

# SPECIAL EDITION

Mr. Robert Clancy, Director 2  
50 East 69th Street  
New York 21, New York

"Congress Must Control Money System" — "100% Reserves for Banking System" — "Public Revenue by Land Value Tax"

# MONEY, BANKS & TAXES

Twentieth Year—No. 7—November, 1955

\$2.00 Per Year — Ten Issues

"Economic Liberty" For All

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## ECONOMIC WELFARE CONFERENCE LOS ANGELES, NOV. 11, 12 & 13, 1955

### INVITATION

Fellow Citizens:

You are cordially invited to attend and, if you wish, address the East and West Coast Economic Welfare Conferences to be held on November 11, 12 and 13 at the Sheraton-Town House in Los Angeles, Calif.

The partners entitled to share the wealth equally are the landholder, the laborer and the capitalist. Any inequity in the distribution of wealth to these partners creates chaos, stagnation, poverty and war. Maintaining a balanced distribution of wealth creates order, progress, prosperity and peace.

The circulation of prosperity is confined to the lowest level of compensation received by the landholder, the laborer or the capitalist. When the laborers receive only one-sixth of the national income instead of one-third, the general prosperity is limited to one-half of what it should be because they can recirculate only one half their share of the wealth produced. When more than the one-third share of wealth is syphonned by the capitalists, less is available to the landholders for improvements and to the laborers for the consumption of goods, commodities and services than is required to maintain full employment and real prosperity.

The age of atomic power and mechanical automation for greater productivity are here. However, only through the advancement of economic knowledge through education on how to distribute the wealth produced equitably, will it be possible to maintain prosperity without war. Universal peace, progress and prosperity are essential for creating the cooperative commonwealth and sovereignty dreamed of by mankind.

The program includes addresses and discussions of the issues as listed in the adjoining column.

### THREE DAY SESSION PROGRAM

FRIDAY, NOVEMBER 11, 1955

FIRST SESSION 9 A. M. with LUNCHEON at 12:30 P. M.

1. The substitution of dividend compensation, replacing wages, to end exploitation and labor-management friction.

SECOND SESSION 2:00 to 5:00 P. M.

2. The substitution of production shares as the Universal Currency Monetary Standard, replacing dollars and other units.

SATURDAY, NOVEMBER 12, 1955

THIRD SESSION 9 A. M. with LUNCHEON at 12:30 P. M.

3. The use of checks and tickets exclusively, replacing fiat token bills and coins, to end usury, manipulation of values through deflation and inflation, and crimes resulting from the use of fiat money.

FOURTH SESSION 2:00 to 5:00 P. M.

4. The substitution of land assessments exclusively as the basis for all public social revenue, to end confiscatory taxation now imposed on labor because the natural resources belonging to society in general are monopolized by individuals who do not contribute equitably toward support of the State.

SUNDAY, NOVEMBER 13, 1955

FIFTH SESSION 9 A. M. with LUNCHEON at 12:30 P. M.

5. The substitution of a uniform system of social government and consolidation of similar services to abolish waste.

SIXTH SESSION 2:00 to 5:00 P. M.

6. The substitution of Universal Sovereignty of man in all states to replace provincialism and bigotry.

The speakers at these conferences will enlighten you on how to establish cooperative production with labor harmony, and maintain financial solvency through establishment of better compensation, monetary and revenue systems. This knowledge has the power to change the course of your life from continual chaos, stagnation, poverty and war to that of economic order, progress, prosperity and peace.

Sincerely yours,

ECONOMIC WELFARE COUNCIL

G. Szrnak, Executive Director.

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# MONEY, BANKS & TAXES

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## EDITORIAL

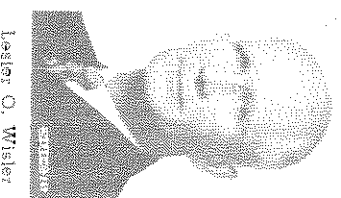
# MONEY IS A TICKET SYSTEM

Let us examine the monetary system as it stands, as we know it, and in order to do that it is necessary to strip ourselves of a number of misconceptions. A great many of these misconceptions unquestionably arise from what you may call, if you like, practical economics. You will hear money described as a "medium of exchange"; you will hear it described as a "storehouse of values" and a great many things like that.

New money is not any one of these things, although it is conceivable that from time to time it may take on, as a sort of side issue, attributes which appear to justify these descriptions. Money is nothing whatever but a ticket system which has nothing whatever to do with all these abstract descriptions of it such as a "medium of exchange" or a "storehouse of values" or any of these other things. Money is a ticket system and nothing else. The result of perverting and manipulating this "ticket system" will be easily determined as counterfeited. However, if you will always bear in mind that money is nothing but a "ticket system" you will save yourself a great deal of trouble by stripping your mind of pre-conceptions.

Now to show that money is nothing but a "ticket system" I think the best way is to go back very briefly to the origins of the money system and those origins are connected with something with which in the United States and other parts of this world many people should be very familiar. The connection is with cattle and grain as fundamental riches or wealth. In the beginning of the money system as we know it the owner of capital was the chief owner of wealth, and he exchanged some of his cattle for grain, so he might feed the cat the he still retained. The grain vendor was very often an itinerant and it was not always convenient for him to take away cattle at the time and have to drive them around to his other customers, so he took from the cattlemans a leather disc which sometimes bore the symbol of a head of a cow or a horse on it, and sometimes not. At that point there were two absolutely vital things to be recognized in connection with the monetary system. The first of these is that the origin of the money was at the same place as the ownership of the wealth! The man who owned the wealth also issued the money. The money was nothing, as I have told you, but a ticket, as it is fundamentally today nothing but a ticket for wealth in existence.

