

NOW AVAILABLE

BY THE AUTHOR OF HOPE MAGAZINE



De-linking income from labour and creating a debt-free, tax-free world.

Don Findlay

Are you looking for something more than the usual intellectual autopsy of our social and economic problems? Will you scream if you read one more book which merely dissects society's problems but never suggests any comprehensive solutions? Well then jump for joy because TAKE BACK YOUR LIFE is for you!

This book is all about a solution, a bold and powerful solution that would alleviate all of society's major problems simultaneously by addressing their primary and common underlying cause, namely our immoral and inefficient monetary and income distribution system. TAKE BACK YOUR LIFE explodes the economic myths and illusions which are holding us back and explains in everyday common language why it is impossible to solve any of our biggest problems (like unemployment, debt, taxation, education, healthcare, poverty, crime or pollution) until we de-link income from labour.

Read about an economic plan that would:

- *Guarantee every individual Canadian an income of at least \$68,000 a year*
- *Eliminate all taxes and deficits*
- *End all poverty, unemployment and inflation*
- *Provide free education, medicare and pensions to all*

Could you create jobs if:

- *You didn't have to pay any salaries, wages or benefits?*
- *You didn't have to pay any taxes?*
- *You didn't have to pay any interest or finance costs?*

TAKE BACK YOUR LIFE is more than just a source of information, however. It is also a call to action and a plan of attack. The book itself serves as a fundraising tool that community groups can use to build local public support for the solution, to help establish a national network and, ultimately, to win a national referendum on the idea.

Not available in book stores, sold directly by the author @ \$9.95, 147 pages

To order send a cheque or money order for \$13.65 (\$9.95 + .70 gst + \$3.00 shipping)

to: HOPE Magazine, 668 Old Hillview Road, Kingston, ON K7M 5C6

TIRED OF READING ABOUT THE PROBLEMS OF THE CHURCH WITH SEX?

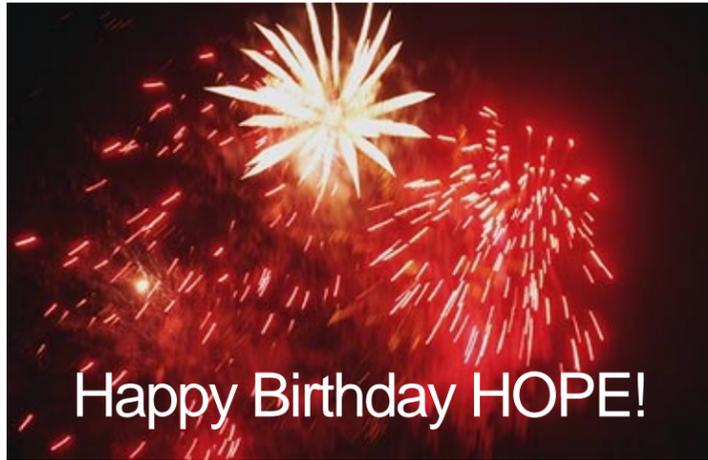
...then read about the problems of the Church with INTEREST. The Christian Economic Networks have published a pamphlet on a Christian Economic System that can replace capitalism. Included is a Christian critique of capitalism. The people of the Christian Economic Networks have spent the last twelve years in Mexico assisting the rural poor to create work through the means of Christian cooperatives.

The Christian Economic Networks have also made a video tape on the history of the Catholic Church's formulation and the present ignoring of the doctrine against the taking of interest on loans.

These can be obtained from the Christian Economic Networks, 132 Lennox Street, Santa Cruz, CA 95060. The cost is whatever you think the pamphlet and tape are worth. For more information call the Christian Economic Networks at (408) 421-0929.

HOPE
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It's been a year since the first 100 copies of HOPE were printed in Canada. Who would have ever thought that such a tiny, one-man, volunteer operation could survive for a full year in a land of giants. Not that HOPE's circulation is threatening the sales of Macleans or Time or anything. Its readership base is still insignificant, due mainly to the cost of printing and distribution. But it is increasing slowly and surely, from coast-to-coast in Canada and throughout the USA and Mexico. Many of the articles in HOPE have been reprinted in other publications and readers are encouraged to photocopy and distribute the magazine widely. Accordingly, it is nearly impossible to determine accurately how many people may have been influenced by this humble little endeavor. If you have, but haven't yet written to me, please do so this year. It is the feedback from HOPE's readers that motivates me to continue.

