

THE INTEREST FREE MONEY SOCIETY

“Not **we** must serve the capital, but the capital must serve **us**.”

Christian Anders

PREFACE

We all are victims of a worldwide money scam, the Federal Reserve Scam, invented in 1913 by private bankers, to enslave us. I describe this scam in detail in THE BOOK OF LIGHT and in my other books, and don't want to go deeper into it in this book. Just that much: Part of the Federal Reserve scam is also based on the idea, that money can reproduce itself somehow miraculously through interest over night and grow and grow like a cancer, which it actually IS. The ruling money system of today is a cancerous system of compound interest, which will destroy us all, if we don't do something about it. This book and website is the solution to the problem. The problem: The present money system burdened with interest. The solution: Interest - free money.
Christian Anders Berlin 2011

“The creation of money that cannot be hoarded, will lead to a different and more real kind of property.” Albert Einstein

“In a system where money loses slightly in value, such money would be forced into circulation, and the interest would eventually swing back to zero.”

Christian Anders

Nations of the world, wake up and understand, who your REAL enemy is! It is your money system, loaded with interest AND compound interest. IT is responsible for all the problems in the world! It enslaves you, and plays you into the hands of „them“, who hope that you DON'T read these words! Where does money come from?

THE BUNDESBANK or CENTRAL BANK prints it, brings it via commercial banks into circulation, and now we owe it to “them”. WE PAY FOR OUR OWN MONEY! FROM WHERE did those money printing banksters get the money? Did they work for it? NO. They get the money from nowhere and **without** having worked for it. THAT'S how the scam works! German financial expert H. Creutz writes: *“Paper money is printed in special print-shops, which means that the Bundesbank gets its money for the cost of printing, which is near to nothing.”* end quote.

According to the Bureau of Engraving and Printing it costs 4 cent per bill to print that bill, no matter the denomination. Creutz though, erroneously thinks that the **banksters** at least pay the printing costs for the money. Not so. If the notes are newly printed, they also pay for the cost of printing (about 4¢ per note). But the **taxpayer** pays it, because the cost of printing is always added through credit to the national debt. WE pay that cost of printing! THAT'S HOW STUPID WE ARE! WE PAY FOR OUR OWN MONEY! Isn't it time to END that scam? Then please read the following pages carefully and SHARE IT WITH OTHERS. Thank you.

Dear reader. The present money scam system is based on the fact, that most people just can't think exponentially. Most of them think linear, meaning 1,2,3,4,5 etc. but rarely 2,4,8,16,32 etc.. That's why they don't understand the compound interest scam.

"Compound interest is a miracle!" said Albert Einstein. Interest and compound interest development do not meet the "common sense" because, as already mentioned, most people think linear and not exponential. But interest rates develop and run EXPONENTIALLY (2,4,8,16,32 etc.), augmenting to the national debts of today. All **natural** growth processes, however, run LINEAR or 1,2,3,4,5 etc.. Before I go deeper into that subject, I first want to present the devastating financial situation of ALL nations in the world, caused by the interest bearing money scam, which serves a few and enslaves the majority.

Here are the facts in alphabetical order, the national debts of the following countries. The EXTERNAL debt of most of those countries still SURPASSES their national debt by far. All data are for 2011, tendency rising rapidly caused by compound interest, because rising exponentially (doubling approximately every 5 – 7 years). By the way, the ONLY country in the world with CERO national debt is Libya, the land of “bad boy” Gaddafi. Let's see how long that will last, now that they got rid of him...

THE LIST OF SHAME

AFRIKA

National debt: 500 Billion \$

Compound interest per day: 100 Million \$

ARGENTINA

National debt: 400 Billion \$

Compound interest per day: 60 Million \$

AUSTRALIA

National debt: 1 Trillion \$

Compound interest per day: 100 Million \$

AUSTRIA

National debt: 200 Billion €

Compound interest per day: 30 Million €

CHINA

National debt in Dollar: 2 Trillion \$

Compound interest per day: 300 Million \$

EGYPT

National debt: 20 Billion \$ (half of it forgiven by USA)

Compound interest per day: 1 Million \$

FRANCE

National debt: 2 Trillion €

Compound interest per day: 300 Million €

GERMANY

National debt: 2 Trillion €

Compound interest per day: 300 Million €

GREAT BRITAIN

National debt: 1 Trillion £

Compound interest per day: 150 Million £

INDIA

National debt: 3 Trillion \$

Compound interest per day: 500 Million \$

ITALY

National debt: 2 Trillion €

Compound interest per day: 300 Million €

JAPAN

National debt: 13 Trillion \$

Compound interest per day: 2 Billion \$

KOREA NORTH

National debt: Only (comp. to Korea South...) 20 Billion \$!

Compound interest per day: 3 Million \$

KOREA SOUTH

National debt: 2 Trillion \$!!

Compound interest per day: 300 Million \$

RUSSIA

National debt: 600 Billion \$

Compound interest per day: 80 Million \$

SPAIN

National debt: 1 Trillion €

Compound interest per day: 100 Million €

RUSSIA

National debt: 600 Billion \$

Compound interest per day: 80 Million \$

TURKEY

National debt: 400 Billion €

Compound interest per day: 60 Million €

USA

National debt: 15 Trillion \$!!!!!!!!

Compound interest per day: 4 Billion \$

ZIMBABWE

National debt: 12 Trillion \$

Compound interest per day: 3 Billion \$

In other words: THE WORLD IS BROKE! And if we don't do something about it, we will soon suffer WW III.

