Chapter Six

Marketplace Mayhem

Aseistics is the study of the relationship between the parts and the whole in self-functioning-feedback-systems. An economic system, as a functioning system, is a whole made up of parts. The etymology of *economy* is from the Greek words meaning *household management*. Today, Economics deals with the production, distribution and consumption of the goods and services of a community. The true purpose of an economic system is to deliver goods and services as efficiently as possible, as, when and where they are required by the members of the community. To achieve this, all the physical and psychical resources of the community should be coordinated and the production of goods and services so organized so that the system, as a whole, proves itself to be of the greatest benefit to the majority of citizens. At no stage at all of an efficient economic system does the provision of work enter into consideration.

Goods and services are being produced globally in unprecedented quantities by a modern technology which is continually progressing and perfecting itself. Communities and their consumers in general, are not benefiting from production's superabundance. The fault is obvious to all who care to open their eyes. The economic machinery responsible for the transfer of the products of the industrial system to the hands of individuals for their use or consumption is the monetary system. It is evident that our present financial system is not merely inadequate to achieve its function of being the means of exchange and distribution of goods and services in the community but also acts to defeat its very own purpose.

All the money in the world and all the accounting data in bank files, are of no meaningful use to individual people living in social isolation. The primary purpose of money is as a measuring operator or general yardstick of purchasing power to serve as an efficient means of exchange and distribution of the real wealth of a community's goods and services. Money's real and true worth in use depends on its being a catalytic means of exchange of other goods and services. Money's role is not to call the tune in the marketplace dance but rather to play whatever music the community, as a whole, dictates for the harmonious flow of private individuals' enterprises. The use of money is not to make more money, but to facilitate the production and consumption of the real wealth of goods and services.

Money possesses purchasing power. In its symbolic token or ticket form, money enables its possessor to purchase other goods and services of equivalent value. In the community, there exists a vast, yet finite pool of purchasing power which is derived from the wages, salaries, dividends and profits of its many citizens. That this purchasing power should have to provide itself's own bank-interest at the same time as purchasing other goods and services distorts and perverts the whole notion of its being an intermediary catalyst in business interactions and relations. If all purchasing power, created as bank-loan-money, is subject in its self-repayment to added interest charges then its self-repayment is mathematically impossible. The economists' myth of self-liquidating debt-systems becomes a farce of circular uroboric logic. The alchemical incestuous Uroboros was the dragon or serpent devouring itself tail first

Though the pool of purchasing power may be continually expanding, it is vitiated with its own self-consumption and the self-interest of financial incest. Consequently it necessarily continues to depreciate, so that it is always worth far less now than it was originally. Since costing goods and services with money makes them cost more, it is evident then that using money as we know it today is uneconomical and makes a travesty of marketplace activity. Costing goods with interest-burdened debt-money brings about the situation in which the total cost of all purchasable goods must of necessity be always greater than the total amount of money available in circulation to buy them. Hence there must always be a scarcity of purchasing power in the hands of the consumer. As it is only the consumers' money which flows back through the manufacturing system, it again is obvious that this money scarcity will resonate there and of necessity industrial casualties with their consequent bankruptcies will result. At all industrial financial accidents, the banking system's vulturous tow-trucks are always the first on the scene to salvage and make secure for their own selves whatever of real wealth in capital goods they can obtain possession, in recompense for their seeming loss of the virtual or make-believe wealth of created money capital.

The industrial system in a community does not exist just for its owners to make money. The industrial system does not make money. The Government Mint makes a minuscule amount of certain tangible tokens of legal tender purchasing power like coins and notes which the banks buy with nonlegal tender cheques drawn on themselves, and hence are virtually costless in terms of real wealth. The present banking system, using arithmetical signs and both single and double entry accounting methods in its system of overdrafts and loans, creates the vast bulk of intangible financial wealth by writing numbers in book or computer accounts. Banks produce no real wealth of themselves but they amass the real wealth of others, either by foreclosure and forfeiture, or by purchase with their own counterfeat cheques.

