

# FREEFOLK

## EDITOR AND PUBLISHER:

E.A. Bryan,  
25805 Fraser Highway,  
R.R. 5 Aldergrove, B.C.

SUBSCRIPTION:  
\$1 per annum.

## A PUBLICATION DEVOTED TO:

Explaining the social nature of ground-rent  
and the injustice of taxation.

## A PUBLICATION ADVOCATING: THE COMPLETE

ABOLITION OF TAXATION: THE PUBLIC COLLECTION  
OF THE FREELY OFFERED AND AUTOMATICALLY  
ADEQUATE GROUND-RENTS

Volume 5 No. 2

February 1975

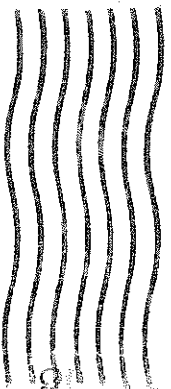
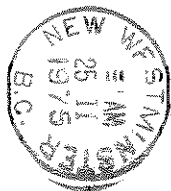
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# CREDIT UNIONS AS BANKS

In B.C. the number of credit unions has halved during the past few years. Credit Unions are not on the decline; they are becoming bigger, but fewer in response to the present economic climate which discourages small operations. They are also becoming richer as their building activities abundantly prove.

In the best location in Langley has arisen the big modern building of the Surrey Credit Union. The O.F.I. Credit Union erected a fine new building next to the O.F.I.'s run-down and inadequate grocery store, and is now putting up a bigger and better one in central Aldergrove. Quite a number of clerks are to be seen working in these buildings and they need to be paid at competitive rates. All this signifies some rich pickings for credit unions.

Credit unions, we should suppose, must be able to lend more money than they have on deposit, otherwise the difference between the borrowing and lending rates could not account for their apparent opulence, and we find that to be the case. For every \$100 deposited (this could be cash, a bank cheque, or a cheque from another credit union) the Central Credit Union will lend \$50 at low interest. \$15 must be held in reserve, making it possible to lend \$135, but some of this will end up as deposits in credit unions, and so the multiplier effect begins.

Yes, the credit unions act as banks, expanding credit, lending money they do not have. They are an unnecessary expense for people made so poor that they cannot pay out-right cash for the equipment they must have for their work and the homes they must have to live in. All the paraphernalia of debt adjustment is really unproductive even though the members pledge their own credit.

The primary reason why people are led to borrow is the expropriation of the workers from natural resources, a deed which robs them of the fruits of their labour. Co-operatives and credit unions are no substitute for equal rights to land.

# U.B.C. LOSING

Recently, disapproving noises have been heard from the English Department at U.B.C.. Most students entering from high school are alleged to be illiterate and must have special sessions of remedial English. This seems like a sound diagnosis and an appropriate cure. Now we presumably can all rest assured that U.B.C. is vitally concerned with upgrading the literacy of all associated with it.

What a disappointment it is therefore, to read in the Feb. issue of U.B.C. REPORTS, right on the front page, the second paragraph of a feature by John Arnett. This paragraph was not even a complete sentence, merely an expanded "Particularly when" clause.

This publication goes out to all U.B.C. graduates to let them know that while the antlers of the deer of education impale one hound of ignorance, its belly is already ripped open by another. The struggle for lucid speech and writing is being lost.

We must value literacy if we are to make any social progress. Literacy is effective expression and communication of ideas. Illiterates have difficulty in formulating even simple ideas, but the most serious consequence of illiteracy is that since we verbalise our thoughts, imperfect verbalisation results in faulty thinking. Literacy enables people to develop their capability for lucid thought, and with a feed-back effect, lucid thinkers are able to express themselves most clearly.

The cessation of the rat-race which we live, and the release of the pressures of the aggressive behaviour we experience in our work, our driving, and even in what is offered for our entertainment, depend upon literacy because they depend upon right thinking.

CO-OP CONGRATULATIONS

Surrey Co-op has a Cloverdale site which it has been holding in order to build a grocery store one day. That site was on the books as an asset at \$400,000. However, recently the directors had a valuation made and seem delighted that it is now worth \$1,400,000.

Feckless administration in relation to a new feed mill had brought this co-op to a low state, but now, lo and behold, everything seems rosy and credit must be given to the wisdom of the present administration for increasing the value of the assets and putting the co-op on a sound basis.

What a joke! These directors had nothing to do with the \$1 million increase in the value of the lot. If the people of Cloverdale moved out, that lot would be worth nothing. If Vancouver began to sink beneath Burrard Inlet and all the people came to Cloverdale, that lot would be worth a billion. It is the presence and activity of the community that cause a value to be put upon the title to a site, not the occupier by virtue of what he does upon it.

"Land value", as it is often called, depends on what is being done around and about a site. Helpful neighbours will increase it. Vandalising teenagers will reduce it drastically. Neatly kept sites around will increase it. A turkey farm or mink ranch (both smell) nearby will decrease it. By virtue of the public contribution of utilities and services, plus the private contributions of those around, land-titles have a publicly created value.

When title-holders imply that an increase in value of their land-titles is due to their astuteness, thrift, abstemiousness, prudence, foresight etc., they should be reminded that if a profligate moron who had never even seen the place had held the title, the result would have been no different.

SUPPORT PRICE

Eugene Whelan is popular with many farmers. As federal Minister of Agriculture he can always be relied upon to come up with a quick simplistic solution to any agricultural problem. He has recently initiated a guaranteed support price for steers and heifers sold for the beef market, and a lower one for cows shipped for slaughter.

The support price is paid upon delivery of the cattle at the stockyard and results in remote sellers of cattle going without the subsidy. It will not pay for them to haul one or two animals a great distance, so they may sell cows at 15c. per pound to a dealer who tours around and ends up with a truck-load at the stockyard where he gets 23c. per pound, a sum which includes the subsidy.

After making threatening gestures to U.S. cattle producers, in order to remedy the low price of cattle on the hoof, Whelan has had another try and succeeded in subsidising dealers. Such politicians do not have the intelligence to visualise some of the secondary and tertiary effects of quotas and subsidies which eventually harm the country imposing them.

A year ago, the cattlemen were unrestricted by government. They are accepting and sometimes demanding government interference in order to obtain better prices. Shortly they will be entirely controlled by bureaucracy. The small men will be eliminated. Only big operations controlled by speculators who have the ear of politicians will survive. When their serfs strike for higher pay, animals will die on the feedlots. Beef will become more expensive than ever as the "orderly marketing" principle is put to work.

The cattlemen are facing their nemesis. To stay free in a controlled economy will result in bankruptcy. It is either get out or become a slave of government.