Chapter Five

The Curse of Adam

The object of the economy is not to provide employment. For well over two hundred years, the best scientific brains and their business counterparts have been endeavouring to free people from the necessity of doing manual work, by replacing them with machines, powered ultimately by the sun and not by direct human or animal muscle. Literally, they have been trying to put the world out of work and with automation and computers, it is only a matter of a relatively short time before they will have achieved their goal. Transferring former onerous tasks of industry from the backs of children, women and men to the wheels of machines is a truly marvellous achievement. The electronic computer is the human brain's greatest scientific triumph in making a real working image of itself. All this is as Mother Nature intends in her grand evolutionary revelation.

There are many people who regard it, however, as a disaster. The Biblical Curse of Adam, with its pessimism, suffering and toil is a sacred and inviolable law for many and a convenient excuse for tyrants in power to enslave their fellow men. They fail to perceive and understand Nature's plan of freeing persons from industrial and commercial employment in order to participate more fully in cultural evolution's concern for and dedication to physical and psychical excellence in a world made even more beautiful by tender, loving, freed humans' care.

It is not that it is undignified for humans to engage in manual labour, though there have been, and still are, many parasitic species of aristocrat who subscribe to this notion. It must be insisted upon that it is both a prize and a privilege to be allowed to be of service to others, to the poor, the weak, the beautiful, the true.

It is good for ones spirit to lovingly handle and venerate mother earth and to get ones hands soiled from its affectionate clinging response. Working physically in peaceful cooperative unity with benign Mother Nature's evolutionary design should be husbandman's privilege, not his cursed chore. Skilled or unskilled work-activity and real creative artistry are not only ennobling and perfecting of human nature but making things reflects the perfectioning of the divine nature. It is not the actual work that is beneath our dignity, but the degrading of us to the base motivation of working for money as never-satisfied greedy wage slaves, rather than working simply for love as truly civilized divinized human persons. It is a disgraceful reversal of true values when money, as a mere medium or means of exchange and distribution of the real wealth of the community, is so manipulated that it becomes the pole to which all economic activity is tied and around which both the employed and unemployed, alike, dance their own ritual obsequies.

It is of no use the mediocre brains of this world trying to solve the so-called unemployment problem when the very best human brains are intent on increasing it through progressive and perfecting technology. Increasing industrial unemployment is inevitable. It will be a blessing if a nation takes control of its own money creation and changes the pseudo-problem of unemployment into the challenging educational issue of learning to use leisure to the advantage of both self and of society as a whole.

It is taken for granted by many superficially thinking persons that unemployed people are a burden on the rest of the community. They are not engaged in production nor are they rendering any other service of value. Because they do not contribute anything to the manufacturing economic life of the community, all that they should expect from the community is a mere pittance to avoid starvation. This spurious kind of thinking betrays a startling paradox. If the unemployed are without work because the community is already producing more than sufficient without their services being required then it is a case of their being poor because there is an abundance of goods and services available. If there are people who are in want, because the available goods are not sufficient to provide for the simple satisfaction of their needs, then in this case it is difficult to explain away why their services are not being utilised to produce more.

There is a quite inconsistent logic in the *something-for-nothing* reasoning of those who take their bankers' financial advice and deposit their own savings with them so as *to watch their money grow*. Their savings are theirs, but their getting something extra for nothing, unearned income, from their deposits, by way of the banks' usurious dealings, is only achieved at the expense of the community's exploitation as a whole. They should not object, as many of them loudly do if, following the same *money for nothing* mentality, the unemployed also seek to get their share of a something-for-nothing handout at the community's own expense.

Under the prevailing monetary system, automation arouses considerable apprehension because whilst it increases overall productivity, which means more goods for less costs, it reduces the amount of money paid out in wages and thus aggravates the plaguing imbalance between prices and real purchasing-power money. Automation does away with more labour than is used in making it. Otherwise its cost would be greater than the human labour it replaces and there would be no real point in installing it. Machinery displaces persons from paid employment, yet at the same time there is an increased output of wealth in goods. The real wealth of the nation is thus increased. If automation is to prove itself a blessing and not a catastrophe, the persons who are displaced must receive adequate money to buy their share of the goods from the output of the machine which has displaced them. This money must not be taken from the more fortunate in the community by the legalized extortion of taxation. This only makes the situation worse since it does not increase total purchasing power but creates further deficiencies in it.

