

# The Good Society?

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Good morning.

I want to thank you for giving me this opportunity to discuss with you a few ideas, which I hope will prove both stimulating and challenging.

This morning I would like to talk about the good society. More specifically, I would like to discuss the economic and social aspects of a good society.

What should these be? What are the signs of such a society? Let's take a look...

Among other things in such a society, we would want a stable and prosperous economy, one with full employment and living wages. We would want affordable housing, whether in the purchasing or renting of a home. We would want a system of health care accessible to everyone, regardless of economic circumstance. We would want generous provision for disability, maternity leave and retirement. We would want free access to college education and vocational training for any qualified applicant. We would want a healthy farming community, one which favors small family farms over large agribusiness conglomerates.

We would want the kind of public safety where one didn't have to live in gated communities to feel secure, and where one could walk down the street of any city at any time, day or night-without fear of being mugged, assaulted, or worse. We would want rigorous protection of the environment under a regime that is more concerned about the condition of our forests, our earth, our air and our waters than about corporate profit and pollution.

These are some the things we would want - for every citizen of our good society.

Today, we have NONE of these things. Why? Do these expectations of a good society sound unreasonable, or utopian?

I say to you that they are not - as is proven by the fact that there once was a society which had all of these things and more.

This society first came to my attention when I had the opportunity to meet and talk to people who had the privilege of living in such a society. In talking about their experience, they invariably described it as the happiest and most memorable time of their lives, and they looked back upon it with deepest fondness.

The society I am talking about was none other than - Pre WWII National Socialist Germany under Adolf Hitler.

I would like to take a few moments to describe and summarize some of the social and economic achievements of this remarkable society. In so doing, I think it will help to explain why the people I have just mentioned felt the way they did.

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But first, we have to go back and consider the condition of Germany following the First World War.

There was mass starvation in the land. There was a vindictive peace treaty-the Treaty of Versailles-which imposed humongous reparations on the German people and caused great suffering. There was runaway inflation, and money became worthless. People were actually living in hovels and going hungry.

After that came the Great Depression, in which 7 million Germans were thrown out of work and the economy collapsed.

## UNEMPLOYMENT & THE ECONOMY

Then Hitler came to power in 1933. Immediately he set about turning things around. His first challenge was that of unemployment, as well as that of restoring Germany's ruined agriculture.

The problem was aggravated by the fact that the German economy was bankrupt. It didn't have gold reserves. It had no foreign credit. At the same time, it was suffering under the burden of crushing reparations

payments. It seemed like situation impossible.

But that didn't stop Hitler.

"Okay," he said. "We don't have gold. But we do have workers willing to work. They will be our gold."

He then came up with a very simple solution to put it all together. He launched a program of public works: flood control, repairing public buildings and private residences and constructing new ones, building roads, bridges, canals, port facilities, but most notably the famous Autobahn-the first extensive superhighway system in the world. In so doing, he was able to put millions back to work.

How did he pay for it all? The treasury was broke. Foreign bankers wouldn't give him any credit.

What he did was simply go around the international banks and create his own banking system, based-not on the gold standard or some other superfluous metal-but on the productivity of the German worker himself: He introduced the work standard.

Here's how it worked. The projected cost of the various public works programs was fixed at \$1 billion Reichsmarks. An exact number of non-inflationary bills of exchange, called Labor Treasury Certificates, were then issued against that cost.

The workers were then paid; and with their new purchasing power, they began to spend their earnings in shops and businesses across the country, which in turn enabled these to create more jobs and hire more people.

With this as a stimulus, the German economy gradually took off. Within two years, the core unemployment problem was licked, and the country was back on its feet. And all of this with a solid, stable currency and no debt or inflation.

Meanwhile, by comparison, the economies of the United States, England and the other Western countries remained stagnant, with millions out of work and living on the dole. Not until these countries started to crank up their war industries were they able to solve their unemployment problem.

At the same time that Hitler was reviving Germany's economy and putting millions back to work, he was also able to restore his country's

crippled foreign trade. Denied foreign credit and faced with an economic boycott in England and America, Hitler came up with a very simple but ingenious device: the barter system, in which equipment and commodities were exchanged directly with foreign countries, circumventing the international banks.

For example, if Germany had manufactured goods which Argentina wanted, and Argentina had grain or beef which Germany wanted, the two countries would simply draw up a contract and swap- without recourse to an international middleman. He was cut out of the deal completely. Again, this system of direct exchange occurred without debt or trade deficit- something which upset some people.

In a word, what Hitler did was smash the prevailing finance- capitalist system of debt and usury-which, as we now know, was a primary cause of World War II.

By making a moral distinction between productive capital and speculative capital, Hitler set himself on a collision course with those international financial interests, whose ox he had gored and whose very existence as parasites was now threatened by the success of the National Socialist model. They were prepared to do anything-indeed, drag the entire world into war-to maintain their parasitic existence and not allow other countries to follow the National Socialist example.

But that's another story for another time. I won't get into it here.

This, then, was the economic miracle which made all of Hitler's other social programs possible, some of which I have already touched on.