HOPE is published six times a year by Don Findlay, an independent researcher living in Kingston. Recognizing the need to demonstrate new, more cooperative ways of doing things led to the decision not to charge a fixed price for this magazine. HOPE now relies entirely on the wisdom and generosity of its readers for its survival. HOPE trusts you, the reader, to judge the value of this publication for yourself. If you feel that it makes an important contribution to society and you wish to help it to continue and grow, then please send a donation to the address below. If you wish to sponsor the printing of additional copies of HOPE, its current short-run printing costs are about \$30 per 100. If you ask for it, a credit in your name will be printed in the run that you sponsor. All of the time and labor that is expended in producing HOPE is volunteered.

Please feel free to photocopy or reproduce this magazine electronically. Letters to the editor, opinion pieces and any good-news stories are always welcome and should be addressed to:

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Obsolete Men

Recently I had the opportunity to read a fascinating article entitled "Obsolete Men" which was originally published in the December 1932 issue of Fortune Magazine. The piece explored the possibility that millions of American workers might become permanently redundant in the new machine age that was developing rapidly as the twentieth century began. It cautioned that "Technological Unemployment" was not merely a temporary pause in employment opportunities but a profound structural change in the very nature of the modern economy.

The article contained a wealth of historical information on the economic and employment statistics of the time, but what struck me the most was just how similar the problems that were occurring then are to the ones that are taking place today. The only thing that has really changed over the last sixty or seventy years is the nature of the technological advancements themselves. At the beginning of the twentieth century, it was geometrical increases in *mechanical power* sources that were driving innovation and new technology. Today it is geometrical increases in *computer power* sources that are fuelling innovation and new technology. But even after all these years, we still have not adequately addressed the single most important factor causing the multitude of social problems which are associated with our rapid technological advancements, namely the antiquated monetary system that we use to distribute the benefits of our increased productivity.

Here are a few quotes from this remarkable article:

"...in the whole spectrum of industry from one end to the other, fewer men are required to do a given unit of work, more and more automatic machines are continually being developed and installed, and the basic relation of human labor to industrial production in America is apparently undergoing a change as profound as that which, in the early days of the Industrial Revolution, threatened the security and even the food and the shelter of British labor." (page 25)

"...the possibility that the present depression may be the effect of a revolutionary and far-reaching change in industrialism, rather than a cyclical dislocation of the credit machinery, has never seriously been entertained. ...If that increasing process of mechanization which is the characteristic feature of modern industry means an increasing displacement of human labor and the rapid industrial obsolescence of a great part of the country's population, then it is worse than idle to discuss farm-

Interest ...a Form of Private Taxation

It is curious, with all the moral outrage expressed against excessive public taxation, that little attention is ever focused on the immorality of interest charges, a form of private taxation. At least some of the public tax revenues are used to provide real goods and services that each taxpayer benefits from using. Things like roads, schools, hospitals, utilities, fire departments and law enforcement agencies benefit us all. But the interest charges that we all must pay to rent the nation's money supply are only a net benefit to a tiny percentage of the total population. In fact, even most of our public taxation revenues are used simply to make interest payments on our accumulating public debt or to pay for the interest costs which are imbedded in the price of the goods and services that the government purchases on our behalf.

In a book entitled "Interest and Inflation Free Money", Margrit Kennedy, a professor at the University of Hanover in Germany, discusses a fascinating investigation that she conducted to determine what portion of the final cost of certain government provided goods and services was due to an accumulation of interest charges. She found that even for relatively labour-intensive operations such as garbage collection, that

cumulative interest costs imbedded in the price chain of inputs accounted for about 12% of the total cost of the services provided. For services in which costs were more equally distributed between labour and capital inputs, such as water and sewage treatment systems, accumulating, imbedded interest charges accounted for about 47% of the final cost to the public. For capital intensive projects such as public housing, however, the total interest expense accumulating in the input price chain accounted for about 77% of the total cost of providing the service. It is remarkable, then, that it is rarely ever acknowledged in the mainstream media that high interest costs are one of the leading causes of inflation.

