

## Chapter Nine

### The Betrayal

Pope Benedict XIV issued the first ever encyclical letter, *Vix Pervenit*, on 1<sup>st</sup> November 1745. [Denzinger 1475-1479] The theme was precisely **usury**. The letter distinguished between interest, defined as the legitimate fee for the service of lending money, and usury which was defined as the pricing of money as a commodity. The latter functioning was explicitly condemned.

In 1891, Pope Leo XIII issued his much acclaimed Encyclical *Rerum Novarum* known as The Workers' Charter. Early in the latter, Leo XIII refers to a sequence of situations responsible for social problems and their injustices. He concludes, "Hence by degrees it has come to pass that workingmen have been surrendered, isolated and helpless, to the hard-heartedness of employers and the greed of unchecked competition. The mischief has been increased by rapacious usury which, although more than once condemned by the Church, is nevertheless, under a different guise, but with the like injustice, still practised by covetous and grasping men. To this must be added that the hiring of labour and the conduct of trade are concentrated in the hands of comparatively few; so that a small number of very rich men have been able to lay upon the teeming masses of the labouring poor a yoke little better than that of slavery itself." Some pages later, the Encyclical protests, "Lastly, the rich must religiously refrain from cutting down the workmen's earnings, whether by force, by fraud, or by usurious dealing."

Subsequent pontiffs last century have presented themselves as champions of the rights of workers and defended also the rights of individuals to the private ownership of property. Proclaimed policies of so-called Social Justice have inveighed against Communism and also sought a more equitable distribution of wealth in those Capitalist countries where there is such a great disparity between the affluence of the relatively few rich and the poverty of the dispossessed and unemployed ever-increasing poor.

There are two short paragraphs of Pope Pius XI in his Encyclical Letter *Quadragesimo Anno* in May 1931, commemorating the

fortieth anniversary of Pope Leo XIII's much-acclaimed Encyclical *Rerum Novarum* which are among the most quoted of Papal statements pertinent to social injustice.

"In the first place then, it is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure.

This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying, so to speak, the lifeblood to the entire economic body, and grasping, as it were, in their hands the very soul of production, so that no one dare breathe against their will."

This last sentence becomes alarmingly real and meaningful when it is considered that Pope Leo XIII was the last pope ever to mention and condemn usury. Over one hundred years have passed since then and no other Pope, nor Pontifical Commission has dared breathe one single word against the will of the global usurers. With blameworthy ignorance of the evil that they are encouraging, magisterial men-of-god of the West continue to kowtow to the banks in their worship of Mammon. Analogously to the hairy hunter Esau of the Bible's Old Testament, they have sold their sacred birthright for a mess of interest-bearing mercantile pottage. The ruling higher ecclesiastical castes continue to forfeit their leadership roles. Like a former apostolic economist, they have betrayed Jesus once more to the money brokers.

There are two fundamental questions arising from the marketplace situation just described which are the concern of social morality and justice. The first has been stated as The Great Social Question. Who is the rightful owner of the financial credit or monetized estimate of the real wealth of a community or nation?

Does it not belong in justice to the people by whose toil of mind and body, sweat and tears, the real wealth was produced? Have they not an intrinsic title to its ownership? Or does it belong to the banking system by whose virtually costless signature the money or make-believe ticket entitlement to real wealth is created out of

nothing and put into circulation as their very own commodity and their monopoly in the distribution of all real wealth?

Moral Theology and Sociology have devoted much time and argument to establishing plausible rights and limits for individuals' ownership of private property. These two disciplines have yet to address themselves to the social norms imposed by Aseistics and to the question of the public ownership of the creative source and sink of all financial credit, without which private ownership of property or goods is mere lip-service and useless. If the world economy continues to evolve, as at present, all property must fall progressively into the hands of the banks or be under their control. Ultimately Capitalism will be seen to be no different from Communism, for the banks will own everything in both systems.

