

POST-WAR RECONSTRUCTION

THE LAST IN THE SERIES

of

NATIONAL BROADCASTS

Delivered by

The late William Aberhart, B.A.,

Premier of Alberta

and

National Leader of the Social Credit Movement
in Canada

Together with

Supplementary Broadcasts

by

Hon. E. C. Manning



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FOREWORD

This booklet contains the last seven radio addresses delivered by the late Premier William Aberhart immediately prior to his fatal illness. They comprise broadcasts Nos. 22 to 28, inclusive, in the series of National Broadcasts which were released over fifteen Canadian stations by transcription.

We have also included abstracts of four of the concluding broadcasts in the series which were given by the Hon. E. C. Manning, now Premier of Alberta.

The texts of these broadcasts are now being made available in this booklet in response to many requests from the public.

TODAY AND TOMORROW.

January, 1944.

"TRADITIONAL BRITISH POLICY"

May I begin on this occasion by asking you a plain, blunt question. You see my broadcast time is so short that it compels abruptness. Here is my question: "Do you expect some form of dictatorship or bureaucracy in Canada after this war?" What do you say, yes or no?

If you say "Yes", then I should reply without any hesitation, "You have nothing to do but to let the present trend of events drift along and you will not be disappointed in the slightest degree. You will have your dictatorship. You needn't bother about what is going to happen when our fighting men come home. You needn't think of your responsibilities in this regard, or in any other Post-War matter. Those things will all be ordered for you.

Yes! and you have little to gain by listening to these broadcasts that are being

given to help you; for if you are willing to have a bureaucracy or a dictatorship, you have but to sit back complacently and you will be carried on swiftly to your goal, as we drift down the rapidly increasing stream of events. Presently you will find yourself in the rapids, and it may be too late then for you to do more to alter your direction. You will be hurried over a Niagara of confusion and turmoil into the abyss of regimentation, tyranny and complete subservience. I repeat: Do you want that?

On the other hand, if you say "No—you do not want any form of dictatorship or bureaucracy"—if you demand a democracy as the basis of the New Social Order; if you want life liberty and the right to the pursuit of happiness after the war—then let me tell you in the plainest possible language that I can use: **You**—yes, I mean **you**, Sir, and **you**, Madam, who are listening to me now—**you** personally must do something about it. You can't sit back and wait for things to turn out aright. It doesn't work that way.

Now those may sound like the words of an alarmist. But that is not so. I am more like a man trying to flag a train and save the people. I hope that I shall be able to place the facts before you so clearly that you will know that the bridge of economic security is down and that we are rushing madly to a terrible catastrophe unless we are stopped.

We sometimes talk glibly about the

new world which will emerge from the suffering and carnage of this war. It has become almost a prayer on our lips. Some smugly assume that all we have to do is to dispose of the Madman Hitler; crush the military Frankenstein which he has created; and smash Japan; and—Pronto! the world will become a scene of peace, harmony and prosperous progress, and everyone will be happy ever afterwards.

Others know instinctively that this is a false, fanciful supposition. They are convinced that it will not be as simple as that, but for some strange reason, they will not face the facts. They are afraid to speak or to act. They are confused. They lack intestinal fortitude.

Listen to me, Radio friends, it is folly of the worst kind to blind ourselves to the peril of a situation that is so evident.

Just think back to those pre-war years, before this wretched man, Hitler, even appeared upon the scene. What a ghastly mess the world was in. Mass unemployment, bread-lines, starvation, crime and hopeless despair were on every side. They were the order of the day. Workless men and idle resources, capable of pouring out an abundance of goods beyond our fondest dreams, existed, side by side with degrading poverty and widespread privation, because there was a lack of purchasing power to purchase the goods which could have been produced so abundantly. Removing Hitler and smashing his dreadful machine will not solve all our troubles.

If anything has proved the criminal folly of it all, surely this war has abundantly done so. Here we are, pouring out an ever increasing stream of goods—doubling and redoubling our production—for the purpose of destroying human life. Yet back in those so-called peacetime years, we could not provide enough to feed, clothe and house our people decently. Little children and their mothers were condemned to an existence of abject degradation—herded together, hungry, cold and dreary, in unsanitary hovels and denied the bare necessities of human existence.

May the Great God of Heaven have mercy on us for our folly and inhumanity! All the while, we called ourselves Christians. What mockery! Christians, tramping under foot the abundance of God's great Providence, and sabotaging it rather than allowing our fellows to consume it, because they couldn't get any money.

We know, beyond any shadow of doubt the reason for these disgraceful conditions. We have discovered that humanity was ground down in poverty and misery—not because the food, the clothes, the homes and the other things they lacked could not be produced—Oh no! It was simply because they lacked the money to buy the goods which could have been produced in abundance. The Private Money Monopolists kept the money short.

It does not matter how you approach the question it always leads back to the one great cause — the money system.

Furthermore, it is definitely clear that these conditions of poverty amidst plenty, combined with the growing tyranny of debt and taxation, have not been confined to Canada alone. They have been common to all countries, and particularly to all democratic countries.

Now, ladies and gentlemen, things do not just happen thus without a cause. When we find that the same conditions existed in all democratic countries—in defiance of the will of the people—and when we find, on inquiry, that the means by which this universal condition of poverty amidst plenty has been imposed upon the people has been the present money system, I claim the whole business begins to look mighty suspicious, and calls for an investigation.

When we examined the facts carefully, our suspicions gave way to startling certainty as we found that a small body of men actually controlled the money systems of all countries, and were able to impose upon the great democracies this money scarcity, which created so much havoc among entire nations.

Now they must have had a purpose in doing this—and that purpose becomes evident when we find that they were using the restriction of money to centralize and concentrate more and more power in their hands. Furthermore, while this was going on, the appalling conditions created by their brutal policy of subjecting people to unbelievable hardships, very naturally

created dissatisfaction. Then having gone that far, it was easy to use this discontent in order to discredit democracy and to give out poisonous permeating propaganda in favour of more and more control, and ever-increasing regimentation as a means of overcoming the intolerable conditions. So a world state, with control over everybody and everything was openly advocated.

There was to be one objective only—a world dictatorship—the same objective as Hitler's. The only difference was that these evil men were waging war against humanity by stealth, cunning, and every slimy, under-hand trickery they could employ. Hitler tried to do it openly by force. We spotted Hitler's game before it was too late—but only just in time.

Now I ask you, what about these other would-be dictators who work behind the scenes and have been able to fool the people and delude governments for years?

Listen, men and women, for the sake of our Country, let us face the stark and dreadful facts, no matter how ugly they may appear. The money system which was in operation before the war is still in operation. The money system which caused so much havoc and distress during those pre-war years is the same system which we have today. And that system is still controlled by the same powerful group of money manipulators, and they are still determined to impose their brand of totalitarian dictatorship upon us. Are we to be so spineless as to let them do it?

Just consider the debt that is being piled up under the stress of war conditions. Just think of the scale of taxation which will be necessary to maintain that debt after the war. Do you not realize the way in which financial control over the people's lives is being centralized and consolidated by this means? Do you not know that one by one the links in a chain of bondage is being strongly forged on the anvil of human subserviency?

Tell me, have you heard of a single scheme for the Post-War period being put forward from any influential quarter, and receiving publicity, which does not involve more regimentation, more bureaucracy, more State control and more centralization of power? Do you imagine for a moment that this is purely an accident? Do you consider it is a coincidence that in all countries there is talk of an after-war world in which an International Police Force, and an International Money System will be controlled by an International Central Power, for the purpose of making you and me, and all of us, do what it decrees? Do you realize that a world organized on those lines would mean the end of democracy altogether—the downfall of the British Empire in particular, and the establishment of a World Dictatorship ruled by International Finance? Don't be so blind and gullible.

Dont' say, "It cannot happen!" I tell you it **is** happening, and the evidence is there for you to see unless you wilfully

shut your eyes to facts. I urge you with every fibre of my being to face the issue if you do not want to see everything you hold dear, swept away.

The British Empire became great because it remained steadfast and observed the first principle of democracy. That principle is the decentralization of power. For nearly a thousand years the British people have resisted the rise of any tyranny. Dictators, bureaucrats and power-seekers have failed to subjugate the British people. Easy going and tolerant, up to a point, they have always successfully resisted too much power becoming concentrated in too few hands. As they went forth and built up the Empire, they carried with them the same traditional love of freedom, and the same insistence on the decentralization of power. As the colonies grew to be Dominions, so the people insisted on having more and more control over their own affairs. Decentralization of sovereign power became the cornerstone of British Imperial policy. It was the secret of the strength of the Empire, and the bond which bound it so closely to the Mother Land. Today the British Empire is in deadly peril—in peril from the military forces of powerful enemies, and from those who seek to destroy it by means of other weapons.

Notwithstanding what some people declare, we face a two-fold task. The task of defeating the war machines of the Axis powers—that is our first and greatest duty.

The second, an equally important task, is that of defeating the machinations of the money powers who would impose upon us an evil totalitarian dictatorship by intrigue and cunning.

Our fighting forces on the military front are tackling their task with a courage which should fill our hearts with gratitude and pride. They will not let us down. So I say: Let us lay hold of our task on the home-front with equal determination and courage! One great challenge calls for our reply: Will we keep faith with our brave boys, and deal with this other menace which is behind the scenes? That challenge is for us, each and all, to answer.

Personally, I am confident that no Canadian men or women with red blood in their veins will shirk their duty—if they realize the gravity of the situation and the responsibility which is theirs.

I am sure that everybody that is listening to me, must recognize that we cannot accomplish our task without vigorous and aggressive effort. Men are ready to discipline themselves, get organized, undertake strict and arduous training, make tremendous sacrifices and risk their lives for the purpose of defending their homes and their country from a military foe. I assert that the task of changing the social order and creating a new civilization is almost as important an undertaking. Surely we do not expect to carry it through without sacrifice!

"THE CONSTITUTION AND THE PEOPLE"

To begin with tonight, Ladies and Gentlemen, I want you to picture a group of men—intelligent looking fellows—who have come along with what they call a "sound proposition". Whether a "sound" proposition means something reliable and profitable, or just a big noise, I'll leave you to judge.

They say: "Look here, Citizens of Canada, we have this proposal to make to you. We will give you security—real economic security—on the ground that you give us the power to do the job. Do you understand? First of all you must hand over your Constitutional authority, change the Constitutional Act, and surrender some of your important democratic rights. Then when we have the power in our hands, and the Act changed, we shall tell you what you must do to obtain the benefits that we shall have to offer you.

"Simple isn't it? Of course, you all

realize that we each must sacrifice. The cut of the coat depends upon the amount of the cloth that is supplied. As long as you obey our instructions implicitly and pay promptly the heavy taxes we shall be obliged to require of you, we promise that you will not starve. What do you say?"

Now tell me, would you accept a proposition like that? Would you be satisfied with this so-called "sound proposal"? Do you think it would remedy our great problems?

You must not imagine that this is all a figment of imagination. No siree! The German people were up against that "Sound proposal" not so very long ago. In their desperation they accepted it, only to discover **too late** that in bartering away their Constitutional freedom for the promise of security, they put themselves into the grip of a **ruthless, unprincipled, diabolical dictatorship**, under which they had neither security nor freedom and they lost everything they held dear. Had they stopped to think, it would have been obvious to them that they could have expected nothing else. Do you understand me?