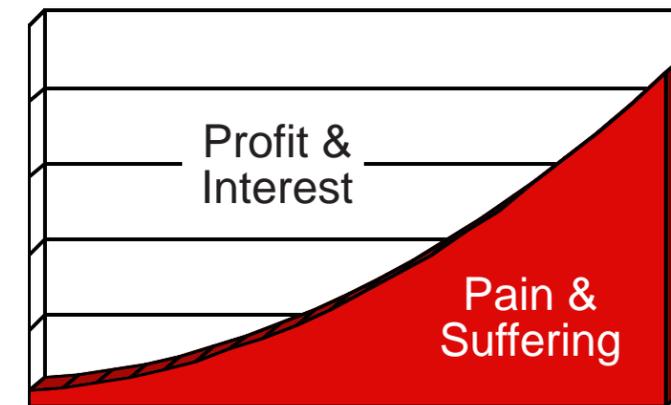
While many Canadians enjoy receiving interest income from their savings and investments, very few ever come close to recovering what they pay out in interest costs either on money that they borrow personally or on interest charges that are imbedded in the cost of the

goods and services that they purchase. Few Canadians realize that, even if they don't owe a penny personally to anyone, they still pay thousands of dollars per year in interest costs which are passed along to them in their tax bills and in the selling price of the goods and services that they purchase. It is this private tax called interest that the public needs to focus on.

Interest is the most regressive tax there is. Those who are least able to pay (ie. those who have low incomes, few collateral assets or have been labeled a bad credit risk) must pay a higher rate than those who are much better off. When the rich borrow money they often do so at a rate which is at or below the prime interest rate. When the poor apply for credit they are often forced to borrow from loan sharks and finance companies which charge rates that are four or five times higher than the prime interest rate.

Another common complaint of the well-to-do, who are leading the crusade against public taxation, is that taxing corporate profits and then dividend income and capital gains constitutes double taxation. But compound interest is simply a form of perpetual double taxation. A "smart" investor structures his portfolio so that he earns new interest in-

come on his accumulating interest income throughout the term of his investment. Why then should he complain if the source of his income is taxed only twice? Also, as interest costs are passed along the input chain from supplier to supplier, they are continually compounding. At least with public taxes like the GST and PST, the cost of the taxes (to the intermediate channel members) are stripped out of the price of the goods and services produced until the point of final sale. In the case of interest costs, however, each supplier's interest cost must be paid for in full by the next supplier in the chain who must also incur additional interest costs to finance his inventory and run his own operations. At each step along the production, distribution and retail chain additional interest costs are added to the final selling price of the product or service. The significance of compound interest costs dwarfs the unfairness of double taxation, yet a hardly a word of concern is ever spoken.



The Cheaper the Better ...for Whom?

As labour rates continue to stagnate and more and more people must replace stable, well-paid career opportunities with short-term contracts and part-time work or minimum wage jobs in the services sector, out of necessity, consumers are becoming obsessed with penny-pinching. In fact, a good deal of our culture is now devoted entirely to the ritualistic *hunt for good value*. Newspaper and magazine ads, television and radio commercials, flyers, coupons, in-store specials, trial sizes, bonus sizes, economy packs and clearance sales for a zillion reasons ...all reinforce our preoccupation with netting that elusive game, *the best price*.

But what if low prices are one of the primary causes of all of our other social and economic problems? That's ridiculous, you say? Well then, consider this. In a competitive low-price market, the only way to stay alive is by cutting costs. To cut costs you either have to reduce your raw material and component costs (by finding cheaper suppliers), or lower your labour costs (by reducing wages or by replacing people with machines), or increase your sales volumes (in order to spread your fixed costs over a larger number of sales). The tremendous financial resources of the transnational corporations give them a huge advantage in all three of these areas. They can source the cheapest suppliers and labour markets, anywhere in the world. They can finance and adopt the latest labour-saving technologies quickly and recover the cost of their investment before their smaller competitors. They have tremendous distribution and retail networks and can afford enormous advertising and marketing campaigns to increase their sales volumes. In short, small business doesn't stand a chance in markets where price is the main competitive factor.

As times get tougher for workers, however, consumers become more price-sensitive in all markets. This further increases the advantage of the big corporations. They grow bigger and swallow up more of their competitors (or force them to go out of business). More workers become unemployed (as machines replace them) and more consumers start worrying about their own future (and start saving for it) ...all of which causes even more price sensitivity and the vicious circle continues. All too often econo-

mists fail to mention that the *economy of scale* works in two directions. As prices get smaller, the dominant players (ie. survivors) in the marketplace get bigger. As the major players grow in size and financial power, their advantage becomes insurmountable, discouraging any new companies from entering into the market. Eventually only a few market titans remain and near-monopoly conditions emerge.

