

The Chorus and congregation, accompanied by the Bonneville Strings, joined in singing the hymn, "Now, Let Us Rejoice in the Day of Salvation."

President David O. McKay:

Elder Ezra Taft Benson of the Council of the Twelve will now address us. He will be followed by Elder Milton R. Hunter.

ELDER EZRA TAFT BENSON

Of the Council of the Twelve Apostles

MY BELOVED brethren and sisters, humbly and gratefully I approach this sobering responsibility. I am grateful for this conference. I have had a prayer in my heart in the last few moments that every person living in this world might have the opportunity to hear and to read the masterful address given by our beloved President at the beginning of this conference and the great and statesmanlike address to which we have just listened from President Clark.

For months I have had borne in upon my heart a desire to discuss a certain matter in this conference which I feel impressed to discuss with you. I hope I will not be misunderstood. I assure you that I also need the counsel which I am about to express.

In the book of Kings we read about a woman who came weeping to Elisha, the prophet. Her husband had died, and she owed a debt that she could not pay; and the creditor was on his way to take her two sons and sell them as slaves.

By a miracle Elisha enabled her to acquire a goodly supply of oil. And he said to her:

Go, sell the oil, and pay thy debt, and live thou and thy children of the rest. (II Kings 4:1-7.)

"Pay thy debt, and live." How fruitful these words have ever been! What wise counsel they are for us today!

Read the words of wise men down through the ages, and we find over and over again this great insistence upon the wisdom of being debt-free. Shakespeare put on the lips of one of his characters in *Hamlet* these words:

Neither a borrower nor a lender be;
For loan oft loses both itself and friend,
And borrowing dulls the edge of husbandry.

Others have written:

Do not accustom yourself to debt as only a convenience; you will find it a calamity. (Johnson)

The debt-habit is the twin brother of poverty. (Munger)

Poverty is hard—but debt is horrible, said another philosopher. (Surgeon)

John Randolph, one of the early leaders of our nation, remarked:

I have discovered the philosopher's stone that turns everything into gold; it is, "Pay as you go."

And one of the wisest men in the annals of our country, Ben Franklin, wrote:

Think what you do when you run into debt; you give to another power over your liberty.

True, times have changed since Franklin's day, but the principles of truth and wisdom never change. Our inspired leaders have always urged Latter-day Saints to get out of debt, live within our means, and pay as we go.

Our own pioneer forefathers have left us a heritage of thrift—of saving—of freedom from debt.

Surely they would counsel us today: "Pay thy debt, and live."

I speak to you today of a twofold duty which all of us have—a duty to our country as Americans—and a duty to ourselves as individuals, as children of God.

Never has a nation been so blessed with productivity as we in this land. Last year our output of goods and services reached the enormous value of 412 billion dollars. This was an increase in terms of real value of more than forty percent in the last ten years. The in-

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crease in output for each person since 1946 has been nearly twenty percent.

Whence comes this astounding capacity to produce? I am deeply convinced that it lies in the blessings of our Heavenly Father and in the untrammeled initiative, enterprise, and freedom of our people, in the fact that success or failure of our nation rests primarily with the people.

Yet, despite our wealth, our productivity, our material progress, do we not see signs of danger ahead? Do we not discern unhealthy tendencies, perhaps even germs of decay, in a general weakening of some of our oldest American traditions?

In the past quarter century, there has been a tremendous shift from individual to governmental responsibility in many phases of economic and social life. There has been a rapid shift of responsibility from the states to the federal government.

Twenty-five years ago the federal government received one-fourth of all the taxes collected in the United States. Today the federal government collects not one-fourth but three-fourths of all our taxes. Twenty-five years ago all taxes, federal, state, and local, took fourteen percent of our national income. Today, taxes take thirty-one percent.

In twenty-four years, our expanding federal government has boosted the average family's tax bill from 120 to 1600 dollars a year. In twenty-four years the national debt has swollen to an average of 7,000 dollars for each family.

Many forces work together toward the concentration of power at the federal level. Our people have come to look to the federal government as the provider, at no cost to them, of whatever is needful. If this trend continues, the states may be left hollow shells, operating primarily as the field districts of federal departments and depending upon the federal treasury for their support.

The national debt today is 277 billion dollars, equal to two-thirds of a year's total income. Interest on this debt is more than seven billion dollars a year, about sixty percent as much as the net income of all our farm people.

Through a great effort, in this the period of our greatest prosperity, we

reduced this debt by four billion dollars last year (1956), and the expectation is for a further slight reduction this year. This but illustrates how much easier it is to go into debt than to get out.

History teaches that when individuals have given up looking after their own economic needs and transferred a large share of that responsibility to the government, both they and the government have failed.

At least twenty great civilizations have disappeared. The pattern is shockingly similar. All, before their collapse, showed a decline in spiritual values, in moral stamina, and in the freedom and responsibility of their citizens. They showed such symptoms as excessive taxation, bloated bureaucracy, government paternalism, and generally a rather elaborate set of supports, controls, and regulations, affecting prices, wages, production, and consumption.