Now, it has been truly said that "all power corrupts; but absolute power corrupts absolutely." When you see men manoeuvring to get power over their fellow men, you know at once that it is for the purpose of enslaving and corrupting them. What other objective could they have? History proves this! It has always been so.

Now, I claim that every Canadian should know that these much publicized schemes which are being offered to us as a basis for a new Post-War Order—such as the Beveridge Scheme, the Marsh scheme and so forth—all involve to begin with, **the surrender of Constitutional Power** by the people to some central State authority which will at once set up a vast bureaucracy and after that proceed to tax and regiment the people, to their hearts content. Please note that carefully.

If we are so foolish as to follow the example of the German people and barter away so recklessly our democratic rights for the miserable, inadequate, tantalizing promise of security benefits, which are being offered under these schemes, what can we expect but more and more bureaucracy, and more and more regimentation, until we finally end up under a social system organized on the same lines as the totalitarian countries of whatever stripe they may be.

Personally I do not believe that British people anywhere will be satisfied to submit to that type of arrangement, particularly, if they know that it is unnecessary, and this war is surely proving that to us.

Never again need anybody doubt that we can produce an abundance of goods. Listen! Here in Canada, with our vast resources still largely undeveloped, with the pick of our manhood in the fighting forces, and with a large diversion of man-

power to other non-productive war services, we have more than doubled our production since the outbreak of the war.

Do you know that if the incomes to buy this increased production were to be distributed equally among all the people, it would provide more than \$1,000 a year for every family, over and above anything they may have been earning before the war.

May I repeat that? If the increased Canadian production which has taken place since the war started, had been turning out peace-time instead of war-time goods, it would have been sufficient to provide every family of four with an additional income of **more than one thousand dollars a year**, over and above anything they were earning before the war. That means there would not be any necessity whatever to take away from anybody's present income; if our economic system is scientifically constructed, there would be plenty for all.

Does that not **prove** beyond any shadow of doubt that when this war is over, when all the manpower is released from the fighting forces, and other war services, and when our production system can be converted to produce the goods people want, it will be entirely within the realm of possibility to ensure security for everybody without all this State control, bureaucracy and regimentation. Now that's the point I want to emphasize.

If that is so, what is the big idea of

offering the people a meagre, miserly subsistence allowance, provided they consent to having their wages reduced and prices increased, in order to secure contributions for an insurance fund which will be run by a huge State bureaucracy? Do the men who are putting forward these suggestions not realize, that to the extent that wages are reduced and prices are increased, everybody will be worse off? Do they not understand that such a scheme is just a method for redistributing poverty and curtailing freedom, and will never give the people the security and freedom they should have?

My guess is that the politicians who are supporting these Beveridge and Marsh schemes, are so uninformed regarding the basic principles of democratic economics and so hypnotized by the hocus-pocus of the present financial system, that they blindly support these cunning plans being boosted by the Money Powers in order to preserve the financial system. Why should we want to preserve such a bare-faced racket that has already almost wrecked our civilization? I say that unless people themselves are alive to what is going on, we may well expect to be railroaded into a Post-War Order under which we shall be organized into a colony of robots for the benefit of a few power-maniacs and their bureaucratic henchmen. I mean by power-maniacs, those who have an insane desire to control and oppress their fellows.

History teaches us that one of the

most ghastly tragedies in the British regime, was the break between the American colonies and the Mother country. Most of my Radio listeners know well the underlying cause of that. It was the result of those in authority, ignoring altogether the great principle which is the secret of the growth of the British Commonwealth of Nations, and demanding distant control to the exclusion of the people's Constitutional rights. As I mentioned last week, the basis of democracy and the corner-stone of British Imperial policy has been the insistence of the great majority of the British people upon the important principle of the decentralization of power.

This principle of decentralizing power, so that the people themselves have the ultimate authority, was carried from Great Britain to her colonies. And the wisdom of British statesmanship has recognized that as the Colonies grew in population, they had to be conceded more and more sovereignty—that is to say, more and more control over their own affairs—until they were finally given full self-government.

The Statute of Westminster was the logical completion of this policy of decentralization. Under that Statute, the Dominions were granted full sovereignty and the British Parliament surrendered its over-ruling control. Thus was born a Commonwealth of Free and Sovereign Nations, with one King and bound together by ties that are far stronger than any Act of Parliament could make them.

But for the stupidity of British statesmen responsible at the time of the War of Independence, the United States of America would today be within our great family of British Nations. But some British statesmen violated the great principle of decentralization of power, and attempted to assert their authority against the will of the people of the American colonies. Once the breach widened into a break, the British Commonwealth sustained a tragic loss. That is the course of all these domineering attempts of Constitutional control.

The point I wish to stress, men and women, is this: To the extent that the British people have observed the great principle of the decentralization of power and authority, the British Empire has prospered, but whenever they have violated that principle, the results have always been disastrous.

Now I want to compare the development of this splendid country of ours with the growth of the British Commonwealth. The first step in our evolution to Nationhood was the Federation of the various Provinces. Under this arrangement Great Britain conceded increased sovereign authority to the people of Canada, retaining an over-riding control for a time. That sovereignty was divided. In regard to certain matters of local nature, the people of each Province, acting through their Legislative Assemblies, were sovereign in their own sphere; while in matters affecting the whole nation, sovereignty resided with all

the people acting through their Federal Parliament.

It will be plain, I am sure, that in a vast country like ours, as the population increases, so the same difficulties of centralized control will arise as occurred with the growth of the British Empire, and there will be the same need to decentralize power—giving more and more sovereignty to the Provinces—as development takes place.

But actually what are we seeing? There has been a deliberate and concerted drive to reduce the autonomy of the Provinces and to increase the powers of the Federal Government. And in spite of the disastrous consequences which have always resulted from the centralization of power, and the insistence of remote control, there is a constant stream of proposals to give the Federal Government greater Constitutional authority in order to provide for our people a meagre, miserly security unworthy of the name.

Men and women, I am warning you that we shall be heading for disaster if we take that course. It constitutes a retreat from democracy and a violation of a principle fundamental to the British ideal of democratic government.

I claim that the people of Canada have allowed themselves to come under the control of a powerful money monopoly which is thwarting their will and imposing upon them intolerable conditions which they are forced to endure. Furthermore, this money

power has gripped our Federal Government and is demanding more and more centralized control and regimentation of our people. The question we must answer is: Are we going to allow this to be done?

The supreme task we face here on the home front, ranking second to winning the war, is for the people to drive the money changers out of the position of authority. To do this they must organize—and organize so thoroughly that they can dictate the conditions they want in Canada after this war.

As a start, I am urging you to get busy in your own districts, choose one or two thoroughly reliable, honest, able and public-spirited men who are willing to give you local leadership! Send me their names and I will see that they get the information they want.


The next step will be to organize yourselves poll by poll, district by district, and constituency by constituency until you, the people, have such a solid and powerful organization that you **will** be able to enforce obedience to your wishes. Then, and not till then, will we have the foundations laid for a properly functioning democracy.

Is that not worth an effort? For our children's sake is that not worthy of making some sacrifices? Is that asking too much to ensure that when our victorious heroes return it will be to a Canada worthy of them? No, a thousand times no! But, ladies and gentlemen, it is up to each of us to make it a reality. What do you say?



Broadcast No. 24

"The Man On The Street And Post-War Reconstruction"




The New York Times, one of the leading newspapers of the United States, is not given generally to alarmist propaganda, but in the issue of Sunday, March 14th last, its leading editorial was devoted to warning the American people of the grave situation which lies ahead. The article is so direct and potent, and it applies to Canadian affairs so fittingly, that I think I should use it as a basis of our discussion on this occasion.

The editorial opens with this striking statement. I quote:

"The United Nations are engaged in a global war to stop the aggression of the totalitarian states, which have embarked on a career of conquest to impose their system on the world and organize it in their own image. The totalitarian States will be defeated; but it has often happened in the past, that the ideas of the vanquished have conquered the conquerors. And something like an ideological totalitarian conquest is even now under way within the democracies which are pledged to the destruction of totalitarianism."


Now I put it to you, fellow-Canadians: When a leading newspaper like the "New York Times" finds it necessary to warn us of the menace of being overcome by the very things that we are fighting, the situation must be getting mighty serious.

I am appalled at the apparent indifference to the question of what is going to happen after this war which is to be found on every side today. No doubt you have had the same experience as I have. The other day I was talking to a prominent business man from the East. As the conversation drifted along, we came to the problems of the Post-War period. When I expressed my concern about what may happen after this war is over, my friend said, "Tut, tut, Mr. Premier. What's the use of worrying about it?" "Well," I continued, "What about this great unemploy-



ment problem? What about the possible depression that may come, and what about our colossal debt?" "Oh," said he, with a smile, "I've quit worrying. As the enormous debt matures it will just be renewed with more debt until the whole thing becomes so big we will not need to worry about it. We all know that, so why bother! Let it pile up as they like. I'm not worrying."

Now that is the kind of irresponsibility which is growing on every side and which, in the past, has caused some of the greatest disasters in human affairs. I am opposed—definitely opposed—to that kind of attitude. We must not think that we can escape the consequences of our foolhardy actions by simply ignoring what is happening,—ostrich-like hiding our heads in the sand, thinking that because we can see no danger, there can be nothing to worry about.



What do such persons imagine is going to happen after the war, when all these problems come tumbling down upon their heads—problems to which they have given no thought?

Have we lost all sense of reason and balance? The truth of the matter is, too many people are refusing to face facts as they are. They seem content to live from day to day, hanging on hopefully to the meagre measure of security they have, while our brave fighting forces on the battle-fronts of the world are shedding their life-blood to make the world of to-

morrow a better place in which to live; and at the same time the strangest movements are on foot on the home-front, to establish a system similar to the one against which we are fighting so vigorously.

Surely it is evident that simply because totalitarian measures are labelled by a different name, is no guarantee that their regimental and autocratic characteristics have been entirely removed.

People must be careful not to give their support unconsciously to Hitler's philosophy, masquerading under a different name.

We must learn at once, that with every new control which is introduced, with every restriction which is placed on individual freedom, with every step which is suggested or taken towards centralizing more power in some State or financial institution; we are steadily advancing towards a National Socialist or Totalitarian State. Surely every true Canadian can see that there is grave danger in centralization of power, and every safety in decentralization—the British ideal of individual freedom.

I was rather delighted to read this warning in the "New York Times". Here's another paragraph from the same editorial. Listen carefully please:

"The fundamental basis of totalitarianism is an exaltation of the state, which takes command of the individual from the cradle to the grave. It starts out as a wel-

fare state which takes care of all essential needs of the individual; it schools him, provides him with work, supports him in sickness and distress, takes care of him in old age. Very soon the individual becomes completely dependent on the State, which as a result acquires complete power over him. Philosophers and ideologists arise to extol the excellence and the beauty of such a state. And as a final step, there arise some tough-fisted ruffians and fanatics, who, seeing the vast power acquired by the state over an acquiescent—because dependent—populace, start out to seize the State for themselves, and to command the State in the name of a single “party” consisting of themselves.”