In the implications for the overall economy, the required money must necessarily be new money, created debt-free and given to both the unemployed and also employed alike, the amount depending solely on the country's output of goods. The backing of existing goods would prevent the money from being inflationary since it also would be debt free. The direct relationship between the supply of money and the output of all manufactured goods would anticipate any employment laziness, for if output were diminished, then the amount of money to be distributed would likewise decrease.

If human genius should ever achieve a state of almost complete automation for industry, then the latter would not be responsible for paying out any money in wages at all, and with our present financial thinking, there would be no sale for the automatically produced goods. Factories, warehouses and stores would be stockpiled with goods whilst the poverty-stricken multitudes in the marketplace go hungry, cold and homeless, unable to exchange their now unwanted services for the tickets of debt-money which the banks create out of nothing, but of which they charge the rest of humanity the face value plus interest.

In such a hypothetical world of total automation, marketplaces would be filled with the products of *Do-it-yourself-industries*. The one key industry which should be there, but which would not be allowed if the present money-making-usurers continue to have their way is the community's own *Do-it-yourself* money-creating apparatus. If the monetary system were truly a real reflection of a nation's productive capacity of real wealth, automation would be welcomed as a triumph of business management. Every increase in the production of new consumer goods would be matched by a corresponding increase in the issue of debt-free money to the consumers. The richer a nation became in real wealth, the greater would be its largesse towards all of its citizens in the issue of national dividends, pensions and endowments.

The objective of production should be directed for the consumers' use and advantage and not for the employment of workers nor for the monetary gain of greedy financiers and merchant exporters. Profits, dividends, employment and wages are necessary beneficial effects of a production-aimed-for-use policy, not its cause. To reverse this process is to encourage the abuse and wilful misuse of any production system. As things stand now, the only hope for economic growth with a resurgence of employment is to produce more and more of what a nation's own consumers do NOT want themselves, in order to sell them elsewhere and provide the foreign money to buy what they do want at home and which is already waiting for them in the marketplace ready, willing but unable as yet to be purchased.

Under existing economic limitations, the only way any nation can assuage the growing debt impact is by the *Favourable Balance of Trade* theory, whereby nations attempt to exchange their production of real wealth for the money or make-believe wealth of trading partners. Their money can then be used to make up the domestic shortage of purchasing power. Thus one nation can only reduce its domestic debt by the simple increase of debt in another nation. This in turn leads to an export war which is a distortion of the real purpose of international trade. Cutthroat export wars finally lead to military wars.

A continuous net surplus of exports over imports is economically unsound, being a loss of real commodities in exchange for money which is not a true commodity as will be explained in Chapter 6. It is not physically necessary for a country to import money, (which in any case has to be converted into its own currency by the creation of counterpart funds), in order to buy its own commodities which remain over after exports. To produce sufficient export goods to exchange for the products we wish to import is just a commonsense extension of the old barter system, but where is the sense to go on producing enormous quantities of goods which we have to beg other nations to buy at the cheapest competitive prices in order to get the necessary extra money to buy the leftover similar goods at home at far higher prices. As long as one nation could bully the rest, it was in a favourable position, but the marketplace now is full of bullies fighting each other, just verbally at the moment.

The inherent contradictions in the *Favourable Balance of Trade* theory are so obvious as to make its acceptance unworthy of intelligent and rational beings. If the exporting of more real wealth than it imports makes a nation better off, then the ideal situation would be to export all the real wealth a nation produces and import nothing but money or fairytale wealth. With this sort of positive feedback, as the limit was approached the real standard of personal and domestic living would decrease to zero.

