

# Lethal Tender



**A Letter to HM Treasury  
March 17th 1993**

# Lethal Tender

For the attention of Mr Nicholas Catton  
EB Division,  
HM Treasury  
Parliament Street  
London SW1P 3AG March 17th 1993

Dear Mr Catton, Ref: 'From **Miner To Major**' 13/1/1993.

Thank you for your letter of March 2, needless to say, it seems to be in reply to an entirely different letter to the one I sent to Mr Major. However, we have managed to obtain confirmation from your Treasury colleague, Anthony Nelson; that the options set out in my letter of January 13th 1993, entitled "Miner to Major" are indeed workable. His evidence, endorses our contention that the cost-free, sustainable alternatives to pit & plant closures, mentioned to the Prime Minister **do in fact exist**:

The only issue still remaining unanswered, is whether these genuine problem-solving alternatives, known of, and now confirmed by H.M. Treasury, are being denied to us by design or natural ignorance. Perhaps you could be more forthcoming in this regard? Mr Nelson's letter of February 22nd, Ref: 47a/2 est.vd/cdoc/h....., inadvertently lets this particular cat out of the bag, i.e., that Parliament could, **if it so desired**, finance or subsidise - **Free of cost and inflation** - all government spending; including Public-works; Public Health, Social-Services, Public transport, the Armed Forces and the hard pressed police, fire, and ambulance services, through sound, socially responsible funding, which exposes Mr Heseltine's lie, where he says: "There Are No Cost Free Options". [TANKCO]

Mr Nelson's admission, that, cost-free options **are available, means therefore, that there-are** alternatives to the general run down of Britain's wealth-producing industries, along with other vital services currently under threat. This has come as welcome news to employee's of the B.B.C, N.H.S, N.C.B, and others, currently facing redundancy; along with several bankers and economists, who likewise; did not understand what money is

or how most of it comes into existence. Anthony Nelson clearly demonstrates, that today, most of our money and credit, is **created** exclusively by private banks as a debt; as he says: "*The money **which banks-create** is either interest bearing or renders some sort of service that costs banks money to provide*".

However, what he fails to demonstrate is the fact, that, these service-costs incurred by the banks, are paid for with money made-by those self-same banking-institutions, who, as we now know, literally make money out of thin air and at tiny cost, which immediately becomes Legal-Tender: And of which they are its sole-creators. Therefore, it causes them no hardship what-ever to pay expenses with money. To ask a colliery to pay in real-wealth, i.e., coal, or Ford to pay in motorcars, poses a genuine problem, because coal requires effort to extract and cars need to be engineered. Money on, the other hand, requires neither. With the limitless amounts of MO, interest free money at the governments disposal (i.e., legal tender cash) kept artificially in short supply by you at the Treasury, it is a monstrous travesty, for John Major as Prime Minister and First Lord of The Treasury, along with John Smith, as leader of the opposition, to continue to allow these short-term, private bankers, who run the ultimate closed-shop: "to impose so hideous an oppression on the producers "of new wealth". Why do they not speak out? A point, again inadvertently answered by Mr Nelson:- "*The Government **can** and **does** finance itself to a **small** extent by the issue of non-interest bearing money: this is the aggregate known as MO, [notes and coins] the stock of which is currently some 19 1/2 billion. The size of this stock of MO is **limited by the demand for this form of money.**" limited demand!!!?*

Mr CATTON, IN THE HISTORY OF THE WORLD, THERE HAS NEVER EVER BEEN A LIMITED DEMAND FOR THIS FORM OF MONEY; WHICH WOULD PROVIDE THE PLENTIFUL, INEXPENSIVE MEDIUM OF EXCHANGE EVERY MEMBER OF OUR SOCIETY SO DESPERATELY NEEDS. HOWEVER, PRIVATE MONEY LENDERS, HAVE ALWAYS CONSPIRED TO KEEP LOW-COST' MONEY IN SHORT SUPPLY: IN-ORDER TO MAINTAIN A HIGH SCARCITY-VALUE' FOR THEIR OWN CREDIT. AS YOU KNOW, WE ARE STILL PAYING INTEREST

