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Thompson, Caouette, Denounce Austerity

Foresee Unemployment, Stagnation

The new austerity program of the Federal Government looks like being the scene of the first major clash between Social Credit and the Diefenbaker government. Social Credit leaders have flatly denounced austerity as being against the best interests of Canada, and it will not have their Parliamentary support.

This is what appears from public statements made recently by Social Credit Leader Robert Thompson and Deputy Leader Real Caouette.

By his austerity program, the Prime Minister is endeavouring to cut down federal government spending in order to come closer to balancing his deficit oriented budget. Chief victims of the economy drive so far have been a large number of public works programs promised during the election campaign and in the early part of the current year, and denial of pay increases to certain grades of civil servants.

Speaking at Rouyn, Que., Mr. Caouette has protested against the spending cuts, particularly if they are to affect federal winter works programs. This is bound to create further unemployment in the province of Quebec, already one of the provinces most hard hit by unemployment in the whole of Canada.

At a news conference at Calgary, Alberta, National Leader Robert Thompson has said that there is no difference in policy on this matter between himself and Real Caouette. He explained that he had expressed limited approval of some of Mr. Diefenbaker's measures, because "Canada is on a toboggan slide, going towards a precipice of economic disaster. The first thing to be done is to stop the toboggan. Mr. Diefen-

baker has taken steps to do this. But coming to a standstill is not enough. Canada must undertake the long, slow climb to financial stability and national development, and Mr. Caouette and myself are in complete agreement that the measures so far taken by Mr. Diefenbaker will actually prevent Canadian development. We need a long term program to set our nation on its feet, and this is what the Prime Minister is not giving us.

In particular, Mr. Thompson said, the effect of devaluation will be to encourage Canadian manufacturers, but the effect of the new high interest rates and a credit squeeze will be to make it impossible for Canadian manufacturers to expand their plant and their payrolls, to take advantage of the opportunity. "We need to encourage production," he said, "not to encourage more investment in debt."

Both leaders have previously pledged themselves to support any legislation introduced by the Prime Minister "if it is in the interests of Canada." However, austerity apparently is not considered by them to be in the Canadian interest.

It will therefore be the choice of the Liberal and New Democratic Parties as to whether the austerity issue touches off another general election. Social Credit will, however, be standing on the principles it believes in.



FIVE HAPPY FACES of five new M.P.'s, as they celebrate at a victory banquet at Red Deer, Alberta. Left to Right: Bud Olson (Medicine Hat), Alex Patterson (Fraser Valley), Robert N. Thompson, National Leader (Red Deer), Dr. Guy Marcoux (Quebec-Montmorency), Bert Leboe (Cariboo).

B.C. DEBT STRUCTURE "SOUND" SAYS INVESTMENT DEALER

During the past few weeks, some alarming stories have been circulated in the press regarding the financial stability of the province of British Columbia.

Newspapers such as "The Vancouver Province" have created the impression that British Columbia is on the verge of bankruptcy, and has only been saved from this by massive loans from the Chartered Banks.

For this reason, we reprint below some facts taken from a memorandum on the province of British Columbia dated July, 1962, and circulated by John A. Richardson of the investment firm of Gairdner and Company. They are the considered personal opinion of a respected member of a national firm of investment brokers.

(1) British Columbia has outstanding \$89.5 million bonds in direct debt. These are fully covered by sinking funds and are self-liquidating.

(2) The province has outstanding \$1,266 million of provincial guarantees. Nineteen per cent is represented by guarantees to school districts, hospitals, etc. There is little chance of these guarantees being called. Forty-eight per cent of the contingent liabilities are related to the B.C. Electric, a profit-making concern whose ability to service this debt is so far unquestioned. The remainder belong to the various crown agencies, and it should be reasonable to assume that these render a sufficient profit to service the sinking funds and interest requirements of all the contingent liabilities.

(3) Provincially supervised accounts (Workmen's Compensation Board, etc.) total an estimated \$180 millions.

(4) Issues of B.C. Parity Bonds (comparable to Canada Savings Bonds) have not been excessive.

(5) British Columbia has floated a net average of \$38 millions of bonds per year from 1957 to 1961. For a province of one-third the population of Quebec (which averaged \$113 million per year), this ratio is directly comparable with that of Quebec.

(6) "On a basis of credit, there should be no reason that British Columbia could not raise \$100 million of new debt per year to implement its capital programs. In comparison with other provinces, British Columbia's debt structure is probably far better sustained by its crown corporations. For example, Ontario Hydro, with all its vast resources, cannot be said to support the socially desirable improvements such as hospitals and schools in the way that the crown corpora-

tions in British Columbia do."

Regarding the takeover of the B.C. Electric Company, there is a complicating factor not generally appreciated by the public. The typical institutional lender, a pension fund, for instance, generally keeps certain percentages of its holdings in different categories of bonds; so much in Canadian government bonds, so much in provincial bonds, so much in utilities, so much in corporate bonds, and so on. The mere transference of the shares of B.C. Electric Co., a very popular investment, into the category of provincial bonds, meant that hundreds of millions of these bonds had to be remarketed by such funds, merely to maintain the balance of investment in their portfolios. Therefore, although only \$190 millions net of British Columbia provincial obligations were sold in 1961, the investment community had to handle three times this volume in remarketing B.C. Electric bonds, a task that even yet is not completed.

British Columbia has in recent years been borrowing at rates actually lower than those obtained by the federal government, and it is in fact Canada's financial problems that have caused the short term "crisis" in British Columbia. To summarize:

(1) British Columbia's debt structure, although dissimilar to other provinces, is as sound as comparable provinces.

(2) The current "crisis" has been caused by (a) Weakness of the Canadian dollar; (b) Lack of enthusiasm by

(Continued on Page 8)

WANTED . . . 20,000 CANADIANS

The Social Credit movement has been very successful during the last months in bringing many of these facts to the attention of Canadians. At this election we have made the greatest impact in our history. We have won a major battle but the war has just begun.

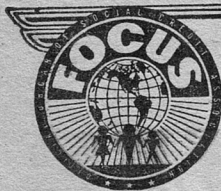
In our efforts to build a solid organization to carry out our objectives for the benefit of all Canadians we solicit your help. We are asking 20,000 Canadians to join us in making a \$25.00 annual contribution in our future. In signing this card and making your contribution you may indicate also if you desire membership in the Social Credit Association. This will be taken from the contribution if you so indicate. Also on the anniversary date of your subscription we will send you a reminder card for your next contribution. We would encourage any who, by reason of circumstance, are able to invest more than this to do so. In this way you can help ensure a free enterprise way of life for yourself and your family.

Correction

In our May issue we referred to the Women's Auxiliary of Woodstock, N.B. as "first in the Maritime Provinces."

Our attention has been drawn to the Restigouche County Auxiliary by Mr. Fred Prickett, who asks us to set the record straight. This Auxiliary has been active now for over a year.

We apologize for our mistake.



ON CANADA

THE CANADIAN SOCIAL CREDITOR

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What Social Credit Stands For . . .

Social Credit stands for the Individual. We believe that men and women are created in the image of God, and have rights that the State may not tamper with. We oppose all forms of government which place the welfare of the State before the welfare of the subject. We believe we must preserve the family and the home, if we are to preserve our Christian civilization.

Social Credit stands for free enterprise. We do not believe it is the job of the State to own every business in the country. We believe that fair private enterprise does the job better, with more results and less waste. We believe that the government should provide a climate in which free enterprise can flourish, and control it only to prevent abuses.

Social Credit stands for a balanced, debt-free, money system. We believe our money system is breaking down, because under it, people have to go into debt to get enough to live on. We believe our money could and should be created without debt. We believe it should be balanced with the value of the goods and services our people are able to place on the market, to give the highest standard of living to all.

Social Credit stands for a fair income for all. We believe that every citizen, whether or not he can find a job, should have a basic dividend as his share in the great wealth our machine age can give him. We believe that poverty should not be allowed in our land, when we have so many people and unused resources which could be put to work making the things people need.

Social Credit stands for honest, efficient, government. We believe that Canada has been badly served by old line political parties who have put their own advantage above that of their country. We believe in honest and efficient government for the good of every class of citizen, with special favours for none.

Social Credit stands for peace. We believe that Canada has a useful part to play in world affairs, by giving aid to needy nations, and having forces ready to travel to any part of the world at short notice to deal with any emergency. We believe in developing trade patterns which will be worth while both to ourselves and the nations with which we do business.

Social Credit stands for a united Canada. We believe that Canada can give the world a living example of different peoples united in a common purpose. We believe Canadians can rise above the differences which divide our nation, by respecting our constitution, and the rights of the provinces, and through a sense of unity and purpose, and mutual respect.

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AUSTERITY... UNNECESSARY AND DANGEROUS

Two major measures of monetary policy have been introduced by the Government during recent months. One of these was the devaluation of the dollar to the level of 92c. The other has been an "austerity program" of tight money, restricted government spending, and high interest rates.

