

# POST-WAR RECONSTRUCTION

**SECOND SERIES**

of

**BROADCASTS**

by

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**Premier of Alberta**



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## **FOREWORD**

The eleven broadcasts in this booklet comprise the second series and follow those published earlier.

These discussions on Post-War Reconstruction by Premier William Aberhart of Alberta have been broadcast from coast to coast over fifteen radio stations. Requests for the text of these talks continue to be received from all parts of Canada, and their publication in booklet form is making this essential information available to many Canadians who have been unable to hear the broadcasts.



## **Broadcast No. 11**

# **PRIVATE AND INDUSTRIAL DEBTS**

For more than twenty years, the debt problem has been the curse of this country. It has been responsible for more blighted lives and shattered homes than any other single cause of our harrowing distress.

Debt has hung like a nightmare over our farmers—constantly threatening them with dispossession of their farms and loss of their equities. It has become an ever-growing incubus to the industries, sucking the very life-blood out of them. In fact, there are few homes throughout the country into which the clammy tentacles of the octopus we call debt have not found their way, draining the economic security of the family and enslaving them to the fear of losing all they possess. I ask you, is that not a subject for our consideration

in connection with our Post-War problems?

We have only to consider the enormous, overwhelming debt structure of the country to realize that it is going to be one of the greatest problems we shall have to face in dealing with Post-War Reconstruction.

Apart from the astronomical and rapidly pyramiding public debt—with which I propose to deal on another occasion—we have a vast, far-flung, private debt problem, which has fastened its clutches on nearly everyone of our citizens to a greater or lesser degree.

First, there are the Agricultural Debts—the mortgages and agreements for sale with which the greater majority of farmers are burdened. Then we have the huge volume of industrial debts—mortgages, debentures and so forth, which tend to cripple and finally stifle our important industries. Finally, there are the mortgage debts on the homes of the people and on the business buildings in urban centres. They are like great barnacles on the ship of State.

All these are what we term “bonded debts.” They involve the debtor entering into a contract with the creditor to pay a fixed rate of interest, and to repay the principal within a certain period, under penalty of being dispossessed of the property pledged to secure the loan. And note carefully, that this contract can be enforced irrespective of any change in the



conditions under which it was made.

Now I want you to listen carefully, ladies and gentlemen, for I am most anxious that you should understand just how vicious and inequitable is this type of debt. It has become established as a feature of our economic system, and on this account we are apt to take it for granted, as perfectly right and proper. I assure you, that if we permit it to be continued into our Post-War economy, it will completely overthrow our economic system, or cause very great confusion and chaos. I know that is a strong statement, but it is true nevertheless.

In the first place, it is necessary to bear in mind that debt is an obligation to pay money. But every dollar of money which is issued under our present system creates a debt of equal amount and is owed by the people to the banking institutions. It will be obvious, then, that the people can never get out of debt to those institutions. Do you get that?

In order that you should realize just what this means, I am going to ask each of you to imagine that I, alone, have the monopoly right to issue money in Canada, and I also have the full protection of the law in so doing. Anyone else who dares to issue money will very quickly be hustled into jail.

Coupled with this authority, I would have the power to issue as much or as little money as I liked, and by that means I would be able to control all production, for

no production can be accomplished without money. I would also be able to decide what standard of living the people would be allowed to have, for without money the people could not be able to buy any food, clothing or shelter.

You can readily see, I am sure, the tremendous power that would be mine under such a setup. I would be absolutely master and would be free to issue money when and where I liked and for purposes which I might approve. On the other hand I would be able to withhold money from any persons or any projects of which I did not approve. Do you see how powerful that would make me?

Now suppose I said, "I will issue money only as a loan which must be repaid to me on demand. And for the money I create and lend, I shall require rent in the form of interest. Moreover, I shall want security as well, so that if a person does not repay me with interest I can seize his property." Do you realize what I could be doing?

By demanding interest on the money I issued as loans, I would be requiring the people to pay back to me more money than I had issued. For example if I issued one million dollars at 7% interest, I would be asking the people to pay me back one million and seventy thousand dollars. Obviously, they cannot do this because I would have only issued one million dollars and, nobody else has the right to issue



money. The people, therefore, could not possibly pay me back more than they had received from me. So I would have to foreclose and gradually I would begin to get control of their property.

Next, we will assume you noticed that some people got more money than others in the general scramble, and that these accumulated a surplus. Now, suppose I establish an investment corporation to invest these surplus funds for the people. And this subsidiary financial institution of mine proceeds to lend out this money at six, seven or eight percent interest, paying the investors, say, three per cent. The investment company, too, would take as security the people's property, which likewise they would seize in the case of default.

You have but to follow this through and it will be plain to you that the people as debtors to me for all the money they possess, and to my investment company as debtors under its mortgages, cannot possibly pay me both. Either way I get the property. The people have to go further and further into debt and will be obliged to surrender more and more of their property.

In short, ladies and gentlemen, not only would I, as the banker and sole issuer of money, be **the** effective government of the country, but it would be only a question of time before I owned or controlled all the wealth in the nation.

You may think that I have painted a

fantastic and fanciful picture. Actually the illustration I have given you, faithfully depicts the manner in which our present financial system operates. Substitute a group of banks for my place in that illustration, and another group of trust mortgage and insurance institutions for the investment company, and the parallel is perfect. Is it then any surprise that we have this huge and increasing mountain of bonded debt pressing upon agriculture, industry and our people generally? No wonder people cannot bear up under it.

Another point which I wish to bring to your attention is that these debts have to be paid irrespective of any change in conditions. A person who makes a genuine investment in industry, has to take the risks of that industry. If, instead of buying goods with all his income, he invests part of it to finance a new industrial undertaking which produces something the public wants, and readily buys, he is entitled to some reward. But if he uses his money for a venture which proves to be wasteful because the people do not want its products and will not buy them, then he loses his savings.

That seems to me a fair enough arrangement. But how different is the position with bonded debt—for example farm mortgages. A farmer borrows \$5,000 at 8% when his produce—say wheat—is selling for \$1.20 a bushel. Suppose it takes 500 bushels to meet his obligations, after allowing for the freight being deducted



from the price he receives. Then suddenly the price slumps to 60c a bushel. Even though that price is below his actual production costs, he is expected to meet the same money obligation, which in terms of his wheat would be increased to 1,000 bushels or twice what it was before. Obviously he cannot pay that, and so his debt goes on accumulating at compound interest, the equity in his farm dwindles and, unless something is done, to save him, he must lose everything he has built up, and be turned out on the street without even a roof over his head.

And the same thing applies to industry in a modified form. The evil is inherent in the system of bonded debt. Bonded debt and usury go hand in hand. It will never be possible to give **farmers security on their farms, workers security in their factories, or the people security in their homes**, while we have a system that places a few creditor financial corporations in the position of demanding from their debtors usury on the money they lend without sharing any of the debtor's economic risks. I want you to note that these all-powerful vultures swoop down on the helpless debtor and dispossess him of everything he has when conditions prevent him from complying with the terms of his mortgage or debenture. Such a system is not only vicious, it is diabolical, essentially unfair and thoroughly un-Christian. We should have nothing of it in our Post-War Reconstruction set up! That then, ladies and

gentlemen, is the overshadowing problem of debt.

Now how shall we deal with it? May I make it clear that tonight I am dealing only with Private and Industrial Debts; and not public debts, which are horses of different colors and need special treatment.

First, then, all agricultural bonded debts—mortgages and agreements-for-sale—should be taken over by a suitable Agricultural Credit institution, set up for the purpose of providing farmers with long term credit. This institution would be under the National Monetary Commission, which would be responsible to Parliament for the issue of all money—both currency and credit—and would issue the necessary money for purposes of the adjustment of Agricultural Debts.

Second, the Agricultural Credit institution would re-adjust all farm debts on the following basis. The principal amount would be reduced to the original debt, less all payments made in excess of 3% per annum.

This re-adjusted debt would be repaid by the farmer to the Agricultural Credit institution over a period, in equitable instalments, on a crop or production share basis. The period of repayment would, of course, depend upon his circumstances, and whether it was necessary for him to obtain additional long-term credit to put his farm into shape.

The Agricultural Credit institution

would repay creditors on terms that would be just and equitable, so that individual creditors incur no loss and corporation creditors are able to meet their liabilities in full.

Surely, nobody could object to that.

Next, we have to deal with industrial bonded debt—mortgages, debentures, and preference shares. This does not present such a problem, because the obviously fair manner in which to deal with these, is to place all investment in industry on the same basis—namely all investors must share the same risks. This can be done by exchanging bonded debt instruments, like debentures and preference shares, for ordinary shares of a corresponding nominal value which would rank equally with existing ordinary shares.

Finally, suitable long term credit facilities would have to be provided for dealing with mortgages on homes, stores, offices and so forth on similar equitable terms.

There, ladies and gentlemen, is a bare outline of a practical policy for rooting out this iniquitous and anti-Christian practice of usury from our system, and at the same time doing it in a manner which is fair to everybody concerned and protects the invested savings of individuals.

## **FINANCING POST-WAR RECONSTRUCTION**

Week by week we get fresh heartening news about the growing might of the democratic allies. The ever-increasing volume of their production which is being poured forth to provide our gallant fighting forces with the weapons of war is causing the once dreadful Nazi war machine defeat after defeat. Already the glow of victory is lighting the darkened sky. What a difference this is to those early days of the war when from every front came the news of set-back after set-back, with here and there a threatening disaster—and always it was because we lacked the men and the equipment, where they were needed most desperately. “Too little and too late” was the familiar cry.

I should think that we ought to know the full significance of those words: “Too little and too late”, if anyone ever should. By this time we should have learned the profound lesson of alertness and prepared-



ness in the bitter experience of this war. Never has the British Empire been nearer disaster because our leaders dilly-dallied and neglected to face the emergencies of the hour. It is now a well-recognized fact that we were forced into this war sublimely trustful and hopelessly unprepared. Thank God that when the democratic nations realized the tremendous problem which they had on their hands, they sprang to the task with an almost superhuman effort and began to mobilize their vast resources in a race against time to outstrip the juggernaut of the Axis powers in the face of overwhelming odds. It was a breathless struggle for freedom, yes, for existence, against the onrush of time and opportunity.

Have you ever considered what might have happened had the dauntless courage of the British people, and the narrow strip of water patrolled by the British Navy, not succeeded in keeping the Nazi tiger at bay until our new and powerful allies, the great sovereign Republic of Russia and the U.S.A. had entered the war for liberty and security, and together we had overtaken the marshalling of our resources and the training and organization of our men superior to those of the enemy?

I would remind you that when Winston Churchill, who led the British Empire through this critical period, had warned the British leaders before the war, of their folly in not preparing for the inevitable attack by Nazidom, he was considered an

alarmist and a wild fanatic. But you and I know well that had those repeated warnings by Mr. Churchill been heeded, a great deal of our early bloodshed and suffering might have been avoided.