What the editorial does not point out is that these power-maniacs, who reach out to grab control of the Supreme State, and to impose a dictatorship on their fellow-men, are the very ones who are largely responsible for this rapid drift towards totalitarianism, which so many of our people are carelessly allowing to go on without protest.

Neither does the editorial call our attention to the fact that the men responsible for this audacious and dangerous conspiracy to enslave mankind, are using the financial system as the chief weapon to gain their ends, and they actually comprise a small gang of arch-conspirators who constitute the Money Power of the land.

I have a few more sentences to read from this New York Times editorial yet.

I am confident that you will be impressed by them. Listen:

"... This development must be kept in mind in studying the implications of the Post-War plans, worked out by the National Resources Planning Board presented to Congress by President Roosevelt."

"The reports of the N.R.P.B. are presented to the American public as the "American Beveridge Plan". (Now I hope that you are listening closely as I read on). "But quite aside from the fact that the Beveridge Plan itself is an imitation of Bismark's State Insurance System which laid the foundations for the German Welfare state that ended in Naziism, the N.R.P.B. plans to go far beyond it. They provide not only for Compulsory Insurance under state control, but also for a larger government participation in private industry, and for a share in business management by labor. The first envisages that mixed economy which long flourished in Germany, in which the state enters more and more into the domain of private enterprise and in time begins to swallow it, with the result that both management and labor become more and more dependent upon the state. The second provision obviously derives from the former shop councils of Bolshevik industry. But the drafters of this particular plan may not have been told that these councils, in so far as management is concerned, have been abolished and that authority and disciplinary power of management are more absolute in Rus-

sia today than in any other country."

Now, ladies and gentlemen, that editorial in the New York Times of March 14th, raises some tremendously important questions for us in Canada. Are we to fall asleep or sluggishly remain indifferent to these warnings regarding the outlandish proposals offered to people who love democracy and individual freedom?

You will recall that in a previous broadcast in which I dealt with Compulsory State Insurance and the Beveridge Plan, I pointed out that this scheme which is being offered to us as the basis of a Post-War Order was originated in Germany under the iron rule of Bismark, the father of modern Nazi-ism, and was described by him as a device to throw a golden chain around the necks of the workers to enslave them thoroughly for the State.

Does it not strike you as very, very strange that after more than three years of war, first, we have the Beveridge Plan presented to us. Then a few days later, supposedly independent of Sir William's activities, we are offered the Marsh proposals for Canada which by a curious coincidence are almost identical in its main features. Then a few days later the American people are offered the plan referred to by the New York Times, which is believed to be identical in its main features with the Beveridge and the Marsh plans?

But, Ladies and Gentlemen, the coincidence does not end there. Oh! dear no! Last year the Prime Minister of Canada

outlined to the Labor Congress, the main features of his policies for so-called social security. These included Compulsory Contributory State Insurance, for unemployment, for sickness and for old age. And in addition he spoke of joint management Committees for industry, representative of the State, the Employers and the Workers.

About the same time a number of Conservatives met at Port Hope where they roundly denounced the drift towards National Socialism, and then adopted a Social Security Program which was based upon these same Compulsory Contributory State Insurance schemes, together with the establishment of joint management of Industry. And now the N.R.P.B. (National Resources Planning Board) has produced an identical plan for the United States.

Can you not see, ladies and gentlemen, that there is manipulation behind the scenes? Do we not all realize that these schemes are but devices for fastening upon us more and more State control over individual liberty until we all become the mere creatures of State Bureaucracy? Is this not clear to you? Then what do you intend to do about it?

There is one more paragraph in the New York Times editorial that I would like you to hear. Are you ready? I quote:

"It is an axiom of political economy that liberty depends on ability to choose one's work and one's employer. When all jobs are controlled by one agency, that agency will dominate all workers, Control

over every job and the livelihood of every individual is the basis of the power of the Nazis in Germany, the Fascists in Italy, the New Bureaucrats in Japan, and the Bolsheviks in Russia." (I am still quoting from the New York Times).

"Ironically enough all these schemes are advanced in the name of "liberalism" which at one time was supposed to fight against usurpation of power by the state over the individual. Now "liberalism" has executed a complete turnabout and fights for the extension of state activities to every phase of life."

The article concludes with these two sentences: "... It might be well to know in advance which way they are leading us. Otherwise we might wake up some day and find that we are the dependent and powerless subjects of a totalitarian state, run by our own brand of "New Bureaucrats."

What do you think of that? I have been warning you along this line for some time. I claim that true as this blunt and timely warning by the New York Times may be in regard to the United States, it applies with even greater force and fitness to the trend in Canada.

Surely then, it is high time for every loyal, red-blooded Canadian to arouse himself to this grave threat on the home-front coming from the forces of National Socialist Totalitarianism which are working so clandestinely to accomplish our undoing, so that when we win the war we shall al-

ready have lost the peace.

Every last one of us must shake ourselves out of our smug complacency, thinking that nothing can happen. Listen, men and women, it is already happening, and we must stop it at all costs.

Broadcast No. 25

"THE MAIN FUNCTION OF MONEY"

The way of the reformer is not always easy, Ladies and Gentlemen. I am told that I am being criticized severely for daring to suggest what I did about **"Joint Management Committees for Industry"**, in my last broadcast. You will remember that I quoted a leading editorial from the "New York Times" in which it was pointed out, among other things, that the proposal, which is being advanced in Canada and in the United States to set up Management Committees for Industry representing the State, the Employers, and the Employees, will inevitably result in the final enslavement of all the workers to a gigantic State Bureaucracy. To my great surprise, I am informed that these proposals have the solid backing of the leaders of organized labour.

Well, I say, blow me down with a straw! I can hardly make myself believe that such support could be possible! Do these splendid fellows not realize that the adoption and the development of these centralized bureaucratic organizations will ultimately mean the end of their unions?

It was so in Germany, in Japan, and in fact in any country where the totalitarian ideal gains the ascendancy.

To me it is most surprising how people can be misled by the plausible propaganda which is put out in support of these compulsory contributory insurance ideas. It is strange to me that anyone should think that this Management Committee arrangement will give workers a greater voice in industry and that, consequently, they will be able to improve their conditions. In my judgment, nothing could be further from the truth. You see, this misunderstanding arises because as yet people do not know **the full extent** to which this money system of ours operates to keep the workers enslaved.

Somehow or other they imagine that they can enjoy freedom while at the same time the Arch-autocrat, the greatest of all slave-drivers—the International Money Power—is still in absolute control. What terrible folly that is!

Tell me, do you realize that under our present money system, full-orbed freedom is absolutely impossible? I declare then, with all the conviction at my command, that it is practically impossible under the present money system for industrial workers, farmers and others, to improve, to any appreciable extent, their economic conditions.

I would go a step further and say, if you do not comprehend this, the reason is you do not understand the manoeuvring

characteristics of the Great Money Octopus, whose writhing tentacles reach down with their destructive tendencies into the very minutest details of life: industrial, commercial, professional, and even religious. There is no escape!

Suppose, if you will, that the workers in industry used their collective bargaining power to increase their wages by 20%. (Please understand I am speaking of peace-time conditions, as they will apply after this War, if we do not change the present system.) That increase of 20% in wages would at once be reflected in an increase in production costs. Thus the increase in wages is off-set by a corresponding rise in prices and the workers would not be much better off.

However, the matter would not end there. The rise in prices would immediately reduce the relative buying power of the salaried men, the professional men, the farmers and other primary producers. They would begin to feel the pinch and naturally they would in turn press for an increase in their incomes. Now if the cost of primary products and the scale of salaries is raised to meet the original increase, there must naturally follow a further rise in the price level, and the workers would find themselves back in their original position, and a further move for higher wages would begin all over again. There would be continually a race between prices and wages until a great depression would set in and most of the

workers would be tossed into the maelstrom of chaos and inflation, and where are we? That is viewing the matter from the workers standpoint.

The employer's position is equally distressing and difficult. In peace-time his problem is not one of production but of selling his products. He finds that he has to meet severe competition, not only from within, but from outside the country. There is a continual pressure on him to reduce prices. But most of his costs of production are fixed charges. The Money System sees to that. The only adjustable charges available are: profits, salaries and wages. He cannot curtail his profits below a certain level and remain in business. His salaried men are usually key-men. So the only hope he sees in cutting down his production costs is to reduce wages. Thus there is a constant pressure on his part through sheer necessity to reduce his wage bill.

Now what is likely to happen if joint management Committees are set up for Industry representing the State, the Employers and the Workers? Do you not see that because the Workers and Employers will find it impossible to agree, both will turn more and more to the State. Then the Money System will step in with a dictatorial attitude and the State will become the puppet dictator, forcing the will of the Money Monopolists on both sides, and finally taking over the complete management of industry with all Unions abolish-

ed or submerged, and both the employers and workers will become subservient slaves.

That's what happened in Germany, and that, I submit, is what could happen here. Now I ask, do you want that?

On behalf of every Canadian citizen, I answer that question with an emphatic "NO"—God forbid! We want democracy, not National Socialism. We are fighting for democracy and we deserve to have it. Dictatorship in any form is loathsome to British people generally, but more especially to Canadian workmen. What is more, it is quite unnecessary. It is just one of those distressing, destructive results of the present monstrously iniquitous money system under which we are being mangled.

I assert, because I believe it completely, that it is quite possible under a proper scientific modern Money System, so to arrange matters that wages can increase, prices can be reduced, employers can obtain a fair return for their services and everybody can be free from bureaucracy and regimentation.

I am most anxious to explain the matter fully so that all who wish may have a grasp of this astounding Modern Economy, and also to clear away many of the misunderstandings and false declarations concerning it.

You see, under our complex modern economy, **Money** has become literally a licence to live. Without it, no matter how great a man's ability may be, he is a pauper

and must "root hog, beg or die". Only to the extent that he has money can he share in the things he may have helped to produce. So it has come about that if he is to have a claim upon the Nation's available resources, he must have a job or some other source of money. Money is in reality a licence to live. A person without money or without a job is destitute and helpless and can have no economic freedom, no matter how willing he may be to work. He cannot get food, nor clothes nor shelter, nor anything else. He is at the mercy of those who wish to exploit and dominate him so he becomes an abject slave and is forced to develop an animal-cunning to outwit his fellows. The present Money System should be outlawed by all Christian people on the ground that it makes selfish, grasping beasts out of human beings created in the image of God.

Since this outlandish system is allowed to continue, there is only one conclusion for us to reach—namely that generally speaking people do not know the machinations, the fallacies, and the strange anomalies of the present money system. I propose, therefore, to devote a part of these broadcasts to a discussion of the Present Money System.

In the first place, we should all realize that the present money system is a debt-creating system. All money represents debts. That becomes clearer when you know the source of all money. Under the present system, for the most part,

money in whatever form, is issued as loans. It is understood, of course, that Banks may pay their expenses, salaries, wages, dividends, etc., in new money, and that would not be debt. But otherwise, the banks issue only debt-money.

Let me illustrate: An industrialist requires say \$10,000 to make shoes, so he borrows it from the bank. In the operation he is given from \$9,500 to \$9,300 as a chequing account, deducting \$500 to \$700 for interest charges in advance.

The agreement is that the Industrialist must pay back \$10,000. He buys his raw material, pays the wages, etc., and then proceeds to gather back into his coffers 10,000 debt-dollars. Do you not see that it is an impossibility to recover 10,000 debt-dollars when only \$9,500 or less have been issued?