All the evidence that you should need to appreciate the truth in this analysis already surrounds you. Go to any mall anywhere today and count the number of independent stores operating inside. Chances are that you will only need one hand to do your counting. The major corporations are franchising their monoculture globally. Diversity is dying. Free market competition is dying. Freedom of choice is dying. The more you support these corporate monoliths the worse things will get. We have been conditioned to believe the idea *the cheaper the better*, but ask yourself better for whom? The truth of the matter is *the cheaper the deader ...for all but a few!*

The only way to turn things around is for you to make a conscious choice and a determined effort to support your local, independent community merchants. In the short term you may have to pay a little bit more to buy their products

or shop in their stores, but in the long run you will save enormously. A community can not remain healthy for long without small business. With our support, small businesses will hire our sons and daughters. With our support, small businesses will stay in our communities, through thick and thin, for generations and will recirculate their profits back into the local market. With our support, small businesses will pay their fair share of the total tax burden. With our support, small businesses will repopulate our vacant buildings with a vibrant and exciting diversity of products and services which reflect a unique, local personality and charm. With our support, small businesses will rekindle our hope for a kinder, caring, more community-focused world, centered around human values and environmentally-sustainable lifestyles rather than a cannibalistic profit/debt-driven economy. Our loyalty gave the corporations their enormous power, now our wisdom must take it back again.



ers' loans and the reform of the Anti-Trust laws as a remedy." (page 26)

"Any assumption of the economist that a displacement of workers by mechanization in one industry will result in the creation of jobs for them in another leaves out of the account the fact that there is also an industry of engineering -of machine making and energy application- which operates over the whole industrial field at once, and that the worker forced out of automobile making into a hotel kitchen may find the hotel kitchen mechanized before he can get there." (page 92)

"That unemployment did exist in the U.S. even at the height of the boom is of course well known. The New York State Commissioner for Labor complained in 1928 that the unemployment situation was as bad as in the depression of 1921, even though there had been no corresponding slump in factory production. And the average of unemployment among non-agricultural workers in the U.S. between 1922 and 1927 was 2,000,000 men "usually employed and then unemployed and seeking work." It is, of course, probable that a part of these belonged to that marginal group of less efficient or less energetic men who, in a more primitive economy, are taken up in farm work and the like. But this group, for which there is no place in a highly industrialized society, constitutes nevertheless a burden upon such a society. For they must be fed or destroyed." (page 92)

"In either case the choice for an industrial community remains the same: given a surplus of man-hours over available jobs, shall that surplus be allocated to a part of the working population as a burden or divided by the entire working population as a blessing?" (page 92)

"The word "overproduction" has obscured the entire situation. There is obviously no overproduction in a country in which several millions of able-bodied workers are without adequate food and clothing. There is merely a breakdown of the social machine. We talk of starvation in the midst of plenty as if it were a paradox. There is nothing paradoxical about it. If one man in 1925 is equal to three men in 1914 as a *producer* of goods but equal only to one man in 1914 as a *consumer* of goods, then the chances are that there will be a surplus of goods which cannot be sold and a surplus of men who cannot buy. The two together add up to the familiar platitude of starvation in the midst of plenty. And only an increase in production equal to the sum of the increase in productivity and the increase in population can possibly alter the situation under existing conditions" (page 92)

"...the present system of distribution originated in a society in which the labor of a human being was the unit

of productive energy and the need of a human being was the unit of consumption demands. The two existed at the same level and were, in a sense, equivalent. That is, human labor was the measure of human consumption. Unless a man worked he could not eat; there would be nothing for him to eat. But industrialism has profoundly altered that situation. A man is no longer the unit of productive energy. As a source of primary power he has been almost totally eliminated by steam and electricity. Goods to satisfy his needs no longer depend upon his labor: it is said that 4,000 men with modern power appliances could sow the entire American wheat crop. And the consequence is, in fact, that the human unit is no longer the common measure of production and of consumption. And that a system of distribution which treats it as if it were -which permits a man to consume goods only if he labors in their production when, as a matter of fact, there is no such labor for him to do- is an anachronism." (page 94)