Any marketplace activity, apart from banking and other financial enterprises, does not create money but only exchanges and distributes what the banks have already created. In theory, money should be both the altruistic commercial capital-catalyst and also the business link between production and consumption. In practice today, its catalytic role is perverted by the *monied haves* in their cancerous greed for ever more of *something for nothing*, and its manipulated scarcity makes it the *missing link* in society's insane and unhealthy uneconomical economic evolution.

If money is to be the efficient and economical link or intermediary between production and distribution, then the monetary system must be made to adjust itself, with negative feedback, to reflect the facts of production and consumption in a money-static equilibrium analogous of thermostatic systems. The economic system prevailing in any stable society is concerned with providing its citizens with the goods and services they require. To effect this distribution, the actual amount of money in circulation must be regulated by the quantity and quality of the goods and services available for the benefit of the community. If it is to function properly, the quantity of money should always be sufficient to supply the citizens with the purchasing power to provide themselves with such goods and services. The financial requirements of the production-consumption system should dictate their terms to the subordinate monetary system in the marketplace through a money-static mechanism of self-regulation in a self-functioning-feedback-system. The monetary system is a subset of the overall economic system. For the monetary system, as a subsystem part of a whole, to dictate its own positive feedback terms to the whole functioning economic system is the recipe for total disaster and self-destruction, like a wrongly wired thermostatic device in a heating system that tells the energy converter only to get hotter and hotter or colder and colder.

In a proper economic s-f-f-s the amount of money in circulation should be dependent, with appropriate feedback, on the ability of the production system to supply all the community with goods and services. Instead, we find that in today's situation, an amount of money arbitrarily fixed according to the whims of greedy financiers, restricts production to the quantity of money available at bankers' own usurious price. It is a glaring anomaly that the authority for the creation of the community's credit money should be vested in private institutions who are intent only on their own self-aggrandizement at the expense of the rest of the community. A private monopoly controls the lifeblood of the entire economic body with legalized nonlegal tender.

The stock of resources employable in the production of goods and services is generally referred to by economists as *Capital*. Whilst it can be understood to include non-physical and psychical inputs, it is usual just to confine its use to material assets in production cycles. Capital goods are real or physical tangible items, such as machinery, buildings and equipment produced and used in the making of other goods and services. Money, apart from its many other uses already referred to, can perform the function of fluid intangible financial catalytic capital and used, in this mere virtual form, for capital investment. In order to finance the purchase of real capital or capital goods, money as this virtual capital, can be raised by loan or overdraft from a bank or by selling stocks and shares in the business enterprise itself. The income earned by financial capital is profit and is the counterpart of the wages and the like earned by the other personal factors in the production side of the Industrial System. We shall discuss later the Ethics of the use and abuse of money as a financial catalyst.

Industry can be understood as performing a twofold functioning, both producing goods and also distributing incomes in the process. The flow of finance's virtual capital follows a simple cycle, as follows.

To secure the money required to pay wages and salaries, to buy raw materials and equipment and to meet its overhead costs, industry mortgages its real capital assets to the banking system in return for credit loans or use of overdraft finance. Not the least among these overhead costs is the exorbitant interest charge to use the bank's own created financial estimate of the industry's real credit and ability to produce goods and services.

In the process of the production of goods, industry distributes wages, salaries, dividends and profits. These filter through to the entire community as income money. Subsequently, these goods come into the marketplace with prices assigned to them, and such prices have of necessity to include all the costs of production. The community buys these goods with its pool of purchasing power and the income money filters its way back through the production system for its destined repayment into some bank’s capital account and prepared there for recycling as future loans and overdrafts.

Under this process, industry is obliged to include into prices at least all its costs of production without any regard yet for profit. Otherwise there is no possibility of it liquidating its debt to the banking system. Already in this book the point has been laboured that costing goods with bank created interest burdened debt-money makes the goods not only cost more than they should, but also far more than the total pool of the community's purchasing power because the latter has to pay its own interest besides purchasing other goods.