If he is able to entice some other poor industrialist to transfer some debt-dollars to him, then he may pay, but it is just too bad for number two. He will have a mortgage lien claim upon him that he can never pay, and will become another victim falling by the wayside, stripped of all his possessions—a victim of the present system.

Again I wonder if it is clear to you that if all debts were ever paid in full, there would be no money or credit in existence in the hands of the people with which to carry out business, so we would have to go back to the age of barter—an impossible situation in modern times.

It therefore follows that as long as we refuse to change our Money System, making money a means of distribution rather than a commodity to buy and sell, as long as we issue nothing but debt-money, a debt to the private Money Monopoly, we shall be compelled to worship at the shrine of Mammon, and pay tribute in the sacrifice of lives, property, and happiness. That is why, as the great natural resources of our land are developed, the country goes deeper and deeper into debt.

Does that sound cock-eyed to you? Well, if you investigate into it, you will find it true nevertheless, and that is only one phase of the Money situation. Think of it! The more we develop our resources, the more they belong to the Money Powers. Do you not agree with me that it is time we changed the system so that, when we work hard we shall have something for the people in general, instead of for the favored few?

Suppose then, instead of the private Money Monopolists lending the money, a State Commission undertakes to provide interest-free money to carry on our industries. Under this arrangement, instead of 5 of 7% deduction, there would be a small charge of from $\frac{1}{4}$ to $\frac{1}{10}$ % for handling. At once the cost of production is reduced, and the benefit is transmitted to the consumers. But that is not all!

Through other channels such as family allowances, Old Age Pensions, Sickness grants, dividends, just price discounts, etc.,

additional purchasing power in the form of debt-free money will be issued to balance up consumption and production, so that all industries may conclude their year without going into the red.

You see, as long as we make progress in our production industries, this debt-free money will circulate freely and there would be no difficulty, should it begin to accumulate from lack of use at certain individual points, for if necessary, it could very easily be drawn off by taxation and the economic equilibrium be restored. I hope you follow me!

I do not mean by this, that you must understand all the technical details of the debt-free system. It is sufficient for you to know that the present debt-creating system is unable to function as it should, and that we are on the verge of collapse; furthermore, that this collapse will be due to its debt-creating characteristic. That in itself should convince you that the remedy must be applied at that point. What is really needed is the issue of debt-free money in such a way as to insure that goods and services at our disposal will be equitably distributed while full recognition will be given to individual enterprise, and genius, without the introduction of compulsory regimentation and domination.

That is as far as I propose to go on this occasion.

Broadcast No. 26

"PROPERTY"

Last week, I pointed out the importance, if we hope to solve our Post-War problems, of understanding the present peculiar Money System, which we claim is failing and has failed miserably in carrying out the very things that are needed by the people generally. I stressed the fact that our present Money set-up is a purely debt-creating system, which completely enslaves, not only the people themselves, but their children after them for generations to come. Some people are almost convinced that we are doomed to economic oppression to the very end. I haven't got that low yet. I trust I never will, and I hope that none of our Radio friends will throw up their hands so easily.

Now in our discussion on this occasion I want to lift the lid of this present Money System another notch, so that you may understand a little more about its strange inconsistencies and its designed tendencies.

In some quarters, there is an attempt to make the people generally believe that the Money System is a very sacred thing, on a par with the ancient God of Mammon, and it is rather irreligious to discuss its inner workings. These propagandists want

us to think that money—its issue and function— is a very mysterious and complicated affair and few of us can ever understand it.

In order further to dumbfound us they make the most outlandish declarations you could possibly imagine. This is intended to produce confusion and misunderstanding among the innocently credulous.

Did you ever hear them say that the Bankers lend the depositors money? Did you ever hear them say that they have a dollar of currency for every dollar of their deposits? Did you ever hear them scoff at what is called "Phoney Money", or "Fountain-Pen Money" as if there was no such thing in existence? Have you been caught off guard by any of these strange statements and others equally as foolish? Then I suggest that you take time to investigate.

In Canada we have but two kinds of money. First there is the kind which we can see and handle. We call it "Currency". It consists of metal discs called "coins" stamped at the Federal Mint; and of pieces of paper, which we call Bank Bills. These are issued for the most part by the Bank of Canada. The private banks have still the right to print a limited number of bills in denominations of \$5.00 and multiples of \$5.00.

The second kind of money does not exist in any tangible form. It consists of nothing more than figures in ledgers which, upon transfer, are carried from one

account to another, by the issue of what we term "cheques". This is what some call "Fountain-Pen Money" because it is created by writing figures in a book with a pen. In high-brow circles, they call it "Financial Credit or Credit Money." Some who think it does not exist call it "Phoney money". What difference what it is called as long as we know that it really exists!

Under the Federal Laws, in normal times, the Bank of Canada is limited in the amount of currency or bills which it is allowed to issue, by the gold or certain securities which it has in its vaults. For every dollar's worth of gold or its equivalent in securities it is allowed to issue four dollars worth of bills.

There was a time when a bank bill entitled the holder to demand payment in full in gold. That privilege has long since been abolished. Today the holder of a bill can demand nothing from the issuer. It simply has become a demand for goods and services. This kind of money, called "Currency" is used to a very small extent in the transaction of modern day business. Over 95% is done with "Fountain-Pen Money, Financial Credit or Cheque-book Money." Let me explain:

For every dollar of Canadian Currency which comes into the possession of the Private Chartered Banks, by Federal Law, they are permitted to **create** (Yes, that is the right word, **create**) and to issue from ten to twenty times as much in financial credit. They usually, in peace time, restrict

themselves to the 10 times limit. Do you understand that?

Now when farmers, industrialists, or business firms get a loan from the Bank, it simply places a credit to the account of the borrower and allows him to draw cheques on the account. For a loan of \$1,000, the Banker requires to have only \$100 in currency which he may never have to use.

If he charges 5% interest you see he is able to collect \$50 a year, or half the amount of his reserve in one year. What a power this places in the hands of the Money Monopolist!

But that is not all. This huge money octopus sends its long tentacles down into the solid body of business, and industrial enterprise, and what happens? We all know that in order to produce goods, a manufacturer, or a farmer, or a mine operator, must have money to pay wages, buy raw materials and so forth. So in the first place the volume of the goods which can be produced depends upon the amount of money which is issued to finance production.

Is it not then plain as day that under a sane and democratic system of finance, the amount of money which should be issued, would be estimated by the volume of the goods which the people actually want, and which can be produced? I need not say to you that that does not happen under our present money system. No Sir! Far from that.

In peace time, our Federal laws require that the volume of currency issued by the Bank of Canada is to be limited by the gold, or certain securities which lie in its vaults. Of course, this, in turn, restricts the volume of credit-money which the private Chartered Banks may issue.

In other words, under the peculiar devices of the present money system, the national production and the well-being of the people have been artificially limited by the quantity of a useless metal and the number of equally useless bits of paper which the Bank of Canada has locked up in its vaults. That is to say, the present Money System is so devised that the National production and the well-being of the people can be artificially limited by a mere matter of chance or good fortune.

Men, women and children may be left to starve and suffer privation while all the means of producing abundantly is standing idle, simply because there is no money to finance it; and this is caused because somebody has failed to dig up a few lumps of gold from one hole in the ground in order that it can be stored away in another hole in the ground under the Bank of Canada. Could anything be more puerile and asinine? Where has all our common sense and judgment gone when we cling to such a worn-out, inefficient set-up as that?

What nincompoops they must think the Canadian or the American people are when they can even propose that this inefficient gold-standard money system

should be extended internationally so that they will then be able to control all currencies!

I am dumbfounded at the nerve of these International Financiers. I claim, Ladies and Gentlemen, that as long as we tolerate this heartless, foolish money system, we must hang our heads in shame when we find poverty rampant in the midst of plenty, knowing that we ourselves are to blame for our inertia. What else can we expect from such a system that we have proven, long ago, to be a failure and altogether inadequate?

Yes and what's more, everyone of us who supports its continuance or who neglects to do all in his power to change it, is in reality responsible for all these unfortunate results. Let us bear this in mind when mass unemployment and economic chaos comes back upon us and is followed by another of those awful depressions. It may then be too late, and a change may be quite impossible.

I assure you, Ladies and Gentlemen, that I have only begun to tell you the story of the colossal money racket that we are so foolishly tolerating. Here is another line of inquiry:

Money is essentially legalized under the present system as a claim upon goods or services. Instead of distributing goods as in the old days, by barter, money makes it possible to distribute claims on goods—not like tickets to a theatre or a train, or for milk. They are specific. Money claims

are general in use. The person who holds them can get what he wants from the whole available supply of goods.

Now the Government of Canada, instead of issuing these claims on goods itself, on behalf of all the people, has given a monopoly to the money powers.

What do you think would be the result if a Railway Company should give over to a Printing Company the complete monopoly of creating and issuing its railway tickets. The Printing Company would have the right to print the tickets and lend them to the Railway Company with the understanding that they would receive full payment for the tickets together with interest on the amount. How long would it be before the Printing Company would virtually have a claim upon the Railway Company for their total assets? That is worth tracing out to its ultimate result.

The other day an American business man was conversing with a Canadian on things in general. Said the American: "How high can you count?" "Oh, I don't know," replied the Canadian, "We are being taught to count in millions today."

"Can you count the number of miles to the Sun?" "Yes, 92,000,000. That's right isn't it?" "I believe so. Can you count the number of people on the earth?" "Yes, about 2,000 million people." "Very good! Let me try you again. Can you tell the total debt of Canada and of the United States?" "You've got me there," said the Canadian, "It is increasing so fast I cannot keep up

with it." "Well," continued the American, "To whom is this debt ultimately due?" "You are getting beyond my depth. I would not venture an answer."

"Well, my friend," replied the American, "As all money comes into circulation as a debt to the Money Lords, the ultimate amount must be due to them. At the present rate, it can't be long until they have a mortgage on all our resources." "But", said the Canadian, "Are we not fighting against totalitarianism? And is totalitarianism not the control of the many by the few?" "Yes, I should say it is." "Then Aberhart is right, we must change the present money system without further delay."

Let us take one more peep under the lid. As money is essentially a general claim for goods it becomes necessary that the money monopolists devise a suitable method of relating the money claims to the goods, or if you like, a suitable method of putting a price tag on the goods.

I need not remind you that this too is a honey. I mean a bonanza for the Money Monopolists.

"THE PROBLEM OF PRICES"

Last week, Ladies and Gentlemen, we were discussing certain important phases of our monetary system. At the close I started to examine the question of the relation of this mysterious money to the great essential goods so necessary to life. As my time was insufficient I was obliged to postpone tackling the subject until tonight. So here we are again.

You have all learned from experience this peculiar relationship: When you go into a store with a dollar bill to buy goods, **the price** is what determines the amount of goods your dollar will buy—in other words **the price** is the great factor that relates your dollar to the goods.

Let us turn the searchlight on this aspect of the money system—this price factor. It is a most important feature in connection with our money system, and it has a very definite bearing upon the results that we have experienced.