It is obvious that it is materially impossible for every trading country to have an export surplus and that any country having a export surplus all the time is in fact undergoing a continual loss of real wealth. The limiting ratio of exports to imports is approached in wartime, when expended armaments are a type of unrequited export. Under these circumstances, total exports greatly exceed their normal amount. This necessitates a corresponding rationing of consumers' home goods, even though total personal incomes are generally in excess of their ordinary peacetime levels.

The underlying basic purpose of trading is to exchange goods for the sake of convenient variety, and in the case of truly essential raw materials or the needs of technology to obtain necessary supplies. The phrase, *favourable balance of trade*, is now being replaced by the term *export surplus* and means in fact the bartering of a greater value of goods for a lesser. The transaction is made equitable by the acquiring of *foreign exchange.* This is a form of money which can be exchanged into a nation's own currency, thus contributing to the increase of its money supply which is required under present financial policies.

It is unnecessary to import foreign toy-type make-believe money-wealth to finance domestic activities enabling further production and consumption. It is no use saying that the necessary finance could not be raised in any self-respecting nation itself as it would have to be so done through the issue of counterpart funding. How should capital works be financed? Simply by Governments instructing their Reserve Bank or the like, to provide the necessary funds for the Capital Works Program agreed to by its Loan Council, at an interest rate no greater than the minuscule cost-of-issue, a fraction of one percent.

Only the import of real goods serves true national interests. The reserves of foreign exchange money provide for future possible buying of foreign supplies or are kept to bolster the value of the national currency on the international money markets. The necessary expansion of the money-supply results from accounting's established procedures in business techniques rather than from the physical facts of production, and affords this make-believe justification for aiming at a so-called favourable balance of trade, which in point of actual fact is neither favourable nor balanced. A surplus of exported goods over imported goods is a real net loss, like bombs for war. Exporting goods abroad without an equivalent importing of other goods simply causes less goods of any sort to be available on the home market. Only the incessant and untrue propaganda insinuating that prosperity depends on exports, blinds citizens of an exporting nation from realising that such exporting, when unrequited, makes them poorer than they need be.

The inconsistencies inherent in today's Favourable Balance Theory need to be put in their proper historical perspective. At Bretton Woods, New Hampshire, in 1944, the United States insisted on a trade ideology that favoured its own economic strategies and political aspirations and determinations. Since then, the World Bank and IMF, the International Monetary Fund, both of which were initiated at the Conference, have carried this agenda forward.

It was intended that the World Bank should assist post-war reconstruction, especially in poorer countries, by providing them financially with loans for the utilization of their own resources and the development of their own industries. The IMF came into existence a year later in 1945. Its purpose was to set up an international reserve of money, a kind of financial pool, upon which all member countries could call should they find themselves in temporary payment difficulties due to a deficit in their trade account. This aid would apply regardless of whether they were rich or poor.

Many disputes arose before, during and after the Conference. Some were trivial, others of significance, but the most serious was concerned with the balance of trade between nations. Trade imbalances leading to ***creditor*** and ***debtor*** countries had always been acknowledged as the major cause of trading wars and attendant financial chaos. The issue of the balance of trade was highlighted by the contrast between the two main schemes proposed at the Conference.

Prior to the Conference, the USA and the UK, each tabled proposals suggesting a framework for international trade. The British tendered a proposal for a system of trade accountancy which J M Keynes called 'The International Clearing Union'. The American plan was fundamentally different, being drawn up by some US Treasury officials, including Henry J Morgenthau and Harry Dexter White and termed an 'International Stabilisation Fund'.

Third World debt establishes a financial imbalance of trade. Lending money to developing nations allows them to buy in foreign goods, thereby incurring a trade deficit. In order to rectify this imbalance of trade, the debtor nations try to export their surplus goods. This in turn requires that creditor nations who previously enjoyed earlier trade surpluses by exporting development technology now experience trade deficits by importing debtor nations' goods. The international debts prevailing today are thus an indication and measure of the extent that debtor nations have failed to gain lucrative money by exporting, and creditor nations have failed to become subject to a trade deficit having formerly enjoyed a trade surplus.