Now listen to me! Today in the midst of war we face a parallel situation regarding the future. With the end of the war, we shall be confronted with a tremendous task of reconstruction involving far-reaching changes that cannot be done overnight. If we fail to be prepared to meet these and carry them through forthwith, the alternative will be overwhelming disaster. There is no longer any doubt about the matter. It is generally recognized, and even some of those who in the past were the most reactionary in their views, acknowledge this as clearly evident today. There must be a great change in our present financial and economic system if we hope to carry on as a true democracy, political and economic.

That being the case, we should be preparing **now** to meet the problems with which we shall have to deal. If we refuse to recognize this and assume that we can cope with the situation after we have won the war, we shall find that we are no better equipped to defeat the economic blitzkrieg that will follow the war, than was France to deal with the military blitzkrieg which crushed her under the heel of the Nazis. Self-complacency and laissez-faire are no guarantee of a successful coping with the problems that are approaching us

like a thunderstorm. In fact they are the termites that destroy the fibre of our determined resistance and of our future triumph.

To prepare for Post-War Reconstruction **now** does not mean that we must in any way detract from the national war effort. That must remain the dominating objective. What we must recognize is that by laying the foundations at the present time for the after-war order, we shall be strengthening the war effort—for it will give a new stimulus to everybody to put forth their maximum endeavor. It will sweep away doubts, dispel apathy, remove all traces of disunity and kindle enthusiasm—for it would provide the actual evidence of what we are fighting for and guarantee to all that when our boys return it will be to a Canada worthy of them.

I am stressing this tonight, ladies and gentlemen, because I find that in spite of the costly lessons of this war, there are still too many persons who seem to think that we do not have to worry about Post-War Problems **now**, and that it will be time enough to deal with them when the war is won.

I should like to respectfully suggest that the persons who are putting forward that viewpoint not only lack realism, but, they are in reality throwing all good sense to the winds, letting our wonderful country go to the bow-wows and selling our freedom and security for a mess of pottage.

Just consider the facts of the situation.

What the people of Canada want after this war, is a social order which will provide every one with economic security—security in work or in unemployment, security in health or in sickness, and security in youth or in old age. And, because we are British and a freedom-loving people, with that security Canadians want the maximum freedom to live their lives with a minimum of domination by others. In short, they want the maximum of economic security and the maximum of personal freedom.

The war has proved beyond any shadow of doubt that with the vast productive resources with which our country is blessed, it will be possible to produce an abundance sufficient to provide security for all. With all the handicaps we inherited from the havoc of the pre-war depression period, after three years of war we have more than doubled production—and we have achieved this with the cream of our manpower in the armed forces. When our fighting men return and this huge productive power is turned to peace time needs, there is no reason why we should not again double our production—for remember that as we proceed so our efficiency will increase.

Surely it is plain that it is not an insuperable problem to have all these results—provided that there is no artificial restriction to this producing power. Why should we tolerate a money restriction to interfere with the welfare of the people?

We refused to allow it in war.

You see, if this abundance is equitably distributed, there would be enough to provide economic security for every Canadian, and with democratic liberty and economic security there is nothing materially in the way of happiness and contentment.

The means by which we can ensure that production is not restricted is to see that adequate financial facilities are available to producers and manufacturers at one end of the production line, and, at the other end, that the people have sufficient purchasing power to buy the goods as they are placed on the market.

Obviously the first step which will be necessary is to place the money system under the effective control of Parliament acting for the people. I have gone into this matter before, so all I need say on this occasion is that the issue of money—both currency and credit—carries with it the control over every aspect of our national life. It is what we term a sovereign power—a power which should be exercised by the supreme authority of the country. In a democracy the people are the constitutionally supreme authority, and therefore the people's elected representatives should exercise this power of issuing the nation's money. For this purpose a monetary commission responsible to Parliament should have full and effective control over the entire financial system, and issue all currency and credit. The banks would become

the agencies to assist in carrying it out.

That would be the first and essential step. This monetary commission would immediately establish a proper system of accounts, so that it would always know the amount of purchasing power which the people had in their possession and the prices of goods on the market. It would be their responsibility to see that these two were kept in balance so that there was never any danger of either inflation or deflation.

The next proposal is that all government expenditures would be financed by the issue of money by the monetary commission, without debt to the nation. Obviously it would be senseless for Parliament to borrow from private interests, as at present, and plunge the nation into debt, when it is the sole issuing authority for all money. In this way social services, security measures and so forth can be adequately financed and only to the extent that it resulted in a surplus of purchasing power being distributed would it be necessary to withdraw any of the money by means of an equitable system of taxation.

Thirdly, it would be the responsibility of the monetary commission to ensure that adequate money was available for financing the programme of reconstruction. Naturally care would be taken to ensure that a proper relationship should be maintained between the production of capital goods—like factories, transportation facilities, roads and so forth—and the goods



required for consumption by the people.

The fourth proposal is that in conjunction with the safeguards to prevent either an inflationary rise in prices or a condition of deflation under which the people have insufficient buying power, the monetary commission should establish an orderly price structure which will ensure that farmers and other primary producers, manufacturers, merchants and consumers alike, enjoy just and equitable prices.

Finally—and I wish to emphasize this, ladies and gentleman—all these measures should be carried out with a minimum of interference with the freedom of individual citizens.

Surely these suggestions will appear worthy of our most careful investigation with a view to their adoption, especially when you consider what may be our lot without them.

I submit that within the framework of these simple and straight-forward suggestions it will be possible to provide adequate financial facilities for carrying out the far-reaching programme of Post-war Reconstruction which will be necessary—and to do it in a manner which will not dislocate the life of the nation and, at the same time will give us that precious thing we all desire so passionately, the maximum personal freedom.

## **Broadcast No. 13**

### **PUBLIC DEBTS (1)**

The other day one of our irresponsible yellow journals which has established a reputation for itself in consistently opposing any and every idea for the welfare of the common people, and which fights persistently against the reform of a social system that is thoroughly discredited, took the huge delight in an attempt to pillory me as a Rip Van Winkle.

This smug Pharisee of reaction went to great pains in attempting to show that I was still harping on a delusion that during pre-war years there was a shortage of purchasing power, and that I do not seem to have wakened up to the fact that our problem now is not a shortage of purchasing power, but too much purchasing power and a shortage of goods.

Did you ever hear such pure unadulterated bunkum as that? Surely a person must be atrophied mentally who imagines that we have enough purchasing power to pay our way. And how woefully mis-

informed he must be when he suggests that there is a shortage of goods.

The fact that there is no shortage of goods being produced in Canada is well known to everyone who understands what the term "goods" means. Statistics show that the production of this country has been more than doubled during the past three years. Of course about half of that production is being poured forth in a stream of tanks, guns, ammunitions, planes, ships, uniforms and other war supplies. These are goods which, for the most part, we are anxious to give to our enemies in a form they are not very eager to receive.

Now in the production of such goods, incomes are distributed. That is true, but the people of Canada have to surrender those incomes in order to pay for these goods, just as much as they have to surrender their incomes to buy foodstuffs, clothing etc., for their own use. The methods by which this surrender takes place are found in our increased taxation and sale of bonds and certificates.

If the juvenile and self-important writer of that newspaper article who poses as such an expert in these matters was right, and our problem was one of too much purchasing power, then there would be no difficulty whatever about paying for the total cost of the war out of taxation, without borrowing, for the people

would then be in a position to buy all the goods produced for war purposes and have sufficient incomes left over to buy all the goods produced for their own use.

If my erudite critic had stopped to think would he not have asked: Why is it that none of the countries operating under our present system are able to raise more than a fraction of the cost of financing the war effort by taxation—in spite of taxes having been raised to the maximum limits?

A moments consideration would have given him the obvious answer. The system does not distribute to the people sufficient money to buy their total production. So governments are obliged to get as much as they can by means of taxation and to borrow the balance.

I should think that even this poor, benighted tyro of finance must know that the debt of Canada as well as that of all other countries is sky-rocketing at a prodigious, astronomical rate.

Now where is this borrowed money coming from? Some of it is secured from the savings of the people who buy bonds and certificates; but that is only a small portion. A very large amount is provided by the banks **creating** new money (Did you get that? **Creating** new money.) and lending it to the government either by buying government securities themselves or through the institutions they control, or by lending it to their customers to buy these

securities.

Let me make that plainer. Under this blood-sucking financial system with which we have saddled ourselves, every dollar of money which we possess is issued by the bank on loan. That means that as each dollar comes into existence and passes into the possession of the people, a dollar of debt owing to the banks is created. So, for each dollar which is spent on the production of every tank, ship, gun, suit of clothes or anything else, one dollar is owed to the banks by somebody. That ought to make us sit up and take notice if anything will.

Now, we know from the actual evidence of the situation before the war, that the people never had enough purchasing power to buy the goods they produced. Otherwise we could not have had a condition of widespread poverty and want existing side by side with full stores, full warehouses and industry clamouring for markets. The whole broken down, rickety, old economic structure could only be kept going by restricting production by gross criminal sabotaging of tons of goods, by the oppression of the people in bankruptcy, by dispossession of all their rights and by a vicious form of poverty in the midst of abundance. And while these were doing their deadly work, debts, public and private, were piling up at an alarming rate.

Under war conditions the same system operates with increasingly disastrous results. The people still do not get sufficient purchasing power to buy both the goods

required to fight the enemy and the goods produced for their own use. So governments find it impossible to recover, by means of taxation, the cost of the goods they need for war purposes.

However, under the stress of war conditions, production cannot be restricted because of mere financial considerations as is done in peace time. So the extra money has to be provided to bridge the gap between the costs of the war and the money recovered by means of taxation. I think that should be plain to everyone who is anxious to know.

Now, under our present system this extra money can be provided only by the private institutions which have the sole monopoly for issuing practically all our money—namely the banks. And so the debt continues to pile up, as the country is mortgaged more and more to a few private institutions to enable the people's governments to carry on. This is as true in peace as in war.

If you will look into the debts of any country you will find that with very, very few exceptions, their debts have continued to increase more and more steeply. In order to pay off past debts they have always been obliged to incur new and larger debts. And as their debts have mounted to higher and higher levels, so their burden of taxation has become more crushing. Hence the question arises: "How shall we handle our debt problem in the Post-War period?"



I put it to you frankly, men and women where in the world do you think this system is going to land us? It can have only one outcome. We must end up ultimately with such a debt burden owing to a few private financial institutions that we shall find ourselves completely enslaved to them. They will own everything, and everybody will be working to pay them an impossible tribute on their debts. Can you conceive of any arrangement which is more unjust, stupid, iniquitous, thoroughly undemocratic and anti-Christian? To continue with it is inexcusable, for it can lead only to chaos and overwhelming disaster. Surely that should be plain to anyone who takes the trouble to find out the facts.