The second fundamental question relates to the attitude and way the banking system itself operates in the market place. The banks have usurped the business function of monetizing and demonetizing the real wealth of the community. In claiming that the money they create out of nothing is their own and must be repaid to them, they are perpetrating a fraud which differs in no respect from treason's counterfeiting. In demanding repayment, they are holding both industry and the community to ransom. In taking possession of the real wealth goods of others in default of the payment of credit-money loaned and created out of nothing, banks become legalized robbers. Bank loans are only created on the strength of the community's capacity to produce and deliver consumable goods and to consume them. Not only do the same banks thwart the consumption of these goods by maintaining a fictional scarcity of created purchasing power money, but with avaricious stand-over tactics, they charge the community interest for the community's use of its own real basic wealth and turn the true credit of the nation into a catastrophic suicidal debt for all, except their international selves who profit handsomely by this dishonest, fraudulent and usurious trick.

The evolution of Christian Church teaching on usury has witnessed a development from intolerant condemnation to tolerant justification. To make a profit from lending to someone in real need was always considered reprehensible. In Nature, there is no precedent for either debt or usury. Money which was exacted purely for a loan as such, whilst always being deemed contrary to Nature,

began to be viewed in a new light. Changed economic considerations preferred the use or rather the deceptive misuse of the word *interest* in the place of the more objectionable *usury*, which now became permissible, provided it followed statutory regulations and did not become excessive.

It is instructive to examine a little more closely the historical evolution of the word *interest*. In ancient Roman law, when one party defaulted on a contract, the other could then exact over and above the actual agreement of the contract, a form of compensation based on the difference between the position of the creditor, before and after, the situation caused by the debtor's default. This difference was termed in Latin, *id quod interest*, from the verb *interesse* which meant, *to be between*, and could be reckoned according to the actual loss which had occurred. Justice demanded that this *interest* of the creditor be taken into account. In its original meaning, *interest* did not belong to the sphere of borrowing but to the sacred realm or court of justice.

Through a debtor's default, a creditor might have missed out on a possible profit, but this profit-losing was not classified as *interest* because one could not be said to lose that which one never ever had. The only concern of *interest* was with an actual gain ceasing (*lucrum cessans*) or with a damage emerging (*damnum emergens*) and not some mere hypothetical eventuality. Receiving *interest* was an honest seeking of real equity. The creditor lent freely but the debtor was obliged by law to compensate the creditor for any costs involved in defaulting on the contract. *Id quod interest* was purely a matter of justice.

As generally understood by theologians in past centuries, usury was the sin of exacting money purely for a loan of money. The creditor aimed for a real gain, to get more money, over and above the loan, for nothing, from the borrower. In time canonists rationalized usury and misappropriated the *interest* of Roman justice to cover up the malice and injustice of the prevailing financial system's usurious interest.

The tools of ecclesiastical casuistry were a well-seasoned array of semantic distinctions, like the right to an object and the right to its use and usufruct, intrinsic and extrinsic titles, gain ceasing and damage emerging. Does the sanction of an uncivil Civil Law or

corrupt custom make what is intrinsically an injustice, become now legitimate and acceptable even though it is contrary to Natural Law?

No one denies that in modern economic systems money has taken on new aspects or rather been given different functions from what its own true nature would determine. Speculators make it into a commodity with which to gamble. The directors of banks and financial institutions use it, particularly in its scarcity-function, as a most lucrative means of self-aggrandizement and control and power over their fellow human beings. As catalytic finance-capital in any industry, money can become virtually productive by making virgin real wealth more productive through human enterprise, but there are limits to the growth of agriculture and of industry beyond which the economy trespasses to its own destruction.

Before proceeding further it must be insisted upon that the money dividend which a shareholder receives through his or her ownership of shares in any industrial enterprise must in no way be construed as usurious. Likewise the interest that individuals receive on their own invested money or from their interest-bearing deposits with usury-practising banks or with superannuation funds is not necessarily reprehensible. However, even in a free-enterprise marketplace, the flow of commercial activity must be subject to negative feedback's *go-caution-stop* sequence.