"The sum and substance of the problem is this: from the purely productive point of view, a part of the human race is already obsolete and a further part is obsolescent. But from the consuming point of view, no human is obsolete: on the contrary, an ever increasing human consumption is not only desirable but necessary. These are the hard and pointed horns of the dilemma of our time." (page 94)

Here are a few of the statistics cited in the article:

"...machinery developed in the single decade between 1914 and 1925 enabled one man employed in industry in 1925 to take the place of three men employed in industry in 1914"

"...six or eight men can today control and operate a turbine capable of producing as much energy in twenty-four hours as 9,000,000 men working on eight-hour shifts"

"...one man operating a modern brick-making machine sends 710 brick makers into other jobs or out to the breadline ...one man operating a modern glass-tube-making machine deprives 600 skilled hand workmen of their places ...one man operating a new electric-light-bulb machine replaces 10,000 human electric-light-bulb makers ...one man in 1930 could make as many needles in a day as 17,000 men in 1830"

"...in one decade (1920-30) one manufacturer (General Electric) created new machinery capable of producing four times as much man power (160,000,000) as the total wage-earning population of the U.S."

"...a women's hand can sew fifty to seventy-five stitches a minute, a sewing machine can sew 1,800 ...one man with textile machinery can equal the production of 45,000 men at the time of the American Revolution"

How to Cope!

*Appreciate yourself,
congratulate yourself,
be at peace with yourself.*

Never let yourself down.

*To soar like the wind,
the forces within
must resonate in harmony
with the mind.*

If you're unemployed, or if your hours of work have been cut back, or your wages have been frozen, or your social assistance or pension benefits have been reduced, or if your child care, drug or education costs have been rising faster than your income, or if you are just fed up with all the new user fees that you are now expected to pay *on top of your taxes* for public services, then you are probably wondering about how on earth you are ever going to survive in the corrupt, crime-ridden, lookout-for-yourself, neo-conservative "new world order" that is rapidly swallowing up the compassionate, family-focused, Canadian society that we inherited from our parents. (I apologize for the length of that last sentence, but it was necessary in order to capture the mood of endless desperation that is overtaking us.) You might also be wondering about how you can possibly remain civil under these conditions when so many huge corporations, banks and wealthy speculators are reaping record profits by capitalizing on society's onerous debt burden.

Well, the first thing to do is to cheer up. The rich may be gaining ground over the rest of us, but it can not continue for too much longer. Too many people are starting to wake up and ask questions about what is really going on. Also there is a limit to how long the rich can prolong the inevitable crash of their money system by simply creating more paper (or electronic) debt. Soon the piper will have to be paid and the whole damn mountain of debt-based wealth will come crashing down. Not that this alone will make things any easier for the rest of us. On the contrary, in the short term it will hit the middle class particularly

hard. But if history can provide us with any indication of what is to come, then the middle class will be jolted into a rude awakening and, *if we prepare now*, the opportunity to establish a much better society will soon arise.

The second way to cope is to stop depending on the mainstream media for information. The news that they report is neither complete nor reliable. It is ideologically censored misinformation that purposefully creates a certain narrow perspective of reality. Understand that the primary role of the media is to generate profits for the media owners by selling advertising space to the few large multinational corporations which can afford to buy it. The news and entertainment products that are offered are secondary in importance to the media owners and *they will never present any information that creates a view of the world that conflicts with the one which their primary corporate customers would like you to believe in.*

The media's reporting and analysis of the news is censored and biased. The problems and solutions that are discussed are highly restricted. What is defined as being practical or possible by the "expert" commentators is tightly confined within certain narrow ideological boundaries. There is much more to almost every story than you will ever hear about in the press or on TV and many of the most important issues or alternatives are never even mentioned in any of the mainstream sources. *If you really want to know what is going on, you will have to educate yourself and discover alternative sources of reading material that will augment the information that the mainstream media presents.*

The third way to cope is to finally let go of all those inherited myths and fantasies that we have been taught to believe since we were children. The world is not always a fair or just place and honest, hard work alone is no guarantee of success. The authorities do not always have the best interests of the people at heart. The most successful people (both financially and socially) are not always better or smarter people or the best people to copy or aspire to be like. If you are suffering economically, it may not be your own fault. You may do everything right and still lose it all in an unfair economic and financial system over which you have no control. You are not a wimp if you care about others. It is not cool to be popular if it means suppressing who you are and all that you believe in. It's o.k. not to know the latest sports scores or to not follow the latest trends. You don't have to be part of the herd. You can be an individual without being a "loner" or a "loser". *One of the greatest fears that politicians and corporate marketers have is that people might start thinking rationally and objectively for themselves.* If that were to happen then all of the emotional myths and fantasies that they have in-

vested billions of dollars to create (by associating certain products or ideas with other well-established emotional icons) would lose their effectiveness as a means to shape and control public opinion and social behavior.