Why is the world broke? Because it is in the claws of a financial scam, a worldwide money

system, burdened with accumulated or compound interest. National Debt grows over night, no matter how much you may try to avoid that cancerous growth. The national debt, YOUR debt, grows with and without you. **And this is why:**
As a rule we can say, that the interest on the national debt doubles each 5 -7 years, considering 5% interest. Is the interest higher, like in many countries, then it grows faster. But let us stick with 5 % on the national debt of any nation. How can it be, that the interest grows from 0 in just about 60 to 70 years to a national debt that can NEVER be repaid, like the national debt of USA: **15 TRILLION Dollar with 4 BILLION Dollar interest PER DAY!?** How can an interest, that, as I mentioned, doubles only all 5 - 7 years cause such a huge amount of debt?

A little story will demonstrate how and why. We find that story in London of 1843-1871 in the Biographical dictionary of Ibn Khallikan, vol. III, p. 71).

I quote: „King Shihram was a tyrant who oppressed his subjects. One of his subjects, a wise man named Sissa ibn Dahir, invented the game of chess for the king to play, to show him that a king needed **all** his subjects and that he should take good care of them. King Shihram was so pleased, that he ordered, that the game of chess should be preserved in the temples, and said that it was the best thing he knew of, to train generals in the art of war, a glory to religion and the world, and the foundation of all justice. Then King Shihram asked Sissa ben Dahir what reward he wanted. Finally Sissa, in order to also teach the king a lesson in mathematics, said, that he would take the following reward: The king should put one grain of wheat for the first square of a chessboard, two grains of wheat for the second square, four grains for the third square, eight grains for the fourth square, and so on, doubling the number of grains of wheat with each square (an exponential rate of growth...). "What a fool!" thought the king. "That's a tiny reward; I would have given him much more." He ordered his slaves to bring out the chessboard, and they started putting on the wheat. Everything went well for a while, but the king was surprised to see that by the time they got just **halfway** through the chessboard, the 32nd square required more than four billion grains of wheat, or about 100,000 kilos of wheat. Now Sissa didn't seem so stupid anymore. Even so, King Shihram was willing to pay up. But as the slaves began on the second half of the chessboard, King Shihram gradually realized, that he couldn't pay that much wheat - in fact, to finish the chessboard you would need as much wheat as six times the weight of all the living things on Earth.“

End of quote.

How destructive the law of exponential reproduction of interest bearing money could become, is shown by the following experiment. I say, that to travel as far as to the moon you just need a piece of paper Din 4. On it you can climb to the moon. How so? A piece of DIN 4 paper, only 0,5 mm in height, can reach the moon, if it is folded only 42 times, because it will double in each fold its size, in just the same way as every 5 - 7 years the interest doubles on EVERY sum, assumed about 5% interest. The doubling in the folding of the paper happens as follows.

Every ten folds, the paper increases in thickness by a factor of about 1,000. So, after the first ten folds it would be 100 mm thick. After another 10 folds, it would be 100,000 mm (or 100 m) thick. After the thirtieth fold it would be 100,000 m or 100 km thick. After the fortieth fold it would be about 100,000 km thick. Two more folds and you have reached the moon.

By the way: Try to fold it more than 7 times. YOU CANT!

You still don't understand how the compound interest on a national debt eventually will bring EVERY nation to its knees? Then read this:

The bank promises you, that they will always pay you the interest on your money, which you deposit in your account. Okay, let's see. Let's assume, that you would have placed only ONE CENT at the birth of Christ on your bank account at 5 % interest, then **today** (2011) by that accumulated COMPOUND INTEREST you, or rather your heirs, could buy about ONE BILLION PLANETS OF GOLD, each of size and weight of the earth. THAT is how dangerous and FRAUDULENT our ruling money system is.

And THAT is how and why a money system, burdened with compound interest, will ALWAYS fail, make a few people very rich, and slam the rest into poverty and slavery. Isn't it time to change this situation?

Dear reader, in almost all countries of the world, because of the financial crisis, people (occupy movement, etc.) demonstrate and protest against their rulers (Politicians, bankers etc).

But they demonstrate against the **wrong** enemy. THE REAL enemy is THEIR OWN MONEY SYSTEM.

IT is the cause of all the misery in the world. Change the money system and you will have solved the problem.

HOW can we change it? We have to establish an interest FREE money system and currency. Here is how. It already worked twice, in the gothic era and in 1932, both times stopped by greedy bankers. Here's what happened:

RONALD REAGAN ordered a study at Stanford University. Topic: What was the happiest time in human history? The students researched and came to an amazing result: It was the early gothic epoch, from approximately 1100 A.D. - 1400 A.D. For over 300 years people were very happy, they prospered, and especially the middle class was wealthy. HOW SO? Well, during the early Gothic epoch they had an interest free money system, where the money lost slightly its value, and was thus FORCED into circulation! If you did NOT spend the money, it would lose slowly but constantly its value. The coins were called Brakteaten. They lost 12 % per year in value, and therefore, as already mentioned, were **forced** into circulation, because who would keep money, if it devaluates? But when put on the bank, it did NOT lose value. Beautiful buildings (churches and palaces) grew in those days for about 300 years. Then the bankers stopped that interest free money system and introduced again the interest bearing currency of today. The result: After a short while the national debt grew, and the majority of the people were poor again. The rich, though, became richer...

Dear reader, but "they" can't hide forever the truth from. So in 1932 a bold man, called Michael Untergugenberger, used the same interest free money system, to save his little town of Wörgl in Tirol, near the Bavarian border. AND IT WORKED. Here is what happened.

1932 was the year of world economic depression. Michael Untergugenberger, the mayor of a small town in Tirol, was familiar with the interest free money system, reawakened by Sylvio Gesell in his book "The Natural Order".