It is completely impossible for any closed economic community to operate continuously on a profit-motive system if the amount of money within the community is not increased, even though the amount of goods and services available are not increased. Under present conditions, a dividend on invested money is generally deemed necessary for business reasons, but even here there are two spectres which haunt an economy. The invested money must be debt free and the industrial enterprise capable of continual growth. Today these two basic conditions are not fulfilled. The interest that a person receives on invested money has not come into existence as a kind of natural growth but has had its origin in some other person's bank debt. The whole stream of interest-bearing investment in the economy flows with an entropic turbulence resulting in an inflated price of all consumer goods and the necessary overall increase of industrial debt.

The only people who at present seem to get something for nothing are the financial institutions who make money out of nothing, and make more money out of making money for nothing, by charging interest on it as well. Their positive prosperity is balanced by, or is gained at the price of the negative prosperity of the rest of the community. Private investors as a whole ultimately pay themselves part of their own interest through inflation's price spiral having to include the payout of dividends to shareholders. All costs must be recovered in prices.

Once industrialization has begun, a period of continuous expansion follows. The latter even accelerates, as the community receives income for the production of consumer goods and non-consumer capital-goods. Thus total incomes appear to balance or even exceed total cost of living. Such excess, derived in a process known as capital formation, is represented by savings. Large scale savings are the result of profiteering in situations where the upper limit of prices is raised to absorb the excess money available.

A further complication now arises since very little of aggregate savings is left idle, like money under the bed in a stocking, but it is generally invested in the further expansion of industry either by individuals themselves or through financial institutions. The excess or saved money reappears now as purchasing power, but in doing so, new capital liability has also appeared adding to depreciation charges, interest, taxation, and the like, which go into the price of the goods in the marketplace. The whole process continues without any effective expansion of the money supply to cover the increasing deficiency due to economic entropy.

A sorry sort of licit case can be made out by conniving toadying churchmen, in order to justify the charging of interest by the wealthy *haves-of-this-world* on investments and loans of already existing legal tender money made to this world's *have-nots*. No amount of clerical casuistry however can justify the charge of more than a simple service fee for bank-created credit. On almost costless invented make-believe wealth or credit money, virtually created out of nothing, any rate of interest at all is more than grossly immoderate. This monstrous and diabolical usury enslaves the entire human race and is the greatest social injustice and fraud in the history of commercial and marketplace activity.

In the past, the decisions of traditional Moral Theology concerning the charging of interest on loan contracts between individuals, were generally in respect of real coin-money which had some intrinsic value. As stated above, modern economic monetary systems have taken on completely new forms which involve the rest of the community in the payment of the debtors' interest. This new solidarity perspective is neither understood nor considered by ecclesiastical authorities today. Contemporary Moral Theology has yet to pass judgment on this latter issue and give an authoritative answer to the second basic question arising from marketplace activity. How can anyone conceive and claim an extrinsic title to interest on money loaned, from gain ceasing or damage emerging, when the loaned money itself has come costlessly into existence from nothing? There are other considerations, far more cogent still, which the new Aseistics can direct against the specious arguments of the inadequately informed Canonists of the past. These have been touched on in the previous chapter.

Money, as the true lifeblood of the economic body, should be the financial means, servant-wise, for the exchange and distribution of the real wealth of the community's resources, its goods and services. It is the people as a community and through the common wealth of their nation's economic body, who have an intrinsic title to the collective ownership of the monetized financial credit of the nation. The parts of the body together, as one whole self-functioning-feedback-system, own the blood and control its quantity and quality, for the optimum performance of the body as s-f-f-s. The blood does not own the body nor hold it to ransom.

In the body-economic, the apportioning of the real wealth of private property and personal possessions in terms of "mine" and "yours" can not be achieved with any semblance of justice and stability unless the vocalized and operative virtual financial wealth or money-catalyst in the community is "ours". For far too long out of deference to the power-hungry greedy rich and to their bankers and financier-friends in the self-righteous front cathedral pews, Christian preachers have laboured eloquently and lustily on the right of individual persons to echo the "mine" of their "I am" god, as regards private property and possessions. It is time that the whole congregation be now encouraged to acknowledge the peaceful

coexistence of private custodial ownership of real wealth together with the common ownership of the community's financial wealth. It is time to reflectively say and mean "The real wealth of Planet Earth and its virtual wealth of monetized financial tokens are "ours". They belong to us all, as to one great family or Incorporation, a true s-f-f-s. There are no privileged people now with Aseity." Let those who wish to pursue a personal life of I-me-mine-gratification migrate to some other planet or solar system of their own. Planet Earth's future is for those who will to learn, and will to live, as "we-us-ours".