What would be your reaction to a man with a large estate who told you that he always lived beyond his income and borrowed from money-lenders to make up the difference? When you remonstrated with him and pointed out that he could not continue doing that, he replied: "Oh! yes I can. You see, each year I borrow more and more so that I can pay off my old debts and enjoy a larger income." And when you told him that if he continued, it is only a question of time before the money lenders would get his estate and he would still owe them so much that he and his children would be virtually their slaves without home or rights or anything. And what if he laughed loudly as he said: "Oh! I don't worry. It is a hopeless situation anyway. I

can never pay off my debts and my children will have to make the best of it."

The more I think about this laissez-faire attitude, the more I boil inside. Talk to me about honesty, about loyalty, about responsibility; to say nothing about the welfare of your own children, and I cannot keep from saying: "Phooey to you! You're blind and dumb and haven't enough backbone and intestinal fortitude to run a wheel-barrow, not to mention your own home."

It doesn't seem to matter to you that you are throwing away a wonderful estate because you are being duped and robbed of everything you have. That wouldn't be so bad if it just affected you, for I suppose you have a right "doubly dying to go down to the vile dust from whence you sprung, unwept, unhonored and unsung." But when I think that some of us have brought children into the world and saddled them from the day they were born with a debt that they can never pay, and we therefore sentence them to a life of slavery to the over-lords of finance that will be worse than ours has been unless these same over-lords can stir up a war or a rebellion so that they may be mercifully killed and end the whole wretched process. As far as we are concerned, I am convinced that the great God of Heaven cannot hold us guiltless.

Yes, ladies and gentlemen, that is

exactly the manner in which governments conduct the finances of their countries—and it is called “sound finance”.

Our glorious country of Canada is blessed with a superabundance of natural resources. It is an inheritance which should provide every Canadian with a standard of living that would be the envy of the world. Yet those resources are so hopelessly mortgaged to a few private money interests and every citizen has such a load of debt around his neck that we have been forced to scratch day in and day out for a bare existence, while our main efforts are directed towards trying to pay off a hopeless debt burden. Instead of facing the issue courageously and changing this fantastically unjust and incredibly idiotic system, we carry on pyramiding more debt on the already intolerable debt burden, stepping up taxation to pay tribute to the money lenders and mortgaging our inheritance, and with it our children's future, more and more every day.

We have allowed this form of organized and legalized robbery of the people's inheritance to be carried on long enough. It cannot be permitted to continue in the Post-War period.

I notice that my time is nearly up tonight so that I shall not be able to give you my suggestions for dealing with this

question of Public Debt which we have been considering this evening. I will do this in my next broadcast one week from tonight.

## **Broadcast No. 14**

### **PUBLIC DEBTS (2)**

Tonight I am going to lay before you definite proposals for dealing with the public debts of Canada—national, provincial, civic and municipal.

You will recall that I pointed out how this evil and vicious system of government financing arose from two causes:

First: the fact that all our money is issued by a private monopoly composed of a few powerful banking corporations, and for every dollar they issue, one dollar of debt is created. In other words, they lend all our money into circulation, and we owe them every cent in existence **plus** the interest they charge.

Second: the total amount of money which is issued to the people as purchasing power is never sufficient to buy the total production. So there is always a lag.

These two facts make it utterly impossible for governments to carry on without going deeper and deeper into debt under the present system. The reason is

obvious. If the people have not enough purchasing power to buy the goods produced, governments cannot obtain sufficient revenue through taxation to meet their expenditures. They are forced to borrow the difference. And as the private money monopoly holds the purse-strings, we have the humiliating spectacle of democratically elected governments being obliged to cringe before the money lords and acquiesce in their haughty demands, in order to obtain the money with which to carry on.

Thus we see that there is a controlling power behind our governments—the Hidden Iron Hand of Finance!

Oh! I know what you are asking. You want to know how it is then that during the seven years we have been in office, the Alberta Government has not only been able to provide increasing social services without borrowing, but we have been able to actually reduce the provincial debt. Ah! therein lies an important principle.

Let me tell you bluntly, my friends, that we could not have done that if we had obeyed the dictates of the financial interests. Had we attempted to pay full interest rates on the huge debt of the Province and to pay off the maturing bonds, we would have been forced to borrow on the terms dictated by the money powers and everything else in the way of social services would have had to be sacrificed to meet these demands. Now listen carefully.



Not having the constitutional power to change the financial system, we were faced with the choice of either obeying the demands of the people or the demands of the financial interests. We chose to obey the people and in order to carry on with complete fairness to all concerned we adopted the following expedients to meet the problem with which the government was faced.

First: we reorganized the whole system of government finance so that expenditure could not exceed revenue.

Next, after making full allowances for essential social services, we found that it was utterly impossible to pay the high interest rates nor pay off the bonds which would be falling due. Unable to get any assistance from the Bank of Canada, or from any other quarter, to refund the debt on a basis which would have made it possible to meet this burden, we took the only possible course. We were forced to ask bondholders to be satisfied with the rate of interest we could afford, and to request those whose bonds were maturing to be patient, that we would pay them in full when we succeeded in obtaining proper re-funding arrangements.

After that, we adopted a definite policy to keep purchasing power from being drained away from Alberta and to encourage our people to build up their own economy. By this means we were able to obtain a steadily increasing revenue without increasing the burden of taxation. And

that provided the means for giving the people better social services in education, health, highway construction and so forth. At the same time, it made it possible to start reducing the debt.

I have mentioned this because, owing to the persistent campaign of abuse and misrepresentation which was carried out by the financial interests in their attempt to discredit this action, there is, unfortunately, a great deal of misunderstanding on this question—particularly outside Alberta.

Now, ladies and gentlemen, what we have done to meet the public debt problem in Alberta is a temporary expedient only. Besides, it is a very small issue as compared with the terrific problem of the public debts of the whole country. Do you not realize that unless we make definite plans for dealing with this slimy octopus which is wrapping its clammy blood-sucking tentacles around every man, woman and child in this Canada of ours, we shall find ourselves bound in abject slavery to the lords of finance, who, by this iniquitous swindle have gained such power that they are virtually super-dictators to whom democratically elected governments have to go cringingly, cap-in-hand, to obtain permission to carry on?

Haven't we any red blood in our veins? How in the world can we permit such a bare-faced violation of democracy to continue? We have been fools in the past to have allowed this racket to be

foisted on us. But we do not need to let it continue. We must look forward, and I submit we must pledge ourselves to the task of freeing our country from this monster of debt as an essential step in laying sound foundations for that glorious post-war Canada for which brave men are fighting and dying today.

Here then are my definite suggestions for dealing with the pressing problem of public debts:

In the first place, we must put an end to the present procedure of permitting a private monopoly to issue practically all of our money. From whatever angle we approach Post-War Reconstruction, that always emerges as the first and basic reform which is necessary. The power to issue money—both currency and credit—is an essential power of government, to be exercised by Parliament on behalf of the people. The authority of the banks should be limited to lending money issued by the government.

Had this been done in the past, then at the present time the banks would be obliged to have one dollar of government-issued money for every dollar on deposit—instead of only 10 cents.

Therefore, when this basic reform is introduced, it will be only fair and equitable for the government to issue the 90% money required by the banks to balance with their deposits, and take in exchange the government bonds held by them. In this way a big chunk of the public debt

can be paid off without the slightest danger of inflation.

Next, all individual holders of government bonds—whether national, provincial or municipal should be assured that they will be repaid in full. This will, of course, be done systematically over a period of time.

In dealing with financial corporations, we have to bear in mind that against their holdings of public debt instruments, they have corresponding liabilities. Therefore in systematically liquidating the debts owing to them, it is only equitable to give them the assurance that they will be able to meet those liabilities in full.

That will take care of our internal public debts on a fair basis which will ensure that no individual will incur any loss.

Next, we must provide for our debts to foreign creditors. Arrangements will have to be made for liquidating these systematically as we accumulate foreign credits by means of exports. Or, foreign creditors could be given the alternative of transferring their investments to shareholdings in Canadian industry.

Finally, all money required for government services should be issued without debt to the nation and taxation would be used only to withdraw any surplus purchasing power which resulted from this procedure. We know, on the evidence of our past experience, that there is a chronic shortage of purchasing power distributed under our existing arrangements. There-

fore, at the most, taxation is not likely to be more than a fraction of what it was before the war. And for the benefit of those who may raise the cry of "inflation!", I should mention that I have already shown in a previous broadcast how both inflation and deflation can be avoided.

Now I would like you to give these proposals your careful consideration. Whatever your views may be, think about this problem—turn over in your mind the suggestions I have made—discuss them with your friends.

You must bear in mind that unless we each recognize our responsibilities as citizens of a democracy, and the people as a whole decide upon the kind of post-war reconstruction they want, in all probability you will get the kind of post-war order you do **not** want.

I tell you, men and women, the most effective way in which democracy can be destroyed is for the people to ignore the responsibility which goes with their constitutional authority. Any post-war reconstruction worthy of the name must come out of the people themselves. It cannot be imposed upon them by planners and schemers working behind closed doors.

## **Broadcast No. 15**

### **THE THREAT OF SOCIALISM**

Did you ever see a person or group of persons completely bewildered? I assure you it is a sad and pitiful sight. Have any of you ever been in that state of mind yourselves? Have you ever experienced that feeling of absolute frustration when you simply do not know where to turn or what to do? If you have felt like that at some time or another, then you realize that at such a time you would give a lot to know just how to face your dilemma and choose the easiest possible way out of it.

When a person becomes stampeded, he is up against a very dangerous situation because any decision he may make at such a time is likely to be the wrong one. A mob in a stampede loses all sense of good judgment, and too often rushes in its madness into death or fanaticism.

Can you imagine what might happen if a whole nation were to become completely befogged? Stop a minute! That is

exactly what happened to the whole German people after the last war. Did you know that? That whole nation became very much perplexed and panic-stricken and, in that muddled, confused and bewildered state, they turned to Hitler to get them out of their troubles. Poor souls! They blindly followed a madman to save them. Their decision proved to be a frightful mistake and was most disastrous to their future welfare. But back there in the 'twenties, the whole situation became so complicated that the German people could not comprehend its full import and its final outcome. As a result the whole nation was later engulfed in a hysterical wave of the diabolical Nazi doctrine in opposition to their spiritual intuition and better judgment.

They could not understand the great world problem and their relationship to it. They had come to the end of their tether suddenly, and they had the wrong decision foisted upon them.

Now, I have a strange foreboding that this same grave monster is hovering over our people at the present time. I am convinced that if our people are not well-informed, we ourselves may become stampeded and, in that unhappy condition, we may lose sight of the fundamental facts and principles concerning the administration of our affairs, and we may be induced to plunge God-only-knows where.

