quality per ton, presumably much the same—at any rate, ours suits the purpose required, so the first comparison is the cost of mining; the labour charge. The usual answer to these cheap imports, indeed up to now the only answer, is in this respect "the low standard of living of the natives". We doubt very much if this applies to the Virginian miners. It can be ascertained.

Possibly they have a much greater degree of mechanization. This also we doubt, but in any event, our experience under nationalization, with high interest charges on capital development, is that with increased mechanization we get rising prices. One newspaper 'reason' for the cheaper imported coal was the present low freighting charge, even for a journey of over 3,000 miles. Unfortunately for the cheapness case, this compares with no freighting charge at all for English coal. No, the financial result doesn't add up to commonsense.

Subsidy? It seems to be the only answer left. If so, what do we mean by that? Is the rest of the population of America, through taxation, supporting the Virginian miners? Or is somebody just creating the money because the production's there and that's the way to move it? And whatever it is they can do (financially), can't we do too?

### Coal to Newcastle

The T.U.C. has plenty of financial experts who should

be able to answer these questions, and we suggest the Welsh miners should see that they bend their activities towards the purely financial details of this imported American coal problem. The General Council should at the same time investigate why America wants to send coal here—"coals to Newcastle" is an age-long jest. The answer must again be found in finance as it is practised, and not in commonsense—the T.U.C. would be doing a mighty general service if they would expose finance in connection with this import suggestion, and would bring finance for our own coal into line with commonsense.

—With acknowledgments to "The Social Credit Political Bulletin" — Great Britain.

## ALBERTANS CAN FINANCE ALBERTA

The people of Alberta were given the first opportunity to buy the \$15,000,000 Alberta Government Telephone Bond issue offered August 1st of this year through the Head Office of the Treasury Branches.

The funds are required to finance a substantial capital development and modernization program in keeping with our province's progress.

The Bond issue is designed in such a way that both five, and twenty-year maturities, will be available in denominations suitable to all investors. The government is offering a 15-million dollars issue of Alberta government telephones commission debentures in five and twenty-year maturities. The five-year bonds are being offered at 99.25 to yield 4.92 per cent and the twenty-year maturities at 98.50 to yield 5.37 per cent. All departments including A.G.T. offices got a letter explaining details of the savings plan.

Mr. Manning indicated that this unique opportunity permits Albertans to invest in an Alberta Government guaranteed bond, and share in financing the capital needs of this stable public utility. It will keep interest payments within the province, he said, and he anticipated, may well be the forerunner of Alberta citizens financing the major part of municipal and hospital requirements as well.

## News From Britain

Daily Mail (15.5.61) "A shipyard's rates (i.e. municipal taxes) will rise between £50,000 and £60,000 in 1963 compared with £1,500 in 1958-59 because of a new valuation. Yesterday, Lithgow's, of Port Glasgow, said this was the final straw in the struggle to keep the yards going. Shipbuilders would price themselves out of jobs. This would cause mass unemployment."

\* \* \*

N.B.—Britain is now the largest single importer of foreign-built shipping, according to a recent news report.





## Gran on JOBS FOR ALL

"Well, people nowadays seem to be able to do some amazing mental gymnastics, holding so many contradictory ideas in their heads at the same time, apparently without the slightest discomfort," cried Gran in exasperation.

Her son, Bob, smiled.

"What exactly has produced that thought?" he asked as he filled his pipe.

"This New Party convention actually," said Gran. "The delegates are wanting 'jobs for all' guaranteed."

"If that's what people really want," sighed Bob's sister, Liz, "no doubt that's what they'll get."

"Doesn't it seem odd," mused granddaughter Rose, "that we seem now to look back to an age of leisure?"

"Back?" cried Clem. "Surely not. The general run of people used to be far harder worked than they are today."

"Then why does everyone say 'there was always time for everything in those days'?"

"I know exactly what Rose means," chimed in her cousin Suzie. "They're saying it all the time — 'People lived more slowly: there was always time for everything'. Why, if they lived more slowly things would take longer to do and there'd be less time. 'We don't have enough time!' I remember a parson once pointing out in his sermon that we have all the time there is."