For Keynes, it was basic there be a mechanism to ensure that imbalances were redressed. He also acknowledged the complete irrationality of the situation whereby a creditor nation, in supplying other nations with real wealth, only receives in turn money which is of no value unless it is spent. He proposed an altogether new and neutral unit of international currency, namely the ‘Bancor’ and a new institution, the International Clearing or Currency Union (I.C.U.). All trade between nations would be measured in Bancors. Exports would be paid for in Bancors, whilst importing would require the expending of Bancors. All nations would be expected to maintain, within a small percentage range, a zero account with the I.C.U., thus indicating they had an overall equivalence of imports and exports. The fundamental feature of Keynes’ proposal was that it placed an equal obligation on both debtor and creditor nations to sustain a balance of trade. Both debtor and creditor nations would have to pay a small interest charge on their imbalanced accounts. These charges would be imposed, not so much as a deterrent or punishment, but as a salutary feedback mechanism, ensuring that over a period of time, trade remained in balance and as close to equilibrium as possible.

The American Delegation refused to accept in any way the principle of redressing trade imbalances. America was a major creditor nation, exporting far more than she imported. The sole concern of its Delegation was to ensure a continuing *favourable balance of trade* for the USA. This intransigent attitude on the part of the USA made any other system unworkable. It firmly refused to take full payment in goods and instead kept on accumulating gold.

The official proposal of the US was for international trade to be conducted on the basis of a completely free market. Trading, and its necessary accounting measures were still to be carried on but in national currencies. There would be no obligation for creditor nations to expend a trade surplus back into the various debtor nation economies. The situation would be made even harder for the latter by their being burdened with increasing deterrent charges.

The delegates from most other nations had reservations about this self-centred American proposal but the US protagonists held firm. They had both the decisive number of votes and also could exert the greatest political influence. They succeeded in having Keynes’ idea of a Clearing Union rejected before the Conference began and with its abandonment, the US proposal dominated. Keynes agreed to chair the Meetings, hoping to be able to improve the American scheme.

Included in this scheme was the setting up of a 'Stabilisation Fund'. According to the state and strength of their economies, so all nations would contribute to this fund which would thus hold reserves of all currencies. Nations that found their own economic situations suffering as a result of continuing trade deficits, could borrow from the fund. The IMF was born as a reserve pool of funds to be loaned out to tide debtor nations over financial shortages in their trading. Nations whose economies were shattered by the War would need to borrow money to rebuild. So also would the underdeveloped countries of the so-called Third World. A second institution namely, an international 'bank' would need to be initiated for the purpose. Thus the World Bank came into existence, designated as the International Bank for Reconstruction and Development.

The American plan provided that already affluent creditor nations would be allowed to build up further surplus trading revenues and, if they so desired, to exchange these for the much sought after gold held by less fortunate debtor nations.

Gold was now to be the official international currency and all the financial transactions of world trade thus established in terms of a seemingly neutral currency. At this point at least 70% of the world's entire gold reserves were held by America who had been actively stockpiling gold since the depression. With the US insistence that gold be the unit of surplus currency exchange and that it be valued in dollars, all other currencies would find themselves fixed in value against the dollar which became in effect the international unit of money accounting. This situation received added confirmation when, in 1973 the US unilaterally ended this demand of gold convertibility.

Keynes' name has unfortunately become linked solely with the outcomes of the Bretton Woods Agreement. After his own elegant and infinitely more satisfactory system had been rejected, he tried his best to improve the American proposals and to remove the absurdities inherent in them. He insisted at the final discussion that for every country there had to be a rational and sustainable balance between exports and imports and warned that if the US went on exporting more than what it imported, there was no remedy for the inevitable disaster which would result. "The fund can't solve continuing problems of this sort". He later acknowledged that the agreement could turn out to be destructive of international trade.

In England there was a considerable amount of behind-the-scenes opposition to the agreement. However, a condition of the latest US war loan to Britain required the acceptance of the proposals of the Bretton Woods conference. Parliament, now made aware of such, had no option but to accept them.