With the devaluation of the Canadian dollar, we have no quarrel—except that it could have been done in a more graceful manner, and should have been done several years ago, when the dollar was first freed from a fixed exchange rate (it was worth 90 U.S. then), and started soaring above par with the American dollar. The fact that it was overvalued in terms of the U.S. dollar led to excessive difficulties for our exporters, competition from imports causing unemployment at home and vast inflows of foreign capital making up what would otherwise have been a deficit. Devaluation is already beginning to have an encouraging effect on employment and exports.

But we can have no sympathy with austerity and the cutting back of this country's

development at this time. If Canada is going to develop to the stage where she can stand on her own two feet economically her industrialists must have the facilities to expand, without being held back by a policy of credit restriction. It is fantastic that when we still have hundreds of thousands of unemployed, who could be at work developing our country, our government should actually be cutting back contracts and so actually tending to create more unemployment.

Maybe it is a good thing to see the Diefenbaker government at last make an effort to balance its budget and set its financial house in order. But if trimming expenses is so vital, why not start with the \$800 millions we spend each year on the National Debt—not \$250 millions taken from the pockets of Civil Servants and by holding back the development of our country. Mr. Diefenbaker could save more than the whole of his target figure of \$250 millions, if he could even bring back the cost of serving the national debt to what it was when he assumed power in 1957. It is time he faced up to financial reality.

BITTER MEDICINE

Neither Saskatchewan doctors nor the Saskatchewan government have gained much glory over that Province's Medicare dispute—except for having the good sense to come to a compromise over it before the health services of the Province were completely ruined. It is indeed a sad paradox that a scheme that was introduced for the alleged purpose of keeping Saskatchewan residents free of all worries in obtaining their medical services, probably caused more collective anxiety in a period of three months, than individual inhabitants of the Province would normally have to put up with in as many years.

Social Credit does not have any blueprint from heaven which is guaranteed to give the perfect medical scheme. But it does have principles upon which matters of policy such as this can be based—and it is certain that if these had been followed in the Saskatchewan case, Saskatchewan would not have witnessed the debacle that actually took place.

We do believe that the individual comes first. It is the welfare of the individual patient, therefore, and potential patient, and the working conditions of the doctor who ministers to them, that are our basic concern. This comes before—not after—the political prestige of the C.C.F. government of Saskatchewan, and the vested interests of the College of Physicians and Surgeons.

We also believe that it is the duty of democratic government to give people the results they want in the management of their public affairs, as far as these are physically possible and morally right. The matter of medical care is one of very great concern at the present time, and there is an understandable public demand, which is endorsed by Social Credit policy, for basic standards of care to be guaranteed to all quite apart from ability to pay. It is not patients that exist for

the medical profession, but the medical profession that exists for the patient. Ultimately therefore also, it is the people who must tell the doctor the type of results they want from the doctor's services—even though the achieving of that result is entirely within the professional skill of the doctor.

We believe in security with freedom. We must therefore reject outright any scheme that involves conscription of either doctors or patients against their will, as being contrary to our principles.

We believe that the physically possible must be made financially possible. Therefore, the limit of the health services the Canadian people enjoy, must be the limit of the skills and other medical facilities at any time available to them: it cannot be more, and it should not be less.

Quite a number of different schemes could be drawn up which would satisfy these basic principles, and all would be acceptable to Social Credit. As a matter of immediate policy, we are in favour of extending existing private or doctor-sponsored insurance schemes at government expense, to senior citizens and other in special need. Perhaps this will only be the beginning of a more comprehensive program: this depends very much on what people want. But certainly what no one can tolerate is a politically-conceived scheme, containing provisions that are bound to be unacceptable to the medical profession, pushed home against opposition from the very people who are expected to carry it out, against a time limit apparently dictated more by politics than by genuine concern for the people's welfare. The New Democratic Party, and former Premier Douglas, have done themselves, and the people of Saskatchewan, very great harm by this course of conduct.

CANADA'S UNEMPLOYABLES INCREASING

(Reprinted From The Edmonton Journal)

A deeply disturbing facet of Canada's unemployment picture, the worst of any advanced Western nation, has been thrown into bold relief by a welfare survey in Toronto. The situation is probably more or less general across Canada.

The Toronto survey found that the city now has 7,255 men and women classed as "unemployable"—incapable of holding a job. With their dependants—15,268 persons—they make up three-fifths of the city's welfare burden.

What is more, the list is growing rapidly, having increased by 17 per cent in the past year.

The major reason was given as ill-health, and a major factor in that ill-health was said to be unemployment.

"Prolonged unemployment leads to mental and physical deterioration," said Alderman Horace Brown, chairman of the welfare committee.

The welfare commissioner, Robena Morris, commented that the skills of the breadwinner waste away with prolonged unemployment, and with them go his initiative and health.

Paradoxically, while Canada's unemploy-

ment rate was dropping this spring and early summer, the case load of unemployables was increasing.

Dr. Elizabeth Govan, of the School of Social Work at the University of Toronto, was quoted as saying that there are three reasons for health problems among those unemployed for long periods.

There's a lack of mental stimulation and purpose in life. There's a tremendous loss of morale and self-respect on the part of the breadwinner. While nutrition of welfare cases is usually adequate, welfare diets tend to monotony with a consequent loss of appetite and resistance to disease.

While there will always be some persons who prefer to work part-time—or not at all—the vast majority undoubtedly prefer to work. Canada's total of unemployables is a national disgrace.

Obviously, this vast and undeveloped nation, of all nations, cannot afford this waste of its human resources. More and better welfare workers may be a minor part of the answer, but the only real solution is jobs for all who want them.

Bold, imaginative and vigorous action is demanded, for Canada has no greater domestic problem.

SECOND OF THREE ARTICLES

A NEW WAY FOR CANADA

By R. N. THOMPSON

From the view point of economics, the need for Social Credit within Canada today is little short of a national emergency. Canada's dollar is losing value. Canada's debt to foreign countries has been mounting at the rate of a billion dollars a year. Canada, a country with one of the greatest potentials for development in the world, is actually producing less now per head of population than she was five years ago. This precarious position is made worse, by the growing threat of an economic offensive by the Communist countries of the world. Our economic position is so weak and unstable that without strengthening it probably cannot resist such an offensive.

Social Credit is a way by which economic strength can be given to our country. It has a practical, two-fold approach to the reform we need of our economic system.

First, it wishes to see reform of the quality of money we use. Not everyone fully realizes one basic fact about money. That is, that it does not have to be, and in fact is not, backed by gold or anything else having value as a commodity. The value of money is an "exchange" value. It has value because people will exchange things of value for it. A five dollar bill is five times as valuable as a one dollar bill, not because it costs any more to print it, it does not, but because people will exchange things of five times the value for it. The history of Canada shows that even playing cards were used as money in Canada in the early days, with perfect success, because they had this "exchange value."

We use three different types of money in Canada today: Coins, Bank of Canada notes and bank credit, this is, the "promise to pay" of the chartered banks. When the Royal Bank, or the Bank of Commerce, or any other of Canada's chartered bank, gives us a credit on its books, we say we have "money in the bank." We transfer it by cheques in payment of our debts, we use it in every way as money as much as we use coins or dollar bills. This bank credit actually forms six-sevenths of the money supply of Canada today.

In many ways, it is very convenient to use "money in the bank" for the greater part of the money we have. It does not get lost easily. It's easy to count, easy to store, easy to pay with. That is why it is used so much, especially in large scale transactions. But it has one serious defect. The only way in which new "money in the bank" can come into being is by someone borrowing it. This means that for every penny of bank credit that the chartered banks create, a penny of debt has to be created also. We are caught in a system that by its very nature involves us in debt, enormous quantities of it, because we even have to borrow money to pay interest. The average Canadian family goes into debt \$70 more every year. Municipalities and school boards average a total of \$300 million a year, Provincial governments together average \$600 millions. The federal government now averages \$700 millions every year. The ever mounting cost of servicing this debt adds to our rising cost of living and ever mounting taxation. The point of breakdown is rapidly being approached.



ROBERT N. THOMPSON

Social Credit proposes that Canada use a money supply that does not involve this ever growing burden of debt. If we make the nation's Bank of Canada the only body entitled to issue new money in Canada, then it can be issued not against anyone's promise to repay it (which is impossible, anyhow), but without debt against the willingness of the people of Canada to honor it with goods and services on demand. So, the problem of debt can be avoided.

The second reform Social Credit wishes to see carried out is the balancing of the quantity of money in the hands of consumers in Canada with the cost of the goods and services it is possible to bring on to the Canadian market for them to buy. Under our present financial system, this is difficult to achieve. Because new money comes into being as a debt, it is generally loaned to businesses who can hope to repay it from their profits. Consumers do get loans, but there is a fairly definite limit to what they can borrow against their future income. These loans to businesses tend to cause inflation, because they are made and spent out in wages to consumers before new goods come on the market, so raising prices, and withdrawn as these goods are placed on the market, making them difficult to sell. They do not help to make it possible for people to buy more goods.