The industrial system produces two forms of goods, capital goods and consumable goods. The capital goods include things like buildings, factories, machinery, bridges and so on, whilst the consumable goods are the goods which the citizens in the community buy in the marketplace to satisfy their ordinary human needs. It is in regard to the former capital goods that further investigation of their functioning money cycle will be most fruitful.

Money incomes which make up the community's pool of purchasing power are distributed both in the production of capital goods and of consumable goods. Virtually all money has its origin as the financial credits of loans and overdrafts created by the banking system. Banks usually do not grant loans to commercial ventures for long extended periods of time. The production of capital goods is not able to be financed by short term bank loans since the overhead costs in respect of capital goods can only be recovered over a period of time in various replacement and depreciation charges. The financial mechanism in the production of capital goods merits further analysis.

In the majority of cases, the process is similar in principle to the following short illustration. An engineer invents a new device for governing, by self-regulation, the upper limit of speed in motor cars. His invention is acclaimed and he decides to manufacture it himself. He is advised to build a factory and to turn the enterprise into a new limited company by offering shares to the public once the factory has been erected and production commenced. He secures a loan of $50,000 from a patronizing bank for the construction of his factory. We shall assume that the whole of this $50,000 finds its way, via wages and salaries, into the community's common pool of purchasing power.

On completion of the factory, another $50,000 is borrowed for the purchase of machinery. The machinery manufacturer himself has produced these capital goods by means of a credit loan from his bank. Again we shall assume that this $50,000 has been distributed through wages to increase the community's pool of purchasing power. Thus the latter has been enriched to the tune of $100,000 by the erection of the factory and the production of the machinery.

The inventor, now turned manufacturer, acquires all the necessary machinery and pays over another $50,000 which he has borrowed. Thus the machinery manufacturer is enabled to repay his prior bank loan. In effect his bank debt has simply been transferred to the inventor's own bank account which now shows him owing $100,000 plus interest.

There is now in existence a very well equipped factory valued at $100,000 and an equivalent amount of money is also available in the community's common pool of purchasing power. The aspiring manufacturer of speed governors now invites would-be shareholders from the public business area to subscribe to the new commercial venture to the amount of $100,000. In other words, he seeks to get back from the community's common pool of purchasing power the $100,000 distributed previously in respect to the building of the factory and its machinery and equipment. All the shares having been purchased, the bank loan is repaid and the debt cancelled. This is a convenient simplification, as the interest charges still remain and have to be paid, somehow or other.

The new situation in the marketplace now is very interesting and instructive. A real factory exists which cost $100,000, but there is no money in the market place that corresponds to this cost. Once the factory begins production it must necessarily add to the price of its articles some fractional charge of the $100,000 to cover the costs of interest on capital and capital depreciation. The community just does not possess the extra money to meet this extra charge.

The financial impasse does not end here. The manufacturer having succeeded in establishing his first factory, employs again the same financial cycle involving his bank's $100,000 to carry out a similar undertaking. The second complete, he embarks on a third and a fourth and a fifth. The one same $100,000 of bank created debt money has been responsible for the erection and equipping of five factories costing $500,000. Charges due to interest on capital as well as charges for capital depreciation will now have to be accounted for, without the community having the requisite equivalent purchasing power with which to meet these costs. Individual members of the community have invested their $500,000 in the factories and expect to receive a substantial dividend as shareholders. The price of the articles must be increased to cope with this profit situation. Once again we are forced to face the reality that in the community's pool of purchasing power, there is no actual money corresponding to the created debt of having to account for profits on invested capital.

The modern industrial system is a vast and complicated network of numerous processes. At every stage in their interconnecting matrix, capital charges arise as outlined above. As a consequence, the final cost of any consumable goods will be considerably weighted in respect to these capital costs. These the community will not be able to liquidate. The situation can only worsen since factory and machine costs involved in most technology's production techniques are progressively increasing.

What has gone wrong?