Totalitarian Communism cannot motivate a new world order. Its futile attempts are crumbling and are doomed to ultimate failure. A Capitalistic competitive Individualism and Privatism, based on cancerous debt-finance dynamics, guarantees unbridled greed, poverty, industrial wage-slavery and social strife, trade and military wars, and condemns the marketplace to become an economic hell. The destiny of the human society on Planet Earth is to evolve peacefully into an aseistic commonwealth, a global unity of national units in interdependent union.

Money's catalytic role as a highly useful and efficient means in business engineering and accountancy practice is vitiated by charging interest on its private creation and by monopolizing its use for their selfish ends in individual profit-making. Bankers and financiers are procurers, in a broad sense, living off the rapacious earnings of financial capital's prostitution. Like a common whore, money sells itself and its services in the marketplace where usury once ranked, and still should, as a more heinous sin against society than treason. Usurious banking and supranational financial practice may quite well be understood as the famous biblical harlot, Babylon the Great, by the wine of whose prostitution all the nations of the earth have become intoxicated. All covetous rulers have fornicated with her and all merchants grown rich through her whoredom.

With the institution of its own Vatican Bank, the Roman Papacy has now embraced her disastrous abomination and scandalously made financial speculation and usurious moneymaking (and losing) its own sin. The tables have been turned on the one who dared to overturn the tables of the moneychangers in the Temple of Jerusalem some 2000 years ago. The house of prayer, from whence his self-



styled *vicar* pontificates, now shelters and enjoys business associations with a den of thieves.

This situation is understandable in the light of events last Century. The Lateran Treaty which Benito Mussolini's Government concluded with the Vatican in 1929 gave the Roman Catholic Church a wide range of benefits, not the least being that Italy undertook to pay the Holy See the sum of 750 million lire and to hand over at the same time Consolidated 5% State Bonds to the bearer for the nominal value of one billion lire. A Special Administration was set up by Pope Pius XI and a layman, Bernardino Nogara, appointed its head. The latter accepted the office only on condition that any investments he chose to make would be untrammelled by religious considerations and that he would be free to invest Vatican funds anywhere. Almost overnight, the Vatican became a Capitalist enterprise engaging in Stock Exchange, futures and currency speculation. Self-interest produced a complete reversal of the Church's teaching with regard to money lending.

This Chapter began, recalling how Pope Benedict XIV issued the first ever encyclical letter, *Vix Pervenit*, on 1<sup>st</sup> November 1745. The theme was precisely usury. Over one hundred years ago Pope Leo XIII issued his much acclaimed Encyclical *Rerum Novarum* known as The Workers' Charter, in which, among other things, he unequivocally condemned usury. Since then, there has passed a Century of Papal fallibility and culpable ineptitude in Social Teaching. To the best of this writer's knowledge and his study of Vatican documents, that was the last time that the word *usury* has ever been used in any authoritative papal pronouncements.

Pius XI can be interpreted as implicitly referring to it in his two famous, but conveniently almost forgotten, paragraphs in *Quadragesimo Anno*, already quoted. There is an irony, however, even in these two paragraphs when it is remembered that it was the same Pius XI who presided over the Vatican's induction into the world of high finance.

From the study, not only of all later Papal Encyclicals and the pronouncements of Pontifical Commissions, but of the relevant documents of Vatican II and other authoritative Magisterial decisions, the last line "*so that no one dare breathe against their will*" of the above quotation from the pen of Pius XI becomes

alarming real and meaningful. Not only has no other Pope ever quoted or enlarged on this second paragraph, but all that they have written themselves or caused to be written by others in authority, manifests that they lack both the knowledge and understanding of their two great predecessors. Not only does there appear to be a conspiracy of silence in regard to the powerbrokers of this world with their monopoly of credit, but there is revealed a most abysmal ignorance of the world's monetary system in general and of the true causes and effects of the situation described above by Pius XI.