"Free time used to be so precious," said Gran. "Most of us laid it out like a careful housewife with a very small income. We would have thought it very futile and boring, for example, to spend week-end after week-end in the summer lying completely inert and empty-headed in the sun for the sole purpose of making ourselves an even mahogany colour all over while displaying an array of sun-tan lotions, expensive swim-suits and elaborate dark glasses."

"Let's get back to 'jobs for all!'" cried Clem. "Don't you think the machine and power age actually does make a lot of new jobs?"

"I'm certain that all the new-fangled business machines are busy making thousands of new jobs," replied Gran. "It usen't to be possible to record every detail of every business transaction and every step in a productive process. Now you turn these machines on and they can keep track not only of everything you want to keep track of, but I imagine, even quite useless information, just because the machine is capable of it. I'm sure half the statistics they analyze are only done because the machine can do it, not because they're

essential."

"When I went to the bank first," said Clem, "I worked under a man who was very fed-up with his job. He said that he had spent his life, from the time he was a teenager, making entries for the records and not one in ten thousand of them would by any stretch of the imagination be wanted again. And that was before the BIG machines were installed."

"And worst of all, the records can now all be put on microfilm and stored into no space at all," added Suzie.

"Just imagine what would happen if we started with record-cards here at home," laughed Gran's daughter, Liz. "You punch the time you get up; and into a slot in the bathroom you record whether you have a bath or just a wash; then to the kitchen to record how long it took you to get dressed and whether it was a cooked or plain breakfast and what particular cereal you used. Then how long each chore took, and whether you did the washing..."

"And how long Mrs. Smith kept you on the phone..." laughed Rose.

"In a year you'd have a room full of cards for the whole family," Bob chipped in. "You couldn't do other than buy or hire a machine to consolidate all those vital statistics for each of you. Only in that way could you possibly find out that on the average you had two baths a week in the morning and one just now and then in the evening—or as the machine would put it, .3 of an evening bath per week! You would find that you had spent so many hours in dressing and undressing during the year, and that you had had so many telephone conversations that took over 15 minutes; that you had eaten beef on 250 days as compared with pork on 50..."

"Then having all this information," laughed Gran, "you would take yourself to task and determine to use your time more creditably in the future."

"I don't need a machine to tell me that, and yet I'm still a fair time-waster," sighed Suzie.

"Then all the information goes onto the micro-film," said Clem. "Your whole year of life. And when you get next year's you can evaluate one against the other. You know, there might be something in it after all."

"Stop!" cried Gran. "This is going to give me nightmares. I begin to see the whole human race become fodder for the maw of these machines that want somehow or other to weigh and measure every

inch of ourselves and our time for the purpose of finding out how much of it is still not given over to being optimum consumers, and to devise ways and means of reducing those precious hours all in the name of 'jobs for all.'"

"Gran, you've got something!" cried Clem. "It's holiday-time now. But you can't just take yourself off to a lake with a tent and spend the days swimming and walking and rowing about. You've got to get a whole skin-diving outfit if you want to keep up with your friends, or even join them. And if you do it on the cheap, chances are you'll drown."

"Yes," broke in Gran indignantly, "and there is just as much need for supervision over the manufacture of such articles as there is to assure pure food or genuine fabrics. The unscrupulous sale of second-rate equipment must be stopped. Articles that are only cheap imitations, but which can be sold to unsuspecting parents as if they were the real thing, may lead to a child's untimely death (and cases have already been reported), and such action should be subjected to the most severe penalties."

"So much for the skin-diving outfit," said Clem. "Then there are the water-skis, and

that means you can't just settle for an old row-boat or canoe. A power-motor and a boat strong enough to take it is the next necessity."

"On the same line," said Bob, sucking thoughtfully at his pipe. "Suppose you go for a golfing holiday. You used to sling an old canvas bag on one shoulder with half-a-dozen clubs. Then came the same thing on wheels—quite a good idea for oldsters, but how many youngsters now are content to carry an ordinary golf-bag? And now to cap all come these noisy, filthy-smelling motor buggies, destroying the entire purpose of golf as a recreation—the fresh air, the peace, the feel of good turf under your feet, and the sweet smell of the grass. And of course the easier they are to carry the more clubs you imagine you need for your game — replacing natural skill with clubs to deal with every possible angle and distance."