From the above example of the inventor-manufacturer it is evident that such deficiencies in the community's purchasing power, making it unable to liquidate the charges owing on financial capital and also on those due to building and plant depreciation, must arise out of the process of *savings*. There are two avenues for the operation of savings by members of a community. In analysing these, we must always remember that most income-money originates as interest burdened bank-created loans and overdrafts which somehow at sometime have to be liquidated. As this money penetrates through as incomes to the individuals in the community, it creates extra costs which also have to be liquidated.

We consider firstly those savings of citizens which are placed on term deposit in banks or other similar financial institutions. In the prior process of the distribution of this now-saved money, a series of extra costs was set up. It does not matter whether these were in relation to the production of consumable goods or capital goods. Somewhere in the data-processed-memory-systems of the banks there are almost certainly loans of an equivalent amount still outstanding. All costs must, over a definite period of time be liquidated and hence any money saved in any cycle of production must leave behind in the same system a set of unliquidated costs.

The second path for the operation of savings opens up when these savings are invested to enable further production and-or expansion to take place. Now, two sets of extra costs will exist in the system with respect to these savings. They are the extra costs prior to the first savings being made by the individuals from their wages and the extra costs generated by the subsequent investment of these savings in some form of industrial production. The process of saving money by citizens results in a certain amount of the very same money passing through and through the production cycle over and over again. Each time it passes through, it creates whole new sets of extra costs in whose respect the community, as a whole, receives no added equivalent purchasing power to enable it to liquidate these extra costs involved.

The overall system prevailing in the marketplace is a matrix-set made up by aggregating and interconnecting together into the economic unity (more often, disunity) of a very large number of separate and discrete subsystems or subsets. The actual and potential real wealth of most of the countries of the world, as interpreted by the quantity and quality of their capital and consumable goods, has been increasing continually this century, especially since the second World War.

As illustrated in the example of the inventor-manufacturer, the bank's recirculating $100,000 of virtual make-believe wealth, though it did no real work of its own in the business cycle, was instrumental, as a quasi-catalyst in bringing into existence $500,000 of real factory wealth. Whilst the recording of the latter's financial estimate had been relocated to the bank's archives, such real wealth remained in the community, not as an asset, but as a functioning interest demanding liability .The consumers' purchasing power for the goods from these factories now available in the marketplace would have to come from fresh cycles of money-functioning activity with their inbuilt deficiencies.

Though the real wealth of most nations has been progressively increasing, the ratio of consumption's input of make-believe wealth back to the system, in relation to the financial estimate of production's output of real wealth has been steadily decreasing. The real wealth of unconsumed goods has manufacturing costs attached to it that must be liquidated at some future time. If the true functioning mechanism of the monetary system is to reflect what is actually taking place in the production-consumption cycle, the monetary resources of the community should continually increase. Today, not only do the communities of the world possess no such increased supply of purchasing power money, but they owe practically all the money of which they do have the use, to the banking system who are the mortgagers over the bulk of the world's capital assets.

This has not been a fully comprehensive analysis of the monetary cycle in today's marketplace, but enough has been written to show how the present financial system is gravely defective in so far as it generates a chronic and ever-increasing lack of purchasing power in the hands of the consumers in the community to allow the liquidation of the costs of production. This is made worse by the fact that there is also a planned scarcity of money by the banks, so that there is only a limited amount available to finance an expanding production system. Because of industry's increasing demand for financial capital, banks find themselves seemingly obliged to recall their credit loans with feverish haste in order to satisfy the needs of other borrowers. This leads to the quick cancellation of money and its immediate re-creation before the corresponding costs have been liquidated, thus accentuating the widening gap between purchasing power and prices.

As a country becomes more and more industrialised, so it becomes increasingly impossible to distribute sufficient purchasing power to the community to enable it to buy, either the ordinary products of its own industries, or to buy with the appropriate money equivalent the products of the exchange of goods with other countries. An unsaleable surplus thus accumulates, not only in one country but in all industrialised countries, since these goods cannot find buyers at home and no point is served in exchanging them for the goods of another country when neither community has the purchasing power to buy them when they come into their own marketplace.