Social Credit proposes a careful study of the rate at which new goods can be placed on the market, and of the rate at which the people for whom these goods were made receive incomes with which they can buy them. By carefully balancing these two factors, creating new and debt free money through the Bank of Canada, if required, and withdrawing it through taxation and cancelling it if this is required also, Canadians can enjoy the full productive potential of the land, and our country can enter upon an era of economic stability and development.

(Dr. Guy Marcoux, M.P., Social Credit whip and member for Quebec-Montmorency: the man who secured the biggest majority of any candidate of any party in the past Federal Election, tells how his party organized for its recent election sweep in Quebec).

Many people after the past election were surprised that we won 26 seats in the Province of Quebec. We were not surprised. We were surprised that we did not win more than that.

This is true. We have been working now for more than three years. We have no Provincial organization for Social Credit in Quebec. We have our own Social Credit League, but we work only on Federal ground. We have had many kinds of Social Crediters before. They tried, but never could bring their message to the Quebecers. And then we saw M. Caouette, M. Legault and a few others grow tired and quit the other movement. Then, all that was ridiculous about the Social Credit movement in Quebec, because of those people, was taken away from the party.

They started to use the modern way of information — television. M. Caouette has been on television for three years, every Sunday night, except for the summer time. I have been myself maybe twelve or fifteen times. We have been on more than ten stations, private stations, in the Province of Quebec. So they saw that we were not a bunch of crackpots. They saw that we were not funny guys. They saw that we were serious. They saw that we had something in Social Credit, and that the old line parties had failed. They should give us a chance because we were really a change from the other parties. They saw too that both of the parties — both Liberal and Conservative — were the same thing. They had the same policies — if they have any.

So after that — after taking the ridicule out of Social Credit, we organized every constituency around a T.V. station. That was our way to success. We did not do well in Montreal. We had no television station there. We tried for maybe a couple of months. We had to pay \$600 a week for a period at 2:30 on Sunday afternoon, so that it had no rating at all. But every other place we had our regular TV sessions, and we did organization around those TV stations. When the election came, we were organized for almost every constituency with organizers in chief for every poll — every single poll. And then when the time came, may be a week or so before the election, we had thousands of people

working freely for us. They didn't charge anything. We usually asked them to pay for our expenses. We asked them to pay for our meetings. We asked them to pay for everything. So that's why even when we feared that the old line parties would give money to our members, they stood firm as Social Crediters, and gave us those big majorities we had.

I think that's the story of Social Credit in Quebec. Myself, as a physician, when I decided to join Social Credit one year ago, I was seeing that Social Credit was really the only movement to stop Socialism in Canada, and I feared myself as a doctor, that we would have the same trouble as is happening in Saskatchewan. So I hoped that many people would work for Social Credit. But I found I could not sit in my chair and do nothing, when you realise that when you want something to be done, you have to do it yourself. And that's why I joined about one year ago. And then I began my organization. And that's why people, knowing me, knowing that I was really active in the medical profession, active on many social grounds, began to believe that if I had chosen Social Credit, it was because Social Credit was good.

So that's why we have a change in the minds of our people. Our people are tired of the old line parties, but they did not want to go to the N.D.P. This year they have voted, and the percentage of voters has been the biggest of any before. In my own constituency, for instance, 87.7% of the people went to the polls on election day.

That's the way to win an election. We have those who are fanatical Liberals or fanatical Conservatives, who will not change. But we have many, maybe 20% of people, who will not vote at all, because they would not like to vote Conservative or Liberal. So that's why you saw in the Gallup Polls maybe 30% "undecided" in the Province of Quebec.

So I won't be any longer, for I know there are others to speak. I was very disappointed that Mr. Caouette was not here, because he is a more capable orator than I am; but anyway, for myself, I was glad to come here in my first trip to the West, to bring my congratulations to my friend Bob, because we have been working together, and we sure will be working together again, not only for Social Credit, but also for Canada. I thank you, and I hope to be here again and seeing you in a few months.

A REPLY TO OUR CRITICS

Congratulations to two former Ontario candidates, who took the time to write a reply to a badly misinformed article on Social Credit in their local newspaper, as a result were able to have several columns of FACTS about Social Credit brought the public in their area. We reprint these in this issue.

The Canadian public is thirsty to know about Social Credit. Unfortunately, there are all too many self-appointed "experts", who know next to nothing about us, only too anxious

to pass on to the public a prejudiced and distorted picture of what we stand for.

Readers of our paper will find enough material in it to answer most of the misinformation they meet in the popular press. We would like to encourage you who read this paper—if you see something false written or published about Social Credit, do not hesitate to write to the editor of the publication and give him the true facts. There is very little you can do that is more valuable for the Social Credit cause.

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Automation—The Changing Meaning of Work

Why is it that the thinking society does about its problems usually turns out to be about 20 years out of date? It is because almost all the thinking is about current problems with little thought or planning directed to the future. By the time that such thinking makes an impact on policy, the problems themselves have often changed.

As long as the tempo of technical and social change was fairly slow, this lag was not too serious. So far it has always been possible to mount crash programs of one kind or another to pick up the pieces and patch society together again. But in the sort of world into which we are now beginning to move, this lack of what the late C. Wright Mills referred to as 'sociological imagination' could prove disastrous.

It is of crucial importance that we formulate the broad fundamental principles of our plan for utilizing the new technology now. It should then be possible to implement this plan in several stages, cushioning the impact of automation, and allowing us to make a successful transition between two different kinds of worlds. Without such a plan, automation may produce a culture shock so severe that it may traumatize us to the point of social paralysis.

At the outset it may be helpful to clarify what I mean by automation. Down through the centuries the human brain has been acting upon the natural environment to change and improve the material lot of mankind. The broad term that we commonly use to encompass this process of discovery, invention, innovation, adaptation and diffusion is technical or technological change.

One of the most rapid periods of technological change we have experienced was the industrial revolution in the second half of the 19th century. The result of the harnessing of power and machines has been an unprecedented rate of mechanization. By mechanization I am referring to the sort of technological change that allows a machine operated by a human being to accomplish the amount of work or production that it would previously have taken many men working with muscle power and hand tools to perform. In economic terms, mechanization increases the capital equipment side of the capital-labor input ratio. In addition to creating an unparalleled quantity and variety of goods, mechanization resulted in fundamental social changes — the substitution of the division of labor and the factory system for the older system of small agricultural holdings and cottage industries, an urban pattern of living to replace rural life, the nuclear family with its high mobility in place of the traditional three-generation family and extended kinship group, and a complex, interdependent system of exchanging goods and services to replace the economic self-sufficiency of the traditional household units.

One of the main points that I want to make about our contemporary economic and social situation is that we are still assimilating the impact of a century of rapid mechanization. A great deal of what is popularly referred to as automation is really an advanced form of mechanization. It is my opinion that, rather than being well launched into the era of automation, we are now only standing on the threshold.

REVOLUTION IN PRODUCTION

It would seem quite apparent that the first fully-automated production systems will occur in the continuous-flow industries such as petroleum, chemicals, plastics, some types of food processing and so on. For many people, this prospect is viewed with some relief in the sense that it suggests relatively clearly defined limits

beyond which automation will not trespass. For example, a large part of the manufacturing industry deals with hard rather than soft materials and does not appear to lend itself to the continuous-flow principle.

However, the really revolutionary thing that distinguishes automation from previous kinds of technological change is not so much the new equipment but, as John Diebold has pointed out, a completely different philosophy of production. Mechanization has primarily been a question of inventing and adapting machinery to perform operations traditionally carried out by human labor. Automation concentrates on the redesign of end-products, the substitution of materials, and the layout of the production process so that the full potential of the new technology may be exploited.

As an illustration of this conceptual distinction between mechanization and automation, consider the case of the fabrication of automobile bodies. Mechanization has meant that machines designed to shape, rivet, grind and polish have greatly decreased the labor input required for a given level of production. Automation may mean that the production of automobile bodies is converted to a continuous-flow industry by substituting plexiglas or vinyl for steel sheet, obviating the human labor requirement virtually completely.

NO UNEMPLOYMENT YET

In my own research work on the impact of the introduction of electronic data processing on office employment and occupations, the results so far do not seem particularly frightening. In large offices where the more routine clerical work seems to have been institutionalized as a 20th century form of the dowry, normal labor turnover is usually sufficiently high to cushion any redundancy that may occur without necessitating layoffs. Furthermore, the electronic computer has generated hundreds of brand new occupational opportunities for interesting and highly skilled jobs such as systems designers, programmers, and console operators. Even at the clerical level, at least the short-run impact of EDP seem to be to produce more work for data origination and data control personnel to prepare and check the input and output of the system.

The basic fear of automation is not that it will precipitate economic collapse for this challenge can be met relatively easily through new distributive mechanisms. The

economic alarms are essentially convenient rationalizations for fears that lie much deeper in our society — the fear of leisure. At first glance a fear of leisure would seem to be some form of mass aberration or insanity. Surely the achievement of leisure is what we have been working so long and so hard to attain?

It is only when we stop to realize what a sudden shortage or absence of work would do to a work-oriented society, that the very real grounds for such fear become clear. To be suddenly deprived of work in our society is equivalent to becoming a social outcast — unneeded and unheeded — deprived of the support of the value system and the whole range of social expectations and gratifications.