"Come to think of it, we really are suckers," said Gran. "Why are we so easily pushed along roads we don't want to travel? But I hear the kettle singing, and I think a cup of tea won't come amiss."

\* \* \*

It was the last cup of tea they had together.

THE END

The Editor,

"Focus",

Dear Sir:

I was glancing through an old Crescent Heights' Year Book, "The Bugle" and came across the following article written by the late Mr. Aberhart for his class of 1925, which I thought I would type out and pass on to you as it contains so much and bespeaks of the dynamic personality who ten years later led this Province to such a sweeping political victory. It also bespeaks of his successor, Mr. Manning, in his resolute determination and hard work, and of those who have rallied round him down through the years.

Yours sincerely,  
George Sterling,  
Benalto, Alberta.

### ADVICE . . .

#### William Aberhart

If there is one thing that has never appeared clever to me, it is the habit of always making some excuse or a way out, rather than to go ahead and do a thing.

Most careers are made or marred in the hours after supper. It may seem to some that the few hours between supper and bedtime afford small opportunity for anything but entertainment, but these were sufficient for Lincoln and for Franklin, and for millions of other men, who, by turning these hours to advantage through special effort, advanced themselves above their fellows. "Dost thou love life? Then do not squander time, for that is the stuff life is made of." Benjamin Franklin, who said this, not only

understood the value of time but he put a price on it that made others appreciate its worth.

Bradstreet's in a summary of business conditions, ascribes most business failures to what may be called the "size of their scrap heaps." Nothing is more inexcusable and disastrous than waste, and the most disastrous waste of all is waste of time. The unused hours form the scrap-heap that has wrecked many a man's career.

That heap of waste which so many young people dump at the end of every day and consider useless, would, if rightly used, give priceless results in increased efficiency, higher service, and better education. Ambition, resolve, effort, purpose, persistency, confidence, courage, mental equipment and success may be manufactured out of this heap of waste time. Millions are doing it. Any young person can who will.

Many highly educated people are inefficient, and many efficient people are not highly educated. The world calls for educated people who are efficient, and who can make the best use of their time. Real education is not so much learning of what we do not know, as the careful doing of what we do not now do. Several big concerns have organized schools in their plants; others have arranged with School Boards to allow students of suitable age to spend a part of their time in the shops, in order that they may be trained to make better use of their time.

The only course towards success today, young man and young woman is to take hold

### NEW ZEALAND

#### An Old Stalwart Passes

The death has occurred in her 84th year of Miss Anne McCarthy of Wanganui, a stalwart of the Douglas Social Credit Association since the very early days.

Miss McCarthy was well known among Social Crediters throughout the world as she had been Overseas Publicity Officer to the Association for many years.

The Social Crediters of Canada join in tribute to Miss McCarthy. To the staff in the office of the Alberta Social Credit League at Edmonton her letters were always welcome, and she will be missed from the cause she served so faithfully and intelligently.

Editorial Staff of "Focus".

## Subscribe to "FOCUS" Now!

### DO YOU KNOW

THAT . . . Alberta's debt reduction has NOT been made at the expense of the municipalities. Over the past ten years municipal aid from the Provincial Government has totalled \$921,631,000, including loans.

and do something—break into sweat, bend your back to some burden, stretch your muscles over some task. If you imagine you have been built for repose and advice, you are headed towards failure. No one conducts so large a business on so small a capital as the laggard—his brains thin by nature and exhaust by the inertness of his disposition.

Quit lagging, young friend, throw away your hammock and get a hoe. It is not negatives, but positives that we need.

"Are you in earnest? Seize this very minute:

What you can do, or dream you can, begin it.

Boldness has genius, power and magic in it;

Only engage, and then the mind grows heated,

Begin, and then the work will be completed."

### DO YOU KNOW

THAT . . . Alberta's present Provincial debt has an interest rate of 2.82%—the lowest in Canada.



## SOCIAL CREDITERS— work while it is day!

Contribute to the ON TO OTTAWA fund. There may be an election this year or next year, and we must be ready. Funds are needed in the fight for Social Credit. Send your contribution today!



## Acceptance Speech of R. N. Thompson

(Continued from Page 1)

vigorous, bold and imaginative development policy that can be conceived by resolute statesmanship. Any policy which circumscribes Canada's development, any faint-hearted statesmanship that puts a financial brake on Canada's progress, must be rejected by Canadians as suicidal.