If this defect has been, and still is, as grave as thus made out to be, why have not the economic systems of many nations gone bankrupt already and completely broken down? The real answers lie in the banks' forced, but expedient, cancellation of defaulters' debts and in the financial strategies of foreign investment. When the money-creators of one country lend their make-believe financial wealth abroad to another country, the purchasing power of this loan may be used to obtain the products of the lending country's own industries. In the overall analysis of this case, no actual money is transferred out of the creditor country, only its goods, and the transaction is equivalent to a creditor country shipping its own goods abroad in the form of a loan to a debtor country, who must now forever remain financially in debt.

In this type of situation, there is an efficacious means for the disposing of the unsaleable surplus goods which a country's industries produce over and above the satisfying of its own local needs. For more than two centuries England, and all other industrialized nations, have pursued this kind of policy of foreign investment. One very important conclusion can be deduced as a result of this observation. It is absolutely necessary for all industrial countries which are producing more than enough to satisfy their own needs and so accumulating unsaleable surpluses, that they should always export more real wealth of goods abroad than what they import. They must invest their own surplus goods abroad as the financial debt of other countries to them. If this is not done, then the surplus will collect in the country resulting in a slackening of production. As a real consequence, purchasing power will decrease, and there will be set into the economy's money cycle a species of destructive feedback leading to a trade recession and depression.

When the Industrial Age first began, Great Britain had access to the world's markets to unload its surplus production. Other countries gradually became industrialized and they in turn now found themselves burdened with a glut of unsaleable goods which somehow or other had to be got rid of by exporting to foreign markets. The process snowballed. The world market shrank. The competition for export became furious and frenetic. The global situation has worsened as it inevitably must. The fuse is already lit to explode the economic time bomb. The leaders of all countries blame everybody but themselves. They are still blind to the fact that it is the monopolized scarcity and manipulation of the make-believe wealth of usurious bank-owned debt-money that is the true cause of all the economic and social strife. In the struggle by every individual, by every business, by every nation to get something for nothing from all the rest, as the moneylending usurers do, evolution fully reveals the insanity of universal selfishness and its unnecessary competition. In the anarchy which results, nobody gets anything, except annihilation.

Last century witnessed two major World Wars. They were wars which spread death and destruction on a scale, unprecedented in history. Yet even these pale into insignificance as we contemplate the present-day arsenals, bursting at the seams for the one possible final act of the tragedy of global suicide.

During these two wars, many millions of men left farms and factories and engaged in the singularly unproductive and wasteful activity of rationalized murder and wilful destruction. Also, at the same time, millions of civilians were employed in the manufacture of weapons of war. As fast almost as the latter were produced they were expended, and significantly left behind a trail of ruins and lands laid waste.

It might have been thought that such conflicts would soon have fizzled out due to an inevitable shortage of money and materials. It is now history that there were no difficulties in increasing the money supply to meet all the exigencies of waging protracted wars. Also it is now history, how the industrial system adapted itself with vastly improved technology and human cooperation to supply everything that was materially needed to pursue a social policy resulting in deliberate wholesale economic waste and senseless destruction.

When eventually their warring ended and peace of a sort seemed to prevail, exhausted nations modified their economy to fit in with and satisfy these new requirements. They found that along with the social and material ruins of war, there was also the extraordinary benefit of being able to increase their productive ability to a seeming almost limitless extent.

Wartime's necessities had mothered inventions which had so stimulated global economic development that one might well have imagined that the human race was on the verge of an age, not of mere plenty, but of a veritable superabundance. The imagined superabundance became real, only to be the malicious agent in renewed trade warfare.

Industrial development had received a tremendous stimulus during the two wars. In their aftermath, almost all industrial nations found themselves with an ever-increasing surplus of goods which, not being saleable at home, thus needed to be exported and invested abroad in other countries to boost their foreign financial exchange. After wars, there are creditor and debtor nations. The former are usually the so-called winners, whilst the latter are generally the so-called losers. It is the one unique international banking system which finances both sides in preparation for, and during the conflicts, and which then presides afterwards at the monetary war debt rearrangements, repayments and reparations. This supranational banking system dictates its own terms to all sides and rivals in peace and in war. It always acts to the banks' own advantage and increased power and always to the foreseen inevitable detriment of both winners and losers alike.