Now you can readily see that a system like that would be open to abuse and that some bright fellow would very rapidly begin to produce discs of leather which were unrepresented by cattle and this is no doubt what took place. Now if you will bring your mind quickly over a time in history, some thousands of years, to the middle ages, you will find that the money creators, the owners of wealth, were also the custodians of gold and silver. It was not recognized as money until a comparatively late date, although metal coins of course, which were really tokens, were in existence from a very early age. Portable wealth was deposited with the goldsmiths of the middle ages, and the goldsmiths were the custodians of this wealth, very largely because they had facilities for storing portable wealth in underground vaults or safes and so forth and they issued receipts for the portable wealth they stored. Those receipts were on parchment or dried skins and were signed by the goldsmith. It then became a habit to pay by hand over these parchment receipts for something that was received, some article of value, rather than go to the goldsmith and draw out the gold plate and barter it directly for the articles of wealth desired. Now at that point another extremely important change took place. These parchment receipts which passed



Lester O. Wisler

from hand to hand were the direct ancestors of our modern bank notes. The Federal Reserve Notes, called money, descend directly from those goldsmiths' parchment receipts, and the essential thing to notice is that those receipts were readily received for what might be called money, because the signature of the goldsmith was on the receipt, and NOT because of the name of the owner of the real wealth for which the receipt had been given. Imperceptibly, as you might say, this kind of receipt-money passed from the owner of the real wealth to the custodian of the wealth. That was an absolutely vital transfer.

Now the third change, which I think will conclude all that is necessary to say on this subject, took place when the banks developed out of the goldsmiths' hiding places and people everywhere began to deposit gold and silver coins and so on with the banks. The banks then began to issue their notes, neatly engraved with their signatures on each note, and ultimately these bankers developed out so-called bank-check system, which again was nothing but an extension, an extremely flexible system, of their bank note idea, except that anyone could make out his own demand on his own bank-check receipt. . . . a long way in history from the original leather disc, the same idea. . . and if this modernized bank-check was correct, the banks would pay out so many of their bank-notes or coins.

The theory being that against all of the bank-notes issued, and the bank-checks which could be drawn, there would be exactly the same amount of what had come to be regarded as the perfect symbol of all wealth—Gold. This idea prevailed on the assumption that all people as depositors in these banks could withdraw by a bank check all of the gold, or in some cases present the bank-notes calling for gold and all would be paid and there would be no gold left in the bank.

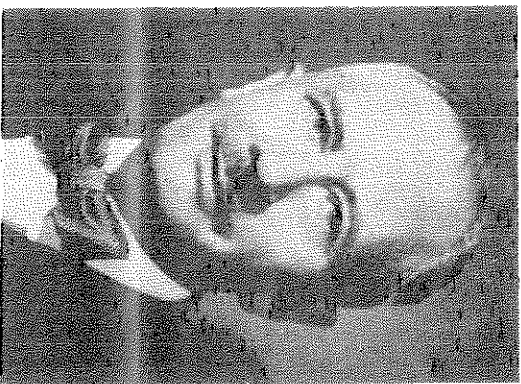
This theory was implicitly accepted by the public and tacitly approved by the banks; but was NEVER expressly true, for the past several hundreds of years. As many people have been made aware, the system always failed whenever a so-called "run" on the banking system, and depositors became the real losers; thus proving that the banks again, as they have been doing, by decree of our Congress in delegating unconstitutionally the power of Congress to issue our money and regulate the value thereof, as expressed in Article 1, Section 8 of our U. S. Constitution.

Let me remind you that our U. S. Constitution says: "The powers not conferred upon Congress by this Constitution shall be reserved to the States and the people. Therefore, we the people, with this reserved Constitutional power should by this freedom of choice adopt our own individual money-ticket system for the sole benefit of, by and for the people.

Publisher and Executive Editor

*Lester O. Wisler*

# PUBLIC REVENUES



*J. Ruden Alston, Pres. Emeritus,  
INTERNATIONAL UNION FOR LAND VALUE  
TAXATION AND FREE TRADE  
1920 Lake Street, San Francisco, Calif.*

## A SUGGESTED TAX RESOLUTION

WHEREAS the struggle to earn a living, and the increasing cost of living which is being aggravated by countless taxes, both on the worker and the consumer, We the People of the United States of America respectfully submit this Declaration of basic principles, the purpose of which is to make practical the ideals expressed in our U. S. Constitution, especially the Equal Right to Life and Liberty.

WHEREAS there are two and only two sources from which our Nation and our local governments can get their necessary revenues; "Land or Labor" and

WHEREAS the United States formerly raised its necessary public revenue by means of an annual tax payable by every private holder of land, in proportion to its value on the assessment roll, and

WHEREAS our Nation has in recent years so increased taxes on both labor and capital by means of sales, use, excise, purchase, license and income taxes, none of which taxes are borne by those holding land of incalculable value, a new look at the whole tax problem is long overdue, and

WHEREAS Jefferson and Lincoln reminded us that the land belongs to the living and no private holder of land can enjoy tax immunity as a right, we propose to gradually abolish all taxes upon labor or capital, including all sales, use, purchase, license, and wages taxes, and taxes on homes and other buildings and personal property, thereby limiting the size of our Nation, State and local budgets to the revenue obtainable by means of the traditional annual tax levied on the value of all land, and

WHEREAS the natural resources of our Nation are rich beyond most nations, and those who wrote our Federal constitution knew the dangers caused by land speculation and monopolization in other parts of the world, and provided authority to protect us from it in our constitution, and

WHEREAS, the Sixteenth Amendment is permissive and does not compel Congress to tax earned incomes, thereby taking the earnings of one group to give to another,

THEREFORE, BE IT RESOLVED that, having the power to repeal all income tax laws without further amending our Constitution, Congress be called upon forthwith to repeal all discriminatory Federal income Tax Statutes, and reinstate the 48 states and territories to again use the sovereign power by direct ad valorem land tax for raising all public revenues.