The mayor put the teachings of Gesell into practice, by understanding, that slow circulation of money is the main cause of faltering economy, because it thus is not anymore in the hands of working people, but of a few, who call interest and therefore won't return the money into the market, but keep it on the bank, where it works for them, without them working for it. So the mayor replaced the slow circulating national bank currency by „Certified Compensation Bills“. The bills (covered by the workers wages of real Schillings paid in the bank) were issued into circulation and the public accepted it. Denominations: 5 and 10 shillings. Total issue, printed and put into circulation: 32.000 Wörgl „Money bills“. How did they force the money into circulation? It was stamp script money, depreciating monthly 12 % of its nominal value (Today 6 % would suffice). So in order to prevent such devaluation, the owner of the bill affixed a stamp representing the value devaluation of the last day of the month. To avoid such devaluation but also hoarding of money, the bills were spent as fast as possible, and what was left was deposited on the bank account.

Amazing side effect: 1000 Schillings issued, caused about 5,100 Schillings unpaid taxes. How so? Well, the velocity of money circulation had increased and the interest free Wörgl - money worked for the benefit of the users. Because: The first lot of bills from the Welfare Committee for a total face value of 1,800 Schillings was used to pay wages. They returned to the community in form of much higher tax payments. And it was not because of counterfeit money, but because, as already mentioned, because of the VELOCITY of money circulation. And in order to understand the principle of interest free money, everyone could read on the reverse side of their bills the following: *"To all whom it may concern! Sluggishly circulating money has provoked an unprecedented trade depression and plunged millions into utter misery. Economically considered, the destruction of the world has started. It is time, through determined and intelligent action, to endeavor to arrest the downward plunge of the trade machine and thereby to save mankind from fratricidal wars, chaos, and dissolution. Human beings live by exchanging their services. Sluggish circulation has largely stopped this exchange and thrown millions of willing workers out of employment. We must therefore revive this exchange of services and by its means bring the unemployed back to the ranks of the producers. Such is the object of the labor certificate issued by the market town of Wörgl: it softens sufferings dread; it offers work and bread."*

End of quote.

Guess what, the interest free money caused immediate wealth in Wörgl for 13 months!! During that 13 - month period the mayor carried out all the intended work projects. The council also built new houses, a reservoir, a ski jump, and a bridge. Now the neighboring villages began to copy the interest - free money system very successfully.

That was "the straw who broke the camels back", or rather attracted the attention of greedy bank sharks. But they did not yet interfere...

The city of Kirchbühl replicated the Wörgl system. The news about the interest free money system spread fast. 200 Austrian townships and villages were interested in copying it.

Read the report of an eyewitness, called Claude Bourdet, master engineer from Zürich Politechnic: *"I visited Wörgl in August 1933, exactly one year after the launch of the interest free money system experiment. One has to acknowledge that the result borders on the miraculous. The roads, notorious for their dreadful state, match now the Italian Autostrade. The Mayor's office complex has been beautifully restored as a charming chalet with blossoming gladioli. A new concrete bridge carries the proud plaque: **"Built with Free Money in the year 1933."** Everywhere one sees new streetlights, as well as one street named after **Sylvio Gesell**. The workers at the many building sites are all zealous supporters of the Free Money system. I was in the stores: the Bills are being accepted everywhere alongside with the official money. Prices have not gone up. Some people maintained, that the system being experimented in Wörgl prevents the formation of equity, acting as a hidden new way of exploiting the taxpayer. There seems to be a little error in that view. Never before one saw taxpayers **not** protesting at the top of their voices when parting with their money. In Wörgl no one was protesting. On the contrary, taxes are paid **in advance (because the longer they would keep the money, the faster it would lose in value...Christian Anders)**; people are enthusiastic about the experiment and complain bitterly at the National Bank's opposing the issuing of new notes. It is impossible to dub it only a*

"new form of tax" for the general improvement of Wörgl. One cannot but agree with the Mayor, that the new money performs its function far better than the old one. I leave it to the experts to establish if there is inflation despite the 100 % cover. Incidentally price - increases, the first sign of inflation, do not occur. As far as saving is concerned, one can say that the new money favors saving properly so - called rather than hoarding money. As money lost value by keeping it at home, one could avoid the depreciation by depositing it in the savings bank.

Wörgl has become a kind of pilgrim shrine for macro - economists from a variety of countries. One can recognize them right away by their learned expressions, when discussing the beautifully maintained streets of Wörgl, while sitting at restaurant tables. Wörgl's population, proud of their fame, welcomes them warmly."
End of quote.

Now the bank sharks, the banksters of the Central Bank, reacted, fearing, that they would lose their monopoly rights, they banned the interest free money system of Wörgl, and made it by law a criminal offence to issue such bills. Result: In no time Wörgl returned to 30% unemployment, leading to social unrest across in entire Austria. Now the way was free for Adolf Hitler...In 1938 he annexed Austria and many people welcomed him as their economic and political savior. Next step was WWII. And I repeat, that, if we **don't** do something VERY SOON, we will soon be in WW III.

How can we apply that interest free money system in TODAY'S world?

The twelve steps to a happier and healthier humanity.

Step One.

Restructuring of the banking system.

Don't expect "them" to make that change. They are the problem not the solution. WE THE PEOPLE must seize again control over the central bank and the commercial banks. We must BREAK the enormous influence of the banks over politics and society.

Step Two.

Liquidate the old monetary system and replace the old banks by new banks.

WE THE PEOPLE, represented (hopefully) by our government, must be in charge again.

After having taken control over the banks follows

Step Three.

Issue the new interest free currency.

In order to avoid a panic, we must guarantee the deposits in the old banks to a certain maximum. WE THE PEOPLE, or rather our representatives, must control the banks during that transition period from interest bearing money to interest free money.

The government declares all government distress sales as illegal, by returning the bad assets to the banks and the funds to the treasury.

Or: The government declares all central bank distress sales as illegal and returns the bad assets to the banks, and the funds to the central bank.

WE THE PEOPLE are from now on in control over the central bank and NOT, as before, vice versa.

Government debt will be diminished, by reverting former government debt (which was under management of the central bank) to the government.

Step Four.

Return to market conditions.