Debtor countries, when forced to pay in gold as after World War 1 or now with just legally written nonlegal tender money, can only liquidate these debts by becoming industrially virile, building up a vast export trade and demanding monetary payment from their debtors in turn. Creditor countries do not want to be paid in goods and services because that would mean their own surplus unsaleable goods would increase and their own people would be out of work. Their financial overlords want to be paid in gold or some debtor country's legalized money. How can a debtor country be expected to pay its war debts to a creditor country, when the latter will neither buy the former's surplus goods with money nor accept the debt's equivalent amount of imports?

A debtor nation is thus forced to seek foreign markets in other countries, and by exporting its surplus goods to them, to make them its own debtors in turn. Usually this is impossible, for these foreign markets are already overstocked with all the surplus produce and wares from creditor countries. Unable now to meet their imposed obligations, debtor countries can only lapse into far greater exponential financial indebtedness.

The creditor nations fare no better in the war debt arrangements. They can only use their gold or foreign money to buy foreign goods, but this neither favours nor balances their profitable trading situation abroad. Generally in most countries, imports are a disservice to those of their own industries which depend for their survival on an export surplus. The end result is that creditor countries resist any explicit monetary payment from their debtors. Instead they impose upon them the obligation of accepting their own production's export surplus and its concomitant financial purchasing indebtedness.

Whilst the above situation has been analysed in the context of past war debts, the ordinary commercial debts between nations presents an even far more disastrous impasse. These have assumed astronomical proportions. An economic system based on the exchange and distribution of real wealth through the intermediary of financial debt creation is logically a mathematical monstrosity. The very word itself, *debt* or *loan*, implies some sort of repayment. In an economic situation where all money comes into existence as a debt to the banking system, the only way that existing debts can be fully liquidated is through the creation of further debts. The liquidation of already existing financial debts by creating further fresh financial debts can only function as long as the rate of debt creation continues to exceed the rate of the exponentially increasing and accumulating overhead costs of industry. This situation cannot go on for ever. The inevitable crisis can not be indefinitely postponed. One does not have to be a mathematician nor a logician to appreciate the absurdity and impossibility of what is understood and taught by professional economists as *sound finance.*

Capital goods and consumable goods are real wealth. They have a simple physical existence of their own but their wealth-value resides in their psychical existence in the human mind. We appraise the worth and usefulness of goods and services. In themselves, all created paper debt-moneys are just bits of material stuff, now serving as tickets of make-believe wealth or financial capital. Humans' debts know only a psychical existence in the meaning or interpretation which accountants give to the numbers in business ledgers or to the data in computers.

There is beauty in Nature, but it needs the eye of the beholder to discern and truly appreciate it. There is no such thing as debt in Nature. Debt only exists in the mind of usurious moneylenders who mistakenly seek to imitate and emulate their evilly conceived selfish and power-hungry *I-me-mine* god of greed. These human godlings demand and exact something for nothing. Not merely do banks create money out of nothing, but they demand something extra and extort real wealth to pay the interest on what such nothingness has imaginatively conceived. The true physical real wealth of this world would not suffer the slightest diminution if all money-debts were repudiated, because such debts are not a physical reality but only psychical make-believe contrived human fictions.

Banks would not physically collapse if their psychical usurious contractual loans were repudiated by the governments whose people are enslaved by the burden of ever-increasing debt and unpayable interest. Some banks do collapse economically, through mismanagement and their overstepping the safe limits of their perverted credit-creation, thus falling foul of their fellows.