I want to say this to you NOW—if that time ever comes, it is absolutely es-

sential that we keep our heads and get back to some of the common sense directions that we have learned from the bitter experiences of the last decade. We should use the same principles that a wise person does when he gets lost in the woods. He takes his directions. He looks for the sun or for the North Star, and then, with either of these to guide him, he goes in the direction which he knows is right. The uninformed, muddle-brained person, who is lost in the woods, too often thinks that his instincts are more reliable and right, and assumes that the sun and the North Star are in the wrong places, so he goes by his hunch rather than by the accurate and reliable principles that are meant for his direction in a time like this. Of course, it is too bad if this unfortunate person has not bothered to be informed about these great principles of direction.

Now, I do not intend to imply that we are at present lost in the woods, but I am here to tell you that we might suddenly find ourselves in a baffling crisis. I think that the great Canadian people have a very good knowledge of where they are at present, and I believe that they are determined to get as much information as they can for emergency use. However, I do see some very serious dangers ahead—dangers that may come as a thief in the night and be upon us before we recognize them. I suggest, therefore, that it might be well to understand the nature of these problems so that we may be on guard



against becoming bewildered, or stampeded into rash decisions. It is wise for us to take our bearings now, and examine exactly where we are and where we are going.

First, let us put down carefully what we are fighting **for**: We say we are fighting for our Christian principles and democratic institutions. But what does that mean? Are we fighting for freedom to live our lives as individuals? Are we fighting to establish a decent standard of living in a land of abundance? Are we fighting to keep away from oppression by tyrants and bureaucrats? Did you say "Yes!"?

That is right, and we must never forget that each one of us has a very personal interest in this struggle. It is not something that is far removed from us. It bears upon every individual, every home—whether that home has contributed sons and daughters to our fighting forces or not.

When we say that there are two great opposing elements in the world warring against each other; when we say that these two opposing ideologies are democracy versus totalitarianism, individual freedom and economic security versus regimentation and socialization; let us realize that each one of us has a part in this struggle, and to have democracy destroyed, and economic security frustrated, is actually to lose all of our personal freedoms. Is that not clear to you?

It does not matter how democracy is destroyed, or economic security frustrated.

Democracy might be destroyed right within our own borders by our own people, and we might be thrown back into the old financial system of pre-war days. So we should be on guard constantly against such an eventuality. The best way, possibly, to arm ourselves against such a calamity is to examine how democratic freedom and security has been perverted elsewhere; or to put it another way, to examine what steps led to the growth of totalitarianism and regimentation elsewhere.

Take Germany for instance: To begin with, as I said before, the German people were bewildered. Their national morale was low. They were not ready to meet the situation that was thrust upon them. They became divided into numerous political camps and groups. They lost the spirit of co-operation and democratic unity. That is our first danger. Beware of this "divide and conquer" strategy! Do not let us be blinded by all these political labels. Rather let us unite in support of the results that we want.

Then too, when Hitler came into power, his first admonition to the German people was that they must surrender some of their sovereignty, some of their privileges and rights, in order to become (so they were told) strong as a nation. Thus the German people began to surrender their rights. They didn't think that the right to vote in secret was much to give up. It did not seem to matter to them, and so their plebiscites were soon a mere formality, and

they lost all voice in their own affairs. Hitler was elected by acclamation again and again. They had no alternative.

Then they were called upon to surrender some rights in their homes. They were required to place the care of their children in the hands of the State, and their children were taught disrespect for their parents. I hope the Canadian people will be prepared to resist vigorously such demands if they ever are made in Canada.

After this, the Nazi-ridden German people were forced to give up the right to organize into groups, such as labor unions. You will all recall that unions were abolished as were a number of other organizations such as lodges, service clubs and so forth. Yes, even the churches were interfered with. I am confident that Canadians would never want such domination as that, if they could help it.

All of these moves were made in order to subdue personal freedom and on the pretext of making a powerful State. For what purpose? I assure you it was not for the people's good and welfare. Only one doctrine was taught, namely that for the good of the State, individuals must put aside their own personal liberties and yield to the demands of the dictators and bureaucrats. As if the strength of the State is not bound up in the welfare of its individual members!

Our battle at the moment, is against state socialism, regimentation and the control of the many by the few. It appears

to me that State Socialism is creeping right into the very life of the Canadian people, and it seems to be making its bed as if it intends to remain long after this war has been won. To permit such a condition to be established will mean that, even though we defeat the Axis powers, we will have lost the war, because we will have lost the ideal of democratic freedom and economic security.

It is essential—vitally essential—that we keep our bearings, and that we understand fully our peril as we study the economic situation here in Canada. Exceedingly important things are happening—things that are detrimental to our democratic way of life. And they are happening almost without our knowing it.

For one thing, we are permitting our vast agricultural land areas to pass into the control of the wealthy loan and mortgage corporations. Do you not realize that if we ever permit ourselves to become the vassals of those corporations, we may try to keep our democracy, but it will be a hollow mockery. It is an axiom as old as time, that control of our land means control of production—and control of production means control of the people. Where would our freedom be then?

We have mortgaged ourselves and our children for generations to the institution of international finance. We have permitted our sovereign rights over currency and credit to fall into the hands of a few monopolists, and now we are in dire danger

of permitting our land to fall into the same hands. Where, oh where, are we drifting? Can we not see the danger that lies ahead?

Now listen—In a democracy, as we all know, the State and all its institutions should exist to serve the people. The State and all its institutions should exist to give the people the results which they want. Let us keep that constantly in mind. Let us make that point one of our great war aims. Let us visualize a Canada in which, after this war, our governments will be able to give us the results we want.

What are some of the results we want? For instance, do you want to continue under the staggering burdens of taxation which are being heaped upon you under war conditions? Well, ladies and gentlemen, let me tell you right now that these burdens will continue long after the war unless something is done to wrest from the money monopolists that power which they now have to manufacture or destroy credit and currency facilities. So long as Mammon rules us, then you and I and everyone will be the servants of Mammon. Democracy cannot exist where the people are not free and no one can be free unless they, themselves, control their financial destiny. No one can be free unless he holds the right to own his own property and land. No one can be free to live his life in his own way if control and power are allowed to become concentrated, socialized and centralized in a bureaucracy. Therefore, it is absolutely imperative that we

should be fully aware of the trend of the tide which is carrying us into the gulf of national socialism.

Let us not become bewildered lest, in our confusion, we lose the sense of true direction in our national life. The business of keeping our heads is the responsibility of each individual citizen whose duty it is in times like these to think matters through clearly to their eventual outcome. Do not be led astray, my friends. Each one of you has a mind of his own. Guard jealously your God-given right to make up your mind and to make your own decisions. The moment that you yield to bureaucratic socialism in any form, you immediately let go some of that right, and the farther you go, the more completely you will become enslaved.

One week from tonight I shall be speaking at the same time over this same Station, and I hope that in the meantime I shall hear from many of you.

## **Broadcast No. 16**

### **SOME QUESTIONS ANSWERED**

I have been greatly encouraged by the letters which I am receiving in a steady stream from all over the country as our broadcasts are gradually reaching an increasing number of people across Canada.

Here is a typical example of the way people are thinking. It is from a correspondent in Regina. I quote:

"I have been listening to your broadcasts right along and agree with you that something has got to be done . . . The people themselves have to do something if they want to better their conditions and I believe the way you are doing it should help them a lot to get wise to themselves."

Thank you, W. M. You certainly have the right idea. All along I have been stressing that the purpose of these broadcasts is

to help the people to form definite ideas on the various problems of Post-War Reconstruction so that **they** can demand the kind of reformed system they want. Oh, yes! I've heard that there are persons going about saying: "Aberhart is organizing a Federal party. He's just broadcasting to build himself up as a national leader." Shucks! I haven't the slightest ambition along that line. It is up to the people to choose their leader, so don't waste your time gossiping. It would do a lot more good if you tongue-lashers would put as much energy into trying to get something constructive **done**, instead of peddling a lot of useless, nonsensical criticism which doesn't mean a thing. You know as well as I do that leaders must be chosen by the people, not imposed upon them, if they are to amount to anything.

That brings me to another letter which I was particularly pleased to get. It is from one of the fisher folk of Anama Bay. I wonder how many of you know where Anama Bay is located. Well, listen to what one of the stalwart men from up there has to say; he tells us just where to find it on the map:

"Dear Sir: A few of us fishermen listened to your good broadcast away up here on Lake Winnipeg. We all said: 'Why can't we hear more of your speeches, and why do not more of our public men speak like you.' Our Canadian statesmen seem to lose their own voice after they get to Ottawa. Mr. Aberhart, there are lots of



good reforms we need in this good Canada of ours . . . but we need more men that will do something for the love of this great country. This good land seems shackled to the Big Eastern interests."

Thank you, A. K., and all you good fellows up there. I like your splendid spirit and forthright way of writing. There are tens of thousands of Canadians thinking like that today. And now I am going to answer some of the points you raise. I will speak from the shoulder, because I know that is what you will expect, and I haven't time to beat around the bush.

Yes, indeed, it **is** true, that our leading national politicians do seem to lose their own voice when they get to Ottawa. With a few exceptions they become the mere echo of the rumble of the big financial interests. But, fellows, let us be realistic about this and face the facts. Whose fault is that? Do you blame them altogether?

I put it to you, that the people themselves have to accept a great share of the responsibility for this state of affairs. We can't escape it. You see, under our democratic constitution, the people are the supreme authority. They elect the representatives to Parliament. Parliament exists to do what the people tell it to do. The Government exists to do what Parliament tells it to do. But if the people sit back and allow their representatives to go down to Ottawa and pass laws which permit the nation to be ground down in degrading

poverty and debt bondage, and to be chased around and bullied by a lot of bureaucrats with the mentalities of dictators, and still re-elect them, then we have no right to expect democracy to work. We have only ourselves to blame. Is that not so?

I cannot agree with our friends in Anama Bay, that what we need is more men who will do something for the love of this wonderful country of ours. Why, listen, are there not hundreds of thousands of Canadians who love their country so much that they are prepared to die for it? Could we want more? Surely, oh, surely, then there are enough of us Canadians at home who love our country with sufficient intensity to make an effort to establish the kind of Canada for which our brave men are fighting.

Listen to me, men and women, we must get out of our heads the idea that **somebody** is going to come along and do this job for us. The fact is we each and all must handle this job for ourselves. We should start organizing into groups. It is our business to hunt out from amongst us, honest, efficient, hard-headed, successful, clear thinkers who cannot be bamboozled into doing only what the money barons demand, but who will do what the people want. These names should be sent to us so that we can give them the information they want. By this means you will organize an army of reformers on the home front who mean business.

Let me read you what an army officer

from Port Arthur writes:

"It is most encouraging to hear public men like yourself advocating these ideals and I am sure we are on the way to a more full and happy life for Canadians, which will in turn spread to other countries of the world."

