

**Your QUESTIONS**  
**on**  
**SOCIAL CREDIT**  
**Answered**

**by**

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1 Question: WHAT IS SOCIAL CREDIT?

Answer: 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.

2 Question: HOW CAN THIS BE DONE?

Answer: This can be done by placing in the hands of consumers, sufficient purchasing power to move that which has been produced into the hands of those who can and need to use it.

3 Question: WOULD THIS NOT LEAD TO INFLATION?

Answer: No. Inflation is the result of having more money in the hands of consumers than there are goods produced. Likewise, a depression is the result of having more goods produced than there is purchasing power among the consumers to purchase those goods.

4 Question: HOW COULD THIS CREDIT OR PURCHASING POWER BE PUT INTO THE HANDS OF THOSE PEOPLE THAT NEED IT MOST?

Answer: Through fair salaries paid in return for work rendered, through the development of necessary public service and work projects, through educational grants and scholarships, through allowances for families and for our elder and handicapped citizens, and if necessary, through direct dividend payments—all of this without unnecessary or increased taxation.

5 Question: DO YOU MEAN THE GIVING OF RELIEF OR PUTTING PEOPLE ON THE DOLE?

Answer: No! It is the inheritance of every Canadian citizen to share in the wealth of Canada. If you receive dividends from some company in which you have invested, do you consider this a dole? Canada is one of the wealthiest of all nations in natural resources.

6 Question: HOW DO THESE NATURAL RESOURCES BECOME MONEY?

Answer: Money is only a convenient medium of exchange that allows the possessor to exchange it for the goods he or she requires. There is no actual value to the piece of paper on which is printed the words, 'Ten Dollars.'

7 Question: DO NOT THE BANKS HAVE THE EQUIVALENT OF THAT BILL IN GOLD?

Answer: No. When a person, province or nation goes to the bank to borrow money, the bank, if it decides to grant the loan, creates that money by the stroke of a pen.

8 Question: CAN YOU PROVE THAT THE BANKS CREATE NEW MONEY?

Answer: Yes. We quote from the official record of the Banking and Commerce Committee of Parliament sitting in 1939:

"Mr. Graham Towers, Governor of the Bank of Canada, was on the stand giving evidence. Members questioned him.

Quote:

1. Banks do not loan their depositors' money.

Question: I understand you say they could not loan what did not belong to them.



*Mr. Towers:* The Banks cannot, of course, loan the money of their depositors . . .

What the depositors do with these savings is something quite beyond the control of the banks. (Page 455).

*Question:* So that if they have got up to the point where they have got bank deposits to lend?

*Mr. Towers:* Well, they do not lend their deposits of course. (Page 398).

## **2. Banks do create money out of nothing.**

*Question:* But there is no question about it that the banks do create that medium of exchange?

*Mr. Towers:* That is right. That is what they are there for . . . That is banking business, just in the same way that a steel plant makes steel. (Page 287).

"The manufacturing process consists of making a pen-and-ink or typewritten entry on a card or in a book. That is all" (pp. 76 and 238).

*Question:* Ninety-five percent of all our volume of business is being done with what we call exchange of bank deposits—that is simply bookkeeping entries in banks against which people write cheques?

*Mr. Towers:* I think that is a fair statement. (Page 223).

*Question:* . . . When the Government delivers a \$1,000 bond to the bank, what does the bank use to purchase it with? Is that the creation of additional money?

*Mr. Towers:* It is the creation of additional money. (Page 113).



*Question:* . . . In other words, when a \$1,000,000 worth of bonds is presented to the banks, a million dollars of new money or the equivalent is created?

*M. Towers:* Again assuming that there is no decrease in its other investments or loans.

*Question:* I mean at the time, at the moment?

*Mr. Towers:* Yes.

*Question:* It is a fact that a million dollars of new money is created?

*Mr. Towers:* That is right.

*Question:* Yes. Now the same thing holds true when a municipality or the province goes to a bank?

*Mr. Towers:* Or an individual borrower.

*Question:* Or when a private person goes to a bank?

*Mr. Towers:* Yes. (Page 238).

(Perhaps the most important and significant question of all was asked and one of the most striking admissions is found in the answer. Here it is):

*Question:* Would you admit that anything physically possible and desirable can be made financially possible?

*Mr. Towers:* Certainly. (Page 771).

**3. If this is true, why do governments not reflect the people's will?**

(Another important question was asked. The answer is on the record):

*Question:* Will you tell me why a government with power to create money should give that power away to a private monopoly and then borrow that which Parliament can create itself, back at interest, to the point of national bankruptcy?

*Mr. Towers: . . . Now, if Parliament wants to change the form of operating the banking system, then certainly that is within the power of Parliament. (Page 394).*

*End of Quote.*

Every dollar that is created thus is a debt dollar. The nation is in debt because it did not create for itself the money it required. A former governor of an international bank said, "Permit me to control the credit of a nation and I care not who makes its laws." (i.e. what party is in power.)

9 **Question: HOW COULD A SOCIAL CREDIT GOVERNMENT IMPROVE THIS MONEY PROBLEM?**

*Answer:* A Social Credit Government would reclaim the power of creating this money to itself, instead of giving private monopolies the right of creating and loaning this money to the government and thereby charging the government interest on something that was never rightly theirs. A Social Credit government would issue enough purchasing power to the people to maintain a balance between production and the ability of the people to purchase the goods produced.