How different from *Quadragesimo Anno* is *Mater et Magistra* of John XXIII in 1961. Paragraph 165, London C.T.S. translation reads "...World banking institutes, single states and private persons are helping to furnish the capital for an ever richer network of economic enterprises in these underdeveloped countries. It is a magnificent work that they are doing, and We are most happy to take this occasion of giving it the praise that it deserves. It is a work, however, which needs to be increased,..."

Further advice is given on this matter, climaxing with the statement in Paragraph 173, "Necessity, therefore, and justice demand that such technical and financial aid be given in a sincere spirit of political disinterestedness. It must be given for the sole purpose of helping the underdeveloped nations to achieve their own economic and social growth."

This must surely be the most naive papal platitude of all time. It is taking the injunction to love one's enemies to the very point of blind stupidity and betrays culpable ignorance of the aims and methods of international finance operating through the banking system which is committed to the heartless policy of Profits before Persons. The interests and dividends of shareholders are the only consideration in a system where the poor are dispossessed and forced to starve in order to feed the greed of the legally protected rich. Political disinterestedness is meaningless when political power can easily be bought or destroyed with money. If the financial aid were debt and interest free, the situation could give some hope for the future but as noxious interest-burdened debt, it only serves to tighten the stranglehold of avaricious moneymaking executioners.

One final glimmer of a quickly extinguished light appeared in the Encyclical Letter *Populorum Progressio* of Pope Paul VI in March

1967, "This unbridled liberalism paves the way for a particular type of tyranny, rightly condemned by Our Predecessor Pius XI for it results in the 'international imperialism of money'. Such improper manipulations of economic forces can never be condemned enough: let it be said once again that economics is supposed to be in the service of man."

Is less than ten lines in a century enough? Though he condemns any misuse of the monetary system, it is clearly evident from what follows later in the Encyclical that the real moral, social and economic issues of the great social questions outlined earlier in this book are neither understood nor answered. A similar comment applies to the subsequent Encyclicals of Pope John Paul II. The reader searches in vain for an echo of any condemnation of international finance or the imperialism of money.

It was understood by those who knew the mind of the tragically too-well-informed John Paul I, that he would dare to breathe against the will of those who have fraudulently usurped the function of supplying the lifeblood to the entire economic body. Their hopes or fears, like the life of this most lovable and much respected would-be reformer were very quickly and quite mysteriously cut short. After barely one month in office, he was found dead. He died alone, agony written on his face. His body was straight away embalmed, an operation which entailed destroying all stomach contents. An autopsy was refused. The fulfilment of the Third Secret of Fatima had begun.

No true understanding of modern economics nor of the nature of the financial crises hanging over the whole world is possible without some comprehension of what is implied by the situation of ***all money being a debt of the banking system***. As long as this remains so, there is absolutely no possibility of any satisfactory and lasting solution to the social and economic dilemmas plaguing the human race at this stage of human history. The economic world is seemingly helpless, caught and tied inextricably in the web of a finite positive-feedback incestuous self-functioning system which must ultimately destroy itself. No further purpose is served here by continued criticism of what the Pontifical Commission "Iustitia et Pax" both says or does not, but should say, except to quote the very same words that the Commission itself does in its inadequate, misleading and unethical

approach to the international debt question. "May our appeal be heeded before it is too late." May the appeal also be heard of UNICEF in its Summary, The State of the World's Children 1992, pp. 8-11,

"But it is, above all, the weight of past debts which threatens future progress. The developing world owes approximately \$1,300 billion to the governments and banks of the industrialized nations and to international financial institutions. Each year, the repayment of capital and interest amounts to approximately \$150 billion - roughly three times as much as the developing world receives in aid. As it is impossible to meet these interest charges in full, the amount unpaid is added to the total debt owed...When all transactions are taken into account - the net effect is that the developing world is now transferring \$40 to \$50 billion a year to the industrialized world...

"Debt is the new slavery that has shackled the African continent. Sub-Saharan Africa owes approximately \$150 billion. Each year, it struggles to pay about one third of the interest which falls due; the rest is simply added to the rising mountain of debt under which the hopes of the subcontinent lie buried.