ON THE MORTGAGE TO WILLIAM OF ORANGE IN 1694., NOW STANDING AS OUR NATIONAL DEBT AT AROUND £196,000,000,000. IT IS HIGH TIME FOR BANKERS TO HAVE THEIR RESTRICTIVE PRACTICES. SUBJECTED TO THOSE SAME "MARKET FORCES" MR HESELTINE IS SO KEEN TO SEE APPLIED TO COAL PRODUCERS AND THE REST OF BRITISH INDUSTRY. MR HESELTINE'S SPONSORS IN THE SCARE-CITY OF LONDON WOULD CERTAINLY NOT LIKE TO HAVE TO COMPETE WITH GENUINE 'MARKET FORCES' OF LOW-COST MONEY. IN 1879, THE SCARE-CITY OF LONDON HAD ANOTHER MOUTHPIECE IN PARLIAMENT BY NAME OF J.C.HUBBARD WHO, LIKE MICHEAL HESELTINE, DECLARED "A LOAN WITHOUT INTEREST TO BE A MONSTER" AND A LOAN MADE BELOW MARKET-FORCES: "TO BE A MONSTER IN ITS DEGREE". IT IS TIME TO TELL THE MINE WORKERS, AND SINCERE POLITICIANS LIKE MRS ELIZABETH PEACOCK, OF BATLEY & SPEN., AND THE REST OF THE BRITISH PEOPLE JUST WHAT THEY ARE BEING DENIED. THEY WILL OF COURSE BE CALLING FOR AN IMMEDIATE END TO THIS DESTRUCTIVE AND UNNECESSARY STATE OF AFFAIRS. AND ASKING WHY, THEY HAVE NOT. BEEN INFORMED OF THEIR RIGHTS? *THEY WILL OF COURSE BE INTERESTED TO LEARN FROM THE GUARDIAN 26/3/93; THAT THE BANK OF ENGLAND (ALLEGEDLY A NATIONALISED INSTITUTION), RECENTLY BAILED OUT 60 OR SO PRIVATE BANKS TO THE TUNE OF £1,000,000,000, TO SAVE THEM FROM COLLAPSE IN 1991. WILL HESELTINE PUNISH THE BANK FOR BREACHING GOVERNMENT POLICY? ALAS NO, BECAUSE THE BANK OF ENGLAND IS AND ALWAYS HAS BEEN AN INDEPENDENT CENTRAL BANK. FOR HIM TO SAY THAT SURVIVAL OF THE FITTEST WILL APPLY TO THE MINERS OF COAL, BUT NOT TO THE MINDERS OF MONEY IS HYPOCRISY RAISED TO ITS HIGHEST POWER.*

Since receiving, of Anthony Nelson's astonishing admission, we have been unable to find any shortage of demand for "this form of money", in fact there has been a clamour for more details; no doubt, your department will be inundated with a healthy, legitimate demand from Individuals,

Businesses, Charities, Trades Union Organisations, 'Nurses, Coal Miners and their wives, Research and Development departments, Housing Associations, Hard pressed Ministries of The Crown, and Local Government Departments needlessly laying off tens of thousands, still believing Mr Heseltine's disinformation that: **"There Are No Cost Free Alternatives"**; when both you, **1, Mr Nelson, Mr Major, Mr Heseltine and The-City, know that there are!** Prudent people, much prefer interest-free cash to spend, than the debt ladened Cheque Book-Credits they are forced to endure; doled out in miserly fashion, by a private credit monopoly; which, having hijacked our rights, make what is lethal, legal-tender; whose agents lay-in-wait, infesting the road between production and consumption, forcing those in need of funds, to pass through a gauntlet policed by Whitehall for The City of London; making the nation of shop-keepers into a nation of shop-lifters.

Unlike yourself, Mr Nelson at least addresses the issue, where he tries, unsuccessfully, to prove, that if the Government chose to increase its demand for interest-free, cost-free, debt-free, and therefore tax-free, MO-monies, which he admits it could do, that:-

**"(a) it would lose any control of interest rates in the economy,**

**(b) sterling would collapse, and**

**(c) inflation would take off"**

Evidence froth the history of the Misuse and Abuses of Money, from 800 BC to your Administration in 1993, and catalogued in "The Other Road To Serfdom", by Arthur Swan, prove these arguments not only, to be fallacious but illogical.

a) First of all, the only real instrument the elected government still has at its disposal, is the setting of **minimum** interest rates, what about maximum interest rates?

b) The instability of currencies is caused by unregulated capital, interest/usury and the unbridled power of the Darwinian Monetarists

running City Dealing Rooms against the national interest.

c) Price inflation and recessions are not caused by governments issuing too much MO, low-cost, Printing Press Money, but rather the opposite. An artificial lack of inexpensive money is the root of all evil.