## AUTONOMICS

### BIONOMICS

### ECONOMICS

### ISONOMICS

Release No. 41  
Nov. 5, 1958

G. C. SZMAK, Economist  
101 Park Avenue, New York 17, N. Y.

Reprint  
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## COOPERATIVE PRODUCTION SYSTEM Dividend Compensation Method

It is written that "The wages of sin is death." Now it has come to pass that the sins committed under wage compensation bring death to initiative, industry, progress and prosperity. Much waste and crime result from wage malpractices. The artificially generated labor shortages brought on by the demand for war production and preparation for war have created monopolies that encourage, incite and foster wage increases and sit-down strikes never before experienced by business and industrial enterprises. The outcome is higher wages with higher living costs and waste of manpower. Ultimately no one is benefited except the labor racketeers and exploiters of wage labor.

That "The laborer is worthy of his hire" is no longer true under the wage method of compensation. The just demand of a fair day's work for a fair day's pay, or vice versa, is impracticable under artificially created labor shortages or scarcity. Most people are unaware of the causes and reasons for the degeneration of the wage compensation method. Such defects as under and over payment are common everyday occurrences. However, it took labor shortages to show up the even more dangerous aspects of the wage compensation method. Now "looting and codding" supersede all other malpractices and defects. They are means for stealing the public's purse.

To overcome these problems of labor management, it has been necessary to establish and institute incentives to restore honesty and promote productivity, thereby naturally and normally increasing prosperity. Building up and increasing the workers' interest through better or improved working conditions, profit sharing and a generally more equitable distribution of compensation to capital, labor and management according to their respective equality of investment has met with considerable success wherever economic systems and methods have been tried. Through institution of the cooperative production system dividend compensation method, the wage problem can be fully solved. This system as developed and instituted by this Foundation has many outstanding features and provides the following advantages and benefits.

1. Freedom of enterprise through self-employment is the basic principle of prosperity. There is plenty for all when people are free to work for themselves. Under cooperative production, every member of a firm is a voluntarily associated self-employed co-worker, co-manager, co-investor, co-partner and co-owner. Each person in his or her capacity participates in the productivity of a firm and shares in the gross income proportionately to capital and/or labor investment measured by the hour, piece-work or monthly rating.

2. Profitable employment with maximum income is provided under the dividend compensation method, wherein 100% of the profits are distributed to co-workers instead of the usual 5 to 50% participation prevailing under most profit-sharing arrangements or plans.

3. A scientific dividend formula and evaluation ratings are used for establishing the equality and equity of capital and/or labor investors by means of a progressively produced analysis chart of functional economic occupations. Instead of the customary hourly, daily or weekly wage arbitrarily set by an employer or union, each co-worker receives a dividend computed and distributed periodically according to the "Golden Rule" or proportion formula.

Then, for example, when:

(A)	(B)	(D)
Expenditures		
(C)		
A = \$4,000 ; B = \$400 ; C = \$4,000 ; D = \$400		
A = \$3,000 ; : : : D = \$300		
A = \$5,000 ; : : : D = \$500		
	or 5,000 x 400	= 500
	4,000	

In simple terms, a co-worker or co-investor representing say, 10% of the expenditures, draws 10% of the gross income, including a proportionate share of the profits.

(Continued on page 4)

**COOPERATIVE PRODUCTION SYSTEM**—Continued from page 3

The individual dividend compensation "D" is affected by:

- (1) The amount of material, labor and/or capital invested at a pre-established rate or price.
- (2) Adjustments in labor rating according to progressive economic value.
- (3) Increasing demand for product or specific services of a cooperative enterprise.
- (4) Improvement in business conditions.

4. Dividends above and beyond prevailing interest and wages are paid co-workers and co-investors under the cooperative production system. The profit dividends, accruing from the difference between operating costs and gross income, indicate gains of 25 to 50% in many instances and may exceed normal interest and wages by 100%. The efficiency of organization, kind of product and general prosperity naturally affect the dividends distributed by any business enterprise. Moreover, since there is an incentive under Profit Sharing to eliminate waste, this factor alone can create considerable profit for the co-workers and co-investors.

5. Capital, labor and management receive equal consideration as partners in a cooperative production enterprise. All share the same advantages and receive the same benefits. The capital, labor and material investments made by the co-workers are rated equitably according to equality. For example, the dividend on \$1,000 of capital or material investment pays or discharges the same gain or loss as \$1,000 of labor investment. Capital dividends are computed on the actual amount of currency invested in operating the firm during each tenure of participation. Labor investments are charged into expenditures at current competitive monetary value of work performed.

6. The incentive of greater earnings to capital, labor and management through higher productivity and a more equitable distribution of wealth is provided by the cooperative production system. An increase in wages without a corresponding increase in productivity is a mathematical myth and a practical impossibility. Co-workers may participate in both capital and labor dividends as co-investors if additional financing is warranted by the business in which they are engaged.