The Keynesian proposals would have benefited far more the American people, but they were not represented at the conference. It was US powerbrokers who insisted upon an exploitive financial and trading setup by which they would continually secure their commercial and political advantage. This framework, subject to their personal influence, would always serve their own greedy interests. The Keynesian proposals were based on an entirely different philosophy of trade - the concept of trade for mutual benefit.

Unpayable debt was the predicted consequence of the Bretton Woods agreement. In the bitter trade wars which did ensue, nations were led into a desperate competition for world markets. As they are drawn ever deeper into debt, Third World countries have been obliged to submit to the demands of free-market, deregulatory economic policies, forced to cut or abandon spending on education, health and welfare, end support for domestic industry, produce food for export instead of home consumption, and sell their businesses and factories to Western buyers. With the unrepayable debts of the developing nations mostly denominated in US dollars, two-thirds of the planet now finds itself subject to American corporate, financial and economic imperialism whilst the US enjoys an unearned income from overseas poverty.

Both the Capitalist and the Socialist Party platforms aim to make people work and considered with just this in mind, their systems are as close to perfection as will ever be attained. The financial policy of all money being a debt to the banking system underlies the economic theories of both the East and West, of both Capitalist and Socialist countries. Behind past smoke screens of Cold Wars and Peace Plans, the same international financiers have pulled the strings to make their puppet politicians dance in chorus to their dictating the course of global human affairs. Employment, through blindly expanding, wasteful, unprofitable and unnecessary industries ensures that all wage-earners will remain wage-slaves be it in Russia, America, Asia, Europe, Africa or Australia. Today's banking system, with its forced fiscal attendant taxation by governmental dictatorship, counters and checkmates every move and development of applied science, of business organisation and technology so that the individual, instead of obtaining the benefits of these advances in the form of higher civilisation and much greater leisure, is merely enabled to do more work. Every other factor in the situation is ultimately sacrificed to this goal of keeping him or her doing something to merit wages.

All nations are pursuing an intensive production policy to buy the foreign fairytale exchange with export goods and the ensuing cut-throat economic war is hardly the background climate for any form of civilized peace. From World War Two, the banks and other moneymaking institutions which financed the war, emerged with all the world in far greater debt to them than ever before. Current war-weapons' production is repeating the same story over again, perhaps for the last time. It is still considered expedient by most politicians to solve large parts of the unemployment problem by using such labour to manufacture deadly and destructive weapons of war and training great armies to use them. Meanwhile the banks grow fatter as they create the deficit finance for their political minions to obtain the wherewithal to play war games, reluctantly they say, but nevertheless perhaps one day, for real.

The perennial struggle between Capital and Labour or rather their misunderstood complementarity in the past is losing significance as machines take over from human beings in commerce and industry. Capital is becoming less and less dependent upon human labour, but more and more reliant on consumers with abundant purchasing power. Today's Consumer Society is really a consumer exploited society and its disease is not consumptionism but erroneous productionism and employmentism.

Through irresponsible advertising, desperate manufacturers provoke and exploit innate greed in the consumers, who are now being increasingly subject to producer control by being force-fed with the by-products of an industrial system concerned only with a profit-making provision of work and the circulation of the banks' make-believe wealth of money. These latter two aims are incompatible with a sane, wholesome system of consumer controlled (but not necessarily owned) production for use with minimum cost and waste of energy and resources.

The consumers of the future will not acquire their necessary actual purchasing-power-money from an evolving minimum-labour industrial system in which they have become redundant. The alternatives are either some demoralizing welfare-state dole or a motivating national shareholding dividend.

Karl Marx and his followers have never attacked the role of the credit monopolists in creating industrial friction and social discord. The present methods of credit creation generate fast increasing debt, heavier taxation, accelerating inflation and foment industrial strife, depressions and international conflicts. The fact that all this occurs with the eyes of controlling financiers and their puppet politicians wide open, provides ample evidence that there is some kind of hidden nexus between International Capitalism and International Socialism. Many well-intentioned and highly intelligent people embrace socialist philosophies, like Fabianism, out of a genuine disillusion with the crisis-ridden, free-enterprise capitalist system. Others follow an Humanist Ideology and seek to improve the deteriorating human condition. Most ordinary people are oblivious of the real causes of the failure of Earth dwellers to achieve a truly meaningful existence. The perennial conflict between employers and employees does not arise because all employers are unjust and wish to exploit their employees, nor do most employees make demands for higher wages simply because they wish to send their employers into bankruptcy. The fundamental cause of all this well-promoted but ill-conceived conflict lies with the financial policies imposed upon both groups by money-manipulating powerbrokers.