This then is the great danger of automation. A population conditioned by work for 2,000 years and in the last 100 years having built a whole value system and social system on the institution of work cannot profitably assimilate unlimited leisure over night. The passage of time is necessary to allow new values to emerge, time for the individual to develop new interests and new functions and time for people to fashion alternative sources of status and vehicles for relating themselves to one another. Our problem of automation and work is not unlike that of the sprinter who, if he is wise, will not stop short the moment he breasts the tape, but will slow his pace only gradually until his pulse and breathing have adjusted to a more normal rhythm.

A NEW SOCIETY

In conclusion, my optimism takes precedence over doubt and worry for I see the possibility of an era of integrated human activity and development such as would have staggered the imagination of our grandparents. For the first time in human history, latent human potential for intellectual, spiritual, cultural, aesthetic and even physical growth — which for the majority of people have received such short shrift in the necessary exigencies of the workday world — will finally be released to weave a social fabric of wondrous variety and richness.

Both as individuals and as a society we seem to be confused about our identity and our destiny. We appear to have no consensus of conviction or commitment about our social goals. The result is that there is no positive social context into which to fit the controversy over automation.

"Automation and the Changing Meaning of Work"

We reprint below extracts from an address given under the above title by John McDonald of the Economics and Research Branch of the Federal Department of Labour.

This address was given at a meeting of the Ontario Welfare Council held at Toronto, on May 16th, 1962.

We are reprinting these extracts as a major feature in this issue, because the author faces with very great clearness and boldness the social problems with which Social Credit has been concerned ever since it was first propounded by Major Douglas in the early years of this century.

The full text of this speech may be obtained from the Department of Labour, Economics and Research Branch, Ottawa 4, Ontario.

BACK TO HUMAN VALUE

It seems to me that in our secular society we have tried to make economic instrumentalities such as economic growth, industrial productivity and a high material standard of living serve as our goals. Surely it is time we returned to our senses and affirmed that as long as a society is going to be made up of human beings, the success or failure of that society must be judged in terms of meaning and satisfaction in the lives of its members. This is not to deprecate the importance of economic growth and a decent material standing of living, but simply to put them in their correct perspective as factors contributing to human development and well being.

The upside-downness of our contemporary value system is bound to land us in an even more serious situation if we approach automation suffering from the distorted conception that human beings are to be manipulated and adjusted to the requirements of the technology and economic system rather than committed to the policy that automation must be controlled and directed to the enrichment of the quality of human living.

The reason that I stress the importance of getting our value orientation back into human scale is that that's just about the only star we are going to have to steer by in the period of transition we are moving into. Automation is not going to simply transform our system of economic production and distribution. It is going to challenge and shake the whole fabric of our society — our social institutions, our individual and group behaviour patterns, and the traditional ways in which the individual relates himself to his fellows and to his society.

ECONOMIC SYSTEM MUST ADAPT

Automation threatens to make our traditional concepts of work and employment obsolete. For an economic system in which not only production has depended upon human labor but distribution and purchasing power have been regulated by employment for pay, this challenge cannot be taken lightly. The question is whether our traditional economic institutions have a sufficiently flexible structure to adapt to a changing economic situation in which the press-

ing problems are changing from those of production to those of distribution.

The economic progress or material standard of living enjoyed by a society is only one important factor contributing to individual and social well-being. Why then are material and economic values being stressed more and more as the problems they represent continue to grow less? And, above all, why do people seem willing to settle for the prospect of working hard to achieve an ever-higher material standard of living when they know that the crying problems of their everyday lives are of an altogether different sort?

FEAR OF LEISURE

The main challenge posed by automation is at the social and psychological level. An observer from another planet, unfamiliar with the dynamics of our society, would find it strange indeed to witness an affluent community frightened by the prospect of automation solving the age-old problem of aggregate economic production. For the first time in human history, we are on the doorstep of being able to afford large blocks of that most precious of all human commodities — TIME. Unlike the classical civilizations of Greece and Rome, in which time was made available to an elite group of citizens by using slaves to perform the society's work, automation holds out the promise of a democratic distribution of almost unlimited leisure time to all individuals and groups in the society.

WHAT OF THE FUTURE?

I mentioned that, being morally neutral, the effects of automation will depend entirely on how we decide to direct and utilize it. Unlike the utilitarian economists, I don't believe in the operation of an unseen economic hand directing such a force toward the inevitable attainment of the greatest good for the greatest number.

The aspect of automation that disturbs me most is that far short of having a long-range plan to exploit automation to build "the good society," we haven't really begun to study and understand the fundamental economic and social implications of automation, or for that matter even to talk about the problems and possibilities at a reasonably informed level.

YOUNG SOCREDS ENTHUSIASTIC AT CALGARY CONVENTION



NEW YOUNG SOCRED EXECUTIVE. Elected as officers of the Canadian Young Social Crediters at a National Convention held at Calgary, July 6th and 7th, were (Bottom row, R to L) Dr. Charles Ennals (B.C.), President, Miss Ginette Bertrand (Quebec), 1st Vice President, (Top row, L to R), Robert Clarke, M.L.A., (Alberta), 2nd Vice President, Andre Boudreau (New Brunswick) 3rd Vice President.

Enthusiasm ran high among some 100 Canadian Young Social Crediters, and about half as many more visitors, during the CYSC second annual convention and seminar in Calgary's Jubilee Auditorium, July 6 and 7.

The two-day program featured lectures, debates, banquets, movies and social activities. Party observers said it was the most enthusiastic Social Credit meeting held in Alberta in several years.

One hundred and five delegates registered at the convention. Many of these were from Alberta, but there were also 20 delegates from British Columbia and representation also from the Maritimes, Quebec, Ontario, Manitoba and Saskatchewan. Particularly welcome visitors were Raymond Langlois, MP from Thetford Mines, Quebec, former vice-president of the Young Socreds, and Miles Bertrand from Quebec City and Hugette Richard from Montreal.

Highlight of the first day was a banquet address by Alberta Premier E. C. Manning. Premier Manning cautioned Young Socreds not to ask too much of their leaders now Social Credit held the balance of power in the House of Commons.

"We cannot pass Social Credit policies until we form the government," he said.

The Alberta Premier spoke highly of National Leader Robert Thompson and Deputy Leader Real Caouette.

SATISFYING RESULTS

"The election of 26 Social Crediters in Quebec was to me one of the most satisfying election results in several years.

"Ever since the early 30's

our main objective has been to implement Social Credit policies on the federal level. A major objective towards that goal was reached June 18," he said.

GREATER UNITY

During the wind-up banquet Saturday, guest speaker Robert Thompson said there was a greater unity among Social Crediters now than there was before the June election.

He said the 30 Social Credit Members of Parliament have pledged support to the B.C. government's two-river development policy for the Columbia and Peace Rivers.

FEATURED SPEAKERS

Other featured speakers during the convention and seminar were Hon. Robert Bonner, Attorney-General of the province of British Columbia; Dr. Guy Marcoux, MP elect for the constituency of Quebec-Montmorency; Social Credit Association President Martin Kelln; Social Credit's two British Columbia MP's, Alex Patterson and Bert Leboe, and Hon. Fred Colborne, Minister Without Portfolio in the Alberta Cabinet.

The convention also approved a new constitution which abolished separate membership in CYSC, but allowed membership to any person between the age of 15 and 35 holding a valid membership in a provincial league.

In charge of arrangements for the convention was Ron Zang, President of the Calgary Branch of the Alberta Young Socreds, and Glen Cumming, also of Calgary, President of the Alberta Young Social Crediters. To them, for their most admirable work, go our hearty thanks.

ALBERTA YOUNG SOCREDS ON THE MARCH

By GLEN CUMMING, President AYSC

In the last two months it has been my privilege to witness the greatest increase of interest and activity in the history of the Young Social Crediters of Alberta and probably Canada. The surge of interest began early in June with the Edmonton Young Social Crediters' election of officers. The following are the results of that election: Roy Wilson, president; Margaret Nichols, vice-president; Tom McLaughlin, treasurer; and Colleen Hough, secretary.

On June 5th, League organizer, G. T. Peterson, and your Young People's President went to the home of Ray Pottage in Sedgewick, for the purpose of organizing a Young People's Group in that area. An excellent group of young men and women gathered together and elected the following executive: Raymond Pottage, president; Barry Gasgoyne, vice-president; and Inor Brandigan, secretary-treasurer.

This group has held meetings since its inception, and sent a good delegation to the National Young Social Crediters' Convention in Calgary.

A day after this meeting, Mr. Peterson and I drove to St. Paul, and were joined here by the newly-appointed Young Social Crediters' North Rural Director, Bob de la Salle, and another St. Paul Young Social Crediter, Ken Lord, who accompanied us to Bonnyville and Cold Lake areas where Young Social Credit Groups were organized. In Bonnyville, M.L.A. Romeo Lamche, not only aided in contacting young people, but gave the use of his store for the first meeting, which elected: Edward Persely, president, and Dennis Caouette, vice-president.