It is not against the Natural Law to renege on usurious money-debt, since Nature knows neither debt nor usury. Nor is it contrary to Judaeo-Christian and Islamic revelation-law since both the Bible and the Koran forbid usury. An aseistic morality demands that all person-to-person loan contracts be fulfilled as far as possible, in the best interests of both the individuals and their community, but it forbids situations akin to modern banking's usurious money-creating and moneylending. All financial contracts, where the community as a functioning whole is burdened with the impossible task of making the concomitant obligatory interest money out of nothing, are vitiated in their very essence, unless the community creates its own debt-free money. Though the international powerbroking financial institutions bluff and bully politicians and governments, and pervert the national legal systems to their own advantage, the time must inevitably come when an enlightened people demand an end to the curse of money's *original sin* as a debt to a usurious banking system.

The *monied-haves* of this world want both to have their cake and to eat it. Each money-having self wants to keep its financial capital and live, as a little godling off its supposed self-creating interest. Such interest does not create itself. It is *thought-created* by human selves in the banking business. Each financier self wants its wealth to be as divinely extraordinary as is an infinite set, containing not only itself, but also growing all other wealth exponentially from out of itself as well. There could be no objections to this, if financial selves were really freely sharing, debt-forgiving, pure philanthropic infinitely altruistic beings and the resources at their disposal were likewise also infinite. However, humans' simulated deiformity becomes perverted and devilish in a finite economic s-f-f-s when the positive feedback greed of the few selves, who have almost everything, wants and gets its even extra legalized something-for-nothing from the ever-increasing needs of the multitudes of other selves who have nothing except debts, and are chained of a consequence with slavery to usury's interest.

The word, *usury*, is a dirty word in today's marketplace. In its stead, there is preferred the incestuous interest. This latter bonanza something-for-nothing bears no relation to its original meaning of a compensation for some actual loss. Nothing but ridicule is heaped on those who would expose the de-civilizing effects which follow on from the banks' practice of usury. It is taken without question that money-growth's self-interest, as is implied in the dictum, *Money makes more money*, is the way which leads to real economic progress and national prosperity. It is the way of money's legalized prostitution. Because virtually all money is debt to banks, *Money makes more money by making more debts*. Each individual self, seeking the continual positive feedback growth of its own investments in the bank-financed marketplace, guarantees that the

Curse of Entropy must become as relevant in Socio-economic Dynamics as in Classical Physics' Thermodynamics. Unless some *other* intervenes, the true ultimate state of any self-only-functioning system is *Death*.

The blind continue to lead those whom they have blindfolded and the sewers and ditches of the commercial world, ruled by uroboric Economics, are filled to overflowing with business failures. The compounded self-interest of individual citizens in their invested money is the confounded influence which militates against the good interests of the community as a s-f-f-s. Banking-reformers are warned off or treated as imbeciles when they spell out the inevitable catastrophes which must overcome the economies of all nations whose financial wealth is prostituted as an interest-burdened debt to their banking systems' overlords. They are told that usury or the interest factor is too deeply ingrained in the mercenary minds of all those who benefit from the present financial system ever to be changed by protesting peasants. Just how amenable is the human cerebral computer to reprogramming? Just how much more injustice must the *have-nots* endure, before they decide to break the economic chains which enslave them?

The word *bondage* has a added significance today in light of the nefarious activity of operators in the global Bond Market. Bonds are financial securities issued by governments and ordinary businesses simply as a means of borrowing long-term loans. Such loans when made to a government are usually for three years or more. They are repayable on maturity and bear a fixed nominal (coupon) interest rate. Governments are regarded as the safest to lend money to, being also usually the largest single borrower in the economy. For these reasons the interest rate paid on bonds sets the point of reference for other long-term loans. Thus interest rates in bond markets not only relate to the cost of loans to the government, but also serve as the benchmark for all similar loans.

These Government Bonds are issued by the millions of dollars and bear a determined interest rate attached to them. Since this interest rate is fixed, traders in them on the open bond market only have discretion over their buying and selling price. Bondholders, desirous of selling, seek buyers by lowering the price of their bonds. This has the effect of raising the effective interest rate or yield payable now to the buyer. If a $100 bond issued at 10% is bought for $80, then the original payable interest of $10 is now the yield on $80. This represents an interest rate of 12.5%. If bought for only $50, the $10 interest now represents a 20% yield. In other words, if bond prices fall, it means their effective interest rates have risen.