Don't fear liquidation of old banks. And if it happens, they were in bad condition anyway. Financially healthy banks can convert easily to the new interest free money system.

Step Five.

The government, WE THE PEOPLE, issue from now on the new currency.

What about the old currencies? They may continue to exist. WE THE PEOPLE can now decide, if we convert our old usury currency into the new interest free money. This way we won't break existing agreements, made in whatever old currencies. This in turn shields our country from the old financial system, being in disintegration.

Step Six.

The use of interest - free money in real economy.

You pay with it goods, services, taxes and salaries. The old currencies will still work in the old financial system. Thus BOTH systems work, but SEPERATED, this way not affecting much the real economy. Thus you will see that the old system will disintegrate more and more and eventually collapse, and everybody will be able to switch savely to the new system.

What about own currencies of states and municipalities? I am all for it. But they should only be used INSIDE those states and municipalities, thus avoiding **trade** in those currencies. People will spend that money inside their communities.

This leads to the following advantages:

Local currencies will promote local trade, which leads to growing employment in those communities.

A replacement of centralized production will occur, because production will be more local. Economy will be more efficient and lead to less transport.

As in the Wörgl Experiment, interest free money will generate more LOCAL tax for the local government. A reduce of central government power will happen. WE THE PEOPLE will be more in charge and in power of our own local community. Now you understand why "they" (EU and other worldwide Bilderberger powers) are NOT interested in interest - free money.

Step Seven.

End the use of banknotes and coins of the old money system.

This will also lead to obstruction of criminality, because criminals also use banknotes or their transactions.

Criminals will also not rob you of your money at home, because there will be no money there, since your money will lose value anyway, **if** you hoard it at home.

By the way: Even and especially "digital money" can be adjusted to the interest free system easily.

Step Eight.

The NEW BANKS, which come into existence, should NOT deal with the old money system.

Rules for new banks:

Interest free money banks are NOT permitted to invest own profit. All they can do is to lend money without charging any interest. For the people: Deposit your money on the bank. There it will not lose in value.

A onetime fee at each deposit must be paid, though, by you to the bank (intermediation costs). If your account is very restrictive, it costs you low fee and you avoid tax payment.

If the bank lends money, it may NOT charge interest on that money. That avoids risky loans.

Therefore intermediation costs may only be charged by the bank from the saver not from the borrower.

You argue: That IS interest? Indeed it is, but cannot be compared to the interest bearing money system of now, which leads all nations sooner or later into poverty and war.

Step Nine.

Commercial Banks are NOT permitted to create money. Money can only be printed and put into circulation by the central state bank, owned and controlled by the state, or rather by the people and NOT, like today (2011) by private owners.

Money in current (giro) accounts may NOT be used for lending, only money in saving accounts may. This will prevent economic booms and busts, because: If the bank has not enough money locked in saving accounts, it simply can't lend any more money.

The government must tax the money with about 6% per annum.

Local AND state currencies must be accommodated by bank accounts. Only current accounts and possibly saving accounts should at first be offered by the banks. The reason: The possibility to open new banks within short time, simply by using scalable web technology, which is based on strong database.

Use simple account names (combined with the banks name) that you can remember easily.

That in turn removes the need of central clearing system or any search system, in order to find bank and specific account.

The bank holding the account can be easily identified, which removes the need of central clearing systems or a search system for finding the right bank for a specified account;

The country of the bank can be easily identified. International payments will become a lot easier.

Let us be clear about it:

Old currencies will still be operated by financial markets, and debts will continue to exist. BUT: After interest free money is introduced, those old financial markets will be converted into the interest free currency, though with restrictions, which leads to

Step Ten.

Issue of stock.

Such issue must be done by a company until the following specific requirements are met on its balance sheets:

- Converting of holdings. Those who hold bonds must convert them into common stock, made possible by a specific new conversion law. Those stocks and bonds, using the old currency, are permitted to be converted at market prices.
- Elimination of all short interest. In order to avoid bond holders to short the stock (to get a favorable conversion rate), it should be ordered by conversion law, to eliminate all short interest on the specific stock before conversion.
- Derivative products. Futures, options, derivative products and derivatives, are forbidden in the new interest free money system.
- Stability of the financial markets will be guaranteed, because the interest free money system shall cause constant economic growth, not meaning the unhealthy growth of the old system, forced by exponentially rising compound interest, leading to fast rising debt. That is also the reason, why we DON'T want and also don't **need** interest rate derivatives.
Why we don't want and need shorting of stocks? Because it introduces an interest in collapse of companies. You don't believe in a company? Then don't own stock there. It is as easy as that.
- Debts in old currencies will NOT automatically be erased by the new interest free money system. They must still be paid in the old currencies. But you can use the interest free money to buy up these debts. Interest payments on such debts should be abolished by law. Upward pressure on the value of old currency will be caused, if people repay their debts. Downward pressure on the value of old currency will occur, when you liquidate your account in the old currency and buy interest free money currency. Let the markets work this out and they will.

- Value of old currency will still remain, because of the debts that have to be repaid with it, but the real economy will back only the interest free money.
- International payments and debts wait, though, to be repaid in old currency! That has to be settled.
- Why can't the EU or the US abolish the EURO or the US DOLLAR? Because they are not engaged in most of these contracts. But they could or should discuss management of old currency debts with their international trading partners, especially with major creditor nations such as China and Japan. Such negotiations with creditor nations must include the return of goods, services and assets, as well as the necessary time frame for realization.

And if not? Then the current situation will end in tragedy and...war. Interest free money, though, will make it impossible to hold foreign currencies for long time, because of the slowly devaluating interest free money. It will be the end of imbalances of payment getting out of hand.

Step Eleven.

The pension in an interest – free money society.