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## THE FARMER

I mentioned the restoration of the German farming community as a high priority of the National Socialist government.

This was more than a matter of mere economics. In National Socialist thinking, a nation can prosper only if it has a sound rural population. The traditional family farm is regarded as of prime importance, because it concerns a way of life whose moral and spiritual values are vital to the health and well-being of society as a whole.

During the hard times in Germany before Hitler, many farms saw their lives ruined by falling commodity prices, exorbitant interest payments, and foreclosure to unscrupulous Jewish land speculators. One can image the desperation of these farmers, as they saw the loss of their farms-many of which had been in the family for hundreds of years-and they, too, were now forced to join the ranks of the unemployed.

Hitler was determined to put an end to this misery and injustice. Not only were these farms restored to their rightful owners, but at the same time they were made productive and self-sustaining.

And so Hitler created what was called the National Food Estate, a public corporation which included not only the farmer himself, but everyone else connected with the production, processing and distribution of food: the canners, the millers, the bakers and middlemen, as well as the local grocer.

The Food Estate guaranteed the farmer a market for his product at a reasonable fixed price-high enough to cover his costs of production and prepare for the next harvest season, but low enough, so the customer could always count on a fair price.

By adjusting supply to consumer demand and allowing for individual initiative and competition, but excluding speculation in commodities, the food corporation was able to create a stable market, which assured a dependable supply of food, upon which all parties-producer and consumer-could rely.

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## THE WORKER

Concerning the worker, Adolf Hitler himself had at one time been a common day laborer, and he understood well the problems of the ordinary workingman.

He considered man to be more than a disposable economic unit. He believed in the idea of the whole person, as a productive and creative member of his people; that he should have meaningful work and job security; and that he should be treated with dignity and respect-and not be downsized, for example, and handed a pink slip as a Christmas present!

He believed that work should not be a drudge but rather a creative effort,

a source of fulfillment and personal pride, and that the dignity and honor of every workingman and woman should be respected.

Accordingly, one of the first things he did after coming to power was to order a clean-up of German factories. Drab, dreary plant yards and coal piles were replaced with parks, swimming pools and other amenities designed to humanize surroundings by providing a bright, clean, cheerful environment, with plenty of sunshine and fresh air.

One innovation introduced under National Socialism as part of its efforts on behalf of working people was the KdF, the so-called Strength Through Joy program.

The idea behind this program was that those who worked hard and produced should be rewarded, not only with a decent salary, but also with special amenities that make life more pleasant and allow one to recharge one's batteries.

Under this program, ordinary workingmen and their families were given special access to the arts, culture, popular entertainment and sport. Above all, they were given the opportunity to travel, not only around their own country but to other places as well. They could go on free, two-week, overseas cruises, while in Germany itself they could take a lengthy holiday for just 2 marks a day, including travel, meals and lodging.

## THE ENVIRONMENT

As someone who believed fervently in the laws of Nature, Hitler introduced the first comprehensive measures to protect the environment, including so-called scrubbers to eliminate pollution emissions from coal-burning plants.

His critics said it couldn't be done. But Hitler said, "Do it"-and it was done!

## HOUSING

Hitler also ordered affordable housing, especially for young married couples. Neat, sturdy houses, with garden space around them, were built, which they could then purchase for 600-1,000 RM at no interest and minuscule monthly payments.

The best part was that a quarter of the mortgage was canceled with the birth of each child, so that after their fourth child a couple would be home

free! How's that for child- and family-friendly?

Older homes and apartments were refurbished and upgraded, and there were no slums, such as we see in America's inner cities.

## HEALTH CARE

No German had to worry about the expense of getting sick or injured. Under National Socialism there was universal health care at no cost. No weaseling, chiseling HMOs. No welching under the government of Adolf Hitler, which made the health and well-being of its citizens a top priority!

German hospitals offered the finest care and had the most modern equipment, surpassing even that in the United States. Patients had a right to choose their own doctor and hospital, and even the poorest were assured full medical treatment. They could stay up to one year in the hospital-with a special allowance of pocket money! If they were still on the sick list after that, they could remain indefinitely with public health funds.

## SOCIAL SECURITY

The same went for retirement. German's citizens didn't have to worry about a Social Security system going broke or their retirement accounts disappearing.

## COLLEGE EDUCATION

College education was free for all qualified applicants, regardless of financial circumstance or family background. The same applied to vocational and technical schools. Students didn't have to worry about tuition or loan repayments. Those things were unknown in Hitler's Germany.

## PUBLIC SAFETY

In National Socialist Germany there was never concern about public safety and rampant crime, such as we have today in America. One could walk the streets of any German city or town any time, day or night, without fear of being knocked in the head, killed or raped.

And, I might add, the number of police per capita in what some have described as a "police state" was but a small fraction of what we see in

America today!

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This, then, is a brief snapshot of a society which we today come nowhere close to matching, but one which stands as a model for what a well-run, progressive and orderly society should look like.

In coming years, as you face the challenges of an increasingly sick and dysfunctional society, I sincerely hope that you will pause from time to time to think about the way a good and decent society should function, as shown by this timeless example.

Thank you.