10 **Question: WHAT IS ALBERTA DOING ALONG THIS LINE?**

*Answer:* The provincial governments have no power to issue their own credit. In 1935, the people of Alberta gave a mandate to the Social Credit party to form a government. The Social Credit party tried to pass several bills that would give them the right to issue their own credit. These bills were declared ultra vires and thus the direct development of Social Credit was blocked. In spite of



this and all the opposition through the years of the federal governments and most of the press, the Social Credit party has, by following good sound business policies, and a limited application of Social Credit principles given us the first debt-free province of Canada.

11. *Question:* DID NOT THE DISCOVERY OF OIL IN ALBERTA BRING IN THE HUGE REVENUES THAT ALLOWED THE GOVERNMENT TO PAY OFF THIS DEBT?

*Answer:* When the Social Credit party took up the reins of government in 1935, the province had a debt of \$167,000,000.00. By 1946, a full year before substantial oil revenues became available, the debt was reduced by \$21,000,000.00. Now, after 22 years of Social Credit administration, the province is really debt-free. In 1935, it took 51 cents of every dollar collected by the government to pay the interest on the provincial debt. It is true that the widespread discovery of oil in Alberta has been a real advantage, but if the Social Credit government had not been wise in the administration of these natural resources, *The People* of the province would have gained practically nothing even as the *people* of Manitoba, Ontario and Quebec have gained practically nothing from their natural resources.

12. *Question:* How about the \$11,000,000.00 the Social Credit Government gave away to individuals instead of using it to build schools or other institutions?



*Answer:* In answering this, may we refer you to the Old Age Pension that is given by the Federal Government. Every person that is seventy years of age receives this benefit. The highest paid man in Canada is entitled to it. And I say rightly so. These people, all the people receiving this pension, are shareholders in Canada Inc., and this is their dividend. Farmers Co-operatives pay dividends to all members, regardless of their other income. Alberta declared an extra dividend to the shareholders in Alberta Inc., because the directors of Alberta Inc., (Social Credit Government) have been careful to preserve the real wealth (natural resources) of this province for the people.

**ALLOW US TO POINT OUT THAT THE DIFFERENCE** between the two dividends or pensions is that Alberta gave away the people's money to the people *without creating any debt*, whereas the Federal Government, regardless of what Old Line Party is in power, has to borrow every cent they distribute, or collect it in taxes. This borrowing, of course, must be paid back with interest, which again increases the staggering debt burden on the people.

**ALBERTA** has loaned enough money to borrowers, including the Dominion Government, to net them an annual income of nearly 11½ million dollars. Whereas our National Government has to pay nearly \$1,000,000,000 interest annually on her national debt. *This must be collected in Taxes.*

*Question:* Why this contrast?

13 *Answers* "Canada Incorporated" is one of the richest countries in the world in natural re-

sources. If these untold riches were properly administered, Canada could well be the leading country of the world, financially and economically. If Alberta can take the lead without being allowed to put the basic principles of Social Credit into effect, what could be done if a Federal Government would use the power that is theirs to give the people the purchasing power to use all of the production and services they require. This would provide maximum employment all the time, instead of our good times being dependent on war or the threat of war, or on the temperament of the financial Gods.

There is no *surplus* of food or commodities until every person in the world has sufficient to eat and is secure from the fear of want. If we in Canada grow more grain or produce more commodities than the people of Canada can use, we can export it to those countries that are not so blessed. We could barter with them or, in cases of real need, we could make an outright gift of our surplus, and, with *Social Credit, Our Producers Would Be Paid in Full Without Extra Taxation.*

14 Question: Why should we worry about other countries?

Answer: We are a Christian country. Jesus said, "Give ye them to eat." (Luke 9:13). And again, "Inasmuch as ye have done it unto of the least of these my brethren, ye have done it unto me." (Matt. 25:40).

15 Question: How could a Social Credit Government pay our producers and then give the commodities produced away?



*Answer:* During the last war, Canada was able to spend billions of dollars on guns, tanks, ships, etc., much of which was lost during the war. This can be done during times of national emergency, such as war. Is widespread unemployment and general depression any less a national emergency? If we can go all out to give to our Allies in times of war, can't we give our SURPLUS to avert war? Russia is giving vast quantities of food and other material aid to South East Asia and the Near and Middle East, and in this way she is confident that she can win the cold war on the economic front while she keeps us stirred up with her "cold war hotspots" and her outer space developments. This giving of our surplus would be done through Social Credit instead of the awful debt system that is presently in force.

*Question:* IF THESE THINGS BE SO, WHY DON'T THE PEOPLE DEMAND A SOCIAL CREDIT GOVERNMENT?

*Answer:* We, the people, are submissive slaves to debt and finance. We have the power by our votes but so far have not demanded freedom. The late Mr. Aberhart once said, "If the people have not suffered enough, then it is their God-given privilege to suffer some more." Until the people demand freedom by electing a government that will bring it to pass, they will continue as the slaves of the present financial system.

Published by Social Credit Association of Canada

Printed by Mutual Press Limited, Ottawa