When we add up our total debt—debt owed by federal, state, and local governments, by business and by individuals—the sum is a staggering 693 billion dollars. In ten years, our total debt has risen nearly 300 billion dollars—about seventy-five percent. Most of this increase was in private debts, which climbed from 252 to 425 billion dollars, or an increase of seventy percent.

We have mortgaged our future. We have done so because we live beyond our income.

Now I do not mean to say that all debt is bad. Of course not. Sound business debt is one of the elements of growth. Sound mortgage credit is a real help to a family that must borrow for a home.

But is it not apparent that in the areas of both public and personal debt the limitations of soundness have been seriously strained?

Personal income, even after taxes, on a per capita basis, is the highest it has ever been. Yet mortgage debt and personal debt have been increasing. Between December 1952 and December 1956, home mortgage debt rose sixty-nine percent. This was by no means due entirely to the building boom.

Personal debt has also sharply increased—reaching a total of 42 billion dollars at the end of 1956, compared

with about 9 billion dollars only fifteen years earlier. The increase in personal debt during the past two years exceeded the total personal debt outstanding in 1954. No matter which income group we select, the proportion of people with such debt has increased since 1949. A few years ago only one family out of three owed personal debts; now more than half have such obligations.

Why this great increase in debt today?

Have incomes declined so that people must borrow money to maintain their level of living? No, incomes generally have shown a steady climb to the present record level.

Is there something about the distribution of income which explains this increase in debt? No, strangely enough, personal debt is reported most frequently not for the low but for the middle income brackets, those families with incomes from \$3000 to \$7500 annually.

How, then, can we explain the increase in private debt?

One reason, I believe, is that the adult experience of many people covers only the period of the war and postwar inflationary period, the years of high employment and high income since the early 'forties. During these years, those who went in debt to buy a home or a farm saw the value of their equity increase. Those who bought cars or home utilities experienced relatively little difficulty in paying for them. Wages and prices rose. Incomes increased. The longer one postponed a purchase, the more he had to pay.

For many of these people it is difficult to believe that serious recession will ever come again. Feeling secure in their expectations of continuing employment and a steady flow of wages and salaries, they obligate their future income without thought of what they would do if they should lose their jobs or their incomes were stopped for some other reason. But the best authorities have repeatedly said that we are not yet smart enough to control our economy without downward adjustments. Sooner or later these adjustments will come.

Another reason for the increase in debt, I believe, is deeper—and causes greater concern. This is the rise of materialism as contrasted with spiritual values. Many a family, in order to make a "proper showing," will commit

itself for a larger and more expensive house than is needed, in an expensive neighborhood. Again almost everyone would, it seems, like to keep up with the Joneses. With the increasing standard of living, that temptation increases with each new gadget that comes on the market. The subtle and carefully planned techniques of modern advertising are aimed at the weakest points of consumer resistance. And there is a growing feeling, unfortunately, that material things should be had now, without waiting, without saving, without self-denial.

How many people stop to think when they buy on a thirty-six-months-to-pay basis that they place their future earnings for three years ahead in the hands of moneylenders. What is there about a late model car that can make such a sacrifice worth while?

Worse still, a large proportion of families with personal debt have no liquid assets whatsoever to fall back upon. What troubles they invite if their income should be suddenly cut off or seriously reduced! We all know of families who have obligated themselves for more than they could pay.

There is a world of heartache behind such cases.

All of us as Americans have a patriotic responsibility not to contribute to the inflation danger by needlessly building still higher the mountain of total debt. All of us as individuals—and above all, as members of families—have an obligation in conscience not to mismanage our resources.

Yes, there is a tendency for all of us to want to "keep up with the Joneses," but even though our income is low we have plenty of company. This should make it easier to live within our income and resist borrowing from the future except in cases of necessity—never for luxuries.

It is not fair to ourselves or our communities to be so improvident in our spending that the day our income stops we must turn to relief agencies or the Church for financial aid.

Do not, I solemnly urge you, tie yourselves to the payment of carrying charges that are often exorbitant. Save now and buy later, and you will be much farther ahead. You will spare yourselves high interest and other pay-

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ments, and the money you save may provide opportunity for you to buy later at substantial cash discounts.

If you must incur debt to meet the reasonable necessities of life—such as buying a house and furniture—then, I implore you, as you value your solvency and happiness, buy within your means.

So, use credit wisely—to acquire a farm, to own a home.

But resist the temptation to plunge into a property far more pretentious or spacious than you really need.

How much better off you will be, especially young families just starting out, if first you buy a small house which you can expect to pay for in a relatively short time. Such a house in a neighborhood where values are increasing will usually provide the basis for a very large down payment on a bigger home when you are ready for it.

True, you can sometimes buy with little or no down payment, and on long terms. But these terms mean that a very large part of your total payments will go to pay interest charges, not to retire the principal of the debt. Remember, interest never sleeps or takes a holiday. Such payments of interest can easily become a tremendous burden, especially when you add to them taxes and cost of repairs.

Do not leave yourself or your family unprotected against financial storms. Forego luxuries, for the time being at least, to build up savings. How wise it is to provide for the future education of children and for old age.

