

Neither banks nor public authorities (or mainstream academics, for that matter) calculated the economy's realistic ability to pay – that is, to pay without shrinking the economy. Through their media and think tanks, they have convinced populations that the way to get rich most rapidly is to borrow money to buy real estate, stocks and bonds rising in price – being inflated by bank credit – and to reverse the past century's progressive taxation of wealth.

To put matters bluntly, the result has been junk economics. Its aim is to disable public checks and balances, shifting planning power into the hands of high finance on the claim that this is more efficient than public regulation. Government planning and taxation is accused of being “the road to serfdom,” as if “free markets” controlled by bankers given leeway to act recklessly is not planned by special interests in ways that are oligarchic, not democratic. Governments are told to pay bailout debts taken on not to defend countries in military warfare as in times past, but to benefit the wealthiest layer of the population by shifting its losses onto taxpayers.

The failure to take the wishes of voters into consideration leaves the resulting national debts on shaky ground politically and even legally. Debts imposed by fiat, by governments or foreign financial agencies in the face of strong popular opposition may be as tenuous as those of the Habsburgs and other despots in past epochs. Lacking popular validation, they may die with the regime that contracted them. New governments may act democratically to subordinate the banking and financial sector to serve the economy, not the other way around.

Credit:

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Taken from: <http://www.counterpunch.org/2011/12/02/debt-slavery-%E2%80%93-why-it-destroyed-rome-why-it-will-destroy-us-unless-it%E2%80%99s-stopped/>

Voluminous media reports of ongoing global economic carnage may lead one to take the view that our world does not understand the fundamentals of economics that ancient world leaders such as Hammurabi, Egyptian Pharaohs, and even Roman Emperors knew very well.

The truth is quite simply that debt based economies – money as debt with all its' intrinsic inequality and poverty is eternally fated for destruction. Ancient despots were anything

but humanitarians. Like all despots throughout history they were driven by self interest. But did they recognize at least that a fair economic system is in everyone's best interest? Given our dire economic circumstance it is forgivable that we little people despair and wring our hands. The prevailing view of the little people is that we are powerless to effect great change. We may feel that we have awoken only in enough time to spectate as world leaders stare uncomprehendingly at yet another inevitable global collapse.

It is not that world leaders or financial leaders and economists too numerous to even mention have failed to notice the collapse of the current financial system.

In this regard, refer to the comments of Sir Mervyn King, Governor the Bank of England, and the comments of Stephen Green as HSBC Chairman, and the comments of the Pope, and the very recent comments of President Barack Obama plus many, many others. All of these views are from the unique perspective of each individual but there is a common thread.

The comments of Stephen Green are of particular interest. Mr. Green remarks that Milton Friedman was completely wrong (profit only – nothing else matters) but Mr. Green is still compelled to support free market economics. He quotes Sir Winston Churchill who famously stated: "The market is the worst system of economic and social development - except for all the others that have been tried from time to time."

So the thought is that although free market capitalism is the very worst system, nothing else works either. Socialism, capitalism, communism all fail. There are no credible working "isms" then. Churchill's comments should be acknowledged by all of us.

So what can we do? Can we only create more debt and accelerate the decline? Are we all – governments, little individuals, and institutions powerless?

The solution is the creation of a new financial system that that is endowed with the most powerful economic tools the world has ever known. It is not an "ism". It is commerce aimed at the creation of scalable affluence for the greatest number of people within a sustainable, asset backed "bubble up" global economy.

It is an institution for the purpose of providing benevolence for all of humanity, regardless of color, worldview or place on earth. All of this without the creation of debt and without causing harm to the interests of others, no matter if they are great or small.

Although it is known today only by a handful of people throughout the world it nevertheless exists within a mighty and powerful new system that has been created and managed by little people.

It has already begun with little people. Little people are the most powerful force on earth.

Mervyn King, Governor of the Bank of England, states “of all the many ways of organizing banking the worst is the one we have today”

Link to article:

[\(http://www.positivemoney.org.uk/2010/10/mervyn-king-of-all-the-many-ways-of-organising-banking-the-worst-is-the-one-we-have-today/\)](http://www.positivemoney.org.uk/2010/10/mervyn-king-of-all-the-many-ways-of-organising-banking-the-worst-is-the-one-we-have-today/)

Extract from article on speech of Stephen Green:

American free market economics guru Milton Friedman was wrong to assert that companies should focus on shareholder value above all other considerations, HSBC Chairman Stephen Green declared.

Link to full article:

<http://www.telegraph.co.uk/finance/economics/7878097/Milton-Friedman-got-it-wrong-on-profit-being-the-only-aim-HSBC-chief-Green-argues.html>

Extract of article from speech of Barack Obama in Kansas:

Now, just as there was in Teddy Roosevelt's time, there is a certain crowd in Washington who, for the last few decades, have said, let's respond to this economic challenge with the same old tune. "The market will take care of everything," they tell us. If we just cut more regulations and cut more taxes – especially for the wealthy – our economy will grow stronger. Sure, they say, there will be winners and losers. But if the winners do really well, then jobs and prosperity will eventually trickle down to everybody else. And, they argue, even if prosperity doesn't trickle down, well, that's the price of liberty.

Now, it's a simple theory. And we have to admit, it's one that speaks to our rugged individualism and our healthy skepticism of too much government. That's in America's DNA. And that theory fits well on a bumper sticker. But here's the problem: It doesn't work. It has never worked. It didn't work when it was tried in the decade before the Great

Depression. It's not what led to the incredible postwar booms of the 50s and 60s. And it didn't work when we tried it during the last decade. I mean, understand, it's not as if we haven't tried this theory.

Link to full text of speech:

<http://www.guardian.co.uk/world/2011/dec/07/full-text-barack-obama-speech>

Extract of article concerning Pope's 2009 encyclical urging an ethical financial system

"The economy needs ethics in order to function correctly not any ethics, but an ethics which is people centered," the pope says.

"Above all, the intention to do good must not be considered incompatible with the effective capacity to produce goods," the *Associated Press* quotes him saying. "Financiers must rediscover the genuinely ethical foundation of their activity so as to not abuse the sophisticated instruments which can serve to betray the interests of savers."

Link to article:

<http://www.cathnews.com/article.aspx?aeid=14970>