A ground pension must be introduced for everyone, who cannot work anymore, because of accident, illness etc. or, who simply is too old to work. By the way, EVERYBODY should work as long and as much as he or she wants and is able to, and be it at the age of 100 years. However, there should be a voluntary working age limit of 65 years. Who pays this pension?

THE STATE does this, but the state can ONLY do it successfully with interest free money, because, when NOT burdened by interest, money will be there for everyone and everything.

Let me make it clear. I am not against debts, **if** there is income or assets backing up these debts.

Then the remaining balances in the old money system can easily be converted into the new interest free money system. But again: DERIVATIVES should and can NOT be converted into interest free money. Interest free money will also bring an end to all speculations.

Step Twelve.

LAND REFORM

Parallel to a change to interest free money system we must work on a land reform.

Interest free money will lead landowners and others to buy more land. That must be forbidden by law. Land, air and water belong **to everyone**, and I am not talking communism here, because that system doesn't work either, since it is in the same shackles as capitalism, the shackles and claws of money, poisoned with interest.

Furthermore: Private ownership of land etc. is anyway just an old outdated roman law.

Therefore: Land and water must belong to the COMMUNITY, and can be LEASED from the community, thus supplying it with constant flow of money. Now, we can't expect from the landowners to give us their land for free. Therefore the community must pay them a compensation. That money will come from a 3% payment on the value of the land by the owners to the community. With that money the communities will buy the land. That may last up to 30 years or more. But THEN the land belongs again to the communities and can be LEASED from the community.

The Zurich example: Let me give you this little example, to demonstrate, how beneficent an interest free money system would be for the people. More than 100 years ago the city of Zürich sold its walls as real estate to private buyers. That was a mistake, because they could have LEASED the land, on which the walls were built, and they would have financed with that lease their entire basic infrastructure until today.

Another way of change of land ownership would be: The landowners sell their land for 33 years to the community, and after that they will still have the right and possibility to rent or leasehold the land with 3% payment on the land value. The leaser of the land would have all rights on that land, could build on it, whatever he wants, as long as he pays the lease for the land to the community. If he has heirs, he can pass it on to them by hereditary lease. This system of change of land ownership will take a huge burden off the shoulders of the working people, because THEY are in the end those, who **pay** for the profit AND the loss of the speculators. We must put an END to speculation with money and land!!!

Dear reader, time is running out to us. If we do not act fast and enforce THE INTEREST-FREE MONEY SYSTEM, we are heading towards WW III!

POSSIBLE OBJECTIONS TO THE INTEREST-FREE MONETARY SYSTEM

(and how to meet them)

Objection 1

In an interest-free society, the state cannot raise taxes.

Answer: Nonsense. The tax burden will decrease as the high cost of public debt is eliminated.

Objection 2

An interest free money system would **cause** , what it wants to prevent, namely more demand and with that a growth increase.

Answer: False. In an economy the demand is not greater than the income, which is not higher than the work performance. The total of all services meets the demand of possibility. The interest-free money system would therefore cause a different alignment in demand, but not an increase in demand. Those who previously cashed interest, can now buy less, those who previously **paid** interest, can now buy **more**, and this creates many new jobs. The real interest rate recipients are, until now, the few superrich of the land, the interest **payers** however are the majority of the population. A redistribution of wealth through interest takes place to the effect, that every day worldwide TRILLIONS of dollars are being transferred from the working people to the owners of capital. Taxing the rich or a minimum tax from the poor does not change anything. Example: We, the more developed countries, receive every day about \$ 200 million interest payments from the third world countries. The amount of development aid we give **them**, however, is only half as much. ONE-THIRD of the development aid provided from us serves the previous INTEREST loans. The development aid is never one, but it is rather an interest rate swindle. Dear reader, what the charities begging each year with little effort from us, is just enough for the Third World, to pay interest obligations for only **three and a half days**. Do you know what that means? The rich are begging the interest, which they demand from the poor, FROM US. Interest is the culprit, or should I say THE GREED for INTEREST plays a leading role in terms of economic development. The proof for that is in the comparison of growing interest rates and a rising number of bankruptcies in trade and industry and rising unemployment figures. All this takes place with a delay of about two years. Interest-free circulation secured money would put an end to this unfortunate development.

Objection 3

The working population in an interest-free monetary system would buy and consume excessively.

Answer: No, because a full exhaustion of purchasing power growth does not necessarily lead to an increase of demand. The additional desires of the working population are, however, as polls confirm, **not** necessarily in fulfilling their needs excessively, but in more leisure time, etc. This increase in leisure time in an interest-free society will be a blessing for the people. But even **if** now suddenly people would consume and purchase excessively, there would be a saturated halt. That would lead to higher demand for more spare time or leisure time and eventually cultural activity. People need less to be happy, than those think who want to enslave them. Therefore I say, that in an interest-free society the economic performance remains stable or even may decrease. A (almost) saturated market, not driven by the necessity to pay compound interest burdened debt, will make that possible.

Objection 4

Man is insatiable in his desires and their satisfaction.

Answer: By that the critic seems to mean people like himself, who until now made money by doing nothing but cashing in interest, without working for it. Be that as it may, the one who has to **work** for the fulfillment of his wishes, will very soon recognize the bondage of growing property. He will more likely work in a way, by preserving the interest-free currency, thus guaranteeing himself and his children a peaceful crisis-protected future.

The **super rich**, those who live from interest, without moving a finger, THEY create in the working class constantly unnecessary desires, promoted by the media, desires which previously were not even there. This unhealthy development is brought to a halt in an interest-free society, or at least it is kept under control.

The banking group faces a strange problem: They have too much money, blown up by interest, and they do not know where to put it. All this is sick, and it must end.

Objection 5:

In an interest-free circulation secured money society, the money circulates faster and the economy will be irritated by this.