It is absurd that when a community attains economic maturity in a system whereby its industrial structure is more than sufficient now to supply the requirements of its population, the latter is not able to obtain its normal ordinary requirements without recourse to further unnecessary expansion at an accelerating rate, or by an ill-conceived excess of exports over imports, which really means giving goods away.

In a debt-finance system, any seeming economic growth is really a growth in a negative prosperity in which the aggregate of costs will always be greater than the aggregate of money which exists to pay that cost. Producing more goods ever more efficiently through technological advances, generally results in reducing the purchasing power of the weekly wage-earner by depriving him or her of employment. To meet the situation it is necessary that we view the nation as a whole and grant to each member of it, simply by virtue of his or her citizenship, a share in the increased national wealth which has been brought about by machine production. This cannot be accomplished by any taxation system which merely attempts to redistribute, and unsuccessfully at that, an already inadequate pool of purchasing power.

The basic reality from which all theorists must proceed is that, as Nature intended, the human race has passed from a condition of economic scarcity to one of superabundance. This condition is not merely permanent but is cumulative as well. Scientific knowledge has finally conquered the traditional enemy of all mankind, namely, *want*, and is capable of satisfying all future needs. The only thing that is really wanting today is the necessary purchasing power in the hands of the consumer. It is not a question of where is the new money to come from. What is physically possible must also of necessity be financially possible. Nature knows neither debt nor usury for they are both evils.

The financial system is mere make-believe, a psychical reality, a fairytale fiction, a game played with mere numbers in books or data in computers. Money, as an accounting and distributing device is created and uncreated simply by the stroke of a pen or the touch of a computer key, as banks know only too well since they have been doing like deeds for centuries. The fundamental problem is to decide by what methods the money supply should be expanded to enable the industrial system to function to the satisfaction of both producers and consumers.

The most meaningful relationship of a citizen to a nation is that of a shareholder, not an employee nor welfare dependent. Until social morale is restored and cultural values are revitalised, some form of obligatory employment will be necessary, but ideally in the future, employment in the service of others and for the common good will be regarded as a priestly vocation or a sacred privilege rather than an obligation. By the payment of a National Dividend to all citizens, the shareholding aspect would be realised, whilst at the same time the way would be left open to all enterprising people to earn more money in the occupations for which they are suitably qualified or in which they have special talents or expertise. The basic problems of politicians and economists will then centre around the equitable distribution of a little work and a lot of leisure. A new Philosophy of Education would have to emerge to be the joyful midwife at the birth of such a giant leap forward in cultural aseistic evolution.

Can money be created and introduced into an economy in a way that reduces costs rather than increasing them? It is the answer to this question which will ultimately determine the fate of all nations. The obvious key is to create the limited expansion deemed necessary for a healthy and sound economy without debt. This can only be done if the sole right to create money is returned to the State. Private trading banks would still operate, without government shackles, as outlined above. The creation of such debt-free money would enable a situation to be reached where the need for any increase in the volume of money was reduced, without any of the restrictive effects currently being generated. The increase could be used to reduce costs, starting with taxation as a first necessity. If all taxes could be reduced without a squeeze, wage demands would immediately be moderated, and the pressure would in turn be taken off industry, allowing the whole economy to be diverted from its present self-destructive course. Other ways too, in which debt-free finance could be used would be through an amortisation of existing government debt and a deliberate and dramatic reduction in charges on essential services such as electricity, transport, postal and telecommunications services, fuel, water supply, basic foodstuffs and raw materials.