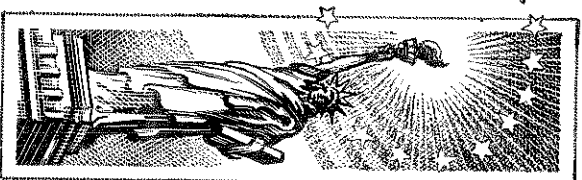
7. The security and prosperity of cooperative investors become more stable and permanent as the cooperative enterprises increase. As productivity and earnings increase, living costs and incomes are equalized. The proportional distribution method of sharing income and expenses, under variable business conditions, is coordinated to place consumption, production and distribution on par at all times. Consequently, there need not be labor lay-offs due to depression, and the chances of scarcity and poverty are decreased.

8. Improved industrial relations between capital, labor and management naturally result from a more equitable distribution of the wealth produced, based on equality or amount invested by co-workers. The barrier between employer and employee is removed entirely since they are jointly co-workers, co-investors and co-partners in the enterprise. Weekly or monthly conferences may be held to discuss ratings and means of improving production management. In a small organization transcribed minutes have been found unnecessary, as the matters discussed are immediately acted upon by either acceptance or rejection. The record of receipts and expenditures is prepared by and open to examination and audit of co-workers and co-investors.

9. The simplified accounting employed reduces operating costs and increases co-workers' profit dividends. Payroll accounting is decreased from weekly to monthly periods. This saves 50-75% on cost of preparing payrolls. Further savings of 25-50% are possible through the voucher method of accounting that replaces tedious, expensive and outmoded bookkeeping. The entire accounting procedure is streamlined to meet the requirements of today's progress. The "Cooperative Dividend System Accounting Method and Forms" are illustrated in Release No. 42.

10. Profit sharing dividends are the most effective means of reducing waste and closing the gap between cost of production and price of consumption. The profits accruing from the difference between production costs and selling price are distributed equitably as dividends, thereby increasing incomes to balance consuming with producing power. Thus, the producers of wealth are enabled to buy back their own production. Equalizing purchasing power eliminates the slumps in domestic and foreign markets. Thereby the objections and obstructions to foreign trade, the causes of war in many instances, are abolished.

Prosperity without war is not only desirable, but feasible, when the short-circuits created through wages, interest and taxes are abolished. Each community can achieve its own prosperity when its material and labor resources are not wasted or used for criminally destructive purposes.



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**OUR NATIONAL DEBT PROBLEM!**

One hour equals 60 minutes; 24 hours (1 day) equals 1440 minutes; 365 days (1 year) equals 525,600 minutes. 10,000 years equals 5,256,000,000 minutes. **Question:** How many centuries will it take to pay off our \$300 Billion debt @ 2% interest, at the rate of \$1 Million per minute? Dizzy?

# Federal Reserve Banks Compelled to Disgorge After Legal Action of "Gold Spike" Nordskog

## CONGRESS QUICKLY TOOK TITLE TO GOLD

Quickly on the heels of Nordskog's action in Court and the circulation of his magazine among members of the Senate and Congress setting forth the facts in the case, Congress took title to all gold bullion, gold coins and gold certificates then held by all the Federal Reserve banks, 12 in number, resulting in a gain of \$2,816,000,000—TWO BILLION, EIGHT HUNDRED AND SIXTEEN MILLION DOLLARS of profit on said gold, due to the increased price of the yellow metal since its withdrawal from circulation.

The U. S. Immigration statute provides for payment up to 50 per cent of the fines levied to persons who inform the government of violations of that law.

The New Jersey law also provides a reward of 50 per cent for any one who aids the State Government in recovering monies belonging to the public. The value of the gold brought back from the reserve banks to the Treasury since the filing of the Nordskog suit approximated SEVEN BILLION DOLLARS.

Should the Government be as considerate of Mr. Nordskog's efforts as it has been of Rosa Weber's in the Jack Benny smuggling case, Nordskog should stand to receive the sum of ONE BILLION, SEVEN HUNDRED AND FIFTY MILLION DOLLARS, and even at 1 per cent of the sum he should receive 70 Million Dollars. Did he get a "thin dime"? Maybe that's why Plato and Aristotle gave the true definition of "TIMOCRACY" — meaning, "a state in which love of honor is the ruling principle."



**STATEMENT REQUIRED BY THE ACT OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 2, 1933, AND JULY 2, 1946 (Title 38, United States Code, Section 253) SHOWING THE OWNERSHIP, MANAGEMENT, AND CIRCULATION OF MONEY, BANKS & TAXES, published monthly, except July and August, at Oakland, Calif., for October 1, 1955:**

1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher: Liberty Free Press, Lester O. Wisler, Executive Editor: Lester O. Wisler, 1948 48th Avenue, Oakland 1, Calif.

Managing Editor: Lester O. Wisler, 1948 48th Avenue, Oakland 1, Calif.

Business Manager: Lester O. Wisler, 1948 48th Avenue, Oakland 1, Calif.

2. The owner is: (If owned by a corporation, its name and address must be stated and also immediately hereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual member, must be given.)

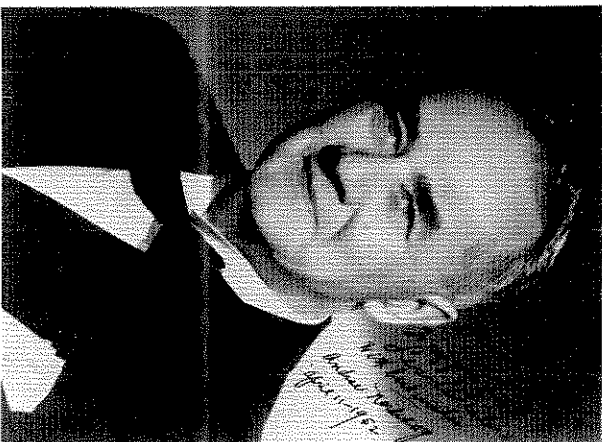
Lester O. Wisler, Trustee, 1948 48th Avenue, Oakland 1, Calif.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state).