First of all, let me ask you a question:

“What is it that determines the prices of the wide variety of the goods we produce?” If you think a minute, you will see that the “price” of an article is the sum total of all that it costs to produce and to place it on the market ready for consumption. That is, the price includes the wages, the salaries, and the profits paid out in producing and marketing the raw material; the incomes distributed in processing the natural product ready for manufacturing, transporting and marketing the finished product. In other words, as incomes are distributed through all the various stages in production, the price is built up to include all of these incomes. Thus the goods come on the market at a price which is the aggregate of all these costs and, the people are therefore able to buy the goods they want individually to the extent of the incomes which they have received. Is that clear?

Now you will readily see how important it is that the total money incomes of people should equal the total prices of the goods coming unto the market. **If the people's purchasing power is less than the total prices of all the goods for sale**, then some of the goods will be unsalable and will pile up in the stores and warehouses. As a result, orders from merchants to producers will decrease. Then production will be restricted; workers will be laid off; and unemployment will increase. Thus the dreadful circle will begin. Then as wages diminish; purchasing power will be further

decreased; more goods will be left on the shelves; production will lag; and the people will find themselves caught in the doldrums of another awful depression—just like the one we experienced during those pre-war years. Do you see these things all spring from the price factor?

On the other hand, **if the purchasing power is greater in amount than the total prices of the goods on the market**, the effects will be just as devastating. People will be going into stores to buy more goods than are available. Then, because the demand for goods increases, manufacturers and merchants will raise their prices, and increased prices will mean that each dollar buys less. Hence, wage earners, finding themselves worse off, will very properly press for increased wages. These increased wages will boost the costs of production and prices will rise higher. So we are on the merry-go-round again. Thus the process will continue until the country is in the grip of inflation, with a race between prices and wages until the whole economic system is in chaos.

These are the two equally disastrous conditions which result from issuing either too little or too much purchasing power in relation to the total price of the goods on the market. Do you know that under the present system, this is left more or less to chance?

Last week I explained that for all practical purposes the bulk of the money is issued as loans to the public by a private

monopoly, and that this monopoly, by reason of the fact that it charges interest on the money thus loaned, demands back from the people more money than it issues to them; or in other words more money than is in existence.

These interest charges become an additional cost of production, and therefore, they go into the prices. Now there you have one item of cost which cannot be met. The people collectively cannot possibly pay back to the banks more than they borrow, because they have no means of obtaining money from any other source than by borrowing from the banks.

But that is not all. There is another very important factor which causes even greater dislocation. You see, as practically all of our money comes into circulation as loans, in the aggregate the people are in debt to the banks for all the money in their possession.

Now the only manner in which manufacturers and producers can obtain money to finance the purchase of materials, the payment of wages, and the other costs incidental to production, is to borrow it from the banks. Here and there a manufacturer may have accumulated a fund of his own, but as money comes into the possession of people only as loans from the banks, in the aggregate, production and distribution must be financed by bank loans.

In order to repay these loans, producers and distributors must recover through prices all the money they distrib-

ute as incomes, plus the interest charged on their loans. Do you not see then that it is mathematically impossible for the people to repay the aggregate of these interest charges, because the money with which to do so simply does not exist? But that is not all: In addition to this, suppose the people save 10% of their incomes instead of spending them all for goods. Is it not obvious that immediately a corresponding 10% of the goods will become unsalable? And yet under our present financial system the people are forced to save. That means they are forced to create a shortage of purchasing power, available for buying goods, and as we saw a moment ago, this will inevitably precipitate a depression. So there you are.

You see, Ladies and Gentlemen, what a scientifically unsound system we have had imposed upon us. True, it is a wonderful racket for the private money monopoly. All I can say is this: "If we want to have these distressing results, all we have to do is take no interest. Let things drift along. Make no protest. Just keep our mouths shut."

I am going to ask you to imagine for a moment that you are in the position of the banks. You have an absolute monopoly of creating and issuing the Nation's money. You are able to say whether this man or group of men shall have a loan or not. You can issue or refuse to issue money just as you think fit. And you treat all the money you create and issue as belonging to your-

self personally. You will only lend it on the conditions which you dictate and you always demand back more than you lend.

Do you realize the tremendous power you would have? Well, let me just point out some of the implications of the position you would occupy. In the first place, by claiming ownership of the money you issued, and by requiring security for your loan, you would be claiming potential ownership of the production which the money would buy. Surely that is plain. Then by your control over the amount of money which you issued, you would control the amount of goods which people could produce, and the amount of work that would be available.

Also by demanding that the people repay to you more than you issued to them, you would get them deeper and deeper into your debt until you would virtually control all of their wealth—including industry and land. Moreover, because governments would be limited in what they could do by the amount of money they could obtain, and you controlled the money, you would also control the governments. You would be able to create depressions by calling in your loans and at the same time curtail the supply of money.

Have I said enough to convince you of the tremendous power you would have? Surely it is plain that you would be a supreme economic autocrat, dominating every aspect of the national life.

Now, Ladies and Gentlemen, that is

precisely the position occupied by the private money monopoly today; and, moreover, the system they operate is so adjusted that it is impossible for the people to enjoy any measure of prosperity for long.

Under the present system, wages in the aggregate, are never sufficient to provide an adequate standard of living. Our past experience has proved that. Now suppose that under pressure from organized labour, wages could be increased substantially, then automatically we head into the vicious upward spiral of inflation. Prices rise—because the increased wages raise the costs of production. This has the effect of reducing the purchasing power of wages to their original inadequate level, so that the workers are no better off. If they press for further wage increases, and the process is continued, then prices will go on rising until the situation gets out of hand and the whole economy is disrupted.

In order to correct this, the bankers resort to deflation—that is calling in loans and reducing the amount of money in circulation. This forces firms to curtail production, to reduce wages and to lay off workers. Unemployment, destitution, piles of unsalable goods, and wholesale bankruptcies result as the people are caught in the even more vicious downward spiral of deflation.

So you see, under the present monopolistic financial system, we are forced to stagger from depression to depression. It

is utterly impossible to have sustained prosperity. The system has been most carefully designed to preserve economic dictatorship and the power of the private money monopoly, and to impose perpetual scarcity upon the people.

That, Ladies and Gentlemen, is the diabolical and vicious system which is being so carefully nursed through the stress of these desperately critical times. What kind of Post-War Order do you think we can achieve under it? I put it to you bluntly that if we permit it to be continued into the Post-War period, we can expect nothing but a slave state far more vicious in its operation than anything we have known in the past.

I will go further, and tell you frankly that it is the deliberate intention of the Money Power—the evil thing we call International Finance—to impose just such a totalitarian world dictatorship upon us after this war, if we let them get away with it. This is not any guess work. The evidence is before us if we will but realize the significance of some of the things that are happening.

This is the question which I propose to discuss with you next week.


Broadcast No. 28

"INTERNATIONAL DICTATORSHIP BY FINANCE"


A few nights ago I was listening to one of those "quiz" programmes which have become so popular with radio Stations; and it struck me very forcibly that it was but another example of how people are being taught today to guess rather than to think for themselves. The kind of questions being asked were: "Who is the Minister of Agriculture?" "Is Moscow further North or further South than Quebec?", and so forth. The participant either knew the answers or he had to guess them. I cannot recall a single question that would have the effect of making people think. Has it occurred to you that it is becoming very much the same in regard to all phases of our National life?

For example you will recall the famous plebiscite we had recently in Canada. In it the people were asked a question, the answer to which would not commit the government to any particular course of action. The government refused to indicate what they would do if the people voted either yes or no, hence the people themselves could not possibly tell what would be the result of their decision. They had to guess.

Or take election time. As a general



rule the candidates of all parties came forward with their platforms all nicely dressed up to catch votes. The people are not asked, "What do you want? Do you want security in terms of more goods and better homes? Do you want these without regimentation and bureaucracy so that you may enjoy the maximum of freedom? Do you want freedom from debt and overburdening taxation?" Oh! No, no! they are not given the opportunity of voting on anything so straightforward as that. They are asked to vote on tariffs or free-trade, on compulsory unemployment insurance under one party's bureaucracy or another party's bureaucracy, or whether they want industries nationalized, or would they prefer an international police force. In this way complicated and technical questions are put before the people, without giving them the proper information upon which to form sound opinions regarding what the results would be for them if these things were done. In other words—they have to guess.



That is the kind of thing that is going on all the time. People are being discouraged from thinking. We are being drilled into becoming a Nation of guessers—and as the men who manipulate the situation from behind the scenes know all of the answers, and the necessary information is carefully withheld from the people, the manipulators are always right and the people generally guess wrong.

Nowhere is this more strikingly dem-

onstrated than in regard to the stuff that is dished up to us as news. Tonight I propose to deal with just one example, to show you the dangerous intrigue that is being perpetrated right under our noses.

Suppose that you pick up your newspaper some evening and read bold headlines such as these: "World Totalitarian Dictatorship by Finance Proposed as New Post-War Order—Confidence Expressed British Empire and American Governments Will Be Hoaxed Into Acceptance of Plan." What would be your reaction to that news? Would it make your blood boil? Would you feel indignant that anybody should dare to put forward treason like that while your son or your brother or your husband is over there risking his life for the ideals of democracy and our traditional British freedoms?

Well, my friends, let me tell you frankly, you have read that news in your papers, but it was not stated nearly so boldly. Possibly because what you read was complicated or was couched in altruistic language, and since you had no definite information on which to form an opinion, you just had to **guess** what it meant. And you probably guessed that there was nothing very sinister about it. That is what you were intended to do.

A short time ago you may remember reading in your newspaper that plans for an International Monetary System were published on the same day in both London, England, and in Washington, by the British

and the United States Governments. These two plans were presented in the newspaper reports as simple and innocent expedients for making it easier to re-establish international trade after the war—a most desirable and worthy objective.

Strange as it may seem, though, the so-called British and American plans were supposed to have been drawn up independently, they were basically similar, and both were made known to the public on the same day. This would tend to impress the people with the spontaneity of agreement and the unanimity of purpose in the whole matter. It was another of those strange coincidences like the similarity of the Beveridge, Marsh and N.R.P.B. plans of social security which were offered to the public within a few days of each other and were identical in their main features. Well, I tell you frankly I don't believe in coincidences of that kind. They are too weird to be genuine.


Let me draw to your attention some of the main features common to both the British and the American plans for an international money system. Both advocate setting up an international unit of money, based on gold. In one case the name "Bankor" is suggested; in the other the term "Unitas" is put forward. But what does the name matter anyway, since both plans involve control of the international money system by an international authority, which will likewise control international trade. You see it is all international—

centralization of power, etc. Both plans suggest that some such system should be set up **in a hurry**. Both plead its necessity on the grounds that it is essential for the purpose of averting confusion in world trade after the war. How plausible! How persuasive! "Will you come into my parlor said the spider to the fly", sort of manner.

Lord Keynes, a director of the Bank of England, is reputed to be the author of the British scheme. He is reported as having stated that such international monetary system might be used to finance a World Police Force. All Totalitarian Powers evidently need a Gestapo. We are not told who was the author of the American plan.


On the face of it there seems to be nothing in those schemes to unduly alarm people, does there? But that is only because the people haven't the information which would enable them to understand what an international money system, controlled by an international authority, backed up by an international Police Force, would mean to them.