Answer: False. You acquire the money or have it acquired by others (by your employees for instance) and then you spend it. Or you place it on the bank. However, it is quite possible, as indeed it happens today, to delay the spending, which could lead to a disharmony of demand. It would not be the first time that this happens. Backed up by interest free money such "problem" though would lead to much money on the bank and to new opportunities for credit.

Objection 6

Does not matter, even not in the present interest bearing money system, because then the central banks print more money and thereby neutralize the danger of deflation - withheld purchasing power.

Answer: Anyone who thinks so, does not think straight. Excessive printing of new money, leads to new inflation potential, which then becomes effective, when those, who held back the money, let it flow back again into circulation. Then there is suddenly **too much** money and... inflation. With interest-free currency the central bank would not be forced any longer to lure money back into circulation by promising higher interest rates.

The interest-free monetary system, however, leads to a perpetuation of the circulation, not to a constant acceleration of it.

Objection 7:

In an interest-free society the national debt would be even higher than it is already.

Answer: Nonsense. An interest-free currency will become aware of beneficial effects on environmentally desirable projects. I talk here about solar and wind power plants, air pressure machines and other alternative, environmentally friendly energy systems. Nobody needs to be scared of an increase of debt. You can only borrow as much credit as exists on the donor surplus. The zero-interest will cause a drop in investment income and hence a reduction in rates for loans.

Objection 8

This leads to many financial problems.

Answer: No, because with the declining interest – income, the **earned** income increases.

Companies can invest their own income or savings of the employees, unless they reduced their working hours. In this case, there would be less investment. So what?

Objection 9

In an interest-free society there will be a credit glut.

Answer: Again no, because in an interest-free society there still must be **collateral** for any loan, which in turn delimits the circle of those, worthy of credit (like nowadays).

There is also no "free credits", as some may fear, because like today the borrower must pay at the lending bank intermediation and risk costs. I say between 1-2.5%, depending on loan type and term. The introduction of interest free depreciating currency would also reduce the interest rate, not abruptly but gradually, until the interest rate would then, in a balanced capital market, oscillate around zero. If in product markets the demand exceeds supply and the repayment of the loan is taken in view, they will invest and produce.

Objection 10

An interest-free currency would cause an escape or rather the shifting of money abroad. There is the risk of capital flight.

Answer: Capital flight means, that economic subjects of a country gain capital investment abroad. Domestic currencies are exchanged in foreign currencies and thus acquire foreign assets, for example in form of bank deposits, foreign securities and real estate, etc. If one wants to change the devaluating money into other, non devaluating, currencies, the receiver of the NON luating devcurrency would LOSE money constantly, **unless** he invests it (in travel, purchases and investment in the euro area, etc.). If he does so, however, then this money is right where it belongs – in

circulation.

All this and more and is accomplished through an interest-free circulation secured currency.

Objection 11

An interest-free currency would lead to increased demand for other, interest bearing, currencies.

Answer: Good. This would lead to increase of the exchange rate on the free market, and consequently to a self-induced deceleration of the boom. There is no difference to the situation of today, where even the different interest rate and inflation levels and the fluctuations are compensated by the change in exchange rates.

Objection 12

Investors will avoid an interest-free country.

Answer: They will not. Investors prefer countries with lower interest rates, because there they find cheaper production conditions, so how much more would they prefer an INTEREST-FREE country.

The speculators are the culprits, because they insecure and burden economy and cross-border trade. The greed driven SPECULATORS cause the excessive growth of financial investment, there will be no more monetary return found in the area of investment. Financial speculation and speculators **harm** society, leading to increase of liquid monetary and credit holding and to hoarding of money, blocking circulation. All this is of evil and would be impossible in an interest-free money society.

Objection 13

Hoarding of money does not happen today anymore and is not a problem.

Answer: Not true. The amount of money withdrawn from economic circulation, is substantial (Sock money, safe-deposit box, freezing of billions in foreign central banks, hoarding of foreign exchange in inflation suffering countries, hoarding of money by code name in Jungholz - Bank in Austria, etc. etc.) Sudden release of this hoarded money in trillions of dollars often leads to fluctuations on the money market (inflation, etc.). It's the ups and down of generally rectified interest and inflation rates, which are the cause of fluctuations in money holdings. A dropping in rates leads to decrease of circulation secured effectivity and to an increase of liquid money hoarding. If interest and inflation rates rise, it is reversed. A decrease of interest rates force the central banks to spend more money. Inflation is the result which is often not immediately seen or want to be seen, because even a boom in demand **precedes** such an inflationary development. It is therefore the hoarding of interest bearing money which has a negative impact on the economic cycle.

Objection 14

In most countries the giro account holdings are greater than the amount of cash. So the cash money, mostly being effected by an interest-free currency, plays no major role,.

Answer: Not so. The Central Bank has determined some years ago that 83% of all payment processes are unwound in the final inquiry CASH and only 17% by cheque, transfer or standing order. One must start from the final inquiry instead of from the number of the processes, then this leads to a 60% portion of cash purchases and 40% portion of uncash purchases. The non-cash final inquiry - consumers are involved only with just one fifties in the restackings on the giro accounts!

Objection 15

A circulation secured interest-free currency leads to hoarding of gold and other valuables.

Answer: So what. This would have no effect on the money supply or the monetary cycle. An increased demand for gold and valuables would at best lead to price increase. If even a present-day Inflation of 10% or more does not expel money from the market, why should then my proposed fee of let's say 6% per year cause this, when this fee constantly guarantees the value of money and savings? Moreover, if all buy gold, the price will drop at some point again. The price of gold rises and falls continuously. Then they will sell gold again and the clock is ticking for the new interest - free money. I can only repeat: The interest-free secured monetary system is foolproof and the most effective remedy against the cancer of today's economy and currency, against the interest and compound interest.

Objection 16

In an interest-free society the profit would play the part of a growth booster.