The first step towards a real growth in positive prosperity would be the establishment of some national accounting system whose primary function would be the operation of a National Credit Account. The latter would handle the creation and cancellation of money on a national scale and also provide the means whereby the community would receive the financial credit due to them as the monetary equivalent of their real credit. This Account which could well be administered through the existing facilities of the nation's own Treasury and properly functioning Reserve Bank, would be the source of funds from which money could be allocated for public works, defence, and so on, as well as for the eventful eventual implementation of a National Dividend and a negative sales tax whereby at the point of sale to consumers in the marketplace there would be a subsidised reduction in prices.

Various mechanisms have successfully achieved this in the past. The consumers would pay only a part of the list price out of their own pockets for the goods they purchase with their limited wages. The rest would be paid as a kind of reverse sales tax through the creation of national credit. This immediate effect of a reduction in price levels, whilst at the same time neither manufacturer nor retailer loses money, assures the industrial system of continued dividends and increasing trade. It is thus possible at the one time, both to increase overall purchasing power and to lower the prices in the bargain and so prevent anything in the nature of what is called inflation. The secret lies in subsidising consumers, not producers.

It is over one hundred years since Henry George, a US economist, wrote his book *Progress and Poverty*. His theories on wealth and taxation, unlike those of most of his contemporaries are still vigorously debated. He advocated abolishing all forms of taxation except land tax. In essence, Henry George argued that the introduction of a single tax based on unimproved land values would allow the lifting of all other taxes and solve the recurring problems of poverty, unemployment and recession.

The survival of the American's ideas to this day says something about their appeal, particularly since his radical views appear to strike at the very roots of the private ownership of land. Support through the intervening decades could not be expected from the landed gentry. However, George's views were far from socialistic. The philosophical base for his economic views was simply that a landholder had no more right, to charge rent for land that he did not create than he would have to monopolise the air and charge others for the right to breathe it.

With that philosophy and an abiding belief that the ownership of land and property granted the owner benefits disproportionate to his contribution to the community's well-being, George came up with an original solution to all fiscal problems. He rejected the usual alternatives of dividing or nationalising the land. He saw the first as unworkable and superficial, whilst the second violated both George's profound belief in free enterprise - so long as the rewards were truly earned - and his equally profound distrust of government.

This led to his proposal that private ownership of land should be allowed but that society rather than the owner should collect the unearned rent on that land through taxation.

“It is not necessary to confiscate land: it is only necessary to confiscate rent." The rent to be confiscated was the amount the owner could collect by renting out unimproved land, or if he had improved or built on it, that part of the rent attributable to the land alone. George argued that the owner should not be taxed on the improvements because they were the products of his own efforts. Thus society would recapture the land values society itself had created and the owner would be forced to put the land to its best use or give it up, since hoarding land would no longer be profitable.

The rent or tax should, in George's view, be high enough to cover all government funding so that neither capital nor labor would have to be taxed on their just earnings. The "single tax" would solve all of society's problems. It would, he said, "enormously increase production, secure justice in distribution, benefit all classes and make possible an advance to a higher and nobler civilisation." Today there is some evidence of awakening interest in George's teachings.

The vast majority of people are in complete ignorance of the money cycle as it is created and uncreated or cancelled by the banking system. They cannot accept that it is only make-believe. They conceive money as having a unique reality of its own and that the goal of human existence is to amass as much of it as possible by fair means or foul. They have come to fear the ogre of inflation without understanding its cause or cure. Their minds are clouded with bank-sponsored ideas that any increase in the money supply made available to a community by its government and not initiated through their hands is inflationary and reprehensible. In actual fact the reverse is what happens. Inflation is one of the direct consequences of issuing all fresh money in such a way that both it and its interest enter into costs which can only be recovered through the medium of prices.

With such a self-functioning-feedback-system of National Credit which banks rightly know and fear will deprive them of their monopoly of credit, this same new money will give the community the additional purchasing power which they need, without at the same time entering into costs. Instead, when spent, it will go into the business cycle to liquidate past costs whether these be due to economic entropy factors like depreciation or, if these past costs originated from a bank loan or overdraft and the interest on such, then on being repaid to a bank, the principal of the debt-money will simply be cancelled out of existence. Every loan, every overdraft, every bank purchase creates a make-believe deposit. Every repayment of a loan, every repayment of an overdraft, every bank sale destroys a former make-believe deposit and thus cancels or uncreates a previous created issue of money. Real wealth will grow and accumulate whilst money, being but fairytale wealth, dies and, is born again in a new business reincarnation.