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, also the full name of the company, and the address of the stockholder and belief as to the circumstances and conditions under which such stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

5. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This

# A NATIONAL LEADER



ANDRAE B. NORDSKOG  
Conference Key Speaker

## A TIME-HONORED TRIBUTE

BY LESTER O. WISLER

Plato and Aristotle, historical philosophers, agreed on the definition of "TIMOCRACY" — meaning, "a state in which love of honor is the ruling principle." Such a principle may well be applied to the time-honored efforts and results obtained by one of this world's greatest leaders of Monetary and Banking reform.

Andrae B. Nordskog's authentic and long-standing record of America's topmost analyst in all phases of practical and honest economics . . . money and banking . . . is recognized as thoroughly as "Einstein in Mathematics." But—let's just pay him this well earned tribute:

ANDRAE B. NORDSKOG resides at 1361 Laveta Terrace, Los Angeles, California, in a beautiful home shaded with tropical foliage, where "Andy's" friends, including this writer, are always welcome . . . and incidentally enjoy the classics in the musical studio of Mrs. Nordskog, a talented vocalist and pianist. "Andy" has his half-flight upstairs Research library, high in the hills overlooking the vastly expanded beaming lights of the City of Los Angeles.

And . . . well, let's just pay him this well earned tribute:

**ANDRAE B. NORDSKOG, ECONOMIST** (1) Is listed in "WHO'S WHO ON THE PACIFIC COAST" (published by A. N. Marquis Company, Chicago) in a special equal to that used for the biographical sketch of Ex-President Herbert Hoover.

(2) Is listed in "International" published by A. N. Marquis Co., Chicago).

(3) Is the author of the books "Spiking The Gold," "We Bankers vs. Four Financial Fascists" and "Public Bond Repudiations" of which 15 copies of the first-named are in the Los Angeles Public Library, and are to be found in Public Libraries.

Information is required from daily, weekly, semi-weekly, and triweekly newspapers only).

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Lester O. Wisler, Trustee  
Sworn to and subscribed before me this 13th day of October, 1955.

Gertrude Pace,

(SEAL)  
Notary Public in and for the County of Alameda,  
State of California.  
(My commission expires July 11, 1957.

baries throughout the nation, including the Congressional Library.

(4) Is the author of the New York stage hit "FOOD FOR MIDAS," a money drama based on his own experience with crooked bankers.

(5) Publisher from 1926 through 1946 of The Los Angeles Gridiron (weekly paper), The New American Magazine and Our Nation Magazine, dealing with money reform and other hot political subjects.

(6) Twice nominated for Vice President of the United States; (a) for the Liberty Party in 1931; (b) for six third-party groups again called Liberty Party in 1932, on the ballot in 11 western states.

(7) Made hundreds of public speeches in cities across the nation on the subject of honest coinage.

(8) Appeared before the Ways and Means Committee of the House of Representatives in 1939; before the Senate Foreign Relations Committee in 1941; before the House Banking and Currency Committee against the World Fund and World Bank in 1945; before the Senate Judiciary Committee proposing the abolition of the outmoded Electoral College System in 1953; and is currently under call from the Chairman of the Senate Banking and Currency Committee to come to Washington to testify on the World Bank operations during the past eight years.

(9) Was a member of the first United States Monetary Conference in 1933, where he won the debate by opposing the Gold Standard, in San Francisco. (This Conference was organized by Mr. Lester O. Wisler, and who was elected national chairman).

(10) Organized and presided over The National Monetary Conference at the Northwestern University School of Law in Chicago in 1938.

(11) Presided over a Sub-Committee of that Chicago Conference in Washington, D. C., in 1939 where report was made in Congress of the 1938 Chicago Conference, which report was entered into the Congressional Record.

(12) Organized and presided over the National Monetary Conference in 1944 for the purpose of reviewing the Bretton Woods Monetary Conference report, in Chicago.

(3) Filed suit in 1933 against the Federal Reserve Banks — so-called — to disgorge their illegally held gold taken from the public by Presidential decree; filed suit in United States Court, which led to bringing that gold, SEVEN BILLION DOLLARS worth, including THREE BILLION DOLLARS worth of profit for the Government into the Treasury, due to the increased price of the yellow metal, from \$20.67 up to \$35 an ounce. This feat recorded in biographical sketch of Nordskog in the "International WHO'S WHO in Commerce And Industry" published by A. N. Marquis Company, Chicago.

(14) This editor's final word: "America owes a debt of gratitude to Andrae B. Nordskog—long may he live!"

*Lester O. Wisler*

Publisher and Executive Editor.



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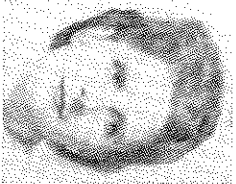
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# "Toil, Taxes and Troubles"

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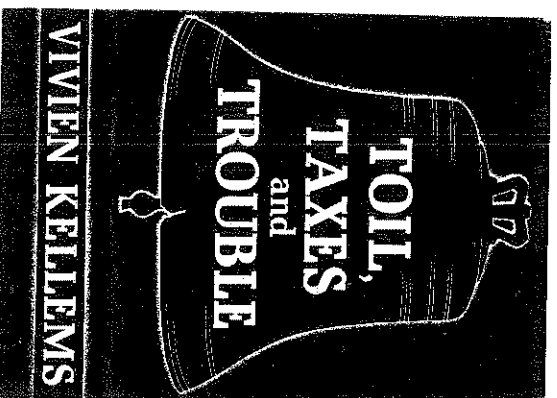
THE FOLLOWING RECORD OF "PAY OFF" BANK PROFIT  
IS SOMETHING MORE FOR TAXPAYERS TO THINK ABOUT



By Vivien Kellems, Author

### BOOK REVIEW

**VIVIEN KELLEMS** is as American as they come. She was born in Des Moines, Iowa, and moved with her family to Eugene, Oregon, where she received an M. A. degree from the University of Oregon. She now owns and operates a factory in Stonington, Connecticut, which produces cable grips in use throughout the world.