Listen carefully, Ladies and Gentlemen! For the past three years—in fact ever since the outbreak of war—there has been a steady stream of propaganda, carefully organized and well financed, to win support for setting up a World Federation of Nations under an International authority, to which all Nations would surrender control of finance, international trade, their armed forces and their citizenship



rights. How long is it going to take for the people to realize what is going on and what it will mean to them.

In the first place it would mean that the people of Canada would no longer be sovereign. They would no longer be the constitutionally supreme authority in their own country. By giving over control of finance to some alien dominated international dictatorship, they would be giving that authority complete control over every aspect of their national life. You see, control of finance would mean control of the money system—and that in turn controls every phase of production and distribution. Stripped of all its camouflage, the final result will be a slave state, worse than anything as yet proposed by our bombastic dictators. Is that what our brave soldiers are fighting and dying for? Do you, as a true Canadian, desire such conditions? Then I ask, what are you **doing** about it?



Now is the time to act. If we wait until the bonds are welded and this dreadful totalitarian order set up, the people of Canada will then be helpless to do anything about it if they do not like the harsh conditions that are imposed upon them. Remember that in addition to control over finance, the international authority would also have control over the Armed Forces and the citizenship rights. If any individual dared to challenge the authority of the international dictatorship, he might find that they had deprived him of his citizenship rights. And if the people as a

whole started to kick over the traces—well, they would be un-armed and helpless while the international over-lords would have control of all the Armed Forces, so it would be just too bad for the people.

Do you consider it fantastic to imagine that anything like that could happen? How can you when the very idea I have outlined has been put forward seriously as the basis of our Post-War Order?

In the first instance, two books on the subject were published. One of these was written by a man connected with a newspaper which, on the evidence of a British Ambassador to the United States, was controlled by the banking institution that is the Headquarters of International Finance. The other book was by the son of one of the founders of the Money Power on this continent. There is absolutely no question about it that this plot, this evil conspiracy, to set up an international totalitarian dictatorship with control over every aspect of our lives and armed with overwhelming forces to impose their will upon us, can be traced to that small group of men which comprise International Finance.

If ever that scheme should be put over, it would mean the end of democracy, the end of the British Empire, the end of freedom. On the other hand, it would be the establishment of a World Slave State more ruthless and vile than anything which the evil genius of the Nazis have as yet conceived. Yet poisonous propaganda in favour of this diabolical idea is being

openly scattered far and wide in Canada—and that in wartime also. I assert that it is treachery of the worst kind that, even while all the suffering and sacrifices of this present war are going on to overthrow totalitarianism, anyone should even suggest that we do away with all that our brave lads are fighting to defend.

It is most important that we realize that the proposals for inveigling us into an international dictatorship are not put forward in an obvious, above-board manner. No, indeed! They are carefully wrapped up in an attractive, and subtle propaganda form. You are told that international control of money is a means for ensuring orderly world trade. You are not told that immediately you hand over constitutional control of finance to an international authority, it will be impossible for the people of Canada ever to change their unsatisfactory monetary system. That fact is kept hidden.

Again, you are told that international control of the Armed Forces is necessary to maintain world peace. The plausible term used to describe it is an "international police force." It sounds more innocent. You are not told that such a force would place the people of all nations completely at the mercy of the international authority which controlled that force.

And remember where you have a concentration of power in a few hands, all too frequently men with the mentality of gangsters get control. History has proven

that. As the British peer, Lord Acton, put it so aptly: "All power corrupts; absolute power corrupts absolutely."

I warn you, Ladies and Gentlemen, with every ounce of sincerity and vehemence I possess; for your own sake, for the sake of the brave lads who are fighting so heroically to overthrow tyranny, for the sake of your children, for the sake of the future of our country—yes—for the sake of everything you hold dear, oppose, expose and resist by every means in your power this audacious and evil conspiracy by the Money Powers to set up a World Slave State.

**This was the last Broadcast by
the late Premier Wm. Aberhart**

"THE KIND OF POST-WAR CANADA THE PEOPLE WANT"

It seems to me that we have reached the stage where we should crystallize our thinking along two important lines. First, we should ascertain whether or not the people of Canada are in general agreement as to the kind of Post-War order they desire. Following this we should consider the steps which the people themselves as the supreme constitutional authority should take now in order to assure that their desires will be realized.

Because of the importance of these matters, if you have a pencil and paper to jot down the main points, so much the better.

To begin with, let us state the broad objectives of our social and economic systems. There is no difficulty about this. The broad objectives for which mankind is striving today are the same as those for which our forefathers struggled for centuries. They are the attainment of the maximum economic security accompanied by the greatest possible personal freedom

compatible with an effective, happy and abundant social life. May I repeat that—"the attainment of the maximum of economic security accompanied by the greatest possible personal freedom compatible with an effective, happy and abundant social life."

I do not think that there will be any disagreement on those broad objectives. But let us be more definite. It is necessary that we express those broad objectives in terms of the results our people want in such matters as wages, prices, employment, health, provision for old age, and so forth.

However, before we get down to this, we must all make up our minds on one fundamentally important question. Under what **kind** of social system do we want our Post-War national life to be organized? While this is one of the most important questions confronting the people of Canada today, it should not be difficult to decide, since there are only two forms of social organization between which we must choose, namely the democratic way of life or else some form of dictatorship under which the many are exploited by the few. All the wide variety of social doctrines — including Nazi-ism, Fascism, Socialism, and so forth fall into one or the other of these two categories.

I am satisfied that dictatorship in any form is abhorrent to all freedom-loving people. Britons never shall be slaves. They will not submit to dictatorial regimentation, bureaucracy and exploitation. In fact

it is because they will not tolerate dictatorship that we are fighting this present war.

So in spite of the frantic efforts which are being made by International Finance and other powerful interests to use the conditions created by the war to railroad us into a totalitarian system, the overwhelming majority of the people of Canada—and for that matter of every other British Nation—are determined not only to preserve their constitutional democratic rights, but to use them for the establishment of a properly functioning democracy which will give them “government in accordance with the will of the people”.

To sum up, then—the programme of Post-War Reconstruction must provide economic and social security for all, with the maximum of individual freedom, under a properly functioning democratic system.

Now let us go a step further and consider whether we can agree upon a more definite statement of what we mean by economic security. For example, what does economic security mean for industrial workers, farmers, merchants, and for those in the different occupational groups?

On the whole Canadian people are very reasonable in regard to the conditions they want. Workers want wages and salaries which will assure them of social and economic security in their work and in their homes—freedom from fear of unemployment, and the assurance of adequate care in sickness, disability or old age. Farmers and other primary producers want prices

for their products which will enable them to meet their production costs and provide them with a fair return for their important services to the nation. Manufacturers and merchants want to be able to sell their products at prices which likewise will give them a fair and reasonable reward for their services. Consumers wish to have adequate incomes and just prices, with protection from unfair exploitation. And everybody wants the maximum of personal freedom, without interfering with anybody else's right to be free, with a minimum of bureaucracy, regimentation and domination. We all want freedom from debt and freedom from unnecessary taxation.

Do you agree with that general statement? I believe it is a fair summary of the broad results the people of Canada want from a reconstructed Post-War economy. If you are agreed, we can now proceed to a more definite outline of a people's Post-War Reconstruction programme.

Naturally, our first consideration must be for the returned men of our fighting forces and merchant marine—those who are risking their lives, their health, their all on the battle fronts of the world so that Canadians may be free to build a Post-War Canada which will be worthy of our ideals and our proud British heritage.

These men are fighting for the security and the freedom which alone can form the foundation of that greater Canada for which we are striving. We can never hope

to repay the debt of gratitude we owe to them. But what we can do is to ensure that when they return to us victorious—many of them crippled in mind and body—they shall be the first to have the guarantee of the security and freedom that they have won for us. We can ensure that the dependents and loved ones of those who have died that Canada may live shall never want, and shall be accorded the honour and security which are their due.

Therefore the minimum we should demand for our fighting heroes and their dependents—and of course, I include the splendid men of the merchant marine, is: The guarantee of full economic security, with free access to all necessary medical services, and preferential opportunities, including adequate financial assistance to re-establish themselves in the life of the nation.

Is there anyone—I say **anyone**—who would oppose that? We are doing this much for these brave men now, even with a large part of our productive effort diverted to the manufacture of the arms and munitions of war. Surely what I have outlined is the least we can do for them when we are able to release the flood-gates of full-time production for peace-time consumption.

Next, we have to consider our basic industries. The foundation of our economy is agriculture, and unless we have a prosperous and flourishing agriculture we cannot hope to have a stable and progressive

economic structure. Generally speaking there seems to be complete agreement among our farmers regarding what they want:

They want just prices for their products which will enable them to recover their production costs and give them a reasonable return for their services on a parity with manufacturing industries. They want a fair adjustment of the crushing debt burdens pressing upon them which have accumulated due to conditions beyond their control and through no fault of their own. They want adequate credit facilities and reasonably stable marketing conditions; and they want security in their homes and on their land.

* Again, surely nobody could oppose those as being unreasonable demands!

As I stated a few minutes ago, manufacturers and merchants likewise are not unreasonable in their requirements. They want the assurance of a market in which the people have adequate purchasing power to buy their goods at remunerative prices which will give them a fair return for their services. And, like our farmers, they want adequate credit facilities to enable them to operate efficiently.

Workers in industry and commerce desire adequate wages and salaries which will provide them with a standard of living in keeping with the enormous productive resources of our country. Then too, workmen want the assurance of security in the event of unemployment, sickness or

disability, with the guarantee of adequate pensions when they retire from work. Surely this is not unreasonable!

With the vast resources at our disposal, these results all are entirely possible—but not under our present monopolistic financial system. Now what about the general requirements of our Post-War economy which we have not yet covered? I believe these can be summarized in a few sentences:

First: Every Canadian citizen should be guaranteed basic social and economic security under conditions which will give him the maximum of freedom with no unnecessary bureaucracy and regimentation.

Second: Every Canadian should have access to all essential medical services and educational facilities. A healthy and well informed people is essential to a vigorous democracy—and, moreover, access to proper health and educational services in this modern age should be the right of a free and sovereign people.

Third: The people should at all times have sufficient purchasing power to buy the total national production. Therefore through Parliament they should and must have the effective control of the issue of all money—both currency and credit—so that they may thereby control the nature and the volume of production, as well as its equitable distribution. Without this effective control over the monetary system, we can never hope to have a properly functioning democracy.

Fourth: Everybody is heartily sick of unnecessary government bureaucracy, State regimentation, harsh taxation and crushing debt—and when the need for putting up with these evils no longer exists, they should be swept into the limbo of the past as features which are incompatible with the democratic way of life.

Well, there you are, ladies and gentlemen—I believe what I have outlined in general terms provides a sound, sensible basis for a Post-War Reconstruction programme, and because it embodies the results which the people themselves want, it would have the support of an overwhelming majority of the Canadian people. Moreover, it is reasonable and practical, it is not complicated and involved, and what is more there is nothing in it which cannot be made a reality.

In the broadcasts which follow we will discuss the alternatives which are being offered to us, and just what are the actual prospects for the establishment of the kind of Post-War democracy which I have outlined tonight.