The following day an organizational meeting was held in the Legion Hall in Cold Lake (this Hall, it should be mentioned, was rented and paid for entirely by the St. Paul Young People who have taken such a keen interest in helping the young people to learn of Social Credit). Miss Lucienne Lefebvre of Cold Lake was responsible for getting an excellent number of young people out to this organizational meeting which elected: Don Boisvert, president; Don MacKay, first vice-president; Frank Bray, second vice-president; and Annette Lefebvre, secretary-treasurer.

The next day, being Friday, June 6th (Farmers' Day and a holiday for many of the St. Paul Young People who are students) a special meeting was called for ten in the morning in the St. Paul Town Hall; and in spite of it being their holiday, a large percentage of the Young People's membership attended to get better acquainted with their President and to discuss Social Credit.

Many of you in groups, or as individuals, were of assistance to the Federal candidates and to the National Social Credit movement during the election. I know that your work

was appreciated and that the experience you gained will be invaluable to Social Credit in the future.

Mr. Lee Anderson of Medicine Hat has accepted the appointment once again as Southern Rural Director to the Young People's Board, and has taken his place with George Reid of Three Hills who is Central Rural Director, and newly-appointed Bob de la Salle as Northern Director.

Probably the most important news of interest to Young Social Crediters was the National Young Social Credit Convention, held in the Southern Alberta Jubilee Auditorium in Calgary, on July 6th and 7th. The Calgary Young People, under their President Joe Parsons, and Provincial Vice-President, Ron Zang, helped to make this the great convention it was. Once again, I would like to express my sincere thanks to the many young people whose interest and co-operation resulted in the 61% of the voting delegates coming from Alberta, while 39% came from the combined total of six provinces. The speakers and Seminars were of the first order and made the sacrifices that many had to make to be present, well worthwhile.

Although this is the Young People's page, I must express here on behalf of the Young People of the Province our sincere thanks to the Alberta Social Credit League and to its President, Mr. Orvis Kennedy. Although this was a National Young People's Convention, the Alberta Social Credit League was the only Social Credit organization in Canada which contributed financially to this endeavour, and paid the entire cost of the rental of the rooms and sound equipment which we used at the Auditorium. Encouragement is fine, but unless there is financial backing, there is failure.

The National Young People's Executive has gained a very energetic young Alberta Social Crediter — Robert Clark, M.L.A., as a Vice-President.

The Young Social Crediters of Calgary operated an information booth at the Calgary Exhibition and Stampede and reported a great increase in interest and in requests for information regarding Social Credit over the last few years. The Edmonton Young Social Crediters entered a float in the Edmonton Exhibition Parade and aided the Senior organization in the operation of a booth at the Exhibition grounds.

To these young people and the many others throughout the Province, who have done and are doing such an excellent job, I extend every good wish, and urge you to keep it up. We hope to organize a substantial number of Young People's Groups this summer, and look forward to meeting and working with many of you.

(Reprinted from the "Busy Bee", organ of the Alberta Social Credit League)

Social Credit Takes Place On Centennial Council

The second annual meeting of the Canadian Centennial Council was held last February in Ottawa. Some 134 national organizations attended, of which Social Credit was one. Mrs. Grace Gough was the Social Credit representative, choosing out of nine committees that on Legislation and Political Growth in which to participate. Organizations represented on this committee were:

The Canadian Bar Association
Canadian Council of University Students
Canadian Chamber of Trade
Canadian Industries
Canadian Welfare Council
Native Sons of Canada
Polish Exiles — Freedom Associates.

Chairman of the committee was Mr. Charles Legault, of the University Students Council.

The formulating committee of 1961 had laid down five parliamentary and legal subjects for discussion. To these, the 1962 committee added four more. A full four hours were given to serious discussion, and much interest was shown on Social Credit amendments on the subject of immigration, fiscal and legal improvements, to make a substantial contribution to Canada being worthy of her hundredth birthday.

The purpose of each committee is to prepare briefs, and send them to all organizations represented on the Council. Social Credit is therefore preparing a brief which, after meeting with our National Council's approval, will be sent across Canada, and also to the Federal Government. This document can become, when presented to the Federal Government, a useful informant for

our members in the House of Commons, and suggests the passing into law of measures furthering a Social Credit system of government, showing Canada a way to true greatness.

The following items have been chosen for consideration by the Committee:

Is there need for a national anthem and flag?

Is there need for improvement in the B.N.A. Act?

What better relationship can be implemented between governments on Federal, Provincial and Municipal levels?

Immigration laws.

Welfare of Canadian citizens.

The Bill of Rights.

"Fair Employment Practices" and "Fair Accommodation Practices" Acts.

Any other suggestions.

Of all the four political parties attending this year's meeting of the Centennial Council, only Social Credit sat on this, the most important of all committees. This indeed shows how little they consider the need for improvement of our laws — or else how little they have to give — to show that Canada is a nation worthy of real jubilation at reaching its century.

Readers who would like to help Mrs. Gough with suggestions regarding what should be included in the Social Credit brief, or their own ideas regarding the Centennial celebrations, are invited to write to Mrs. Grace Gough, Box 19, Ottawa, Ontario.

Candidates Reply To Smear

The election campaign and its results touched off a flurry of public interest in Social Credit — what it was, and what it stood for. In many papers, reputable and otherwise, up and down the land, a flood of "explanations" of the party and the reasons for its success have been printed. Few of the writers concerned appear to have gone even so far as to study Social Credit literature used in our last campaign, readily available from National Office. Most have preferred to polish up once again the stale invective left over from Aberhart days.

Rather worse than the average, from the point of view of misinformation and prejudice, was an article appearing soon after the election by J. B. McGeachy of the Financial Post. This bore the interesting title "The Story of a Theory Nobody Understands, Least of all Social Credit's Deluded Fanatics . . . Whose Inspiration Was a Fabulous Crackpot". Typical references in the article are "If the Social Credit theory were ever tried out anywhere, the result would be the most stupendous inflation ever seen on earth since the Germans needed a wheelbarrow load of marks to buy a cup of coffee" . . . "Social Credit's built-in fascism" . . . "Douglas claimed that the cure-all for all ills was the destruction of all existing money" . . . "Social Credit's built-in anti-Semitism" . . . "Their party name should be 'Boobs Unlimited'".

This kind of material hardly does credit to the Financial Post, or to any other paper that reprints it — as did the "St. Catherine's Standard," in an article of June 23, 1962.

Two former candidates in the recent election, Peter Fast and Peter Lepp, were not prepared to let this type of smear go by without an answer. We print their reply below, taken from the St. Catherine's Standard:

The Social Credit concept and the movement are based on the belief that where a community has the resources necessary to supply it with a given standard of living, it ought to be possible for that community so to organize and manage its affairs, that all of its people should be able to have access to a fair share of the good things the community produces. Thus, it ought to be possible for Canada, so vast and so rich in all its resources, to discover and apply a means of enabling all Canadians to partake of that plenty.

Social Crediters believe that the means of providing that plenty, that is, the means of distribution, is based upon the monetary or financial system of the community. Social Crediters, therefore, devote themselves to a study of the monetary aspects of the situation and to the advocacy of the application of the scientific principles of money to the practical management of the state.

The monetary principle upon which the whole technique of Social Credit is built is this: that where there is an abundance of goods in a community, the government of that community ought to create money, debt-free money, to represent the surplus goods which the active purchasing power is insufficient to buy. The backing of this debt-free money would be the surplus goods and services produced over and above the buying power of the community.

Guernsey Island since 1815 has created debt-free money, and used it carefully and scientifically to improve greatly the conditions in the Guernsey Island economy. The experience was a striking success.

Abraham Lincoln used the principle during the American Civil War, creating over 400 million dollars, debt-free dollars, called "Greenbacks." With their aid he won the war.

Great Britain during World War I created 354 million pounds of "Bradbury" and with them assisted in financing World War I.

Sir Thomas White, the then Minister of Finance, during the war of 1914 to 1917,

issued 26 million dollars out of the federal treasury, interest free — "debt-free money." The backing of this money was the goods and services the Canadian people had already produced.

In the Grolier Encyclopedia, volume 5 and 6, page 6, we read that from 1939 to 1942 Canada had spent on her own armed forces, and on munitions, food and materials shipped to Britain, nearly \$5,500,000,000. This included an outright gift of a billion dollars made to Great Britain. Also, she spent one and a half billion dollars for her 190,000 men in the army.

Further, the Grolier Encyclopedia, volume 19 and 20, page 262E, John Quincy Adams, as president of the U.S.A. in 1823, led the movement in its national phase and broke the power of the financial monopoly which in the form of the banks of the U.S.A. was felt to be "throttling the national economy." This movement took political reform.

All down through history governments have experimented with debt-free money. Sometimes they have had unhappy results because they did not understand what gave money its value, and therefore how much money the state could create and use without causing inflation. They were sometimes like a man who would try to irrigate without knowing how much water to put on the land. Too much water on any crop would seriously injure or kill the crop and perhaps ruin the land. This would not be because irrigation was a bad thing or that putting water on the land was unsound. It would be because too much water was put on or in the wrong manner or there was no suitable means of draining off the surplus water, etc.