You see, he has captured the vision of that better Canada which we all desire—and he has the faith that we all need. Furthermore, like the hundreds of thousands of other Canadians who are in the fighting forces, he is depending upon us to get busy. It is **we** who must clean up the mess at home, while **they are** clearing up the mess over there in Europe. And what a mess we have on our hands in this country of ours! It is time we were getting down to business.

11 The other day my attention was drawn to a glaring example of the manner in which our people are being treated by the money-lending fraternity.

Just about twenty years ago the wife of a farmer who had a little savings to invest decided to buy a quarter section of land adjoining her husband's farm. She had all the purchase price on hand except for about \$500.00, so she obtained a loan from a mortgage corporation at 9% interest. Yes, you heard me correctly, I said nine per cent interest.

During the last twenty years, this woman and her husband have paid more than the amount of the original loan—but that was not sufficient to meet the devast-

ating usurious interest payments. Today they owe nearly \$1,600—or about the original value of the land. You see how hopeless the case had become.

Worried by this ever growing burden, and harassed by the constant threat of dispossession which hung over the heads of this aged couple, the woman applied for an adjustment of her debt under the Farmers Creditors Arrangement Act. The mortgage corporation, in the true spirit of Shylock, opposed the old lady's application on the grounds that she is not a farmer, but just a farmer's wife, and that the Act did not apply to her. In other words she could have no protection whatever. She was only a woman, the wife of a poor farmer.

This amazing quibble of words was referred to the courts which deal with such matters. I hope you are listening, all you womenfolk on the farm who have to do milking, fencing and all the other chores which fall to your lot, as farm women.

The court ruled that the mortgage company was right; that a farmer's wife is not a farmer; that the provisions of the Farmers Creditors Arrangement Act do not apply to her case. So this brave soul who had been heroically carrying on all these years in the face of incredible difficulties, found herself at the mercy of the mortgage corporation. But she got no mercy. They immediately foreclosed on her.

Can you imagine anything more in-

human? This elderly woman was denied, even the meagre assistance afforded to others—all because of a quibble. A farmer's wife is not a farmer! Just imagine that. She can help in the fields, milk the cows, feed the pigs and all that, but that is not farming for a married woman, unless her husband is dead. I thought married women had some rights in this so-called democratic country.

I wonder what we are to think of those who have such perverted minds that they can sit up at nights concocting outlandish quirks and scheming out devious and diabolical ways of grabbing other people's property. Is that to be the quality of what we would call a good Canadian citizen or is he a rotter?

We call a man a criminal and give him a long prison term for robbing a bank of a few pieces of paper. But we laud and shower honors upon the man who can devise new and tortuous ways of divesting honest, hard working men and women of their homes, and robbing them of their equities by a system of interest extortion that would make the devil himself blush with shame.

Great Caesar, think of it! And this is a system which Christian institutions support and many well-meaning but uninformed persons uphold. Will our people ever come to their senses and oust such ungodly and unmoral practices?

That recalls to my mind that even before a ruling had been handed down on

the Alberta appeal to the Privy Council against the adverse decision of the Canadian courts on our Debt Adjustment Act—a decision which affects all Provinces alike—here in Alberta the money-lending corporations were rushing foreclosure proceedings against over one thousand homes and farms, determined to put them all on the road, stranded and helpless. What do they care as long as they get possession of the land?

And while this is going on, brave men are fighting and dying to defend the democratic rights we cherish, and the farmers are being exhorted on every hand to make more sacrifices and produce more food which is so essential to victory. What a travesty!

Talk about loyalty and patriotism, justice and fair play—why the whole sordid business shouts to high heaven for redress, while the entire body of the social and economic state from the soles of its feet to the crown of its head is covered with the wounds, bruises and putrifying sores created by the greed for money, more money and still more money! When, oh! when, will our Canadian people be aroused to the ravages of this dreadful dragon of High Finance, whose power lies in his usurped right to issue money as and when it pleases, and who gloats over the human sacrifices that are offered on the altar of its loathsome god, Mammon?

Well, ladies and gentlemen, there you

are. I have spent the time tonight to deal with some of the questions arising out of the letters that have been reaching me.

## **COMPULSORY STATE INSURANCE SCHEMES**

To begin with, I should like to say that one of the most dangerous features of the present state of the world, is the confusion which exists in regard to the future. On every hand plans and schemes are being put forward for a "New Post-War Order". These are becoming so numerous and so varied that we are in grave danger of finding after the war, that what should be a Citadel of Peace and Harmony has been turned into a Tower of Babel. You know what I mean—confusion worse confounded, when no one will understand the other.

I thought that tonight it might be wise to examine carefully but briefly, some of



the important suggestions which are being advanced, and to give you a few simple tests to apply to such schemes in order to reveal their true worth and value.

Lately I have been listening to some of the talks which are being put over the air by various persons—politicians, university professors and others—regarding the Post-War world, and I am deeply disturbed. I will tell you why: For the most part they are all along the same line, although they differ quite widely in detail. They stress that after the war we must look for not less but more control by State Institutions—that we must be prepared to surrender a great deal more of our national sovereignty to some supreme international authority, and that in the name of what they call democracy.

Now listen to me carefully. If we are going to avoid confusion in the Post-War period, and be able to judge these various suggestions properly, it is absolutely essential for us to understand certain fundamental truths about the democratic way of life which means so much to us, and for which our brave lads are making such sacrifices today.

We must know the basic principles upon which a true democracy must be built. We must be clear in our minds just what relationship should exist between the individual citizen and the State institutions in a real democracy.

Let us get right down to bed-rock. The kind of political and economic systems

we have depends upon the way in which they are organized. If we want these systems to give the people the results they desire from their co-operation as a Nation, they must be organized for that purpose. The people will not get the results otherwise.

If the people of a country are not to be sovereign—that is to say, if their wishes can be over-ruled by some authority over which they have not complete control—then they cannot and do not have true democracy.

So you see, at all times the sovereign rights of the people must be maintained. So if the people of the State give over their sovereignty to some International authority, they are to that extent undermining or losing their democratic rights.

Again, it is most essential that in a democracy the State and all its institutions should exist to serve its individual citizens collectively. That is the purpose of the State, and that is the direct opposite of a dictatorial or totalitarian system, under which the State and its institutions are supreme and the individual citizens merely exist to serve them.

Now, I claim that you must keep these two principles definitely in mind if you wish to avoid confusion. First, in a democracy the people must be the supreme authority; and secondly, the State and all its institutions must exist primarily to enable the people to obtain the results they want. From these we must conclude that

there should be a minimum of interference with the people by the State, by a Bureaucracy, or by any private monopoly. The more regimentation to which people are subjected by State bureaucracies and private institutions, the less democracy it will be possible for the people to have.

Surely, it must be evident then, that all these suggestions we are hearing for more State control and more regimentation by international authorities, will inevitably carry us further away from democracy, and nearer to the detested totalitarian system against which we are fighting so vigorously.

Tonight, I want to discuss a type of proposal which is being greatly publicized today, and which, I fear, many of our people are being misled into supporting simply because they do not realize its dangers.

At the present time we are hearing a great deal about the Beveridge Plan, and similar schemes of compulsory and contributory State Insurance, that are being advanced as the basis of the new post-war order. Now, I hold that it is high time that we should give some attention to these schemes to see if they hold out any promise whatever of a better post-war order.

I think most of you are familiar with the principles upon which they are based. I feel sure that everyone of my hearers knows that fundamental to all these schemes is the financial requirement that compulsory deductions must be made from

the wages and salaries of employees each week or each month. It is usually a three-way matter. In addition to the workers contributing, it is necessary for the employers to do likewise, and this is paid into a central fund together with an amount which is contributed by the Government itself. Then when a person becomes ill, or unemployed, or is due for an old age pension, the money to provide for him is to be paid out of the accumulated fund.

So there you have it—quite simple you see. It sounds plausible doesn't it? Its a wonder they had not thought of it long ago—or did they? How would it be if we look a little more closely before we fall for all these assessment schemes. I can recall the old days of the Assessment Life Insurance scheme of the lodges. They usually went to the wall just when the people needed them most and after they had contributed from their savings to help others.

To the extent that wages are reduced by these compulsory contributions to the central fund, the individual purchasing power will be reduced; and to the extent that purchasing power is reduced, people will not be able to buy goods. That should be very plain—Stage No. 1. Now, if the people do not buy the goods on the market, producers and manufacturers will be forced to reduce production, and this will result in the dreaded unemployment—that is Stage No. 2. Unemployment benefits under the scheme must never be as much as

wages, so therefore purchasing power will further be reduced by unemployment—and the vicious circle begins its disastrous reaction. At once production is further decreased, and unemployment will soar more rapidly, and so the process will continue until in a very short time the central fund will be practically exhausted, and the whole country will be swamped in mass unemployment, poverty and insecurity that will eliminate most of the contributions and then where are we? We can't raise ourselves by our own bootstraps, that's certain. So these contributory State insurance schemes defeat their own purpose ultimately just as the Assessment Insurance did in bygone days.

But there is a more objectionable feature than that which we have already noted. They all involve compulsion and regimentation. Some central planning body decides by how much everybody's wages and salaries are to be reduced by compulsory deductions. Remember, you must continue to pay as you are told or out you go. The governing body likewise decides how much shall be paid out of the fund to provide benefits for individuals. You surely know that these are always on a minimum subsistence basis. It is a kind of glorified contributory relief. That's interesting now isn't it?

Finally, in order to obtain any benefits under such a scheme the individual citizen is forced to conform to a mass of regulations and conditions which are arbit-

rarily imposed upon him by some State bureaucracy. In short it is a system of centralized control of the many by the few, involving regimentation and domination of the people by a State authority. It is a retreat from democracy and a step towards the servile state of financial bureaucracy.

Now, my good friends, **that** is the kind of new Post--War order which is being established in this country. Can you not realize the significance of the Compulsory Contributory State Unemployment Insurance Scheme which is already in operation, and of the Compulsory State Health Insurance scheme which is to be introduced this year? They are parts of a general scheme of State-dominated bureaucracy—an autocratic control over the lives of every citizen, especially of the middle classes, for they cannot help those who are too poor to contribute.

In Great Britain this has been brought forward as the Beveridge Plan. In the U.S.A. it is being discussed as an expansion of the New Deal. But the pattern is the same everywhere, viz: centralized domination of the many by the few. I am raising my voice in warning so that you may investigate for yourselves.

This idea of compulsory State Insurance was originated in Germany under the iron rule of Bismarck who stated in his autobiography that the purpose of these measures was to throw "a golden chain about the necks of the workers." In other words to bind them body and soul to their

financial over lords. I sometimes marvel how gullible the rank and file of the people can become.