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"**TOIL, TAXES & TROUBLE**" is a call to arms, so-to-speak, as sponsored by the great American Women's organization over which Miss Kellems presides, called "**LIBERTY BELLES**." Every spirited American woman, interested in saving our great nation for posterity, should not only read this "Toil, Taxes & Troubles," but should also join up and become a "Liberty Belle." The wife of the editor of this publication is a member and proud of it. Everyone who makes a purchase of "Toil, Taxes & Troubles" from Liberty Free Press will be given the address of the National Office of "Liberty Belles," upon request.

As for the withholding Tax, taken from employees, by severing their pay-checks' purchasing power to help American business, Miss Kellems believes it commandeers every employer into involuntary servitude, which is in direct violation of the U. S. Constitution. Withholding Tax from Employees and so called Self-Employment Tax sows seeds of dissension everywhere, and conceals the unlimited power of evil held by politicians-in-office for spend-thrift purposes all over the world. These evils must be eradicated. Vivien Kellems says, or this Marx-Engles Communistic doctrine will destroy America, as we have known it.

Get your copy of this 159 page dynamic book, \$2.50 postpaid by Liberty Free Press, 1948 48th Avenue, Oakland 1, Calif.

### THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK.

18 Pine Street, New York, N. Y.,

16th March, 1934.

#### TO THE HOLDERS OF COMMON STOCK:

Under date of 22nd January, 1934, the Chairman of the Board of Directors addressed a letter to the shareholders of the Chase National Bank, with which was enclosed a notice of a special meeting of shareholders called for 27th February, 1934. The purpose of the meeting was to vote upon the recapitalization plan recommended by the Board of Directors, involving the creation and issuance of \$50,000,000 5 per cent. cumulative preferred stock of the bank and the reduction of the common capital from \$148,000,000 to \$100,270,000, the latter to be accomplished by reducing the par value of each share of common stock from \$20 to \$13.55 a share. This recapitalization was approved at the shareholders' meeting held on 27th February, and finally adjourned on 6th March. Shareholders holding in excess of 75 per cent. of the outstanding shares of the bank voted in favour of the plan, whereas less than 1,500 shares were voted against it.

Formal action accomplishing the recapitalization thus authorized was completed yesterday. Of the \$50,000,000 of preferred stock, \$3,777,840 was subscribed and paid for by shareholders or their lawful assigns. The balance, namely \$46,222,160 par value, was sold to the Reconstruction Finance Corporation and approximately an equal amount was immediately invested by the bank in the 2 1/4 per cent. Series E notes of the Reconstruction Finance Corporation. As a result of this transaction, the bank now has outstanding 2,500,000 shares of preferred stock of the par value of \$20 a share for an aggregate par value of \$50,000,000 and 7,400,000 shares of common stock of the par value of \$13.55 a share for an aggregate par value of \$100,270,000. The item of surplus remains at \$50,000,000. The undivided profits are shown in an amount in excess of \$9,000,000 and the reserves for contingencies in an amount in excess of \$14,000,000.

The present outstanding certificates for shares in the bank now represent shares of common stock of the par value of \$13.55 a share. These outstanding certificates will not be called in for the issuance of new certificates, nor will any exchange of certificates be made at this time. As transfer of stock from one name to another is requested, the certificate issued on such transfer will bear an appropriate notation of this change in the par value. The reduction in par value of the common stock in no way affects the book value of such stock.

WILLIAM H. MOORHEAD,

Cashier.

(Italics are ours.)

2 3/4 % on \$46,222,160 = \$1,271,109.40 difference on interest.

**EXPLANATION:** The difference between 5% Preferred Stock of the Chase National Bank of which \$46,222,160 at par was exchanged for same par value Series E Notes of the R. F. C. at 2 1/4 % was 2 3/4 % gain of interest to the Chase National Bank for each year of \$1,271,109.40 — for how many years? Ask your Congressman to give you a full report on this particular transaction. The truth will be astonishing!

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Seattle 2, Washington
4. "CONSTITUTION NEWS LETTER".  
Box 8181 San Antonio, Texas.

### GREENBACK PARTY PLATFORM

The Greenback Party will reverse the present order of things. It will put money into the hands of the industrious people first. All then would have to serve the industrious people in order to obtain money, and all would be working for each other. Under our present system, the industrious people are forced to give up their valuable property, or borrow, and pay USURY for it, to those who have no moral right to exact it of the people.

