The Dying Theology of Money

By Edward Minton

When we allege that someone worships money, we usually mean that he is inordinately fond of the material things that money can buy. Silk bed sheets, fine wines, exotic holidays etc., and of course the envious attention of like-minded others. This is pure materialism, a determination upon indulgence, an epicurean obsession with sensuous pleasures. It can displace theology, as it did for the few sincere Marxists once existent, but it cannot be theology.

Theology is the study of God (from the Greek “theos” meaning God).

For anything to be elevated to the status of a God in the human mind, it has to be accorded certain attributes, among them:

1. It has to be seen as having transcendental attributes;

2. As surpassing the ordinary or common in its abstract qualities;

3. Which leads to it having an inviolable nature;

4. And imposing a measure of governance through implacable laws which give invariable consequences for misapplications.

This conception, being widely attributed to money, recommends submission, life-long obedience to Mammon, and an abhorrence of any form or presentation of abstract thought at variance to “sound money”, as heretical. Once “financial principles” are questioned, or doubt is cast at them, the challenge and the stress arising from uncertainty as to core-held beliefs may induce intense insecurity. Allegations that one’s thought does not necessarily correctly reflect orthodox sound finance, does, in the most severe cases, bring on the medical condition known as *Mammonial Mania.*

Before a treatment for MM is sought or recommended, an history of the events and conditions giving rise to it, would seem to be recommended.

The original “exchangeabilities” were goods or services with intrinsic value to the parties to the transaction. In time, for ease of comparing values, some commodities were more commonly used than others; grain, salt and silver being the most common mediums of exchange at times in the ancient Egyptian, Roman and Greek economies respectively.

Some curious financial outcomes resulted from these monies being used. For example, in ancient Egypt in times of famine there was a shortage of purchasing power, because all the money had been eaten. Money which could appear in abundance at times, and largely disappear at others, was not favoured for many centuries. It did not really reappear until the 19th century. The return of the “now you see it, now you don’t money”, was the fault of the goldsmiths.

The Europeans had decided that the primary form of money should be gold. The goldsmiths had strong-rooms and most people deposited their gold with them for safekeeping. The goldsmiths gave their depositors receipts, and these receipts, the forerunners of Banknotes, were exchanged as money redeemable in gold if need be.

When spending, one gave over the receipt and let the other fellow go get the gold. He did the same when spending. Soon the goldsmiths (now called Banks) could safely issue more receipts than there was gold, because only occasionally was it wanted, and it was then soon re-deposited anyhow. Historically, the safe ratio was 10 to 1. If they could attract one gold sovereign into their safe keeping, they issued ten receipts. Nine tenths of all money was created and owned outright by the Banks. The capitalist system had begun.

Later, instead of giving depositors receipts, they more often gave them a credit in their account at the bank instead, and you could make payments by writing the Bank a letter asking them to transfer your deposit to another. These letters became the standard forms we call cheques.

On the backing of one sovereign the Banks created 10 banknotes. On the backing of these 10 banknotes they created deposits of 100 pounds by giving overdrafts to their clients. Now 99% of all money was created and owned outright by the Banks. Not gold, not banknotes, but bank deposits were now money.

In this bizarre manner we returned to a “now you see it, now you don’t” type of money, which the Egyptians had once experienced by growing lots of it at times, and then eating it all at other times.

When the Banks were happy to lend lots of money, and we were happy to borrow and spend it in large volumes, this created lots of bank deposits; lots of money. When we all became frightened and paid off our loans faster than we borrowed new ones, deposits contracted; money contracted. Money now being entirely artificially created, it could be expanded to infinity, or reduced pretty much to nothing. Boom and bust had become as axiomatic as gravity.

Gold ceased to be money during the fear of the breakout World War I. Depositors had withdrawn about 1% of their money in gold in just 2 days, and there was almost none left in the Bank of England’s vaults. After a bank holiday of two days in which truckloads of paper notes were printed, all that was on offer for your deposits thereafter was paper. The Gold Standard was reinstated for a time after the War, but with such disastrous results that in 1931 it was ended. Gold would never again be money.

The nature of this credit money and the manner of its creation, brought with it into existence laws every bit as inexorable as the law of gravity. One of these was that all “sound money” was to be created and owned by the Banks. President Lincoln's printing of "greenbacks", and his suggestion that credit be created by the nation without debt or interest,* died with his assassination a matter of weeks after he made the suggestion.

* U.S. Senate document 23, page 23 of 1865.