It astounds me that seemingly intelligent persons can actually be made to believe that it is possible to eliminate mass poverty and insecurity under the present system by simply taking away a portion of the inadequate incomes of the employed and healthy, and redistributing it to the unemployed and sick. Great Caesar! men and women, is it not perfectly obvious to you that by doing so, all that can be achieved is the redistribution of poverty and insecurity? Is that what you want in the new order? Listen to me, you cannot abolish those twin evils—poverty and insecurity, by merely setting up a vast bureaucracy of over lords to take from the already too meagre wage standard of the decreasing number of healthy workers, and spread it thinly over the increasing number of unemployed and sick folks.

I want you to think back to the conditions which existed during those hideous pre-war years. Do you remember them? Do you imagine for one minute that the general insecurity, the widespread poverty, the collapse of markets, the plight of agriculture, the rising tide of debt and taxation would have been all eliminated; and in their places prosperity, progress, security, good markets, good prices, health and full employment would be restored merely by taking away an extra 5% or 10% of everybody's incomes, and redistributing

the proceeds to the unemployed and the sick? The idea is utterly fantastic, preposterous and stupendously stupid. Why in the name of common sense we are being asked to believe that any such grotesque scheme will give us prosperity and security after the war is more than I can grasp!

I can see only one explanation. These schemes represent the kind of post-war order which the financial powers are determined to establish after this war, in which the individual—you and I and everyone of us—will be completely enslaved to them. So they are publicizing them, hoping that we shall take the bait like little fish.

Tonight, once again I am warning you to be on your guard against these plausible and much publicized schemes which are being dangled in front of you. There is one simple test you can apply to them all. "Will it increase my freedom, my democratic right to economic security and individual enterprise?" These are the most precious things which we have. Freedom is the right to choose or refuse any proposition which is placed before you, without interfering with the same right of everybody else.

Today human freedom is in greater peril than ever before in the history of mankind. Steadily and stealthily, step by step, powerful forces are at work, trying to divest the great bulk of the people of their freedom and security. The security of these things depends upon our eternal



vigilance and courageous action.

I am asking you once again to pick out in your district a straight-forward, clear-thinking, successful man or woman who is courageous and not afraid to take a stand against the Money-Barons. Have a chat with him and then send us his name, so that we can give him all information on Monetary Reform and Social Credit. Let him be your leader. We need men and women, real fearless, progressive souls.

## **Broadcast No. 18**

### **THE BEVERIDGE PLAN**

You will recall last time we discussed with you the question of Compulsory Contributory State Insurance Schemes, and we called your attention to three outstanding and exclusive factors in connection therewith:

First, they are totally inadequate as a means of providing security for the people and that is to be their chief purpose.

Secondly, these schemes are thoroughly undemocratic. The individual citizens have no voice whatever in their control. They are to be autocratically compulsory, and

Thirdly, these schemes involve regimentation and bureaucracy of a destructive character, which are quite foreign to true democracy and individual enterprise. I hope you have noted carefully these factors and have them clearly in mind.

Quite recently I had my attention drawn to two articles strongly supporting and praising the Beveridge Plan, which is

one of the most comprehensive schemes of compulsory State Insurance that we have had offered to us up to the present time. Frankly, I was shocked to see these articles because one was in a Canadian Labor paper and the other was published in pamphlet form by a Social Welfare Organization. When I saw these articles, I was dumbfounded—for knowing the contents of the famous Beveridge Report, I could not help wondering whether the writers of these articles had studied the scheme carefully.

I claim that our Canadian people should long since, have learned the principle that they should never approve nor sign their names to any document that they have not read and understood beforehand.

I had a poor widow call to see me not long ago, who had signed a document giving away all her rights and she claimed that she had not understood what she had signed. What could be done for her? Well, she had no money to fight the case through the Courts so there was little that could be done on her behalf. She had simply thrown away her rights.

Every man and woman in this country should surely have learned that no one should give consent to a proposal or sign his name to any document, no matter how rosy it may look, until he has read it through and has had it fully explained to him.

You will recall that when the Report of Sir William Beveridge was first issued,

it was given world-wide publicity as a revolutionary document that heralded the approach of a new order. As a matter of fact Sir William himself calls it a "British Revolution".

Evidently the Financial Powers behind the scenes have been forced to recognize the world-wide conviction that there must be a complete change in our whole system. The old one has become wholly inadequate and inefficient. So they label this Beveridge scheme "A British Revolution" in order to appeal to the public demand. Those of you who are keeping abreast of the times know that Government bureaucracy is quite the opposite of democracy, and should be thoroughly eliminated; that the wage and price system has proven itself vicious and intolerable in that it does not distribute sufficient purchasing power to place the goods that are produced at the disposal of the consumers—and more than that, the money system needs a complete overhaul to do away with the private monopoly that exists therein, which is exploiting the people for its own advantage. It would therefore follow that a plan that was going to be revolutionary would provide for drastic reforms along these lines. But what do we find?

Not one of these problems receives any serious attention in the Beveridge report. In fact this Beveridge scheme contains not a single new idea. It merely involves the consolidation, centralization and

expansion of existing schemes of compulsory contributory State Insurance.

Why then all the palaver about a Revolutionary scheme? Evidently it is designed to take the unsuspecting person un-awares. Its advertisement is designed to catch those who read the headlines alone, and want a drastic change.

The report itself makes it clear that it is only a consolidation and extension of the present schemes already in operation in Britain. Sir William himself declares this:

**"To prevent interruption or destruction of earning power from leading to want, it is necessary TO IMPROVE THE PRESENT SCHEMES of social insurance in three directions: by extension of scope to cover persons now excluded, by extension of purpose to cover risks now excluded, and by raising the rates of benefit."**

That puts the matter very plainly. The scheme is but an extension of what already exists. How in the world can we expect a mere extension of the old out-worn system to give us results?

One of the most striking features of the Beveridge Report is the extraordinary pains which have been taken to calculate the **minimum subsistence** which can be granted to provide **the bare necessities of existence**. I hope you note those words "minimum subsistence" and "bare necessities of existence." That in itself should be a warning to all readers.

Let me quote from paragraph 123:

“The subsistence needs of men and women do not differ except in food where the needs of the latter may be put at about one shilling a week less.”

Again in paragraph 218 we are told, and again I quote: **“The thirteen shillings (per week for food) may reasonably be divided as seven shillings (i.e. \$1.70 a week) for a single man, and six shillings (or \$1.45) for a single woman.”**

You see how generous this so-called social security is to be. A single man is to be allowed \$1.70 a week for food, and a single woman about \$1.45 a week. That, once again emphasizes those words “minimum subsistence” and the “bare necessities of existence.”

Now, regarding clothing, in reckoning the allowances under the scheme, the report states in paragraph 219: **“Moreover, clothing is an item of expenditure which can for a time be postponed.”** That is, you can wear your clothes a little longer. Then in the next paragraph No. 220 we read: **“There is also some possibility of reducing or postponing expenditure on fuel and light, though not as much as in the case of clothing.”**

That, radio friends, is a fair sample of the kind of New Order which we may expect under the Beveridge Scheme. I would respectfully suggest that if you support it, and it is adopted, you do not complain afterwards, and say you did not understand. Surely these words are plain enough for anyone—“minimum subsisten-

ce" and the "bare necessities of existence". I warn you that the Beveridge Scheme contains the same old niggardly, cheese-paring system of Financially Organized Poverty that we had before the war, under the corrupt economic system of scarcity and restriction.

Can you imagine any Labor Organization or any Social Welfare Group being hoaxed or intrigued into supporting that type of social security scheme? Are you not also persuaded that they have depended upon newspaper comments rather than upon the reading of the proposal itself?

Pardon me! I have not told you the worst yet. You ought to read its proposals regarding Old Age Pensions: Listen:

**"The food requirements of old people are placed by all authorities at substantially less than those of persons of working age. In calories they need about 75% of what is needed by working-age adults. On the other hand, the food of old people will be more expensive because of their failing mastication and digestion. It is therefore suggested that the food requirements of retired persons in place of being 75% of those of working-age adults, should be put at about 85%—or for a man 6 shillings (or i.e. \$1.45) a week, and for a woman, 5 shilling and 6 pence (or \$1.30) a week."**

The requirements of old people for clothing are not more than two-thirds of those of adults of working age. Retired persons should be able to adjust their rents. It is suggested that 6 shillings (or

**\$1.45) a week for a single person and 8/6 (or \$2.05) for a couple should be sufficient."**

Did you notice those words "failing mastication and digestion"? They are not going to miss anything are they? God help our old age pensioners if this scheme is adopted.

Before leaving this Old Age proposal, remember it is to be contributory. This Old Age Pension calculated on this miserly basis is not to be granted immediately the scheme comes into operation. Oh, No! that is far too generous—where would all the money come from? **The full scale of pension is not to be paid until at least 20 years after the plan is adopted.**

These things are all set out plainly in the Beveridge Report. I cannot for the life of me understand how any one can support such a scheme of social security and at the same time reject or question the Monetary Reform Organization's proposals.

Are the conditions set out in the Beveridge Scheme going to produce the type of new order for which our brave men are fighting and dying today? Is that the kind of social security we want? It makes my blood run cold to think that there are persons so devoid of sympathy, good-fellowship, and an understanding of conditions that they are prepared to suggest or accept such a scheme.

**Even Sir William, himself, seems to admit the inadequacy of his whole propos-**



al. In paragraph No. 440 he states: "Fourth, and most important, income security, which is all that can be given by social insurance, is so **INADEQUATE** a provision for human happiness that to put it forward by itself as a sole or principal measure of reconstruction hardly seems worth doing . . ."

Sir William here indicates that it will not even accomplish what he predicts unless we go all the way, cast out our present democratic system, and adopt a National Socialist scheme with all its totalitarian regimentation. I wonder if we Canadians are ready to fall for that bunkum. I for one am not, and I know many others who have the same opinion as I have.

Don't you see, ladies and gentlemen, that there is only one solution to the whole question of Post-War Reconstruction? We must devise ways of putting new purchasing power into the hands of the people, and not as Sir William Beveridge suggests, of reducing everybody's purchasing power by means of an elaborate system of wage taxation.

Further, I maintain that in devising ways and means of increasing purchasing power in order to distribute the abundance we can produce we should insist that it is done in a way which will give the maximum of personal freedom, and not as the Beveridge Report suggests, in a way in which mass regimentation will be carried out by a vast State Bureaucracy, imposing thousands of regulations upon the poor

starving people.

So once again I throw the spotlight upon some of the deplorable schemes that are intended to enslave the people by inveigling them into surrendering their rights and agreeing to be regimented, provided they are given the bare necessities of a meagre existence, and that in a land of abundance.