# CIRCULATION STATEMENT OF UNITED STATES MONEY--AUGUST 31, 1955

KIND OF MONEY	TOTAL AMOUNT	MONEY HELD IN THE TREASURY					MONEY OUTSIDE OF THE TREASURY			
		Total	Amount held as security against Gold and Silver Certificates (and Treasury Notes of 1890)	Reserve against United States Notes (and Treasury Notes of 1890)	Held for Federal Reserve Banks and Agents	All other money	Total	Held by Federal Reserve Banks and Agents	In Circulation <sup>f</sup>	
									Amount	Per Capita <sup>g</sup>
Gold.....	<sup>a</sup> \$21,681,791,225	<sup>b</sup> \$21,681,791,225	\$21,027,125,234	\$156,039,431	<sup>b</sup> <sup>c</sup> (\$18,177,347,355)	\$498,626,580	\$2,849,777,879	\$2,816,555,600	\$34,222,279	\$0.21
Gold Certificates.....	(21,027,125,234)	(18,177,347,355)	216,355,863			42,234,351	231,448,088	5,009,778	226,438,308	1.36
Standard Silver Dollars.....	490,038,300	258,590,214								
Silver Bullion.....	2,191,695,301	2,191,695,301	2,191,695,301							
Silver Certificates.....	<sup>b</sup> (2,406,909,276)						2,406,909,276	283,721,833	2,143,187,443	12.93
Treasury Notes of 1890.....	<sup>b</sup> (1,141,888)						1,141,888		1,141,888	.01
Subsidiary Silver.....	1,296,151,600	26,889,881				26,889,881	1,269,261,719	56,396,569	1,212,865,150	7.31
Minor Coin.....	451,419,790	4,774,336				4,774,336	446,645,364	7,947,945	438,697,419	2.65
United States Notes.....	346,681,016	2,444,580				2,444,580	344,236,436	26,987,593	317,248,843	1.91
Federal Reserve Notes.....	26,899,654,655	72,914,435				72,914,435	26,826,740,220	1,110,192,215	25,716,548,005	155.13
Federal Reserve Bank Notes.....	161,814,538	350,227				350,227	161,464,311	1,606,199	159,858,112	.96
National Bank Notes.....	67,087,659	195,950				195,950	66,891,709	524,315	66,367,394	.40
Total August 31, 1955.....	53,586,333,994	24,239,646,149	23,435,176,398	156,039,431	<sup>b</sup> (18,177,347,355)	<sup>d</sup> 648,430,320	<sup>e</sup> 34,604,516,888	4,287,941,047	30,316,575,841	182.87

PAPER CURRENCY OF EACH DENOMINATION IN CIRCULATION--AUGUST 31, 1955									COMPARATIVE TOTALS OF MONEY IN CIRCULATION <sup>f</sup>		
DENOMINATION	Gold Certificates	Silver Certificates	Treasury Notes of 1890	United States Notes	Federal Reserve Notes	Federal Reserve Bank Notes	National Bank Notes	Total	Date	Amount	Per Capita <sup>g</sup>
One dollar.....		\$1,226,508,965	\$293,371	\$5,115,038		\$1,499,191	\$339,724	\$1,233,756,289	Aug. 31, 1955.....	\$30,316,575,841	\$182.87
Two dollars.....		2,828,589	177,202	68,018,147		341,718	161,888	71,527,344	July 31, 1955.....	30,244,147,455	182.75
Five dollars.....		791,732,718	324,530	233,904,675	\$1,014,639,885	2,498,323	11,572,590	2,054,672,721	Aug. 31, 1954.....	29,929,403,991	183.68
Ten dollars.....	\$9,082,430	121,208,896	221,335	6,580,906	6,305,314,200	12,785,110	20,769,945	6,475,942,822	Mar. 31, 1954.....	29,707,297,419	183.65
Twenty dollars.....	13,398,114	648,870	69,650	2,434,352	9,818,480,920	34,641,470	22,015,920	9,891,889,296	Nov. 30, 1953.....	30,907,116,024	181.50
Fifty dollars.....	3,715,055	152,865	1,300	201,926	2,609,419,100	38,347,400	4,955,150	2,656,792,815	June 30, 1955.....	30,229,323,246	182.93
One hundred dollars.....	6,285,750	90,520	29,500	330,300	5,407,771,800	69,544,900	6,382,250	5,489,435,120	June 30, 1950.....	27,156,290,042	179.03
Five hundred dollars.....	1,170,750	7,000		353,500	307,149,000		66,500	308,766,750	June 30, 1945.....	26,746,438,483	191.61
One thousand dollars.....	1,778,500	9,000	25,000	330,000	441,813,000		21,000	443,978,500	June 30, 1940.....	7,847,501,324	59.46
Five thousand dollars.....	110,000				3,320,000			3,430,000	June 30, 1935.....	5,667,092,519	43.75
Ten thousand dollars.....	130,000				8,640,000			8,770,000	June 30, 1930.....	4,521,987,962	36.74
Fractional parts.....							62,627	62,627	June 30, 1925.....	4,815,207,508	41.57
	34,670,599	2,143,187,443	1,141,888	317,248,843	25,716,548,005	159,858,112	66,367,394	28,439,022,284	Oct. 31, 1920.....	5,698,214,612	53.18
Deduct:									Mar. 31, 1917.....	4,172,945,914	40.49
Unassorted, held by Treasury Offices and Federal Reserve Banks.....	448,320							448,320	June 30, 1914.....	3,459,434,174	34.90
Total.....	34,222,279	2,143,187,443	1,141,888	317,248,843	25,716,548,005	159,858,112	66,367,394	28,438,573,964	Jan. 1, 1879.....	816,266,721	16.76

<sup>a</sup> Does not include gold other than that held by the Treasury.

<sup>b</sup> These amounts are not included in the total, since the gold or silver held as security against gold and silver certificates and Treasury notes of 1890 is included under gold, standard silver dollars, and silver bullion, respectively.

<sup>c</sup> This total includes credits with the Treasurer of the United States payable in gold certificates in (1) the Gold Certificate Fund--Board of Governors, Federal Reserve System, in the amount of \$17,329,797,209 and (2) the redemption fund for Federal Reserve notes in the amount of \$847,550,146.

