LIFE WITH LYNDON IN THE GREAT SOCIETY, Vol. 1, No.33

One of the things that really warms your heart about Lyndon's Great Society, is the way people are permitted to borrow their future incomes in order to buy the big cars, colored refrigerators, color television sets, fancy furniture, expensive vacations, electric toothbrushes and high-fashion jock straps that make life <u>really</u> worth living.

This way of buying the necessities of life in the Great Society is known as "consummer financing." It's a way of making it possible for the Corporate Empire to sell its own folks (as opposed to its colonial subjects in other lands) the products for which it would otherwise have trouble finding a market. Why, you might ask, don't the folks with full membership in the Great Society have enough money, out of their earnings, to be able to buy these things without borrowing what they (and the "consumer financers") hope they'll make in the future. Well, one reason is that not enough of these full members earn enough money to be able to eat and sleep and have something left over. Lyndon's Bureau of Labor Statistics has said repeatedly that it takes a little over $6,000 a year for a family of four to live "adequately". This means that it takes that much fo feed, clothe, shelter, etc., a family of four.

Less than half the families in the Great Society have incomes over $6,000 , according to Lyndon's Bureau of the Census. So, if the great proportion of Great Society families are to buy the nice things the Corporate Empire makes for them, they have to borrow what they hope to make in the future in order to pay for them. Who do they borrow from? Why, from the Corporate Empire, of course.

This borrowing, naturally, costs money, which means that products bought with borrowed money are more expensive. We know of a family who recently bought a refrigerator and a freezer. They didn't have any cash, so they had to "finance" the purchase. The two pieces of equipment cost a total of $400. They "financed" the $400, agreeing to pay for them over a period of 18 months. The total cost of the equipment, financed this way, was $428. In other words, $28 was added to the price of the equipment as a penalty for not making enough money to buy the equipment for cash. That was $28 the family couldn't spend to get the kids' teeth fixed, buy a new tire for the car, have the hot air ducts insulated (to cut down on the gas heating bills during the winter), etc.

Most of the things that Americans buy are bought under various kinds of these "consumer financing" arrangements. The charges they have to pay the finance companies are very high. The finance companies generally tell the borrower that the "interest" charge is 6% per year, or 7% or 8%. But that is a lie. What the finance company calls 6% "interest", is really 10.9% interest, if the money is borrowed for only one year. If it is borrowod for longer than that, the real interest rate the borrower pays goes much higher.

Where do the finance companies get the money that they loan to consumers who want to buy the products of the Great Society? They borrow if from those who have already made it by exploiting the labor, energies and skills of the people. Thus tho workers who produce the products of the Great Society don't make enough money to buy back from their employers such products for their own use. The employers refuse to pay them enough money. So the employers take the money they refused to pay the workers, and loan it to finance companies. The finance companies pay the employers interest on the money. Then they loan the money to the people who should have gotten it in wages, and they charge the people enough interest that there is plenty for their own profit after they have paid the employers' interest.

All of this is clearly shown as a result of a finance company going broke recently in Canada. A Canadian newspaper got hold of a list of people and organizations who had loaned the finance company money. The money had been loaned to the finance company at real interest rates of from 5½% to 6½%. The finance company then loaned the money to consumers at real interest rates of from 10.9% on up. It collected this high rate of interest from the consumers, paid the 5½% to 6½% back to the people it had borrowed from, and had a tidy sum left over for its own stockholders.

Here are some of the American companies who had loaned the finance company money so the finance company could then loan the money to consumers (many of them, perhaps, employees of these very companies):

> American Cyanamid Co. (through a subsidiary, Cyanamid of Canada, Ltd.), one of the largest U.S. chemical companies; Borg-Warner Corp., in which Barry Goldwater's wife is a large stockholder; Campbell Soup Co; Chrysler Corp. (through its Canadian subsidiary, Chrysler Canada, Ltd.); Chesapeake & Ohio Railway, Inc,; Continental Can Co.; Dow Chemical Corp.; First National City Bank of New York.; Minnesoto Mining and Manufacturing Co.; Moody's Investors Service (owned by Dun & Bradstreet, Inc.);

Proctor & Gamble Co.; Rayonier, Inc.; Skelly Oil Co.; Union Carbide Corp.; Aetna Life Insurance Co.; Travelers Insurance Co.

Many of the organization which loaned the finance company money are not generally thought of as the kind of completely amoral, profit hungry outfits mentioned above. For example, the American Lutheran Church loaned the finance company $500,000; the American Missionary Association loaned the finance company $170,000; the Congregational Christian Churches of the U.S. loaned the finance company $42,000; the Annuity Fund of Congregational Ministers loaned the finance company $170,000. We wonder how many members of these churches scrimped themselves to make a "contribution to their God", and then had to borrow the money back to make ends meet, from this loan-shark finance company (the Canadian company operated in many parts of the U.S., so this entirely possible.)

Other highly respectable, public-service type organizations were on the list: The Regents of the University of Minnesota, the Trustees of the University of Pennsyvania, the Ford Foundation (which is exempt from federal taxation because its "general purpose is to advance human welfare" with its $3 billion.)

The example we use here happens to be a Canadian finance company, with rather wide-spread U.S. operations. However, this Canadian company is typical of all finance companies in this country. So, the next time you have to borrow from a loan-shark to make ends meet, you can figure that you may be, in effect, borrowing the money your employer should have paid you, or the money you paid for your childs college tuition, or the money you contributed to your church.

There's been some publicity lately about an investigation of finance companies that's being conducted by a congressional committee. The committee, it seems, is worried that "criminal elements" may have gotten control of some of the finance companies. We can assure the committee that they're right, in any sensible use of the term "criminal."

The trouble is that we don't usually think of corporation executives, and church and university trustees as criminals.