Money in an economy rather resembles water on a crop. Down through British and American history there have been men who understood debt-free money and who advocated its wise use. The American colonies rebelled against Great Britain mainly because they wished to go on creating their own money, while Great Britain insisted that they must borrow her money and be subject to the interest-paying, debt-building system. (This is not what you were told in your history books, but this is the truth.)

One of the recent advocates of state money was Arthur Kitson. President Andrew Jackson of the United States and Abraham Lincoln were great advocates of this kind of money. So was William Jennings Bryan, prominent in the '90s in the U.S.A. So also

is Senator Bindrup in the U.S.A. at the present time.

We now come to Social Credit. Major C. H. Douglas of Scotland was an ardent student of economics. Major Douglas began to write books on what he called Social Credit. He is the man who, as far as is known, devised the name "Social Credit." He wrote many books, all based upon the idea that communities could control their real credit (their power to produce goods and services) by using the power to create money.

These books were widely read between 1920 and 1940. A number of brilliant authors wrote books upon the Social Credit idea. One of these writers was Maurice Colborne. Two outstanding books of his were "Economic Nationalism" and "Unemployment or War."

Social Credit is a system of basic economics whereby the real wealth of a nation is monetized for the purpose of maintaining a functional balance between actual production and consumption for the direct benefit of the people of that nation.

Under our present system we have what is called a price wage spiral. This occurs when industry meets increased labor union demands by passing the cost of meeting these demands on to the consumer. This, in turn, leads to inflation.

Inflation cannot result from an issue of money which is itself the result of low prices.

The German notes increased from 1914 to 1918 sixteen times, from two billion marks to 32 billion marks, which led to inflation. This was because of her gigantic armament program and her shortage of consumer goods.

Money is the creature of law. It is one of the greatest inventions ever invented by man. There are certain acts on our statute books that relate it to money. It is a system of distribution, a vehicle that moves goods and services into the hands of the people who are called consumers.

Since that ancient time most everything that you can think of has been used as money: carpets, cloth, ornaments, beads, shells, feathers, teeth, hides, tobacco, gopher tails, woodpecker heads, salt, fish-hooks, nails, beans, spears, bronze, silver and gold, and now money. (Canada left the gold standard in 1931.) In 1950 the world's total gold production was more than 31,000,000 fine ounces. Of this, South Africa contributed about 12,000,000 fine ounces, the U.S.S.R. about 7,000,000, Canada more than 4,000,000, the U.S.A. about 2,000,000 ounces and all the other countries together about 6,000,000 ounces.

A SAMPLE COPY OF "FOCUS"

Will be sent to your friends free of charge, if you send their names in to "Focus", 200 Empire Building, Ottawa 4, Ontario.

Gold does not control our economy.

The banks do not loan the money of their depositors. They cannot and never have loaned the money of their depositors. Credit Unions do, but banks do not.

When you enter a bank and apply for a loan they simply ask you for some collateral for them to keep in case you fail to pay them back what you loaned. You get your money and that is new money created out of nothing, created just by the stroke of the pen, entries in your ledger. There is no gold behind your money today. It is your good credit rating that allows you to get a loan.

Banking is a private business and as such must be run for profit. It is expedient, therefore, for banks to loan money when it will benefit them and to recall it when that is advantageous. Except for a very small amount, all money loaned by the banks is new money actually created by them. When loans are repaid to the banks, the money the loan represents, less the interest charges, is destroyed, taken out of existence. In other words, he is required to pay back more money by the amount of the interest than was originally loaned to him.

How then, is it possible to recover more money than has actually been put into circulation? The community is the victim who pays by being deprived of the use of this credit for consumption goods. To this extent a chronic shortage of purchasing power is incurred.

Mr. Diefenbaker's economists say this: Is there something to eat? . . . Yes. Shall these men eat? . . . No. Why not? . . . Because they have no money to buy food. Why have they no money? . . . Because they are out of work. Why are they out of work? . . . Because output is too large. Do you mean to say that they shall not eat because there is too much to eat? . . . Yes, are you a silly idiot? No sir, I am a professor of economics and an expert advisor of governments.

In the meantime we can reflect upon the sad fate of the hen that sat on a pile of wheat and starved to death because she wouldn't use her head.

We, the people, are submissive slaves of debt and finance. We have the power by our votes but so far have not demanded freedom. The late Mr. Aberhart used to say, "if you haven't suffered enough, it is your God-given right to suffer some more." Until such time when the people will demand freedom by electing a government that will bring Social Credit to pass, they will continue as the slaves of the present financial system.

In summary, we would venture to say that Mr. McGeachy's misleading statements cannot be a coincidence and that a man of his stature must be intelligent. Thus, his misrepresentation cannot be construed as ignorance, and the only conclusion can be that some other ulterior motive lies behind his article. What can such a motive be?

SUGGESTIONS FOR IMPROVEMENT

Dear Sir:

As a follower of Social Credit, I was very pleased with the gains made in the recent election. However, in the election, I think that there were two things that were detrimental to the cause of Social Credit. First, the use of the slogan "You Have Nothing To Lose" is a very negative way of electioneering. People must know and understand that Social Credit has a definite program for Canada which will aid all Canadians. Thus, the people will realize that Social Credit is a party of action for the people and is not fighting only for the advancement of a few.

Secondly, when will candidates learn to be proud of their own occupation and not insist on calling themselves by some fictitious title such as "economist" when they are in actual fact in some other form of work? It may be true that they know some economics through their study of Social Credit, but they certainly have not had the training necessary to assume the title of "economist." I am sure that more people would be willing to listen to and vote for Social Credit principles if a change was made by Social Credit in the two situations described.

Yours sincerely,

GORDON W. HODGINS.

ALARMED AT DEBT

Sir:

While attending the convention of the British Israel Association of Greater Vancouver, I talked to one Tom Richardson, who introduced me to the Social Credit program. I was vastly interested, as I had made something of a study of money and finance from time to time and know that, to say the least, our monetary system is a violation of our constitution, which provides that only Congress shall control the coinage of money, etc.

With your 22 billion debt you are alarmed, and we with our 300 billion debt should be in a panic, but the pinch here and there seems not to be a cause of alarm to the vast majority here. Stupidity and ignorance, even among the ones we are educating to carry on, is the rule and only a few, although a growing few now, are willing to sound the alarm.

Well that is what we have been doing, sounding an alarm, protesting and bewailing, but have had no definite alternative to offer. Similar schemes have been too complicated when offered for widespread understanding. Your plan, although I do not as yet feel qualified to pose as an expert, seems to meet that need. Dividends on surplus created wealth, just as on savings, which are in reality surplus wealth, can be understood by most of us.

Mrs. Grace M. Charlton,
1369 Thompson Road,
Woodburn, Oregon.

HINDSIGHT BETTER THAN FORESIGHT

By H. E. Nichols

People who wish to enjoy the benefits of democracy must also be prepared to accept the responsibilities that go with it. One of these responsibilities is to energize the memory so as to remember the policies pursued by previous governments.

Canadians are on the threshold of being compelled to make a momentous decision. If they are to make an intelligent one, they will have to cast their minds back at least five years. At that time they voted out a Liberal government which had decided on a "tight money" policy, and they voted in, by a huge majority, a Conservative government whose new leader, John Diefenbaker, had declared in no uncertain terms that he was in favor of an "easier money" policy. This same John Diefenbaker had referred contemptuously to the Liberal government as the "six buck boys" because it had raised the old-age pension by only six dollars, claiming that the country could not afford more, although Mr. Harris, a Liberal Finance Minister, had budgetted for a surplus of \$150 millions. That government had been accepting advice on financial matters from Bank Governor James E. Coyne.

Now, after five years of Conservative policy, during which large outlays of public money have been made to boost the economy, the Canadian people are faced with the disturbing fact that the government which was voted into office to check the recession which was threatening the Liberal administration is confronted with an even worse recession. It has incurred yearly deficits totalling over three billion dollars; is faced with an international devaluation of its national currency, and has been compelled to "reneg" on its program for development of the natural resources, the promises for

which, along with other government expenditures, enabled it to just barely win the election.

The real problem that had confronted both parties at different times and which they were unable to solve satisfactorily was the need for additional finance. Let us look back and see if we can learn by past experience where the trouble stems from.

In 1956, the spotlight of Canada's economic development centered on Alberta, where an oil boom was in full progress. Prospecting was good and a high percentage of wildcat wells were successful. There was need for lots of money in Canada for capital development. But the Liberal government, accepting Mr. Coyne's advice, supported a "tight money" policy for Canada. As a result, Canadians had a totally inadequate amount of money available to invest in the development of their own natural resources. So United States' money flowed in, and was very acceptable, to develop Canada's resources. Since then, many of Canada's financial men have been complaining, Mr. Coyne among them, about the excess of long term investments in Canada held by foreigners, which amount to more than \$11 billions. How strange! This was a direct result of Mr. Coyne's "tight money" policy.