### Real Wealth

If there is in Canada sufficient food for all to eat, sufficient raw materials and machines to build homes, roads, buildings, and commercial and industrial developments, and if there is sufficient manpower to maintain and expand this development, then there can be no logical reason why anyone should go without. There can be no reasonable argument why the development of the country cannot go forward as it has never gone before. The real wealth of Canada is Canada's ability to produce and deliver goods and services required. Yet Canada is handicapped, we are told, simply because Canada does not have enough money. Herein is the paradoxical fallacy of our antiquated financial system.

This paradox, SOCIAL CREDIT asserts, need not be. Through a fundamental monetary reform which will put our economy on a basis geared to the age of automation and the atom, it will be financially possible to have that which is physically possible and desirable.

Democracy has suffered because our present system has not provided a satisfactory monetary policy. The basic faults in it are:

### New Policy Needed

1. The control of our nation's credit is in the hands of a few. They have a monopoly over money — a monopoly given to them by Parliament. It is the most powerful, yet dangerous of all cartels, one which controls the entire economy and welfare of the country, and its people. Monopolization of money in this age of plenty is wrong. Money, used to buy food, shelter, clothing, and other basic needs of living, reaches the hands of people, in the first instance, in the form of wages, salaries, fees and dividends. This means that people receive purchasing power only in

return for work done in making and distributing goods. In an age of scarcity, this was a satisfactory way of distributing purchasing power. In this age of technical advancement and machine automation, factories are using fewer and fewer men to do more work and produce more goods. To make matters worse, we stand merely on the threshold of automation. The tremendous potential for increased production is beyond imagination.

2. The money supply is insufficient. The monetary system works in such a way that there is never enough money (purchasing power) in the hands of the people, who are the consumers, to buy all of the goods which they themselves have produced. There has been a continuous and increasing deficiency in the amount of purchasing power available for the purchase of consumable goods produced. This is due to the fact that most of today's money comes into existence through production and because the consumer price of this production includes charges other than those which are paid out for wages and dividends. There is never at any time sufficient money in the hands of the consumers to pay these prices. Thus surpluses accumulate and people either go without or attempt to purchase on time. This situation becomes progressively worse because automation in replacing labor continually decreases the production costs paid out as wages. This lag simply means that the supply of money is always short of the need. This accounts for the system of credit buying which falsely attempts to project the sale of consumer goods forward. It means that factories and other industries cannot get enough money to continue making the goods which the people need. Production is restricted because the quantity of money is restricted.

The greatest hoax perpetrated on the Canadian people is the "fairy tale" that we are living beyond our means. It is hard for people who are short on the necessities of life to understand this, when surplus production weighs down the shelves and bulges the granary storehouses. Yet for those who blindly follow the lead of the election-promise politicians, it is accepted as a plausible

story, unreasonable though it is. To buy less means simply to limit consumption, meaning again that less will be sold and again less to be made. This means fewer jobs, less wages, more unemployment and in turn less purchasing power. And so the cycle goes into an inevitable depression.

3. The concept of money is mistaken. Money is regarded as wealth in itself. It is bought and sold as a commodity. It has a price placed on it which, in private use, earns in 1960 up to 10 and 12 percent. In credit purchasing, it is frequently in excess of 25 percent. More than this, money comes into being as a debt. With credit money doing more than 90 percent of our business, it means that by far the greatest part of our money is debt money.

4. The accumulation of surpluses of real wealth in the face of apparent need is a paradox which cannot be justified. The only purpose of production is consumption. Unless that which is produced is consumed, productive activity cannot continue. At this point, there are no true surpluses because the needs of consumers increase with the higher standards of living and the tremendous population growth. Today we have more goods being made with less manpower, while at the same time we have more idle men and women without money with which to buy the growing abundance of goods. This is why we have POVERTY IN THE MIDST OF PLENTY. We are going to have to discard the traditional conception of what constitutes a man's right to receive enough money to provide a living.

5. Unemployment, which could be a blessing, is now a curse to the increasing numbers of people who cannot find work. Unemployment should not be a problem in Canada for several generations at least, because this vast country could easily accommodate a hundred million people. The development necessary to provide them with the utilities of civilization will provide steady employment and a good living for all.