<sup>d</sup> Includes \$98,000,000 lawful money deposited as a reserve for Postal Savings deposits.

<sup>e</sup> The amount of gold and silver certificates and Treasury notes of 1890 should be deducted from this amount before combining with total money held in the Treasury to arrive at the total amount of money in the United States.

<sup>f</sup> The money in circulation includes any paper currency held outside the continental limits of the United States.

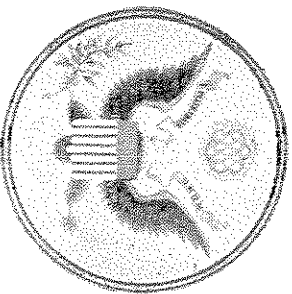
<sup>g</sup> Based on Bureau of the Census estimates of population.

<sup>h</sup> Highest amount to date.

<sup>i</sup> Lowest amount since November 30, 1953.

<sup>j</sup> Revised.

NOTE.--There is maintained in the Treasury--(i) as a reserve for United States notes and Treasury notes of 1890--\$156,039,431 in gold bullion; (ii) as security for Treasury notes of 1890--an equal dollar amount in standard silver dollars (these notes are being canceled and retired on receipt); (iii) as security for outstanding silver certificates--silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates; and (iv) as security for gold certificates--gold bullion of a value at the legal standard equal to the face amount of such gold certificates. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve Bank. Federal Reserve notes are secured by the deposit by the Federal Reserve Bank concerned, with its Federal Reserve Agent, of a like amount of collateral consisting of such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act, or gold certificates, or direct obligations of the United States. Each Federal Reserve Bank must maintain reserves in gold certificates of not less than 25 percent against its Federal Reserve notes in actual circulation. Gold certificates deposited with Federal Reserve Agents as collateral, and those deposited with the Treasurer of the United States as a redemption fund, are counted as part of the required reserve. "Gold certificates" as herein used includes credits with the Treasurer of the United States payable in gold certificates. Federal Reserve bank notes and National bank notes are in process of retirement.



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### A SIMPLE EXPLANATION FOR THE BUSY READER

Issued by

Social Credit Assn. of Canada

There are some who believe that the full meaning of Social Credit can be given in a few simple words. This would be just as hard to do as it would be to give the full meaning of Christianity or Democracy in a few simple words. In so far as it can be done, this article is written for the purpose of explaining the true meaning of Social Credit in a manner which will make it easy for anyone to understand.

#### A Few Definitions Will Help

We often use words loosely to mean any of a number of things, which leads to a great deal of misunderstanding. In this article we will use certain words and phrases several times. It will help us to understand Social Credit, if we can agree on what these words and phrases mean as we use them here:

**Freedom:** The right of every person to do as he chooses as long as he does not interfere with the same right on the part of others, e.g. a man has the right to go where he chooses with his car but if he drives on the wrong side of the road he takes away from the driver going the other way his right to go where he chooses. When a person does anything he chooses without regard to others that is called "license". Freedom is not license and therefore does not give anyone the right to do wrong or commit a crime.

**Community:** A number of persons living in a rural district, or a town, a city or a province and associating together as a group, form a community.

**Society:** A word used to describe community life. "Social" is a word used to mean anything which is related to society. A "social outcast" is a person whom society does not want and therefore snubs and ignores.

**Money:** Money is anything which has become so acceptable, that no matter what it is made of or why people want it, no one will refuse it in exchange for goods or services. Money may, therefore, be simply defined as "a claim on goods and services" or still more simply as "tickets" to goods and services. **Monetary** is a word used to describe matters which are related to money.

**Inflation:** A condition which exists when the amount of money which all the people have collectively, with which to buy goods, is more than the usual prices of all the goods for sale, and as a result a rise in prices above their usual level, takes place.

**Deflation:** Deflation is the opposite of inflation. It is a condition which exists when the amount of money which all the people have collectively with which to buy goods, is less than the usual prices of all the goods for sale, and as a result goods remain unsold and prices are forced down to a level below the cost of producing the goods.

**Monopoly:** When any man or group of men have the complete control of anything, we say that they have a monopoly. For example, a company that had the sole right to deal in fountain pens, that is to make,

buy or sell fountain pens in a country, would have a "monopoly" of the fountain pen business.

**Dividends:** The profits of a business are divided to give all those who have a stake in the business a fair part of the profits. Each person's share of the profits is called a dividend. A national dividend would, therefore, be a part of the wealth of the nation paid to every citizen from time to time because he is a shareholder in Canada Unlimited. Common sense would demand that such dividends be paid first of all to those needing them the most: the aged, the sick and incapacitated, the mentally and physically deficient and the unemployed. However, all citizens would share in the dividends because these dividends would be based on the nation's assets, the increasing wealth and productivity of the country and the job heritage which has come down to us all from the past. Thus the active workers would be inspired to maintain production at the highest possible level because they would get a dividend in addition to their wages; they would also be relieved of the taxation now imposed to sustain the underprivileged ones mentioned above.

**Economic System:** All the institutions and arrangements for producing and distributing the goods and services which people want are included in the term "economic system." Factories, farms, fisheries, forests, mines, railways, wholesale and retail stores and money, are all a part of our economic system because they are the means of making, transporting and distributing goods and services. The economic system may be described as "the housekeeping system of the nation."

**Economic Security:** A person has economic security to the extent that he is sure that he will have whatever he needs in order to live properly, that is, enough of proper food, fuel, clothing, shelter, health services, etc., which the overall wealth and productivity of the nation can provide.

**Politics:** This is the name given to the business of government and the management of the public affairs of the nation. "Political" is used to describe anything which is related to politics.

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