If the monetary system were adjusted along those lines as already indicated, the major economic evils plaguing the present world would be overcome very quickly. Creditor countries would be able to readily accept payment of debts owing to them with goods and services, without inflicting any loss on their citizens who instead, would enjoy a much better standard of living and social well-being. It would be possible for debtor countries to discharge their obligations with the aforesaid goods and services which are real existing wealth.

International trade would assume normal proportions as the main cause of conflict for foreign markets would be eliminated. Internal trade revival would soon take place, communities would enjoy a measure of prosperity such as they have never known before and the problems of unemployment, crushing taxation and widespread poverty would cease. With the cessation of all economic conflict between nations, the chief contributory cause of war would be removed and practical measures for disarmament and cooperation between nations would become possible.

In the past, voices crying out in the economic wilderness with such solutions have been either silenced or deliberately ridiculed and ignored. After World War Two, the banking system emerged enormously enriched with the astronomic war debts which they bought for nothing. They now wielded a power of absolute economic, political and cultural dictatorship. It would seem there is nothing left that money cannot buy. For the Evil One, not even what was sacred is sacred any longer and whilst that is so, human affairs can only go from bad to worse. Is the worst still to come or have we reached rock bottom? Perhaps evolving human consciousness has plans for an other *Exodus*, whereby all mankind will be freed from the slavery of debt to ruthless self-elected financial overlords who unscrupulously presume to dictate the course of human affairs so that no one dare breathe against their will.

There is little hope of any existing Government of any political persuasion ever even thinking of being allowed by the finance industry to implement any types of radical reform at the present time. It would be political suicide for any aspiring parliamentarian to attempt to explode the myths and superstitions surrounding modern money practices and policies. Yet changes in monetary policy could be effected without in any way interfering with the running or ownership of a single bank in the world. If only the relatively few people who control the administration of the institutions of international finance could be made to understand that these changes would result in their losing nothing but their pride and their power, and they will lose these eventually, if by naught else than their own positive feedback self-destruction, then it would not be long before Planet Earth became the Paradise with a divine destiny.

There must come a time when statesmen or perhaps stateswomen call the bankers' bluff and repudiate the latters' claim to ownership of the people's financial credit. In wiping the slate clean, the bankers would lose precious little, since they gave nothing in the first place other than some ink in a ledger or memory space in a computer. Banks write off billions of debt assets when their debtors go bankrupt. Insolvent businesses must abound as long as there is an artificial scarcity of monetary lifeblood. As the banking system creates money out of nothing at virtually no cost at all to itself, then obviously it loses nothing but hypothetical interest-profit from its debt assets if a debtor goes bankrupt. Although no one publicly admits it, huge debts are continually and conveniently being written off by scheming mutual consent in the power-games played by dictator-financiers and fawning politicians. However, even if all nations rightly repudiated and in justice to their citizens, wrote off their national debt, the relief would only be a temporary one, unless the power to create debt is abolished and the community takes control of its own financial credit.

Modern paper or plastic money only has purchasing power from the community's own make-believe acceptance of it for such. The community gives catalytic financial value to money as the means of exchange and distribution of the community's own real wealth. This finance-energy belongs to the body-economic as its lifeblood. It should be created by the community, both debt and interest free, as the community's credit. Banks should be the altruistic heart of this social body, serving only to circulate its blood. In its orderly service to all other businesses in the marketplace, lies the true reason of the banking system's own existence and the justification of its real place in the existential relativity of aseistic evolution.

It may well be the future task of an emerging highly intelligent and elegant dignified feminist movement to initiate the necessary paradigm shifts to transform this man-raped Planet Earth into the veritable Palace in Wonderland that Mother Nature intends.