"The total inhumanity of what is now happening is reflected in the single fact that even the small proportion of the interest which Africa does manage to pay is absorbing a quarter of all its export earnings and costing the continent, each year, more than its total spending on the health and education of its people.

"Ten years of prevarication over this problem has already damaged not only the Africa of today but the Africa of tomorrow. While more than \$10 billion a year in interest repayments is being sluiced out of that desperately poor continent, tens of millions of children are losing their one opportunity to grow normally, to go to school and become literate, and to acquire the skills necessary for their own and their countries' development in the years to come."

The above was written in 1992. Today in 2009 the situation is many times worse.

The author is not a professional economist, but he has some expertise in Mathematical Logic. His cerebral computer has not been programmed with the specious and spurious junk economic theories of academia. Global and national economies are now in a state verging on catastrophe because of the inability and unwillingness of

professional economists to see the fallacies of their own so-called *orthodox* systems. Any intelligent child can appreciate the arithmetical absurdity of the present financial situation where global and national indebtedness to the banking system is already several times the total amount of money actually in circulation. At the present rate of compounding interest, it will not be long before the interest payable to the banks is greater than the total amount of money in circulation.

Economics should be a true science and its exponents should employ the methodology of science in their systematic appraisal of the data of national and international *housekeeping*. Any study of Economics which does not draw its conclusions from the reality of the banking system being the source and the sink of the monetary cycle can only be termed a bogus or pseudo-science. Professional economists, and especially the faceless advisory ones in high places behind the scenes, reprehensibly blind themselves to the observable phenomena of the marketplace. They continue to propose erroneous models and from their fictional premises expound practical conclusions which spell economic confusion and ruin.

Once a nation loses control of its currency and credit to selfish private interests, it matters little what political party is in power or who makes its laws. Usurious banking, by its intrinsically evil and anti-aseistic nature, will wreck any nation once it usurps power and will ultimately destroy itself as will any finite positive feedback evolutionary system. Until governments of countries resume control of the issue of their currency and credit and understand that the creation of the lifeblood of the economic body is its most godlike activity and responsibility, all talk about real democracy is just hypocrisy and deceit.

The same applies to all the statements of Christian leaders about Social Justice, Development and Peace, as long as they fear to bite the hand of the Unholy One to whom they have surrendered the role of feeding Nature's children with their daily bread of planned scarcity in the midst of Providence's plenty. It took several hundred years for highly placed churchmen of all denominations in the Western World to appreciate the beauty and the simplicity of the Copernican Revolution and the mathematical elegance of the planets' system of elliptical orbits around the Sun. Creators and guardians of

religious creeds are traditionally hostile to evolutionary change, and whilst posing as patrons of Science are generally unimpressed by any true scientific or mathematical argument that could embarrass them in an unfavourable situation of culpable ignorance, or demonstrate their fallibility.

Institutional Christianity is undergoing the greatest credibility crisis in its history. Never before in the course of human events has there been such a need for persons in the highest places to speak out and to champion the cause of leading Nature's predilected people-creation out of the slavery of debt into the Promised Land of Superabundance. To remain silent on this issue is not only wilful and culpable negligence on the part of Christian leaders, but threatens to destroy any remaining credibility that their religions may still possess.

Many of these religious leaders align themselves one way or the other, politically or ideologically, with what are called Capitalism and Socialism. Both systems have protagonists who are self-confessed atheists. Both systems have zealous exponents who claim discipleship of Jesus. They all have one thing in common. Whilst blindly pledged in seeming mutual antagonism, they are both openly pledged to opposing any others' antagonism to their common financial overlords. The latter hide behind the scenes and lust with bloated power as they watch their stupefied slaves engage in war games, of both a military and economic nature, to their own self-destruction.

There is a tragic irony in the money-manipulators' power games and unbridled greed. They too are beginning to realize that their created colossus is on the verge of self-annihilation. In the imminent ecological disasters of their own financial instituting, banks and their financed multinational business dinosaurs, will fare no better than their biological counterparts in Ages past.