Since 1865 the U.S.A's "Debt Ceiling" has been raised 70 times, and by 2013 was $16.69 trillion. Unless raised again during October 2013, during the "shutdown", the demise of the U.S. economically and politically was accepted as a given. Even the most powerful nation on earth could not possibly continue if its debt to bankers did not forever bludgeon. Such faith, such iconographic abjection, such credence, such piety; Ye, I have not found such superstitious surety amongst the primitives.

Thus the character and properties of the deity Money, as perceived dimly, are approximately as follows;

1. The deity is ineffable; inexpressible; cannot be uttered; is unspeakable. All who worship in obsequiousness, being compliant, servile, obedient and dutiful can speak only of the ***Credo***. This is the Latin *Credo*; I believe; or if you prefer it in English, *Credit*. Representing it in idolatrous form is impossible, as it is no good, nor service, neither is it animal, matter nor energy. The Ineffable Deity says to itself in truth, "***You believe, therefore I am***."

2. His earthly representation is manifested in corporate houses, all associating together, honouring each-others credit as they would have them honour theirs. The management, staff, shareholders, borrowers and depositors having many functions, are all members of the same body in interdependent full communion with all other like houses in purveying belief in the righteousness of their material claims created against others.

3. This Lordly Deity giveth, though only as debt on a temporary basis, and He taketh away, though always with interest in addition thereto.

4. "Reverence and deference is mine" says the Deity. In all normal times the indebtedness of society to the Deity's credit shall increase by 10% per annum. This may be confirmed by reference to national statistics anywhere. This increased indebtedness shall sometimes be incurred by the Government, in which case it will be known as a "deficit", and at other times it shall be incurred by the private sector, being here known as a "surplus". Politicians will be preoccupied with arguing the relative merits of each, their being of course, none to speak of, for both increase society's indebtedness to the Banking System. Both they recover with interest, one through taxes, the other through prices.

Since servicing the Banking System's claims upon society for the repayment of our debts, together with interest, is impossible, except when Banks allow us to have an even greater debt so that it can do so, the Deity has little fear of "Government", and none of course, of its almost invincible mediocrity.

5. Whilst the Older Deity, the competitor from the age of faith, was credited with supplying man with all the earth's assets free of charge, the Mammonic Deity insists upon full repayment with interest for all its dispensations. The Older One donated an earth, a sun, food producing plants, minerals, a genetic heritage, time, space, life, the wonder of the universe and indeed everything, for a net charge of nothing. The Younger One has created nothing except a loaned right to claim the products coming from the benevolence of the Older One, but through demanding the return of all (and with increase), the absolute submission and control of the human organism is greatly served.

With the history and nature of this reverence and deference to the sanctity of money having been explored, ever so cursorily, we may return to the aforementioned condition known as *Mammonial Mania,* and explore those symptoms which may aid in diagnosis.

The High Priests of this Theology of Money, being in the most advanced stages of the malady, exhibit the most severe infection of delusion. During the 2013 Federal Election in Australia, which was fought largely on economic matters, policy proposals made by each Party were invariable met with the plaintive challenge from the other Parties of "*Where will the money come from*?" Since all participants were similarly afflicted, nobody responded with the obvious enjoiner *"All money originates with the actions of the Banks in granting loans, you idiots! Don't you know anything?"*

The persistent creed of these senior politicians holds it as an article of faith, apparently, that money "*…is begotten of others, not made by anyone*." Money in this view partakes of an eternal existence, is finite in measure and immutable in nature. None asked whether there was enough bread, eggs and building materials to allow a higher standard of living for those in aged care. The reason for this would seem to be that if there were insufficient apples or medicines, it is simple. We can always make more. While if there is an insufficiency of money, well, that settles in, it simply can't be done.

Amongst the theologically obsessed, contradictions can quite easily rub along together. Simultaneously with the above election, the Federal Reserve Bank in America was creating an additional 85 billion U.S. dollars every month and pumping it into the U.S. economy. The "Fed" added it to the nation's debt, of course, so that it could be taken back later. Any suggestion that this input might be reduced, immediately sent the Stock Markets falling, and caused widespread consternation amongst industry and consumers.

From this it is perfectly evident that the whole world accepts that there is now an insufficiency of purchasing power, and that only its remedy can lift the economy out of recession. Thus we return in circular fashion to the point 4 above. Will the increased purchasing power be achieved by Government increasing its indebtedness via deficit, or will the private sector do it allowing the Government to proclaim a “surplus”. Both “solve” the problem by deferring it into the future in enlarged form, when either higher taxes or prices, or both, become due.