When the Conservative government was elected, Mr. Diefenbaker declared for an "easy money" policy and blamed the banks for putting restrictions on loans to small borrowers, but the banks' records showed that he was mis-

taken. He then embarked on a giant refunding scheme which resulted in further bondage for the Canadian people. He made it more profitable for Canadians to invest in debt than to invest in production activity, and very soon the drain of bond interest had depleted his currency inflation and another deficit budget resulted. Refusing to learn, and being without any Social Credit opposition in parliament to give him some intelligent advice, the Prime Minister stumbled from one mistake to another. His government forced the resignation of Mr. Coyne as being the author of its failure, but very soon Mr. Rasminski, the new governor, was allowed to permit the bank rate to rise again. This, of course, was only the prelude to a recurrence of the same "tight money" policy which has again been fastened upon the Canadian people because of the incompetence of either of the old line party governments to manage the finances of the nation in accord with its actual economic capability.

Some of our new readers may say it's easy enough to be wise after the event. That's admitted! But we are also going to prove that a knowledge of Social Credit enabled us to be wise before the event, and we reproduce below an exact copy of what we wrote in October, 1958 in criticism of the government's giant refunding program:

From "The Canadian Social Creditor," October issue, 1958.

"PROMISE AND PERFORMANCE"

"Diefenbaker's promises before the election, proposed spending more money on national development, business revival, increased unemployment benefits, also lower taxes.

All Social Crediters knew that he could not do these things under the present fin-

ancial policy without going more deeply into debt.

"As a start, the Conservative government refunded all unexpired Victory Bonds, paying a bonus and increasing the interest rate by 50 per cent.

"In total, this gigantic but necessary refunding operation will cost the Canadian people an addition seven billion dollars.

"It was welcomed by the Investment Houses, one of which said: 'This is one of the most courageous, imaginative and conservative pieces of financing I have ever seen.' He continued: 'It will set the whole Canadian financial structure on a new basis.'

"No! It is not a new basis. It is the same old debt-building basis, and will load additional taxes upon the Canadian people for years to come.

"The Conservatives emphasized very strongly the refunding loan would complete Canada's financial borrowing for many years.

"But within 24 hours of the expiration of the time limit for converting the Victory Bonds on September 15, 1958, the Conservative government announced another loan of \$600,000,000 to take care of immediate needs, followed by its annual Canada Savings Bonds issue which would go on that fall.

"The purpose of the additional gigantic bond programs is to raise another \$1,400,000,000 to meet current government needs.

"The same debt-building form of finance controls both Liberals and Conservatives."

Unless Canadian electors want to go on see-sawing between the two old line parties with their inevitable debt-building programs, or give in by default to the killing taxation that will be exacted by Socialism, they will take time right now to examine the only

debt-free social economic system yet expounded.

A study of your newspaper will show that neither of the old line parties nor the Socialists, together with their advisers, the central bankers and the economists, have the key to financial sanity and economic balance.

The memory of every elector should be retentive enough to recall the abject failure of both Liberals and Conservatives in recent times to run the economy and obtain results in accordance with the wishes of the Canadian electors.

For those who think that the Socialists have the only alternative, remember the words of Ramsay MacDonald, who as Socialist Prime Minister of England made no effective fight against finance:

"Finance can command the sluices of every stream that runs to turn the wheels of industry, and can put fetters upon the feet of every government that is in existence."

Canadians, the issue is up to you. Social Credit is the only party willing to challenge the present power of orthodox finance and make it subject to the will of the people through parliament. Mr. Donald Fleming, the present Finance Minister in the Conservative government, has admitted that at present it is not. He recently said: "I emphasize that the government of Canada has no power or control whatsoever over the money supply. It cannot increase it, vary it, or decrease it."

It's time that Canadians elected a Canadian government that will use its power to make the Bank of Canada the servant of the nation, and transmute the productive accomplishments of the Canadian people into financial security rather than financial debt and economic stagnation.

Letters to the Editor

"CARBON COPY"

(Reprinted below is a copy of a letter sent by Arthur G. Batty of Cumberland, England to a number of English newspapers immediately after the federal election.)

We feel that we should mention that in addition to keeping the Social Credit name to the fore in Great Britain, Mr. Batty has also given very substantial financial help in our campaign on this side of the water, to the amount of £100, or \$300. On behalf of the Social Credit Association of Canada, we thank him publicly and very sincerely for this aid).

THE CANADIAN FEDERAL ELECTION—1962

Sir:

Is it not time that the conspiracy of silence in the responsible British Press regarding Social Credit and its policy is withdrawn? On the recent election one reads of the tub-thumping party, funny money and lunatic fringe group.

Social Credit is based on the philosophy of Christian teaching and practice; although the task undertaken is immense, added strength is gained from the knowledge that righteousness and justice are on our side. The present evil and dishonest financial system will be overcome.

One is reminded of the late

Vincent Vickers (10 years Director of the Bank of England) writing his "Economic Tribulation" — "... to allow the supply of money to regulate the production and consumption of goods, is as if we allowed strawberry baskets to regulate the supply of strawberries. And yet the present order of our lives is governed and controlled by the governors and controllers of money (credit) (the international financiers) so that those who have developed the business of letting out strawberry-baskets on hire, now control the production and consumption of strawberries.

If an economist from Mars or a little child of ordinary intellect were told of the present position they would rock with laughter at the blind stupidity of mankind."

And how abysmally blind and stupid we are!!!

Sincerely,

Arthur G. Batty.

Dear Sir:

In a recent issue of Focus, mention was made regarding the foundation of study groups which were much in evidence during the days of the late Mr. William Aberhart. This is a good idea, but it should be followed up by personal contact, as was done during 1932-1935, where every student was also a worker, and the entire district where

LETTERS TO THE EDITOR

(Letters published in this paper are personal expressions of opinion only and do not necessarily represent the policies or opinions either of this paper or of the Social Credit Association of Canada.) —Editor.

he or she lived was canvassed, with the results already known.

During the recent federal election, I was asked to canvass the district covered by the Ramsey School poll, and the result was more votes were obtained for the Social Credit candidate than any other candidate. This method of canvassing should be carried out at every poll.

Your sincerely,

W. H. LANDLER.

(This is a very practical suggestion, and we suggest readers take a look at the sections on study groups in "Organizing For Action." One of the big lessons of the election is surely that we must tell people about Social Credit. They will not vote for it if they do not understand it. —Editor.)

ASKS FOR DONORS

Dear Sir:

We in the East have been terribly disappointed in the fact that the two Social Credit Provinces returned only 4 members to Ottawa out of a possible 29.

Perhaps it is because they have had prosperity for so

long and they do not know any other condition exists. Yet we in Ontario have heavy unemployment, we are going into debt at the rate of two million a week.

Social Credit is the only party that has the answer to our present financial situation, and have already proved themselves with 37 years of good stable government in two provinces, both free of direct debt.

The Central Office have been asking for 20,000 donors to send in \$25.00 each. Any Social Creditor who is able, and did not send in the \$25.00, should now send in \$100.00, as it will be four times harder to win an election now that our opposition is alerted.

One more word... those who believe in Almighty God should read His word and pray daily for Canada's deliverance.

CHARLES HAINES.

WELL DONE QUEBEC!

On Monday last the 25th of June I had occasion to see on the T.V. French network a press conference.

It was very amusing to see and hear the gentlemen on this programme try to offer excuses for the magnificent victory of Social Credit in the Province of Quebec.

Some of these gentlemen seemed to give the impression that they were ashamed of the fact that a party such as Social Credit with such a vague and incoherent program had been able to make such a sensational advance in the Province. According to some of them, this would constitute some sort of revolt against the rest of Canada.

I would like to say to these gentlemen that I am not from the Province of Quebec, but nevertheless do not look on the great vote of confidence given Social Credit by the brave people of Quebec as any sort of protest against the rest of Canada.

On the contrary I would like to congratulate these people for a job so well done. More and more people are realising that there can be nothing more incoherent and absurd than to see and hear this army of propagandists apparently in the pay and service of financial dictatorship, try to ridicule and turn the people against the only movement which has a real and practical programme to offer the people of Canada.

Desmond Fulotte,
Durham Centre, N.B.

Has Your Subscription Run Out?

You can save yourself delay, and you can save us trouble and expense, by sending in your renewal promptly. And when you are doing this—what about a copy for a friend, here or overseas?

Travels To Become Sacred Candidate

"If at first you don't succeed, try and try and try again" must surely be the motto of Alma E. Hancock, now in his second term as Mayor of Raymond, Alberta, who was Social Credit's candidate in the constituency of Victoria, Ontario, in the past election.

Defeated in his attempt to secure the Social Credit nomination in the riding of Lethbridge, Alberta, he advised National Leader Robert Thompson that he nevertheless had six weeks available before election date. Taken at his word, he was sent down to work with Bert McPhail, organizer in central Ontario, speaking at meetings in many places in this area, and developing personal contacts. Two weeks before polling date, he moved to Lindsay, Ontario, filed his nomination papers, and opened his election campaign in Victoria constituency. With the help of his campaign manager, Allan Harrison, he concentrated on radio spots and a loudspeaker van for his publicity.

