

Economic Reality

September 12, 2020

It is very short-sighted to say that economics have nothing to do with religion, because economics (the material relations between men) flow from politics (the *human* relations between men), and politics (a man's relations with his fellow-men) descend necessarily from his relations with his God (his religion). At this moment The United States have been brought to the brink of a tremendous economic crisis, and with the USA, the rest of the world. Let us try to see this crisis in a little more than just a material perspective, in order to prevent the situation from making no sense, if and when many things soon crash.

Money playing in a nation's economic life a part as essential as that of oil in the engine of a car, it is normal that any State's government will want to control the creation of money in that State. It is not normal for private citizens to control their State's money because they risk doing so in their own interests, and not for the common good. Yet all over the world today the States' money is controlled by central banks which are strictly independent of these States. In the USA in particular, the founding Constitution of 1787 laid down that the new State's money should be created and controlled by the government (Congress), and this remained the normal situation until 1913, when a consortium of private citizens, money-men, after many vain attempts, at last succeeded in tricking Congress into handing over to the "Federal Reserve," their brand new central bank, all power over the money of the USA.

These money-men had promised that the Fed, as it came to be known, would solve the problem of recurring economic crises, like the cycle of economic booms and busts. It did nothing of the kind, on the contrary it made them even worse, like the Great Depression of 1929 and the years following, and like now the Depression of the

2020's which risks making 1929 look like a picnic, and risks stripping the United States of its prosperity and enslaving its liberty by making all American citizens into debt-slaves. The middle class will soon be no more. Could this have happened if they had listened to Our Lord? 'Seek ye first <u>the kingdom of God and His justice</u>, and all these things will be added unto you'; no. The same citizens had allowed themselves to be bewitched by the Fed's promise of ever more easy money.

For in real life money is difficult to come by, and it has to be earned by the sweat of a worker's brow. That is the real economy where bills and the rent must be paid, where real goods and services are produced generating real wealth, the industry and commerce which created the material success and prestige of the USA. But then there is the world of finance which rides on the top of the real economy like Wall Street rides on Main Street, where some fantastical way can be found or engineered around realities like bills and rent, where money grows out of investment, leverage and speculation, where for instance one young banker can in a few days ruin a centuries-old bank (Barings, 1995). It is a world which is wide open to propaganda and manipulation and fantasy, apt to be ever less tethered to the real world, apt to be swept away in dreams of unlimited wealth at the cost of no effort. Such dreaming is not Catholic!

But the Fed let it loose from 1987, in 2008 and in 2019 in particular. In 1987 Alan Greenspan became Chairman of the Fed and began encouraging fantasy finance over real economy. The commercial banks were allowed to speculate with their customers' money. In 2008 their malinvestment generated a huge economic crisis, 'solved' by the Fed beginning to create fabulous amounts of 'money' out of thin air.

By 2019 as the public was more and more hooked on fantasy money, the Fed's <u>public</u> balance sheet took off into complete unreality, seven trillion dollars and counting, and it is now crashing the real economy with the corona-panic, then

“paying” the crash debts that everybody gets into with its unreal trillions, but turning the whole world into real slaves.</p><p>And the solution? God is the supreme reality. Let men return to Him, and their perspective would change wholly, and these fantasies of His enemies would begin to lift, like fog in the morning sun.</p><p>Kyrie eleison.</p>