In a recent article for the Yorkshire Post. entitled: **Is Unregulated Capital The Other Road To Serfdom?** I provided the following evidence in support of the above assertions. "Contrary to popular belief, price inflation and recessions, are not caused by governments issuing too much printing press money, nor will the following suggestions cause a repeat of the Weimar Republic's Wheelbarrows full of worthless bank notes. Quite the opposite. But for the sake Of argument let's assume that for once the experts are right, After all professor F.A.Hayek said that inflation was caused by government and nobody can do anything about it. A well-worn piece of disinformation repeated adnauseam by those who make excessive profits from credit they create at little cost, to lend to governments for Public Sector Finance. (PSBR)

For Example: From 1960 to 1992 the M-3 Money supply of the United States increased £3,870 billion. However, during that same period the government of the United States created only \$ 280 billion dollars with its printing presses, thus only about 7% of the increase in M-3 was caused by the elected government, and 93% \$3,590 billion by the private unelected government called the Federal Reserve. Now if it is the increase in M-3 that is causing price inflation and if 93% of that increase is brought into existence by the private sector why are governments blamed for this situation? The simple answer is that political parties are allowed to alternate in and out of office and take the blame away from the real culprits - the private bankers. **"if there is anything certain in this world"** says William Hixon of C.O.M.E.R. **"it is that guns were not placed at the heads of these bankers to force them to make those loans that caused a \$3,590,000,000,000, increase in the money supply; no, they joyously created all that money, because they joyously wanted to collect interest on it. Rather than say what professor Hayek said, it would be true to say, that most if not all of the price inflation of the last three decades has been caused by private bankers"**.

As- pointed out in "Miner to Major". How can an elected government justify strict limits on Public-Spending [or withhold protection for strategic assets like coal] whilst squandering £17,820,000,000 of Tax-Payers money on interest payments to the Private-banks for government-borrowings, when you at the Treasury could have created it interest-free as Mr Bradbury did in 1914. By the way, £17.820 billion, exceeds the combined amounts spent on Housing @ £7,729,000,000. & Education £6,342,000,000:1991/2.

In 1988, William Greider, former Assistant Managing Editor of The Washington Post, exploded the myth of the inflation bogey In his "Secrets of The Temple" he explains that even in 1929 the Authorities knew the answers to the problem of inflation. "The antidote to a general economic collapse was well understood. Lower interest rates and rising prices - If only the authorities had the nerve to pursue it. [However] for Central bankers, it was the hardest choice imaginable - to deliberately debase money in order to save people."

"Because," as Stuart Chase pointed out in 1933 "...it is forever impossible for the Private Banker, working for Private ends, adequately to finance the consumer... The Consumer therefore, cannot adequately consume until the private banker, as chief executive of the nation's credit, is lifted gently but firmly out of the picture ...to the applause of a grateful nation."

In conclusion. The following is from a Canadian Professor of Economics John Hotson, of C.O.M.E.R. (Committee on Monetary & Economic Reform), who as far back as 1988 predicted the present situation you find yourselves in; demonstrating the folly, of using interest in any form, as an instrument of economic policy.

*"Here we go again!! John Crow, the new head of the Bank of Canada and Allan Greenspan, the new man at the U.S. Federal Reserve Board have given a, lot of speeches and interviews lately saying that if there is one thing they can't stand it's inflation. So they are going to get inflation down to zero any day now, even if it kills [some-body or every-body]! Yes, they are going to haul inflation down to zero with high interest rates. Now that's never worked before. The fact is, that we've had inflation in every*

*year, but one, since the Bank of Canada was invented in 1934, and in even year since the Fed was invented in 1913; except in years we were having a depression or a war. So we'd better not hold our breath waiting for the new team to wrestle inflation down to zero. The facts also suggest that if our political leaders allow Greenspan and Crow to play doctor with the economy that the result will be a replay of 1979-83 if we are lucky or a re-run of 1929-39 if we are not.*

*When you get right down to it, there are at least eight things wrong with the policy of trying to stop the price level from increasing by increasing the rate of interest:*

- 1.The Policy is immoral.**
- 2.The policy is illegal fin North America/ and against natural justice.**
- 3.The policy is irrational.**
- 4.The policy has surrendered North America's economic leadership to the Japanese.**
- 5.The policy has made all our economic problems worse.**
- 6.The policy has caused the large US., Canadian, land British' foreign trade deficits.**
- 7.The policy has increased the [fractional reserve] banking system's natural propensity to self destruct, and**
- 8.The policy has resulted in a world wide debt crisis where our only voices appear to be between**
  - (a) world wide debt repudiation.**
  - (b) depression, and**
  - (c) accelerating inflation.**