"WHAT PLANNING MEANS"

I have noticed that in discussing Canadian affairs and Post-War Reconstruction, the word "Planning" is often used, especially by those who advocate Socialism. I have always associated the word "planning" with the usual dictionary meaning. Lately, I have wondered if that is the meaning our socialist friends have in mind.

If "planning" means that the people of Canada are to decide the results they want from the management of their affairs—then I am all for it. But if "planning" means that some autocratic group is to plan and regiment our lives from the cradle to the grave, then I say that such planning would destroy all our democratic ideals. Hitler has imposed that kind of planning on the people of Germany and on the unfortunate people of other European countries. Surely no true Canadian will ever tolerate the adoption of that system or anything like it in Canada!

There is only one way of proving what

"planning" means as used by those who are advocating various forms of State Socialism for Canada, and that is by going directly to the Canadian fountainhead of socialism for our information. I have at hand a copy of "Social Planning for Canada," a book published by the League for Social Reconstruction. The forward, approving this text as a comprehensive exposition of socialism as proposed for Canada, is signed by the late J. S. Woodsworth, who was also the Honorary President of the organization.

The book is written by the Research Committee of the League for Social Reconstruction. There are seven co-authors, among whom we find Dr. Leonard Marsh, author of the Marsh Plan for social security. Also among the co-authors are several men prominent in the C.C.F. Organization. I am told that "Social Planning for Canada" is recognized by Canadian socialists as the source of authoritative information on the subject.

After devoting considerable time and study to this book and its younger brother, a smaller volume entitled "Democracy Needs Socialism" by the same authors, all I can say is that I am amazed. But let me tell you what planning means as expounded in these two volumes.

The authors hold that the initial stages of national planning require the socialization of the major industries and later of all property including farms and small businesses. I know that the average

socialist will deny vehemently that there is any intention of bringing about the state ownership of farms. However, we can only judge their intentions by what we read from texts prepared by their own recognized authorities.

On page 52 of "Democracy Needs Socialism," I find the following sentence:

"Agriculture, retail trade and small businesses, **will probably continue for some time to be privately owned**, although their output and its distribution will be related to the national plan."

That is plain English. **Farms will continue for some time to be privately owned.** Does that not mean that farms will be privately owned only until such time as the planners get around to them? Even if that is not the intention, we are told that their output and its distribution will be controlled. Does that not mean that the farmer will be compelled to take orders from the bureaucrats who will tell him what to grow, and what he can do with it after it is ready for market? If the national planners are to distribute the farmers' products, they will have to require the farmers to deliver their produce to the state or through some state controlled agency, and obviously the bureaucrats will decide how much or how little the farmer shall be paid for his labor.

The second step envisioned by these Socialist advocates is the establishment of a National Planning Commission. Their book, "Social Planning for Canada", tells


us (Page 230) that this Commission would be "An expert thinking body directly and intimately in touch with the political ministers of state **but completely free to the extent its important functions demand**".

This body will evidently be the dictatorship that will control a multitude of lesser Commissions. Committees and Boards which will constitute the socialistic bureaucracy, exercising tremendous powers over all industries and the millions who are engaged in those industries. The socialist quite rightly condemns the growth of great monopolies and combines, but strange to say he advocates the establishment of one gigantic state monopoly which could and would curtail and perhaps destroy every last shred of individual freedom.


That this danger is inherent in the socialist's philosophy is admitted. On page 225 of "Social Planning for Canada" we find the following admission: "Wide powers placed in the hands of a central planning board undoubtedly involve the possibility of interference with personal initiative and freedom."

Again on Page 226 we find: "The price which we must pay for this organization is naturally the surrender of some measure of independence of action."

Have we forgotten that several countries started out in exactly the same way a few years ago. The people thought they were only surrendering "some measure" of their liberty in exchange for the promise of security. Look at them now! They have



lost every vestige of personal freedom and in place of security they were given war, starvation and concentration camps. But I do not need to tell you the price they paid for that kind of planning. You already know, and our socialist friends know. Even their leaders are aware of the danger that accompanies any attempt at centralization of power, for on Page 226 of their text we sense a note of despair in the following passages: "The problem of securing order without imposing a deadening tyranny, of maintaining freedom without suffering chaos, **in indeed difficult of solution.**"



Make no mistake about it, Ladies and Gentlemen, approached by way of their planning method, it is not only **difficult** but **impossible** of solution. You cannot have democracy and dictatorship at one and the same time. You cannot abolish private ownership and individual enterprise and at the same time permit the worker, the farmer and the small business man to exercise any personal initiative or freedom. You certainly cannot do away with the evils of existing monopolies and combines by establishing in their stead an even bigger, and more ruthless state-monopoly—one huge heartless machine in which the individual is merely a cog, or as experience has shown in some cases, the grease that is sacrificed in order that the machine may continue to operate. The socialist advocates themselves acknowledge this fact, for on Page 227 of the book "Social Planning

for Canada" we read: "Yet there is a real danger that in this way we should only jump out of the frying pan into the fire by 'enslaving the people to the state'."

Why on earth do these people advocate a philosophy which they themselves admit would create a slave state? Is it because they hope that in the process of creating the slave state they themselves would become the dictators? The little Hitlers? The well-fed Mussolinis? Or do they fancy themselves as benevolent dictators, making unselfish plans to regulate the lives of all and sundry? Is there any essential difference in principle between a benevolent dictatorship and any other kind? The history of dictatorships, past and present, is a sordid record of tyranny, bloodshed, and the abuse of power. Our boys in the Armed Forces are sacrificing their lives to preserve and enhance our democratic ideals, and to abolish dictatorship from the earth. Are we to tell them that when they return these planners will have prepared for them a bureaucratic machine that is a very good imitation of the one they are fighting to destroy?

Yet that is actually the kind of scheme to which some people are lending their blind support. Let me read you one more sentence from Page 227 of "Social Planning for Canada."

"One reads that 'we' should plan 'our' economic activities. That is nonsense. If we want planning, then 'we', that is the generality of Canadians, have to delegate

the task of formulating and administering a plan to some particular group or groups of men. These men will have **great power over the lives and fortunes of their fellow citizens.**"

Why do the planners seek for power over the lives and fortunes of their fellow citizens? Isn't that what we, including our socialist friends, object to in our present system? The vested interests, and the men who control them, dominate and control the lives and fortunes of their fellow citizens. Why shift that tyrannical control from one group to another group; from a number of private monopolies to one gigantic state-monopoly? They say that it is necessary in order that we may eat and live, but they fail to show how the change from one form of monopoly to another, accompanied by an even greater surrender of individual freedom, will give us greater access to the wealth we produce.

Do not misunderstand me! I am confident that the rank and file of our socialist friends are earnest and sincere in their efforts to find a solution for the major evils which afflict mankind. But sincerity of purpose does not in any way alter the established historical facts that force, compulsion, regimentation, and the destruction of individual initiative and freedom can lead only to a slave state.

It is not surprising that the sincere advocates of socialism reveal concern when they see that to follow the course they propose, they must sacrifice individual free-

dom for the vague hope of security in a slave state. But what is the alternative? If our socialist friends will but focus their attention on the real cause of social and economic ills, they will make the discovery that there is no need to sacrifice the priceless boon of individual freedom in order to attain the security we all desire. Both security and freedom can be ours if we remedy that root cause of insecurity—the private control of the money and credit of the nation. If they will work to remedy that evil, they will find that force, regimentation and compulsion will not be necessary.

Next week I will deal further with this question and show you that Democracy does not need Socialism but rather that we should try Democracy first.

"DEMOCRACY DOES NOT NEED SOCIALISM"

Last week we endeavoured to analyze in an unbiased way the planned socialist state that is being advocated in some quarters as an alternative to the old line political party systems.

I am convinced that the average person who has been led to believe that the socialist policies of the C.C.F. will bring about a reformed democratic system simply does not realize what the philosophy of socialism involves. I fear that few have read the full exposition of the C.C.F. proposals as outlined by the leading socialist authorities in the recently published book, "Social Planning for Canada" to which I referred last week. Those who take the trouble to do so I feel sure, will have grave doubts about handing over dictatorial powers to some supreme state authority—and remember, that is the basis of all socialist planning.

Because of the grave importance of this issue to all who have at heart the good and welfare of the people of Canada, I would like to discuss this question a little more fully and to put some pertinent questions before you.

First of all let us recount the basic facts regarding the whole problem of Post-War Reconstruction. What is it that the people of Canada want in the post-war period? What is it that the men of our fighting forces want when they return victorious?

I believe that those questions can be answered very definitely in these words: "They want the maximum of personal security for themselves and their dependents and, above all, they want that security with freedom.

Will this be possible? Can Canada produce all the food, all the clothes all the homes and the vast quantities of other things which will be needed to ensure security for every Canadian? The answer need not be in doubt. Less than four years of war have proved what can be done. If the present productive power of the country were being used to provide consumer goods for our people, instead of goods which are being consumed for purposes of War, we should be producing sufficient to give every family an income of about \$3,000.00 a year. Our present all-time record of production has been reached even while the cream of our manpower has been diverted to the fighting forces and with all the handicaps of the inefficient features of the financial system which we inherited from those bleak pre-war years.

Canada's wartime production is proof that during the years when poverty, hunger and insecurity stalked the land, there

was absolutely no need of such conditions being imposed on the people. Likewise, those accomplishments are positive proof that after the war we can have a Canada in which every man, woman and child can have the security that has been denied him in the past.

And that brings us to the next question. Can that security be provided with a full measure of freedom for all—freedom to live our lives without compulsion and regimentation, freedom to choose our work and freedom to find scope for our personal initiative. I have no hesitation in asserting most emphatically that not only is it possible for us to have security **with freedom**, but it is absolutely essential that such be the condition. If we fail in that, then this war against totalitarianism with all its sacrifices and suffering, will have been fought in vain.

It is on this fundamental principle that socialism, no matter in what form, and democracy—that is democracy in its true sense—part company.

The basis of the socialist argument is that the evil conditions of the present system can be traced to private ownership and that the first step to rectify these conditions is to nationalize the means of production—or in other words to transfer ownership of industry to the State. That sounds plausible, but several very important questions arise in connection with this premise.

In the first place, as I pointed out

last week, the effect of nationalizing industry is to create one vast State monopoly. One of the greatest evils which the present system has created has been the great monopolies which dominate our economic life. Yet in all seriousness, our socialist friends suggest that these monopolies together with all other industries should be replaced by one vast state monopoly.

The evil of any monopoly is in the power which is concentrated in the hands of those who control it.

Suppose that you replace a private monopoly by a State monopoly, all you do is to replace one group of controllers by a more powerful group. The State officials who would operate the nationalized industries would have increased powers to dictate what should be produced, in what quantities it should be produced, by whom it would be produced, what wages would be paid and what the price should be.

There would be no competitive effort to please the consuming public, because there would be one authority directing production. If you did not like the kind of suits, or the dresses, or the shoes or the houses provided, it would be just too bad—for there can be no appeal from the State. If you did not like the conditions under which you were required to work or the wages you were getting, you could not do much about it—for you would be a servant of the State and you would have no alternative but to accept the conditions which the State authorities imposed upon

you.

You may think that if the people did not like the results they got, they would be able to change the government. Let us face that question frankly. Imagine the power which would be concentrated in the hands of a socialist government. They would control industry, commerce and finance. They would have the power to appoint their party supporters to all the key positions. They would control the armed forces. They would control the money system.