**If you value your liberty; if you have any consideration for your future welfare, you will investigate very, very carefully, before accepting these proposals which are too often disguised as Social Security Measures, when they are in reality Money Monopoly Schemes to get the people to sign off all their rights. Not only should you investigate them, but when you have discovered that it is an enslaving device, you should do what I am doing, make your voice heard in protesting against them and pressing for the true system under the Monetary Reform proposals.**

## **Broadcast No. 19**

### **SOCIAL CREDIT PRINCIPLES (1)**

On this occasion, ladies and gentlemen, I feel I should attempt to answer the many requests which have reached me for information about Social Credit. I suppose it is natural that people in Ontario, British Columbia and Manitoba—the Provinces from which most of these enquiries have come—should be curious about Social Credit, after all the fantastic slurs and innuendoes that have been cast upon it in the Press. I am persuaded that if you were given the truth, you would be very much surprised when you get to know the facts as they are and not as they were painted. All right then, are you ready to listen patiently?

First of all let me say there is nothing complicated or mysterious about Social Credit. It means just what the term implies, namely: The credit of society, or of the people.

The trouble that many have in understanding the meaning of the term, Social Credit, is caused by the confusion that

exists with regard to the meaning of the term, "credit". We talk of credit in so many different and peculiar ways. You would think that there was a deliberate intention to confuse and bewilder.

First, we use credit to describe the kind of money which the chartered banks create and issue. Do you understand that meaning? This kind of money we call credit does not exist in any tangible form. It simply consists of figures in the banks' ledgers which are transferred from one account to another by means of cheques. That variety has been labelled "Fountain Pen Credit." Unfortunately some have not heard of this kind of credit, and so they think it does not exist.

Then we speak of having a credit account at a store, which we will pay at the end of the month. Of course what we really mean is we have a debt account at the store. But there again there is confusion for the term is actually misused, and means the very opposite.

Another example of the loose use of the term is found when a merchant says he gets thirty days credit from his wholesale house. What he really obtains is a thirty days debt extension. So you see, we use the word "credit" when we mean "debt", so often that it is little wonder we get confused at times. You need not be very much surprised then when some people ask what Social Credit means. They are completely confused about credit in all its forms.

You remember the cry which was put up by the financial interests that Alberta's credit has been destroyed. Of course what they meant was that because of the stand taken by the Alberta Government against the whole financial racket, and exorbitant interest oppression, those in control would not lend the Province any money. In effect when they said that our credit was destroyed, they meant that our privilege of going into debt to the lords of high finance was tabooed by them. However, as we had no intention of borrowing from them, and going deeper into their clutches, we were not greatly concerned. It did not matter very much—except to them. The truth of the matter is, we had put our house in order, and did not need this so-called Credit which allowed us to go deeper into debt.

Now, good friends, I have given you these examples of the loose use of the word "credit" to show you how easy it was for the money powers and the Press to mislead people when the thing called "Social Credit" suddenly sprang into prominence.

Now please follow me carefully. This thing we call "Social Credit"—the credit of society, has to do with belief. You see, credit comes from the Latin word to believe. And **the credit of society arises from the belief we all share, viz.: that by co-operating together in association, we can obtain the results we all want, and which would be otherwise impossible to gain.**

You agree with that general principle do you not? You believe that by co-operating together in association we can obtain the results we all want, and which would be otherwise impossible to obtain? Right, so then if you differ with us, it must be in detail.

Now, the next point follows logically. A nation can only get the results which its individual citizens want, to the extent it can produce goods and services for their use. So **the real credit of a country is its ability to produce goods and services for its people.** How about that? Can you go that far with us? Are not goods and services of more value to her people than gold hidden in the steel vaults under ground?

You must surely agree then, that the real credit of a country is its ability to produce goods and services for its people. It is consumable goods that the people must have if they are to live.

In our complicated economic system, we measure things in terms of money. Real credit, the true wealth of a country, when measured in terms of money is what we call **financial credit.** When we talk of the banks creating credit, we really mean that they issue financial credit—or in other words that they monetize the real credit of Canada. We do not mean that they make the goods and services. When the banks create and issue this financial credit by entering figures in a book, they, in reality, treat the goods and services, the wealth of the people, as belonging to them. They

actually issue claims on the goods and these they lend to the people at interest, and by that action they collect for themselves the greater part of the sale price of the goods plus interest, leaving the producer to get a little profit if he can.

Once you grasp that simple fact, you will begin to comprehend what a barefaced, nation-wide swindle is being perpetrated upon the people under our present private monopoly-controlled money system.

Now note please: The amount of money which is issued controls the volume of production, because producers and manufacturers must have money to pay their wages, meet the costs of the materials they need, and so forth. Under our present system, therefore, we allow a few institutions, which have formed themselves into a powerful monopoly, to regulate the issue of the money or **financial credit** which governs and controls the use we can make of our real credit, i.e. the wealth and resources of our country.

So you see, men and women, by the simple process of getting control over the money system a small group of men have gained absolute power over the entire economic life of the country. Do you realize that startling fact? However much we may pride ourselves upon our political democracy and freedom, the stark reality is that we have an economic totalitarian dictatorship. Is it then any wonder that our political democratic system does not give

the people the results they want? Surely it must be plain that we can never have a properly functioning democratic system until we deal with this private money monopoly.

That is the reason why we Social Crediters stress the importance of this money question, and insist that the first essential and basic reform, must be to transfer the effective control over the issue of all money—both currency and financial credit—to the people through Parliament. And further that the monetary system must be so managed that the people will have full access to their real credit—that is to their ability to produce the goods and services they want. That is a little about Social Credit, the credit of the people handled for their welfare, not the money monopolists.



## **Broadcast No. 20**

### **SOCIAL CREDIT PRINCIPLES (2)**

Last week I took the time to define and explain the concept contained in the term "Social Credit". I hope you have grasped the five simple features which we outlined on that occasion. I would like you to stand back of them, because they are basic to the solution of many of today's economic problems.

Let me illustrate: Our beloved Canada will never be freed from piling up an astronomical debt and from being called upon to pay the exorbitant interest tribute to International Finance until the men responsible for the administration of the affairs of this Country realize the importance of issuing all money by a Government Commission on behalf of the people, instead of by a private money monopoly, imposing its iniquitous debt-creating policy upon the people, and extracting from them the cream of their production by an oppressive usurious money racket. What is needed is that the majority of our people must get to understand the vicious system

and join together in putting it out of control.

Tell me, why do people hold back? Do they like the payment of these oppressive interest tributes to the Money Monopolists? How can they continue to tolerate this tremendous pyramiding of astronomical debt-burdens, and the increasing taxation that follows in its wake? Does it not concern them to know that the little children who are being born today are inheriting a debt that will condemn them to slavery all their lives?

Social Credit provides a solution for these things. It is an antidote to this awful curse. Why then should you hesitate to support its trial? Do you think it is too good to be true, or that it cannot be done?

Listen, radio friends, any machine or any system made or instituted by man can be altered or improved by man. Why not?

I suppose that a hundred years ago they might have said that the Aeroplane was impossible—too good to be true. Man could never fly like a bird. But he did, nevertheless, and notwithstanding all the doubters he has even excelled the birds. If we have secured the freedom and use of the air through the genius of man, why can we not get the freedom of the earth's wealth and money by this same genius so that we can enjoy the abundance that we can produce? Why should anyone cling to the dread and fear of poverty, when the promise of plenty looms gloriously upon the human horizon?

Social Credit is absolutely essential to the proper functioning of Democracy. I say this without hesitation and without fear of contradiction. True democracy will never function properly without the introduction of Social Credit.

Let us look back a little in retrospect: Ever since the industrial revolution, when the genius of man abolished scarcity by harnessing the Solar energy stored up in gas, coal and oil, democracy has been unable to function as it should have done, and the cause of this needs to be discovered by us.

When the door to the source of the sun's stored-up energy was opened up to mankind, and when they learned to harness its almost unlimited power, and to attach it to powerful, effective, complex machines the problem of production was effectually overcome. No more should people have to fear scarcity.

Prof. Frederick Soddy estimates that: "The productive capacity of Great Britain has increased since the introduction of mechanical power some 4,000 %"—and on this Continent we have made even greater progress. It is therefore very evident that our problem, regarding the proper functioning of democracy is not to be found in the realm of production.

There is, therefore little to be gained and probably much to be lost by tinkering with our efficient production system. There are some who would socialize all production and give all industry over to

the Government to handle. The efficiency of the present productive system with its encouragement of individual enterprise and of the inventive genius of men, has shown itself sufficient and satisfactory as it is.

Social Credit makes no suggestion of taking over the present efficient production system, and handing it to a vast State Bureaucracy, with the inevitable inefficiency, and regimentation which would result. The question still remains for solution: Why does Democracy not function properly in this day of plenty?

I do not wish to weary you with technical details, but we have to look into the depths of things if we are to discover causes:

The great difference between the Age of Scarcity of centuries ago, and the present era of abundance, can be traced to what we call the "Common Cultural Heritage." Man's ability to produce an abundance of goods and services for our use, with less and less human toil, by the use of wonderful, power-driven machinery, is the result of an inheritance of knowledge which has been passed down to us from those who have gone before. In fact, the whole elaborate system we call civilization and culture, has been built up over centuries by each generation inheriting the store of knowledge and skill accumulated in the past, adding to it, and then passing it on to the next generation.

Now, to whom does this Cultural

Heritage belong? It cannot be said to belong to the man or his family who first conceived the original idea for it has been much improved since then. It cannot be said to belong to the person or persons who simply added another gadget to its already complex character. With greater assurance I declare that it shouldn't belong to the man who owns the factory or the great machine which is used therein.

The truth of the matter is that this Cultural Heritage actually belongs to the people generally, who need its benefits. We must, therefore, call it the "Common" Cultural Heritage, and every citizen has a right to a share in its accumulated storehouse of fabulous wealth.

How is the average citizen or the people generally to be able to obtain their share in this wonderful inheritance? Surely no reasonable person will dispute the fairness and justice of that right?

Now please follow me closely: In man's struggle for existence down the centuries, he has had two dominating objectives. This applies to us all, to our forebears as well as to our children. We have had a persistent desire to secure the maximum economic security both for ourselves and for our families. We wanted a place we could call our home. We wanted an income which would enable us to obtain our food, clothing, and something for our old age. Besides this, we wanted the greatest measure of human freedom.

We do not want the human race to

be placed in a huge prison house, where regimentation and absolute control is the order of the day. At no time like the present has the possibility of securing these two dominating objectives been more possible. We have learned how to produce abundantly. Hence it is within the realm of possibility that we each and all might be able to have a maximum economic security. The goods, the food, the clothes, the lumber, etc., are all here for our use, and the mighty machines can easily make 40 times more when needed.

Furthermore, this great abundance could be produced with a relatively small and diminishing amount of human labor. Therefore, it would be possible to distribute an increasing amount of leisure to the aged to sick or maimed and to others in need of it. I need not add that leisure that is granted or earned is definitely a basis of freedom of the highest order.