## **Except for these shortcomings, high interest rates are a pretty good policy**

In response to your comments on the ERM (yet another gold standard failure), the fall in the pound, and the "tremendous opportunities for British companies competing with those overseas" An article in The Listener 10 July 1980, by Frank Blackaby Deputy Director of the National Institute of Economic and Social Research, entitled "***The Coming Failure of British Monetarism***" is well worth reading, along with the following preview from "The Other Road To Serfdom" by Mr Arthur Swan, who has spent the last 60 years researching these particular problems, and explodes the myth of "export or die". "***...as Adam Smith explained it:- A trade which is forced by means of bounties and monopolies may be and commonly are disadvantageous to the country in whose favour it is meant to be established***" Thus the nation's are caught up in a deadly struggle of exporting more of their real wealth based upon a neo-mercantile system of 'exporting on credit', which means ever-increasing world indebtedness and, virtually, the perpetual payment of interest. It is, therefore, in my view, the neglect on the part of economic thinking of the over-all importance of Keynes's findings that, "*the demand for capital is strictly limited in the sense that it would not be difficult to increase the stock (of MO, etc) up to the point where it's marginal efficiency had fallen to a "low figure" but, as he saw it, this would mean the, "euthanasia of the render, and, consequently, the euthanasia of the cumulative oppressive power of the [rentier] capitalist to exploit the scarcity-value of capital"*. Here we see, in essence, that Keynes analysis of the fundamental flaw in our economic practice is that which David Ricardo perceived circa 1823, when he stated that: "*the people would have saved the tax (in the form of interest payments) if they, (via the State Treasury) and not the banks (had) issued the money"*. But how sad it is, that Keynes failed to state quite clearly the difference between true-capitalism' (based on savings and legitimate profits) and imposter-capitalism' (based on bank created money), for although he saw "*the render aspect of capitalism as a transitional phase*" he should have made it abundantly clear that with the demise of bank created debt, 'true' capitalism would be released from the bondage of punitive interest payments. [allowing it to get off this Other Road To Serfdom] "

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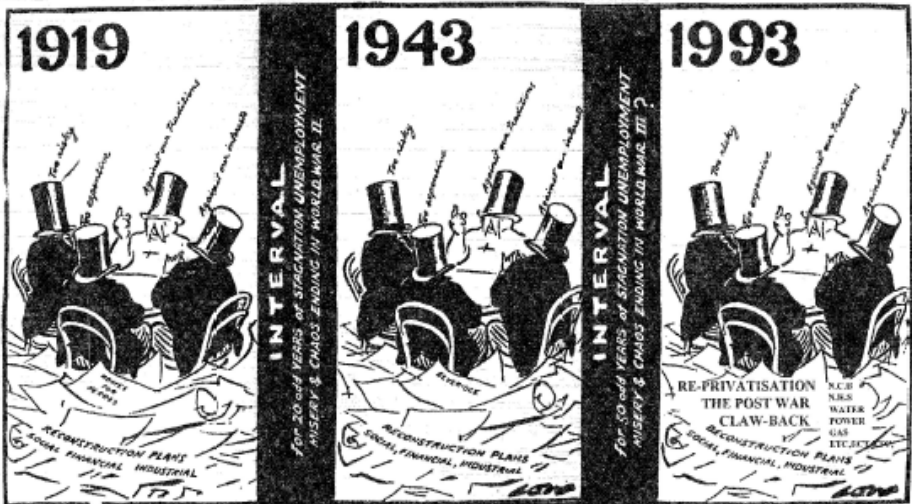
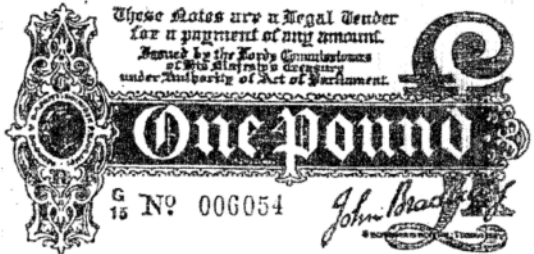
It maybe alright for an Admiral Nelson to turn a blind eye to the warning signs, but quite another for an Anthony Nelson and yourself to say, "we see no unnecessary hardships". Looking forward to your comments with considerable interest, and in the hope that the administration you currently represent, changes its imprudent destructive policies of borrowing Lethal Tender for Public Sector Finance, when you have so obvious a solution to all tax-payers problems at your disposal - the creation of our own low-cost Treasury-money, free of debt, free of interest, and therefore free of tax, See 1914 Bradbury version attached.

Yours sincerely

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WHAT, AGAIN ?

AND YET AGAIN



Lethal Tender

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