6. There is not sufficient capital available for the required expansion of the economy. Tight money policies not only restrict the amount of money but raise interest rates. The effect of

higher interest not only makes capital more expensive but it also drives savings into the savings accounts instead of letting it flow out into productive investment in industry and commerce. Because all new capital has its origin in debts (borrowings) the only alternative is for deficit spending which increases taxation and in turn raises prices. Price inflation defeats the basic purposes of new capital and thus the whole economy goes into a vicious cycle which can end no other place than in depression and bankruptcy. What a fallacy, that to make progress, we must have debt!

7. The rising cost of goods and the decrease in the buying value of the dollar makes it increasingly difficult for people to live as they should in a world of plenty. Should the charity of a welfare state fail, the only alternative is starvation! The monetary system of orthodox capitalism, therefore, allows a few men to control the lives of all the people — THIS IS SLAVERY!

These problems are at the root of our difficulties.

### Secret Weapon

They tell us our present troubles of unemployment, etc., would be remedied if we tightened our belts and used less. What utter foolishness! Our warehouses and stores are full and our workers and factories are becoming more and more idle all the time. Unemployment is only the effect. We must remedy the cause, which is certainly not more of what is already causing our problem. The only thing that will remove the unemployment problem is to have sufficient money in the nation to spur its production and thereby keep the wheels of industry turning. SOCIAL CREDIT knows how to do this without putting the nation further into debt.

People say they do not understand SOCIAL CREDIT. In simple form, Social Credit believes the only true basis on which to create the nation's credit is on the basis of the nation's production. It is only common sense to say we must have one dollar's worth of purchasing power to distribute one dollar's worth of production.

What an advertisement for Democracy if all the poor and needy people of Canada were properly employed and cared for. With the proper handling of the tremendous resources of Canada by SOCIAL CREDIT, this would become a reality. With a sound economic program geared to the free enterprise development of our resources using our credit through the Bank of Canada working for Canadians, there need be no necessity for people to go without.

SOCIAL CREDIT is the answer to Communism on the left and financial dictatorship on the right.

Social Credit has the only policy that can hold back Communism from taking over our nation. With Social Credit we

will be able to stand on our own feet financially as individuals in a nation; and as a nation among other nations. We will be able to distribute our God-given surpluses to other nations, thus fostering peace.

African and Asian people do not turn to Communism because it seems more right than democracy, but rather because of what they see in us. Unless we abandon our imperialistic attitudes, we'll give these people to Communism by default . . . Canada holds within her hand a greater potential for peace than the combined military might of the United States of America and the U.S.S.R.

If Canada, with her basically friendly people, still possessed with the spirit of the pioneers, could become the leader of the small nations of the world through the practical application of Democracy at home and the use of her tremendous reserve of resources for the equitable benefit of the less privileged peoples abroad, there would be more hope for lasting peace among the people of the world, than is offered by nuclear might and military pacts and threats.

Canada can still make good the prophesy of Sir Wilfrid Laurier that this century belongs to Canada. Canada can be a leader in the quest for peace and progress instead of an apron-string follower. I am convinced that the burden of world responsibility is going to fall on the medium nations. Canada's role in the tense and critical world must be something more than talk and good intentions. If it is to fulfil that role, it can only happen through a Canadian government filled with a vision and a will for a new approach, a new method and a new determination — that is through Social Credit.

LET'S MOVE FORWARD!  
WE'RE ON THE MARCH!

### DO YOU KNOW

**THAT . . .** Provincial assets have been used to aid municipalities. Alberta Cities, Towns and Villages have built public utilities with loans from the Provincial Government and from the Alberta Municipal Financing Corporation. The percentage having such services is the highest in Canada. With the Alberta Municipal Financing Corporation in full operation, Alberta municipalities do not have to borrow outside of Alberta and both principal and interest are retained within the Province by means of a revolving fund which is constantly replenished as the loans are repaid out of utility charges.

### DO YOU KNOW

**THAT . . .** as at 31st December, 1960, the remaining Provincial debt is \$25,593,583, but assets total more than \$400,000,000. These assets consist mainly of loans to municipalities, school boards, Alberta Government Telephones, cash and investments.

## FOR YOUR STUDY

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