Does it not follow, then, that as this is something we can achieve because of our Common Cultural Heritage, and everyone has a right to share in the benefits derived from this great inheritance, therefore everybody should enjoy economic security and democratic freedom? And in addition to that, as we produce more and more, with greatly improved and almost intelligent machinery, every true citizen should enjoy increasing economic security, and greater freedom to seek after happiness, goodwill and culture.

I can hear someone saying: "That

sounds reasonable to hear you tell it, but . . .” But what? Why have we not got it today? That’s a good question and there is only one answer to it.

The Democracy we have, has not been functioning as it should. Do you know why? I’ll tell you. It is because we have refused to allow Social Credit, I mean the belief and the ability of the people to produce co-operatively, to place at the disposal of the people generally the benefits that are the result of our Common Cultural Heritage. Have you not discovered it yet?

A money monopoly has prevented the people from having access to the goods and services which they have produced, in order that it should reap the great benefit. The people are not allowed the money to buy the goods they want. They haven’t the money to go to the doctor, or to the dentist when they need these services. And when they want to go to work to produce more, they are told that there is no work for them. So they can root hog, or die.

The Social Credit financial reform proposals, are designed to make a smooth transition from our present debt-ridden, warped, poverty stricken, greedy, money-monopoly system, to a properly functioning economic democracy, where the returns from these wonderful, labor-saving machines are reflected to the welfare of the people, and not the favored few.

Once more I say, be sure to study this out until you understand it. It is the only

way in which we shall be able to reach our two great objectives: a maximum economic security in which we shall be assured of a home, food, clothing for ourselves and family and something for our old age; and freedom from fear and want as well as the greatest measure of freedom and leisure to enable us to seek happiness, goodwill and culture.

Next week I shall go into this great philosophy a little more fully.



## **Broadcast No. 21**

### **SOCIAL CREDIT PRINCIPLES (3)**

I am trying to control my equilibrium tonight and speak calmly, in spite of the fact that one of our citizens called my attention once more to the report of a proclamation made quite recently to the German people by Adolph Hitler, the beast of Berlin. He said: "Even our enemies are being forced to adopt National Socialism."

The nerve of him! I, for one, deny the allegation. We do not want National Socialism or any form of Government remotely like it. I cannot imagine a more scathing insult which he could fling in our faces than that. It is quite evident that he was trying to cast a slur on the British Nations.

Unfortunately, we cannot merely laugh it off, for the statement is not without some foundation. Tell me, is it not true that in some quarters within the British Empire, there are those who are striving most vigorously and diligently to set up a

system of State Socialism, that is patterned after the Nazi type?

I want to say with all the vehemence of my soul that the time has come when someone must do some very straight and blunt speaking. We cannot pussy-foot on this grave situation. There must be no foundation for a charge of such foolishness as to claim that we are in reality establishing a system, to resist which, we are sacrificing the lives of many of our most stalwart and splendid young men. Germany's National Socialism has nothing to recommend it to a democracy-loving people.

The British Empire entered this war to fight for its very existence against the menace of German National Socialism. The issue was made plain to us at the time, and it was not long before we had cause to realize the full extent of the menace we faced. As the Nazi war machine crashed ruthlessly into country after country, it left a trail of ruin and suffering in its wake, the like of which has never been known before: destruction, brutality and inhumanity was found on every hand.

We have seen what National Socialism did to Germany. We have seen what it has done to Europe. We have seen what it tried to do to Britain. But how few have taken the trouble to find out what this dreadful thing actually means?

People do not appreciate the fact that unless they know the nature of the beast, they may not be able to recognize it if it attacks them from another direction. The

slurrring, carping, chuckling sneers of the Madman of Europe should make us wake up and look about us.

This is a matter which is vital to our future. We must take the time to discuss it a little before it is too late. Are we being manoeuvred into the adoption of State Socialism, the diabolical thing against which our soldier boys are fighting so valiantly? God forbid!

First of all, then I think we should get clearly into our minds some of the main distinguishing features of this evil pagan cult of National Socialism, and contrast it with the democratic, Christian concept which is so precious to us.

The basis of German National Socialism—or Nazism—is the same as all totalitarian dictatorships. The State is autocratically supreme and the people exist merely as slaves, as cogs in the wheel—to serve the State. That means that the few men who control the State institutions are all-powerful. Their will is law, and the people have very little, if any, voice in the management of their civil affairs. They have to do what they are told under penalty of cruel and deadly punishments.

Now, the basis of democracy is the very opposite. Because democracy is government in accordance with the will of the people, the State and all its institutions exist to serve the citizens. Such a function requires that the men who operate the institutions of the State are to be the servants of the people. This is likewise the

Christian concept—"He that is greatest among you shall be your servant." So we are to choose between the pagan and the Christian concepts.

Under the totalitarian concept of National Socialism, all power being vested in the State, more and more control becomes centralized in State institutions, leading to the growth of a vast bureaucracy, dictating to the people what they may do and what they shall not do. Carried to its extreme, as in Germany, it results in one vast State monopoly served by the slave labour of the people whose masters—the State bureaucrats—must be obeyed. There is no appeal from the authority of these bureaucrats.

On the other hand, the democratic concept is the opposite of this vicious doctrine. Democracy requires supreme power to be vested in the people, so that the affairs of the country are managed in such a way as to give the people the results they want. This entails the encouragement of individual initiative and private enterprise, and the greatest measure of freedom for all. There is no place for monopoly in a properly functioning democracy. This we have not had yet, because of the dominating financial monopoly which has been sabotaging the operation of all democratic systems.

Now, I come to the most important aspect of this contrast between the doctrine of National Socialism and Christian democracy. Under the servitude of the Supreme

State, **there can be no such thing as freedom for the individual citizen.** He is but the creature of the vast State machine run by an army of bureaucrats, storm-troopers and secret police, who keep the people in slavish subjection to the powers that be. Contrast this with the freedom of the individual citizen as the very cornerstone of a democracy. No enlightened citizen of any true democracy could possibly support State Socialism in any form.

Now I suggest that when Hitler boastfully announces to his people that even Germany's "Enemies are being forced to adopt National Socialism", it is time for us to sit up and take notice. As a freedom-loving people we should not allow ourselves to be taken unawares.

It is a well-known fact that, under the stress of war conditions, increasing powers are being concentrated in the hands of the State. We are being conscripted, regulated, rationed, inspected, card-indexed, propagandized, taxed to the limit, and bossed about by a growing army of bureaucrats, and an avalanche of regulations, orders-in-council and decrees. We have tolerated all this because we believe that it is necessary in war-time.

The disturbing feature about it all is that a barrage of propaganda is being let loose that seems intended to prepare us for the continuation of these controls—and more and more controls—after the war.

Every measure for the post-war period

—compulsory contributory unemployment insurance, compulsory contributory health insurance, compulsory contributory old age pensions, and so forth and so on—all involve the perpetuation of State bureaucracy and all carry us another step towards the Supreme State of National Socialism. This is causing us to wonder what is the purpose of it all, and who is behind it!

Now let me take up the thread of what I was telling you about Social Credit, by way of contrast:

You will remember I explained that Social Credit, or the credit of society, arises from the belief we share that in association we can get the results we want. And this depends upon the nation's ability to produce goods and services for its use. Obviously the more goods we can produce, as a nation for the use of the people, the greater will be our ability to get the results we want from our co-operative efforts—provided that the goods are equitably distributed.

I think you will follow that all right. Next I pointed out that because the Nation's capacity to produce goods—its real credit—must, in justice, belong to the people as a whole, and because money represents a claim to the goods when produced, therefore all money should be issued by an agency representing the people, and under their effective control.

Now there is where the fault lies! We have very foolishly allowed a private monopoly to get control of the money sys-

tem, and to dictate to the people how much money shall be issued and the conditions under which it shall be issued. This gives the private money monopoly dictatorial powers. It can control production and all economic activity by its manipulation of the money system. It has the power to over-ride the will of the people—and to dictate to governments. It is virtually a hidden super-government, which can veto every desire of the people. I believe that fact is becoming more and more widely recognized at the present time.

You will recall that last week I pointed out that the vast increase in our ability to produce—resulting from modern power production methods, was the product of our common cultural heritage, the accumulated store of knowledge which has been handed down to us through the centuries, and that in equity we must realize that this is an inheritance in which everyone has a right to share.

Surely you will agree with that. I have already drawn your attention to one very serious obstacle to the acquisition of the greatest possible measure of personal security combined with maximum freedom, viz: the arbitrary restriction of production in peace time by the private money monopoly. There is also another barrier to this being done. On the one hand our efforts in the industrial field are directed towards eliminating human toil in the production of goods by the creation of labor-saving machinery. But on the other hand, under

our present money system, a man who is displaced by a machine and becomes unemployed has his income taken away from him. So you see that **industry** and **finance** are pulling in opposite directions.

Industry is striving to produce more and more with less and less labour. The effect of this is to put men out of employment and make them less able to purchase the increased products. On top of this, instead of distributing more purchasing power to pull up the slack, Finance seems to be determined to do the opposite. The more successful industry is, the less will be the amount of incomes distributed. So while industry is striving to give us more security and leisure, finance is frustrating its efforts by imposing greater insecurity and much destitution.

Can you not see, radio friends, that if we allow this tug-of-war between industry and finance to continue, back and forth, it can only result in increasing chaos, with Finance—because it has the controlling position—gradually imposing more and more controls and restrictions on us all until it has gained control of the entire State, established one vast monopoly, and has us all regimented under a system indistinguishable from Nazi Germany? Is it any wonder Hitler chuckles with glee and declares “Even our enemies are being **forced** to adopt National Socialism.”

The only way in which we can deal with the situation is to make it possible for industry to produce the abundance



which it can provide and to ensure that this is distributed equitably so that everybody has at least a share in the fruits of our common cultural heritage in the form of basic economic security and freedom. Further, that the leisure made possible by modern power production should likewise be equitably distributed.

The Social Credit proposals for a reform of the monetary system are designed to do just that. They are simple and straightforward.

The first step would be to set up a monetary commission responsible to the people through Parliament. This commission would be the sole issuing authority for all money—both currency and credit.

Next, the commission would be responsible for ensuring that money was issued to finance all wanted production without any unnecessary restriction such as the amount of gold in the Bank of Canada. Such money would be withdrawn only as the goods were consumed.

Further, it would be charged with the responsibility of maintaining a balance between the purchasing power which the people have, and the prices of the goods available for distribution.

Finally, it would see that incomes were distributed in such a manner that the security and leisure made possible by the abundant production would be available to everyone on an equitable basis, thus removing the fear of destitution from unemployment, disability, sickness or old age,

without bureaucratic State regimentation.

Well, there you are! Surely the course seems very plain to us all. We have the choice between a drift toward National Socialism or a reform of our system, to give us a Social Credit Democratic Order.

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