The specious prevailing bond market theory requires that their yield should reflect compensation for expected inflation and provision for loss-risks involved. When bond prices are falling, it is supposed to indicate that their holders expect inflation to rise and seek a higher interest rate to make up for it. Rising interest rates in bond market activity flow over inevitably into all commercial and domestic borrowing. The bond traders claim to be motivated by the fear of inflation which threatens the value of their money. In practice, their actions amount to simple extortion in the pursuit of their own increasing personal wealth.

After Bill Clinton had won the 1992 presidential election, the about-to-be-inaugurated President was taken aside by Dr Alan Greenspan, chairman of the privatized US Federal Reserve, and warned not to antagonise the bond marketeers. If he did, they would not buy his government's bonds. They might even sell those that they already held and initiate an outcry which could ruin his presidency. Clinton is reported to have exploded, "You mean to tell me that the success of my program and my re-election hinges on the Federal Reserve, and a bunch of f... bond traders?" The answer for the would-be reformer was, and still is, a regrettable affirmative.

It was this same Alan Greenspan who had to admit quite recently in his public confession concerning the current financial crisis “We got it all wrong”. Unfortunately for the inhabitants of Planet Earth, the majority of their political and religious leaders are deaf to any radical reform and are pledged to “more of the same”.

The bond traders referred to have been described as a loose confederation of wealthy Americans, bankers, financiers, money managers, rich foreigners, executives of life insurance companies, presidents of universities and non-profit foundations, retirees and people who once kept their money in passbook savings accounts and now buy shares in mutual funds. The actual financial games are played in the marketplace by a closely knit group of US and UK investment banks which lend to governments and large corporations and dictate to them their own terms for global economic control.

One of the most insidious developments of money as a commodity is the current explosive trading in the speculative abstract financial devices of derivatives or futures-contracts, hedge funds, options and the like. Hedging involves taking an opposite position in the futures-market to the one already held, and thus effects, as a form of price insurance, that any loss in the tangibles-market will be compensated by a corresponding profit in the futures-market. Vast volumes of credit are issued by investment banks to people trading in futures-contracts. These speculators buy and sell contracts which promise to sell or buy a commodity or financial entity at a future date at a price agreed upon now, and so trade in a way as to benefit from expected price and interest-rate movements. By tendering only a relatively small deposit, a speculator can trade a contract hundreds of times the value of his deposit and reap financial gains equivalent in dollar terms as if he held the tangible assets represented by the face value of the contract. At the speed of light, modern electronic banking can translocate billions, indeed trillions of *abstract* dollars or other currency around the world in speculative transactions. In their global gambling, finance-speculators can also make mistakes. They can misinterpret the signs and incur huge losses resulting in their own ruin and that of many others, including whole nations as well.

A hedge fund does not make money by producing goods and services. It does not advance funds to buy real assets or even lend money. It borrows huge sums to leverage its bet with nearly free credit. Its managers are not industrial engineers but mathematicians who program computers to make cross-bets or "straddles" on which way interest rates, currency exchange rates, stock or bond prices may move - or the prices for packaged bank mortgages. The packaged loans may be sound or they may be junk. It doesn't matter. All that matters is making money in a marketplace where most trades last only a few seconds. What creates the gains is the price fibrillation - volatility.

The financial marketplace is powerful enough today both to manipulate currency exchange rates to rise and fall at will and to do likewise to bond and community prices and interest rates. All this iniquitous, indeed treasonable, supranational activity is entirely beyond the control of governments. Time may yet retell some biblical stories, like another Exodus-liberation of all nations from their present slavery to international financial overlords. One thing is certain. The Population Explosion and The Debt Explosion are bringing social and economic life for the inhabitants of Planet Earth to the brink of a global catastrophe, if not extinction. Exponential self-functioning growth and exponential self-functioning annihilation both move faster towards their limit or demise. As the sage Romans of antiquity used say, *Motus in fine velocius*, "Motion becomes faster towards the finish".