What is changing for the dying theology of money, is the nature of public understanding. It is now understood that Governments, suffering under their current mental constraints, have no remedy in mind for bludgeoning indebtedness except more of the same. Their only hope is that we, the people, will accept this increased debt, and let them off the hook. Every pretense at confidence is being made, all manner of reassurances given, but the marriage between financial orthodoxy and the people is on the rocks. Borrowing our way out of debt has always been impossible, but of more immediate importance, convincing the public that they can do so, is now also increasingly impossible. One last attempt at convincing us is being made, but even if it succeeds, there will have to be another; always another.

When the public accepts in sufficient measure that accepting more personal debt is untenable, all governments will be locked into continuous deficits, and also into continuously increasing ones. The pressure of liquidating these increasing debts will reinforce the public propensity not to play.

There is nothing dire or apocalyptic in this. An outline of the answer goes back centuries. Abe Lincoln sketched it shortly before his death,* as have others. It has been refined and well understood by small numbers for a hundred years now. Its basics are easy of understanding.

*His speech which outlined this is quoted on this website. Search it if interested.

There is only one thing under heaven which can liquidate a debt problem. No, it is not more debt. This only temporally removes the immediacy of the difficulty by promoting its future exacerbation. In chemistry, an excess of *positively* charged ions causing corrosion can only be overcome by more ions; but those ions to be added by way of correction must be *negatively* charged ions.

The New Testament of economic theology requires the addition of ***credit.***

If we can desanctify money, demoting it to the point of seeing it as merely an aid to assist in the production and distribution of desired goods and services, as, when and where required, with the only object of attaining efficiency in terms of human satisfaction, we shall at last be ready to enter the new dispensation.

It is unquestionably possible for Central Banks, under appropriate legislation, national accounting and regulation, to issue money which does not require the payment of interest, nor repayment of the principle.* That is, as true *credit.* This can be distributed in accordance with the values appropriate to democratic societies.

* In 1937 the report of the Australian Royal Commission into the Monetary and Banking System of Australia, stated in its Section 504 headed "Creation of Credit", and referring to the Bank then acting as Australia's central bank, pronounced as follows "Because of this power, too, the Commonwealth Bank can ……lend to the Governments or to others in a variety of ways, and it can even make money available to the Governments and to others free of any charge…..". The Chairman of the Commission (Mr. Harris) explained that "This statement means…..even without requiring either interest or repayment of principle."

Such may easily be distributed to all citizens in equal shares, as a National Dividend. Of course it would need to be distributed in right measure, to properly reflect the deficiency of purchasing power existent at that time. This "right measure" is already calculated by Central Banks in increasing the money supply, as they do, in the form of debt. Not being subject to recovery it would neither increase taxes, nor costs being charged into prices. Furthermore, as it worked through the economy, it would cancel a like amount of debt out of existence when used for debt repayments.

This is **not** a proposal to increase the money created by an higher amount, but **only** to increase it in a different way.

This different way is not advocated simply upon technical, academic or logistical considerations. Its compelling urgency arises from a philosophical, humanitarian and theological imperative. If the object of social organization is to progressively construct a means of centrally controlling the human organism, the debt system is admirable and desirable, and probably our last best hope of achieving it. Its detractors should desist from negativity, and think of all the good it could do.

On the other hand, if your instinct and faith impel you to believe that placing human beings into an environment of responsible freedoms, with the emancipation from scarcity and economic servitude where possible, being desirable, and most conducive to a community of man in which each loves one another, you will see the maintenance of a wholly debt based system as tyrannous. Your sense of justice will be outraged, that while the Older Deity freely bestowed all things necessary for human life and dignity upon us without charge, a costlessly created aid to economic organization has been elevated to the station of mortgagee of the whole world. A mean spirited mortgagee at that, which gives credit to none, and exacts retribution in kind with increase for its creations.

When the economic question of the 21st century is rendered down to the last drop in the cauldron, it asks whether we should maintain "money" on an elevated pedestal, exacting, if not our abject surrender, at least a due homage and appeasement in a spirit of humble adoration?

Alternately, the thing can be demoted to a point subservient to the achievement of human satisfaction, giving the least inconvenience to men, and the minimum disturbance to the environment, and be provided in whatever volume and on whatever terms best serves this object.

Only when one has chosen to answer this question, does the line in the sand become visible. Until then our talk shows, public debates and the contentious economic issues arising from such as journalists, politicians and academics, are simply so much sound and fury, signifying confusion.