Each person in this world has a unique and equally valid perception of reality. Each person's personality has been shaped by a unique combination of millions of individual historical incidents. That rich diversity of human experience is one of the greatest resources that our species can draw from. Originality is the heart and soul of genius, the mother of adaptability and the key to our survival. So why would we possibly want to constrain the freedom of the human imagination or reduce the vital intensity of the human spirit? Why would we want to dissolve the rich social and cultural heritage of the earth in one commercial, materialistic melting pot? Why would we advocate or accept only one vision of the purpose and meaning of life, one model of "civilization", one definition of the ideal person, the socially-correct citizen, the hero or the superstar? Perhaps so that we could predict, shape and manage people's attitudes and behavior? Perhaps so that we could exploit them mercilessly?

Another important element of coping is to not give up on yourself. Even if others don't understand your point of view, *it doesn't mean that you are wrong!* If you have suffered more than most people, or if you are more sensitive to the world around you, or if you have tried harder to achieve something than most others, or have had any extraordinary experiences in your life, or if you are more imaginative or creative or artistic than most other people, then the likelihood that your ideas will be misunderstood increases dramatically. All too often when we communicate with others we assume that they already know many of the same things that we do. We often take it for granted that the words that we choose when we express ourselves will mean the same thing to those receiving them as they do to us and are puzzled when our message does not get through. The fact that people don't agree with us is often simply due to the fact that they don't fully understand the point which we thought we had just stated clearly. When both the language and the life experiences of two or more people are too dissimilar, then effective communication is just not possible. *Never doubt what you know deep inside to be true just because it is not popular to believe in it.* Trust your own intuition, it may not always be right but it is one of the greatest gifts that we have been given.

An equally important strategy for coping is to not isolate yourself. Don't run from who you are or withdraw into an emotionless shell. Find other people who have experienced some of the same types of things as you have...people who can really understand you and who share

many of your feelings and points of view. Very few people have had experiences that are totally unique. The sequence and combination of your life experiences may be distinct but the individual elements within your life are probably not as unusual as you might think. When people isolate themselves, their problems normally get much worse. They begin to blame themselves for their misfortunes and quite often our most harsh and insensitive critic can be ourself. Sharing your experiences also leads you to focus on the situations of other people. Often you find out that there are many people who are living under much more difficult circumstances than you are. Sometimes helping others is the best medicine for healing your own wounds.

A sixth key to coping is to recognize and be thankful for what you still have. Millions of people throughout the world would jump at the chance to suffer as mildly as most Canadians do. If you are physically healthy then be thankful. If you have a roof over your head then be thankful. If you have clean water to drink and are not already starving then be thankful. If you have electricity in your home then be thankful. If you have heat in the winter then be thankful. If your country is not at war then be thankful. If you are receiving even minimal income assistance then be thankful...for in many countries none of these "luxuries" are possible. Certainly the standard of living of the bottom third of all Canadians could, and should, be higher in a resource-rich country like Canada. But even the poorest Canadians are a long way from the bottom in the ranking of global living conditions. Of course all Canadians deserve better, but no more so than our fellow human beings in the poorest Third World nations. If we are to strive for justice, let it be justice for all living things.

Finally, one of the best ways to cope is to get involved in developing and promoting the alternatives. This can help to add a sense of purpose and meaning to your life and can create a framework into which the other coping strategies outlined above can be integrated. When you remain busy and active, your personal support group grows, your perspective broadens, your own problems become less disabling, your exposure to new opportunity increases and you feel better about yourself because of the contribution that you are making to society.

There are many simple, positive solutions to society's problems, yet they will be impossible to implement as long as the majority of Canadians don't fully understand the root causes of the problems that we face. The tendency for people to give up and do nothing is the biggest obstacle to positive change. There is a great deal of truth in the popular saying: "If you're not part of the solution, then you're a part of the problem!" The best way to cope with any problem is to face it head on.