

can expect to have the stresses, distortions and imbalances in our economy and our society that we presently have.

To those who would cry that the rewards currently going to the financial services industry are fully commensurate with their value to society because they make the money that the rest of the economy needs, the simple answer is that if a publicly-owned and accountable body makes the money for the public purse, we will not need the flash 'City whiz-kids' with their ridiculous salaries. They could get a job where they did something worthwhile, like teaching mathematics.

There is a shortage of teachers in the country, but is it any wonder? Consider a young man or woman who gains a university degree and then who seeks a career. They could choose to play a useful role in society as a teacher, health worker, scientist or in some similar low-paid employment, where they would struggle to raise the mortgage on a small flat. Or they could go for a career in the less useful but more remunerative sectors of finance, creating money out of thin for struggling home buyers, or marketing, promoting products that people do not need and cannot afford, which would enable them to buy a spacious pad in a converted warehouse by the Thames.

Such a choice is as much a no-brainer as voting for high taxes, but now *you* can support a political party that proposes low taxes *and* increased public spending. Support the Money Reform Party.

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To find out more about the problems caused by our present debt-based money system, check out the following websites:

www.moneyreformparty.org.uk
www.prosperityuk.com
www.monies.cc
www.jamesrobertson.com
www.ercouncil.org

www.monetaryevolution.net
www.ccmj.org
www.globaljusticemovement.net
www.monetaryreform.org
www.themoneymasters.com

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THE MONEY REFORM PARTY



The Money Reform Party exists to educate the British people and their politicians about the money system and to campaign against the creation of the money supply by the private banks.

The Holy Grail of politics: increased public spending *and* lower taxes

It is said that everyone is in favour of increased spending on public services; that more money for our schools and colleges is vital to our future; that more money for the NHS would be widely popular; that our old folk could do with, and deserve, increased pensions; that extra money for transport is essential for industry; whilst those who devote their lives to protecting us, our armed services, our police forces and our fire services, should also get the very best equipment, facilities and salaries that money can buy.

Except that, come election time, in the privacy of the election booth, we each cynically weigh up the cost of such spending and put our cross alongside the candidate who will cost us less in taxes.

So goes the long established thinking about the electorate's voting patterns. After all, any promise to increase spending *and* reduce taxes is deemed to be as false as the alchemists' dream of turning lead into gold or the cranks' discovery of perpetual motion.

Power to the public purse

Unless that is, we removed from the private banks the power to create money and invested that power in the public purse.

In their book 'Creating New Money' (2003) Joseph Huber and James Robertson assert that such a move would be the equivalent of saving 12p in the £1 on income tax for the average tax-payer. Alternatively it

would enable a government to increase spending by the equivalent of 6p in the £1 on income tax whilst at the same time decreasing taxes by 6p in the £1.

This would involve a straightforward 'swap' of the existing arrangement of money being privately created for new publicly-created money and so would have no impact upon inflation.

During a recent election, the Liberal Democrats made a big thing about proposing an extra 1p in the £1 on income tax to pay for education, allowing for an extra £5 billion to be spent on our schools.

With money reform, we could have an extra 1p in the £1 for education, an extra 1p in the £1 for the NHS, an extra 1p in the £1 for increased pensions, an extra 1p in the £1 for transport, an extra 1p in the £1 for the armed forces, an extra 1p in the £1 for the police and fire services *and* still have had a 6p in the £1 cut in our tax bill.

Wider benefits

Such a change in taxation and spending would in itself be vastly beneficial to the average citizen, but enormous though these benefits would be, this direct benefit of removing money creation from the private banks and investing it in the public purse, would only be the start of the benefits that would accrue to the British economy and to British society.

With more money to spend on our public services, one might assume that the natural impulse would be to increase the salaries of our under-paid public sector employees. This would be an option, but such public sector employees would benefit from money reform even without receiving a pay increase.

The biggest cost to most individuals and families is usually the cost of buying a home. In recent decades, house prices have rocketed to such an extent that many of our vital public sector employees are unable to live in those areas where there is greatest demand for

them (even with salaries enhanced by London allowances). They suffer, and the people whose services they need also suffer.

Two factors influence the price of housing. The first is the demand for housing within a particular area in relation to the number of houses available, and the second is the amount of money that is available for people to borrow in order to purchase a house.

If there is a very great demand for people to live in a particular area, house prices will go up. If the amount of money that is created by the banks to be lent to potential purchasers is effectively unlimited, then prices will shoot up even higher.

A double-whammy

As the British financial services industry is centred in London, the growth of the economy of the south-east of England (that part which is within an hour's train-ride of central London) has grown very much faster than the rest of the country, sucking in workers from parts of the country whose own manufacturing- or agriculture-based economies are suffering from an artificially over-valued pound.

This increased demand for housing is the first whammy facing public sector employees. The second one is that the banks have increased the amount of money that is available to house-buyers and which has fuelled the rocket-like rise in house prices.

A level playing field

In a highly developed society like modern Britain, we need a range of goods and services. Some of these are best provided by privately owned businesses, and some are best provided by the agencies of local or national government. In each case, we will get the best people for the job, and enough in any given industry to meet the demands of the economy if the rewards of employees in all sectors are a true reflection of their value to society.

If we over-reward those in one particular sector of the economy, we