With this vast power concentrated in the hands of a political party, may I ask how you think it will be possible to get rid of it?

What we have to bear in mind is that simply because this power would be concentrated in "the state" it would not mean that **the people** would wield that power. Actually the people would be divested of every shred of the limited powers they now exercise under our present inefficient system. All power would be centralized in the hands of those who control industry, finance and the political structure.

And, in order to plan and administer this vast State monopoly it would be necessary to establish a gigantic State bureaucracy. To get some idea of the extent to which this would be carried out, we have only to consider the bureaucracy that has been created during the four short years of war in order to deal with a limited war-time control of industry and commerce.

Actually, ladies and gentlemen, we are getting a taste of the bureaucracy end of socialism now—but it is just a sample. How would you like it expanded and intensified into the real thing?

Now I want to turn to an aspect of the socialists' case which deserves particular attention—namely, their attitude towards finance. As you know, control of the monetary system is the key to economic control. Today the monetary system is operated by a highly centralized private monopoly which, by its power to control the quantity of money and its distribution, is able to control all production and to dominate every aspect of the country's economic life. It wields a power greater than governments and constitutes a virtual dictatorship.

That the advocates-in-chief of socialism recognize this is shown by the following statement from their book, "Social Planning for Canada." "In the modern economy those who control and direct today's financial system can dictate the type, the volume, and the method of tomorrow's production. This power is far too great to be left in the hand of private interests."

In the light of that statement is it not strangely significant that our socialist friends ignore the importance of monetary reform? Why is it that you will not find the socialists of any country attacking international finance? Why is it that they go out of their way to defend the present money system **as a system?**

Do you doubt this? Then let me give you two quotations from their official book, "Social Planning for Canada": On page 303 we read: "Most of the current criticism of the chartered banks is picayune stuff." Again on page 305 we are told: "The Canadian Chartered Banks, when so nationalized, would in many respects stay remarkably unchanged."

What, then, would be the advantage of a socialized banking system? We find their own answer on page 306 of the same book:

"The difference between the present and the nationalized system is that the power of the banks to lend or withhold credit will be consciously used as an instrument of national policy." You will note that the power of centralized credit control is to be retained, the system as such is not to be changed, and that both this power and the system are to be used—not to give the people the results they want—but as a means of carrying out the plans of the State bureaucracies.

Anyone familiar with the operation of our present financial system knows that so long as the system remains unchanged, its evils will persist. And, moreover, it will continue to be controlled by that small group of international financiers who are able to manipulate all monetary exchanges.

Is it then any wonder that socialist propaganda is always well financed by the money powers? Is it any wonder that Montagu Norman, permanent Governor of

the so-called Bank of England, once stated: "Nationalization? Why I would welcome it."

There is still one other aspect of this question to which I wish to draw your attention tonight.

Our socialist friends are always very anxious to repudiate any connection between what they are advocating and the national socialism of Nazi Germany. Let us consider wherein they differ.

The Nazis nationalized Germany's heavy industries and later brought all the others under their control. Our socialist friends are advocating the same thing.

The Nazi overlords planned production, distribution reconstruction, wages and all aspects of the economy. Wherein lies the difference between that and the planned economy of Canada's socialists?

The Nazis promised the people security, freedom from unemployment and the right to vote—that was before they seized control of all the institutions of the State and concentrated supreme power in their own hands. Too late the people found that while in one sense some of them had a greater measure of economic security individually and collectively, they had lost every vestige of their freedom. "Freedom from unemployment" meant forced labour and the "right to vote" was nothing more than the right to express approval, but not disapproval, of the gangsters who wielded supreme power in the name of the State. Surely the people of Canada are

wise enough to save themselves from a future such as that.

Lord Acton once said: "All power corrupts; absolute power corrupts absolutely." And that has proved to be the case throughout history.

And so I submit that the doctrine of the Supreme State which is the basis of all socialist philosophy is no solution for Canada's problem. Far from democracy needing socialism, every step towards centralizing power and concentrating it in the hands of a State authority operating through a vast bureaucracy is a further retreat from true democracy. Socialism destroys democracy—for the very essence of democracy is that the State and all its institutions should exist to serve the people and must, therefore, be controlled by the people; whereas under socialism in any guise, the people become the mere creatures of a supreme State authority.

Under democracy the people are supreme; under socialism the State—that is those in control of the State institutions—constitute the supreme power.

Thus on examination we are forced to the conclusion that socialism is inseparable from totalitarianism. What a ghastly tragedy it would be if, in our anxiety to build a better Canada out of the havoc and carnage of this war, we blindly stumbled into the adoption of the very same kind of social system that has reduced Europe to a shambles and for the abolition of which our brave men are sacrificing their lives.

"THE SOCIAL CREDIT PROPOSALS"

As I pointed out last week, we know that Canada can produce abundantly. We know if that abundance is produced in the form of goods which people want and these goods are distributed equitably, every Canadian can be assured adequate economic security with freedom.

There is no problem of production. The problem is almost entirely one of arranging for the proper distribution of goods. The instrument by which goods are distributed to individuals is money. By making it possible for individuals to obtain a supply of money, we place in their hands a claim on available goods and services. Each person then has a free choice of what goods and services he wishes to obtain.

I know that is evident to you. Now our socialist friends tell us that in order to ensure that people will have incomes adequate to give them economic security it will be necessary to tax "the haves" in order to provide for the "have nots." They tell us that in those grim pre-war years the poor were poor because the rich were rich.

The war has proved the utter absurd-

ity of that contention. During the past four years, even with the cream of our manpower in the non-productive though highly essential effort of the fighting forces, we have increased production in Canada to an extent which, under peace time conditions, would provide a basis for distributing to every family in Canada no less than \$1,500.00 a year over and above anything they might have been earning in 1938. In other words, without reducing the economic security of a single person by means of taxation, every man, woman and child could be assured of basic economic security.

Now let us turn to another proof of this socialist fallacy that the poor were poor because the rich were rich. If that had been the case, then by taxing the rich and distributing the proceeds to the poor, conditions could have been rectified. Yet it is a fact that in England, an outstanding example of a country where taxation has been progressively increased during the years between the two wars in order to provide social services, conditions got worse and worse. Rich and poor alike got poorer. In a greater or lesser degree that has been the experience of all countries operating under our present financial system.

The cause of the trouble was financial. The restriction of purchasing power under our present system automatically led to the restriction of production, which, in turn, resulted in unemployment, the cur-

tailment of wages, and the further restriction of purchasing power—and so on, in a vicious spiral of recurring depressions.

The problem we face, therefore, is essentially a money question. It is a problem of distributing sufficient purchasing power to enable people to buy available goods and services—and to ensure that this purchasing power is equitably distributed so as to provide adequate economic security, not just for a few, but for all.

This cannot be done under our present financial system. Let us not fool ourselves in this regard. The first essential change that must be made is to place the money system under the absolute control of the people themselves, through their Parliament. This may seem an impossibility, for I can hear some of you remarking, "But how can the people control the money system? Parliament, perhaps—but not the people." However, I deliberately put it the way I did in order to emphasize a point I wish to stress. While it is true that in practice Parliament should control the money system, it is also true that in a democracy the people should have effective control of Parliament. And if the people control Parliament and Parliament controls the money system, then the people will in reality control the money system.

At present the people do not control Parliament, nor does Parliament control the money system. The money system is controlled by highly centralized private monopoly, which, by its control, dominates

all democratic governments as well as every aspect of our economic life. This financial dictatorship must be overthrown before we can begin to establish an economic democracy.

I emphasize again that if we hope to be prepared for the reconstruction of our economic system which will be necessary after the war, we must lay the foundations for a new democracy now. To show that it can be done, I propose to outline to you the basic steps which are necessary to reform our monetary system in order to provide that foundation. In the limited time I have, I can do no more than to deal with the matter briefly.

It is generally recognized that control of the monetary system automatically carries with it control over the entire economic life of the country. It is therefore a sovereign power which should be vested only in parliament on behalf of the people.

Therefore, a national finance commission should be established, to be responsible to Parliament through the Minister of Finance (1st) for the issue and withdrawal of all money (both currency and credit) in accordance with the nation's need, and (2nd) for the administration of the monetary system in accordance with the principles of true democracy.

It is manifestly undemocratic that the sovereign power of creating, issuing and withdrawing money or credit, thereby controlling economic policy, should be exercised by private institutions. This

power, vested in the chartered banks at the present time, should be discontinued, and the banks should be elevated to the position of "servants of the public" under the effective control of the democratically elected representatives of the people.

Moreover, it is an obvious absurdity that a democratic government vested with sovereign authority over the monetary system should be obliged to put the nation in pawn to the banks in order to borrow money for national purposes. In point of fact, the position should be reversed.

Chartered banks should cease to create, issue, and withdraw financial credit, except as agents for the National Finance Commission, and they should be required to hold currency or credit certificates, issued by the National Finance Commission through the Bank of Canada, against their total deposits.

It is a basic principle of any scientific monetary system that money should be created and issued as goods are produced, and it should be withdrawn and cancelled as goods are consumed. Furthermore, this should be done in such a manner that at all times the public should have purchasing power equal to the collective prices of goods on the market, wanted by the consuming public.

If the total purchasing power is more than the total prices of goods for sale, a condition of "inflation" will at once become evident and must be rectified forthwith. If the total purchasing power is less

than the total prices of goods for sale, then a condition of "deflation" will immediately reveal itself and more purchasing power must be released to enable producers to obtain fair prices and overtake their production costs.

The principle of maintaining balances between consumer purchasing power and the prices of goods for sale to consumers is fundamental to any sound monetary system, either in peace or in war.

Therefore, the National Finance Commission should be required to establish a proper system of accounting, and, from time to time, to ascertain the total prices of goods available for purchase by consumers and the total purchasing power of the public. Any surplus purchasing power should be withdrawn by means of an equitable system of taxation and any deficiency of purchasing power should be corrected by reduced taxation or by an increased issue of new credit in the most equitable way possible.

My next point deals with an orderly price structure and falls under two headings:

(1st) The prices of primary products and in particular agricultural products, should be regulated to provide producers with guaranteed prices equivalent to the average cost of production plus a reasonable profit for their services to the nation.

(2nd) A system of scientific price regulation should be introduced to ensure a constant balance being maintained be-

tween prices and purchasing power, with adequate safeguards for producers, merchants and consumers alike.

Within the framework of those simple reforms it would be possible to ensure in the Post-War order adequate wage scales; security for all in unemployment, disability, sickness and old age; proper credit facilities, equitable prices and an assured home market for producers, manufacturers and merchants; the abolition of usury and a drastic reduction of taxation; social justice for everybody, with a maximum of freedom; and without unnecessary government bureaucracy and regimentation.

You will ask why it is not done if it is as simple as that. I will tell you why. Because in all history no dictatorship has ever willingly surrendered its power—and the existing money monopoly is no exception. It will continue to impose the present system on us and to use it in order to extend and consolidate its power so long as you and I and the rest of the people sit by and allow it to do so.

Under our political democracy the people of Canada are the supreme constitutional authority and so long as the supreme authority of our country is willing to allow itself to be dominated by a private financial dictatorship, we will get no change.

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