More's the pity, perhaps.

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Last month Lyndon's Treasury Department announced that contracts had been awarded to several corporations for supplying the metals that will be used to make new coins for the Great Society. Among the contractors was Engelhard Industries, Inc., which will supply the copper-silver alloy to be used in the new 50 cent piece. We don't know for sure where Engelhard will get the copper and silver it is supplying for these new coins. But we do know that the company, and its chairman, C.W. Engelhard, own large mining interests in South Africa, Let's suppose Engelhard gets the metals he's supplying for the new Great Society coins from those South African mines (and even if this particular metal doesn't come from South Africa, symbolically it doesn't make much difference, for that's where most of Engelhard's profit comes from).

A recent article in the **New York Times** described the life of a black miner in South Africa. Twenty four years ago, at age 18, Joseph Wenene went to work in the mines. His starting wage was 28 cents per day. After twenty-four years of faithful labor, Joseph Wenene has been advanced. He now makes $1.53 per day--$38 per month. One South African mine official said: "We never say the wage we pay is sufficient. We say it is sufficient when it is added to the subsistence economy of the chap's farm back on the reserve." Joseph Wenene has a small farm which his wife and children run, back in the reserve. With what small amount of cash he is able to send them from his mine earnings, they manage to keep from starving to death. He has not seen his family since 1961, because there simply isn't money to make the trip, nor can he afford the wages he would lose if he took time off from the mines.

Engelhard owns such mines in South Afica and, in effect, owns thousands of men like Joseph Wenene. Engelhard is a generous contributor to Lyndon's Democratic Party. Engelhard is a Great Society contractor, getting his contributions back in government contracts, and enjoying, for the security of his overseas possessions, the protection of Lyndon's armies.

What Lyndon's Great Society really means is the perpetual enslavement of men like Joseph Wenene to men like C.W. Engelhard--that enslavement is symbolized by the very coins which Americans use in their commerce with one another. How was it George Orwell put it? An endless procession of hobnailed boots, stamping on a human face.

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Ladybird was romping around at Laurence Rockefeller's 3,000-acre Wyoming ranch last week. She was taking a rest from her labors. She's been leading the campaign to Beautify the Great Society. Laurence is real interested in beauty, too. He's the director of the Herald Tribune Fresh Air Fund and several other outfits which say they're concerned about the protection of animals, air, trees, bushes, grass, rocks and assorted other objects which nobody has yet found a way to exploit profitably. While Laurence and Ladybird got their heads together to figure out how to make the Great Society more beautiful, Rockefeller-controlled Standard Oil refineries were blackening the air, Rockefeller-controlled industries were filling the streams with poisonous waste, and Rockefeller-controlled human beings, throughout the "free world", were laboring diligently to produce enough wealth to enable Laurence and his kind to continue in their concern for natural beauty, without having to bother about making a living.

Laurence is the grandson of John D. Rockefeller and the brother of Governor Nelson Rockefeller of New York,, and of David Rockefeller of the Chase Manhattan Bank. He's one of those good citizens who took the trouble to be born to great wealth. That makes him a leader in the Great Society, and a fit companion for the wife of its architect, Lyndon.

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Lyndon pulled a neat financial coup in Vietnam a couple of weeks ago, but it didn't get much publicity. Most newspapers carried stories about U.S. Soldiers in Vietnam being paid in military scrip instead of money. This seemed a reasonable thing to do, since the reason Lyndon gave for doing it was that it was necessary to stem the black market in American dollars. The "government" of South Vietnam had set the rate of exchange between South Vietnam piastres and U.S. dollars at 73.5 piastres to the dollar. Because dollars are hard to get in Vietnam, merchants, bankers, and other businessmen were paying as high as 135 piastres per dollar on the black market. Lyndon said some of the U.S. soldiers stationed in Vietnam had been selling their paychecks on the black market at the rate of 135 piastres to the dollar. He said that if the soldiers were paid in scrip, they couldn't then sell dollars on the black market.

But their had to be some rate of exchange set up between the military scrip and the South Vietnamese piastres. As we said, the "government" of South Vietnam had already set a rate of 73.5 piastres to the dollar. When Lyndon decided to issue the scrip, he also decided to make the scrip worth 118 piastres.

This means that when U.S. servicemen get the scrip, they can purchase 118 piastres for every dollar in scrip, where before, except on the black market, they could only get 73.5 piastres per dollar.

U.S. military forces were spending their pay in Vietnam, at a rate of $3,600,000 per month. At the old official exchange rate of 73.5 piastres to the dollar, this meant they were spending 267,240,000 piastres per month. At the new rate of exchange, they'll be spending 424,800,000, an increase in their spending power of about 59%.

So, introduction of the scrip in place of U.S. currency actually increased the spendable pay of the military forces by more than half. It doesn't cost the U.S. taxpayers any more--the burden is on the people of Vietnam.

We recall not long ago an ABC-TV newsmen returned from Vietnam produced a filmed interview with an 11-year-old Vietnamese girl who lived in Saigon. The little girl told the newsmen that she had quit school because her family needed the money she could earn by selling peanuts on the streets of Saigon, to the American soldiers. The newsmen asked the little girl if she like Americans. She replied that she did. He asked her if she would like to see more U.S. soldiers sent to Vietnam. She said that she would. He asked her why. She explained that the more soldiers there were, the more peanuts she would sell.

The ordinary people of Saigon are in such bad shape economically that an 11-year-old girl has to quite school to sell peanuts to the rich Americans. Lyndon, a man of deep compassion and infinite understanding moved immediately to correct this. He increased the purchasing power of the U.S. soldiers by 59%, thereby, presumably, making them able to buy 59% more peanuts from the ragged little Vietnamese girl.

And everybody lived happily ever after.

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Jack Minnis

September 16, 1965