Answer: No, because of the difference between interest and profit. The interest of today is a workfree premium for the loan of money. This spreads to all economically used material goods. It's the scarcity price or interest rate, which is saved from sinking by supply restraint. The interest rate refers to the mass of capital, and the sum of interest rises proportional to the investment and the mass of capital. The profitability of a company is now judged on whether this company, based on capital invested, generates or earns at least 6-8% interest on that money. And finally: The interest part in price is at about 24%, because the mass of capital today is about four times larger than the final sales volume. Not so with PROFIT, which is only a fraction part of the price. The profit, dear reader, is an achievement-related premium for enterprise risk and enterprise work which stimulates the market.

The calculative, sales related, profit can only be determined at the end of the year. The investments and the – with it associated - market saturation lead to a relative decrease of the sum total of all profits. The cost-accounting size, referring to the sales volume, relating to amount of profit, can be determined only in the end of the year. The investments and the market saturation linked with it, lead to a relative decline of the sum total of all profits. And, finally, an enterprise is economic, if it generates - in relation to the sales volume - one to two percent profit.

Objection 17:

America is the best proof, for the fact, that an interest-bearing currency created the strongest nation on earth.

Answer: False. America is broke, bankrupt, insolvent, down and out. The U. S. is the largest debtor nation in the world and this (among others) for the following reasons: The high interest rate policy of the early Reagan era attracted such an abundance of money from all over the world, that the claims of foreign creditors could only be satisfied by increasing inflation and radical devaluation. 15% was the common interest rate offered at the beginning of this high interest phase, which was absolutely idiotic, because by that logic, the U.S., already after **five years**, had to pay back **double** of the borrowed money to their foreign investors, which of course was impossible. George Bush diverted from that financial scam, by letting his muscles play against his former good friend and C.I.A. employee Saddam Hussein.

Objection 18

The interest-free money is too complicated.

Answer: You underestimate the intelligence of the people. They will get used to this "new" system.

Objection 19

One will find ways to circumvent the interest-free money. The trader or merchant will add the devaluation on his goods, and the rich will flee to his bank account.

Answer: The owner of money will only want one thing, namely **to get rid** of the money as quickly as possible, or to bring it into circulation or save it on the bank, where it will not devalue. The trader will not be permitted to increase the price of his ware, or rather he will see no need to do so.

Objection 20

They will use the new currency to buy gold and precious metals, in order to escape the devaluation of the new money.

Answer: Let them. They harm no one with it. The purchase of gold and precious stones, however, will increase the price. Increased demand and purchase and the, with it related, production will push the price down. Who then would sell the gold, would lose more than he loses with 6% per annum on his money. Hoarding of goods in an interest-free money society proves to be costly and more complicated, than the interest-free storage of money in the savings account. Whatever the case, a hoarding of goods in an interest-free society will always hurt the one who intends to do so. Furthermore, when push comes to shove, governments have the disagreeable intention to forbid, as Roosevelt did, the buying of gold beyond the 15,000\$ value or lower in bad economic times. Real estate owners may have in such times the privilege, to help to reduce the national deficit, by paying taxes on their real estate. If they don't, the government will, like now in Greece, cut off the

electricity. Wherever and however one invests, it does not seem to be worthwhile. So **away** with the ruling, interest poisoned, monetary system!

Objection 21

The interest-free money "hits" rich and poor unequal. The rich man chooses the cash-free payment, the poor cannot.

Answer: Not true. Interest-free money will lead to a **doubling** of wages. In addition, the non-cash payment is not free of charges. The rich can only escape devaluation of the interest free money system by buying goods and thus creating jobs. Either he invests the money, or he deposits it on his savings account. **Whatever** the rich does with interest-free money, he creates jobs. This in turn increases wages, keeps the interest to zero and prevents the exploitation of the workers.

Objection 22

The introduction of interest-free money will lead to increase of prices.

Answer: We have to counter this by explaining to the people, that it would be unreasonable to pay higher prices, especially if you have a better, more solid currency in use.

Objection 23

What about the coins? Will they also lose in value? If not, they will be hoarded.

Answer: Coins are not subject to devaluation. The hoarding of coin cash will be threatened or prevented by withdrawal of cash with 20% devaluation at any time. This keeps the coin cash in circulation, because everyone has to fear that the issuing authority could proclaim at any time devaluation of coin cash.

Objection 24

The present tax system would make it impossible to establish interest-free currency.

Answer: That is, why we must **change** the present tax system. Don't tax the income, but the consumption! Tax THE MONEY, not the people who work for it!

Objection 25

The rich and powerful will NEVER agree to an interest-free currency reform, because they would lose their interest-related work-free income.

Answer: Then educate the rich and powerful about it, that they are sitting on a branch of a high tree, at which they are sawing. If they do not recognize this, they will probably have to learn it the hard way. KARMA would be one of those ways... To the rich and powerful people, who read this book, I say: "Listen well. Decide for an interest free circulation secured currency! Invest in interest free currency and your earnings will be great, morally **and** financially. Then you can sleep at night with a clear conscience, because you have done good to nature and its creatures, and still you do not have to sacrifice profit."

There are by now over trillions of dollars circulating around the globe in search of profitable investment opportunities. Shortage of money is therefore not the problem, but the lack of reasonable investment opportunities in the current interest **bearing** financial system. Social and environmental projects (which in the long term also serve **the children** of the rich), are today not always possible in the present interest **loaded** monetary system, because they do not render enough monetary return. Not so with interest- **free** money. THERE is then the opportunity for investors, to invest interest free money, which would bring no interest, but PROFIT. No inflation would affect or inhibit such a development.

Objection 26

The Koran forbids the taking of interest, and yet the gap between rich and poor is probably nowhere as great as in the Islamic countries.