June 18 saw him gain 767 votes for Social Credit.

"Ontario's major need is for education," Mr. Hancock says. "There are a lot of dedicated Social Creditors in this area, and they stood the major portion of my campaign expenses of \$800. I had a very favorable reception, with very good headlines and newspaper coverage, during my campaign."

Now back to his insurance business and his duties as



CANDIDATE FAR FROM HOME Al Hancock, Mayor of Raymond, Alberta, who travelled two thousand miles to run as Social Credit candidate in the riding of Victoria, Ontario.

mayor of Raymond, where he is also director of the Chamber of Commerce and a past president of the Rotary Club, Mr. Hancock looks forward to next time. Alberta or Ontario — who can tell? But certainly he will be working for Social Credit.

Former B.C. Speaker Dies

Tom Irwin, one of the most colorful political figures in British Columbia and steadfast workers for his party, was missed by Social Crediters throughout the province during the past election.

Mr. Irwin, a former speaker of the British Columbia Legislature and Member of Parliament, died on May 15 at Shaughnessy Hospital.

He had been forced to return to British Columbia after suffering a heart attack while organizing for Social Credit in the Maritime Provinces in preparation for the recent federal election.

CANADA'S EARLIEST SOCIAL CREDITOR

Mr. Irwin could well claim to be Canada's senior Social Creditor. Severely wounded during the First World War, he encountered a small pamphlet written by Major Douglas during his convalescence in a Glasgow hospital and was so impressed by reading it that he wrote a letter to its author. Douglas later visited him in hospital and this interview, which took place more than forty years ago, convinced Irwin of the validity of the Social Credit proposals, a conviction that remained with him throughout his life.

First elected to the British Columbia Legislature in the Delta constituency in 1952, Mr. Irwin was immediately appointed speaker in the first House and held that position until 1957, when he resigned to successfully contest the riding of Burnaby-Richmond in the federal election of that year.

The following year he lost the riding in the Canada-wide Conservative sweep, but continued to work hard for Social Credit.

"MR. SPEAKER"

Mr. Irwin was best known

in British Columbia as "Mr. Speaker." He quickly won the confidence and admiration of both sides of the House and observers as well for his knowledge of procedure and the way he ruled the House with a firm but fair hand.

The legislative press gallery always spoke highly of the Social Credit speaker, and most said he was one of the best British Columbia had ever had.

On the night of his death, radio station CKNW legislative reporter Maury Gwynne reported it, in part, this way:

"He quickly established himself as a good speaker, carrying out his sometimes unpleasant duties as a mediator without bias in a gruff and stern manner. At other times he would turn on the Scottish charm and win friends on either side of the House.

"But Mr. Irwin held the respect of everybody in the legislative building. The door to his office was always open and from behind his ever-present curved pipe, except in the House itself, he dispensed legislative ruling and general House wisdom to all who sought his counsel.

"He possessed a dignity that spoke with authority, but he could be warm and witty with political figures from either side. But he brooked no nonsense from anyone, while he guided the decorum of the legislature, and kept the House as much a place of dignity as one man can without becoming too much the martinet."

Yes, Tom Irwin was all of these things, as Mr. Speaker, but to Social Crediters he was also a spark on the hustings. He always worked closely with the grass-roots spurring them on to greater efforts.

Our movement will suffer by his absence.

GAINS VOTES IN STORMONT

The Stormont by-election, called because of the death of the Liberal candidate in the course of the June 18 election campaign, gave encouragement, if not victory, to Social Credit members.

Social Credit candidate Mel Rowatt ran third in a four-way contest, with 1,297 votes out of the 25,487 cast.

Significance of this result is threefold. First, in this riding Social Credit polled four times as many votes as it did in the previous (1958) election. Second, the 5.1 per cent of popular vote gained was well ahead of the Ontario average of 2.0 per cent in the June 18 general election. And third, the New Democratic Party, which in the general election ran third party in Ontario, with an average 17 per cent of the popular vote, here ran last, with only three-quarters of the Social Credit vote.

The Liberals actually won, in a very close fight, and both of the old line parties threw vast sums of money and effort into their campaigns. Our thanks go to M. Cote of Granby, Quebec, in charge of Social Credit committee room organization, who in force of this has not only achieved a very creditable result, but has laid the foundations for a strong Social Credit organization in the future.

Before the campaign, many Social Crediters were canvassed to give financial support to the campaign. Those who have not done so may still send their contribution to M. Pierre Lalonde, 72A Lefebvre St., Cornwall, agent for Mr. Rowatt.

Thompson Speaks On Market

It has been announced from Red Deer that National Leader, Robert N. Thompson has accepted an invitation to speak at a conference to be held in August at Mount Allison Summer Institute, Sackville, N.B.

The conference will discuss the subject: "Canada, the Commonwealth, and the Common Market."

Other speakers at the conference will include Norman MacKenzie, Professor A. Cairncross, Lord Amory, and other distinguished economists.

M.P.'s To Meet

Calling of a caucus of Social Credit M.P.'s has been set for Ottawa, August 17th and 18th.

This has been announced by Dr. Guy Marcoux, Social Credit Party Whip, and will be the first occasion when all M.P.'s of the party meet in caucus since the election.

"We are endeavouring to bring to birth a new civilization. We are doing something which really extends far beyond the confines of a change in the financial system. We are hoping by various means, chiefly financial, to enable the human community to step out of one type of civilization into another type of civilization, and the first and basic requirement, as we see it, of that, is absolute economic security." — Mj. C. H. Douglas.

SOCIAL CREDIT PRINCIPLES

The individual is the most important factor in organized society. As a divinely created being, he has inalienable rights which must be respected and preserved.

The major function of democratic government is to give people the results they want in the management of their public affairs, as far as these are physically possible, and morally right. Social Credit is unalterably opposed to communism, fascism, and all forms of totalitarian government which makes the individual citizen subservient to the state.

The individual must be guaranteed economic security, without sacrifice of his personal freedom. Economic security is a means to increase personal freedom. It is not an end to be achieved by restricting it.

That which is physically possible and desirable, and morally right, can and should be made financially possible.

U.S. Helping Indonesia To Communism?

(Reprinted From The Edmonton Journal, June 28, 1962)

A news dispatch from Sydney yesterday was a timely reminder of an aspect of the Indonesia - Netherlands dispute over West New Guinea, to which little attention has been paid.

The U.S. has prodded the Dutch into agreeing to a settlement that might well spell future trouble for the free world. Indonesia will gain control of West New Guinea, and Indonesia, a nation of 96,000,000 population, seems well on

her way to falling under communist control.

Australia administers the most important part of the huge island of New Guinea. She could thus end up having an expansionist communist state on her doorstep.

Yesterday's news dispatch said that Australia is worried more over New Guinea than over Laos, South Vietnam or Thailand. This worry might well spread to other nations some day.

In 1950, Australia adopted the Spender Declaration, calling for preservation of the status quo in New Guinea in view of the island's primary strategic importance in defence.

How the U.S. persuaded Australia, in effect, to forget about the Spender Declaration is called "a nasty little drama" by the National Review, a New York right-wing publication.

The National Review says that Washington first reminded Australia that she was dependent upon U.S. support in the World Bank to finance a huge hydro-electric power development now under way.

Then two questions were asked of the Australians, and negative answers were supplied along with them. These were:

1. If Australia went to the aid of the Dutch in the event of an Indonesian attack on New Guinea, would the U.S. help?

2. If Australia should go it alone, and Red China intervened, would the U.S. step in?

Washington is taking a great gamble, both in relying on Indonesian President Sukarno's word and on his ability to maintain his independence from communist encroachment.

Since Premier Khrushchev's visit in February, 1960, Indonesia has become a major target of Russian aid and influence. Indonesia receives more communist-bloc aid than any other nation in the world.

Competent observers believe that only a tremendous effort by the West can prevent Indonesia's gradual incorporation into the communist world.

This may be the thought behind Washington's plan that virtually gives West New Guinea to Indonesia on a platter. The risk is not only calculated but enormous.



THE BIGGEST MAJORITY IN CANADA was gained in Quebec Montmorency, by Sacred party whip Dr. Guy Marcoux.

B.C. DEBT STRUCTURE

(Continued from Page 1)

the investment community in the remarketing job made necessary by the takeover of B.C. Electric.

(3) The government chosen by the people has not been supported in its policies by two important segments of the public: the news media and the investment community. As such, the investor was placed in doubt — when he doubts, he does nothing or sells — with the inevitable results on prices and yields.

We trust that the above will serve to reassure our readers who have read more hostile reports in the press of the long term solvency of the province of British Columbia, a province whose net worth increased by \$50 millions in the past year — there can be no doubt.

PASS THIS MESSAGE ON

Extra copies of "Focus", for householder distribution, can be ordered from the Social Credit Association of Canada, 200, Empire Building, Ottawa 4, Ontario. Price \$2.50 per 100 plus shipping.