The smaller the family income, the more important it is that every dollar be used wisely. Efficient spending and saving will give the family more security, more opportunities, more education, and a higher standard of living.

As I look back on the establishment of my own home I'm grateful for a companion who, although accustomed to many of the luxuries of life, was willing to start humbly.

Vividly, I recall her doing the washing by hand until we could buy a secondhand washer. There was no overstuffed furniture; there was no carpeting on the floors. As a graduate student on a \$70-a-month scholarship, I recall entertaining at dinner the head of the department at the college. He sat down at a card table—which was

not used for cards—because there was no dining table. We gathered vegetables from the college experimental plots to cut down on the grocery bill and live within our means. Many have had similar experiences in a determination to make ends meet.

Now, when personal incomes nationally are at the highest level in history, is the time to pay off obligations.

I doubt that there will be soon again a more favorable time for Latter-day Saints generally to get out of debt than now. Let us use the opportunity we have to speed up repayment of mortgages and to set aside provisions for education, possible periods of decreased earning power, and emergencies the future may hold.

Truly, man does not live by bread alone. A good name is still to be preferred to great riches. Especially is it to be preferred to the appearance of riches, acquired with nothing down and nothing to pay for two months.

Stewardship, not conspicuous consumption, is the proper relationship of man to material wealth.

There may never be a more favorable time than now for most people to get their financial house in order so far as debt is concerned.

Yes, let us live within our income. Let us pay as we go. Let us "pay thy debt, and live!"

Cry unto the Lord for strength to heed the counsel of the oracles of God. The prophet Amulek said:

Cry unto him over the crops of your fields, that ye may prosper in them.

Cry over the flocks of your fields, that they may increase. (Alma 34:24-25.)

May I add this to Amulek's counsel: Pray to the Lord over your debts that they may be paid. Pray to him for faith to get out of debt, to live within your means, and to pay as you go.

Yes, "pay thy debt, and live!"

My brothers and sisters—Latter-day Saints—let us heed the counsel of the leadership of the Church. Get out of debt!

Let us pay first our obligations to our Heavenly Father. Then we will more easily pay our debts to our fellow men. Let us heed the counsel of President Brigham Young, who said:

Pay your debts . . . do not run into debt any more. . . . Be prompt in everything, and especially to pay your debts.

President Joseph F. Smith:

. . . In the time of prosperity . . . get out of debt. . . . If you desire to prosper, and to be . . . a free people, first meet your obligations to God and then . . . to your fellow men.

President Heber J. Grant:

Tithing is a law of God . . . be honest with the Lord and I promise them [the Latter-day Saints] that peace, prosperity, and financial success will attend. Let me warn the Latter-day Saints to buy automobiles . . . and the luxuries of life . . . when they have the money to buy them, and not to mortgage their future.

Brothers and sisters, there is a peace and a contentment which comes into

the heart when we live within our means.

God grant us the wisdom and the faith to heed the inspired counsel of the priesthood to get out of debt, to live within our means and to pay as we go—in short, to “pay thy debt, and live.” I humbly pray in the name of Jesus Christ. Amen.

President David O. McKay:

Elder Ezra Taft Benson of the Council of the Twelve, Secretary of Agriculture in the Cabinet of the President of the United States, has just concluded speaking. Elder Milton R. Hunter will now address us. Elder Hunter has been ill for some time. We are glad that he is active again, and so if we restrict you now, Elder Hunter, to six or seven minutes it will be in consideration of your health.

ELDER MILTON R. HUNTER

Of the First Council of the Seventy

MY DEAR brethren and sisters, I humbly ask an interest in your faith and prayers and also the guidance of the Spirit of God that I might express a few thoughts and feelings that are in my heart today.

I am happy beyond expression to be here, although it does entail my occupying a few moments' time.

As President David O. McKay suggested, six months ago I was ill; but I listened to the conference over the radio. I heard our beloved prophet, seer, and revelator in his most kind and beautiful way excuse Dr. Ernest L. Wilkinson, president of Brigham Young University, who was also ill, and myself from conference, extend his blessings to us, and ask that the Spirit of God be with us that we might become well. Then I listened to the prayers given by various stake presidents at the conference sessions. They humbly remembered us in their prayers and faithfully pleaded with our Father in heaven to restore us to health. I knew at that time that we would both have a complete restoration of health and strength. I stand

here today humbly acknowledging the goodness of God, testifying that he has preserved our lives and restored both of us to health. We are now well and able to go forth and do our assigned tasks.

Never in my life have I had as much gratitude in my heart for the blessings of my Father in heaven as I have at the present time. I thank him for all the blessings that I have received, not only for the restoration of my health and strength, which is most valuable, but also for the gospel, for the privilege I have of being a member of the Church, for the testimony of the gospel which I possess, and for the opportunities that I have to work in the Church. I recognize our Father in heaven as the giver of all gifts and gratefully acknowledge that he has been very, very generous with me.

In deep humility I want to take this special opportunity to thank from the depths of my heart President David O. McKay, his Counselors—Brother Stephen L. Richards and Brother J. Reuben Clark, Jr.—President Joseph Fielding