Answer: This is so, because Islam is not making the interest-free money also circulation secured, that means, like in this book proposed, that the hoarding of money is prevented by loss of value. And that is why the Muslim banks may take no interest for credit, but balance this with extremely high profit margins. And that is why Islamic countries, despite interest free credits, are

impoverished. Here, in fact, the PROFIT is to blame and not the interest. Interest free money is fully effective, if it decreases in value, much like the food, that you buy for it, must rot and decay naturally. All this **and a land reform** would solve all ecological and economic problems in the world.

Objection 27:

An interest-free currency leads to growth stop and thus to backward development.

Answer: EVERY elemental and healthy growth process will stabilize and come to a halt at some time. The child grows into adulthood, and then enters a halt of physical growth. Only a cancer cell grows unchecked and uncontrolled and is therefore indeed a symptom of illness.

This growth rule applies not only to all of nature and all life on earth, but also and especially to the economy. Where there is first almost nothing, there is suddenly also something "growing", for example **after** wars, natural disasters, etc. But at some point comes there comes a time of economic saturation and a decrease in the growth rate. However, this is not a stagnation or a step backwards. Increase of material wealth accumulation is still possible by durable goods, job migration of saturated areas in addition to goods production, but also by working concentration in technical areas, leading to the possibility to produce more and better goods. Dear reader, a slow increase in prosperity is possible even **without** economic growth. Consider this: Man is more than just a workhorse. And most of what people achieved or bought, was and is, in my opinion, unnecessary and harmful.

Objection 28:

An interest-free society cannot solve environmental problems.

Answer: It can. Although zero-interest had no direct influence on environmental issues, an interest-free currency would, however, reduce the growth pressure in the economy, because it is the, by all politicians so much demanded, growth and the associated growth - pressure in the economy, which leads to an increasing consumption of resources (extreme destruction of the rain forests in the Amazon, raw material destruction etc.). An interest **bearing** money system almost **requires and demands** the destruction and pollution of the environment. To invest in the environment with interest bearing money, almost always means economic loss. This much needed investment would, however, support and sustain itself, if interest could be avoided. And YET the investor could profit with it, because no interest does not mean necessarily no profit. Let's take for example the investment in a solar collector for water heating. Such investment is today not advisable because of only about 2% percent return on the invested money. Those who have money for 7% in the bank make 5% better profit. So in business economical terms it would be not advisable to invest in solar panels. But long-term ecologically and economically it does make sense. An interest-free circulation secured currency however justifies and makes such investments possible, because the invested capital must now only compete with a stable monetary rival and not with an out of control interest. A circulation secured interest free currency takes the pressure off the people, to produce and consume too much, because it is not necessary to generate a high return on capital. ANY nowadays demanded economic growth is not demanded in order to serve the people but to pay the excessively growing compound interest. The result of interest free money though would be: Lower prices by an average of 30-50% (the part that now costs the interest). Then all people, who do not live on capital gains (about 90% of the population), must only work maybe half the time than before and still can sustain the present standard of living. It cannot be repeated often enough: The increasing interest-related economic pressure always almost forces more and more companies of rich countries to exploit raw materials, excessive fishing of the oceans, exploitative cultivation of acres of land and the irrational use of grazing areas for cattle breeding. The result: Natural disasters, floods, tsunamis, earthquakes, etc. etc. But even if we would have no growth in our economy, even at declining performance, we would still have a raw material and energy waste problem and to suffer the consequences. That is exactly why the environment must be provided with a price. THEN eco-tax makes sense, but only in combination with an interest-free currency. Circulation secured currency stabilized money must be invested in new energy technologies.

The reader may smile now, but I still like to note, that the ether of the air, but also the reverse of

the electromagnetic poles in heavy loads, etc., and other in the BOOK OF LIGHT mentioned alternative energy technologies are possible, as well as air-pressure machines and technology. Nature cannot be exploited unpunished, but you can very well cooperate with it. Without land reform, though, there is no effective cooperation with nature. Without removal of forced economical growth an eco-tax would make no sense, but is only an additional burden. To demand constant economic growth is pure madness and perversion.

Even just a four percent economic growth in 18 years leads to a doubling of our current production and consumption volumes, combined with its negative consequences. So we must overcome the causes of excessive economic growth, and we must empower crisis - free economic principles WITHOUT excessive and constant growth. Only **then** we can save ourselves and the environment.

Objection 29

In an interest-free society, the payment of taxes is a problem.

Answer: Probably not, because now the taxpayer will first and foremost pay the tax. If he waits too long, he risks devaluation of his money. Therefore, dear reader, the introduction of interest-free circulation secured money would lead to:

1. Decline in the over-increasing growth of the financial assets and thus it would decrease public debt.
2. Reduction of the gap between work and ownership, thus reducing the today more and more widening gap between rich and poor, which in turn would end the social tensions.
3. Repayability and portability of all debts, also those of Third World countries.
4. End of the impoverishment of the working people by ending the forcing of economic growth.

I say it loud and clear: **Any politician who demands constant growth in economy is a serious threat to the environment and to society.**

5. Decision of economic development through the People themselves and not by the interests of capital.

6. An economy without excessive growth, but with stability at a high level!

Therefore, I agree with John Maynard Keynes, when he writes: "When in the economic reality things happen differently, than taught in economic textbooks, economists should rather look for **monetary** causes of such crises."

Objection 30:

The interest bearing money CAUSES circulation, for example by investing in liquid assets. They bring interest and are like money.

Answer: That's only partly true. Liquid assets are accounts or securities that can be easily converted to cash at little or no loss of value. These include cash, money in bank accounts, money market mutual funds, and US Treasury bills. Actively traded stocks, bonds, and mutual funds are liquid in the sense that they are easy to sell, but the price is not guaranteed and could be less than the amount you paid to buy the asset. If such transactions disturb the interest free money system they have to be removed!

I close with the words of a bold man, called Henry Ford jr., who once said: ***"It is well that people do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning."***