
MONEY AS AN INSTRUMENT OF CONTROL

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By Jim Jordal

A feast is made for laughter, And wine makes the life glad; And money is the answer for all things.

Ecclesiastes 10:19 (WEB)

The ongoing health care debate is largely defined by one major question: How much will it cost? Yes, there are other factors of importance, like who will do the paying, what will happen to Medicare and other government programs, and who will be covered and for what? But the overriding factor is still cost. Some claim it will "break the bank," while others say it will be cheaper than what we are now doing. So money becomes the controlling factor whatever else happens. The same thing could be said for education, mass transit, affordable housing, job creation, the green revolution—we desperately need them but we can't have them because they cost too much.

We have unfortunately given money the power to control everything. It seems as if nothing is considered without first determining its cost. The sad fact is that this is just the opposite of what God intended for His creation. His intent was that justice, mercy, and righteousness (right relationships) should be the organizing principles of society, and that money should never limit the application of these virtues, but should enhance and facilitate their presence in society.

We're asking the wrong questions when we decide we cannot afford something sorely needed by society. Instead of determining how much it would cost and then deciding whether we should or can have it, we need to first determine what we value as part of the "good" society, and then find ways to pay for it. But money always wins because it has become an item of worship in our society, so we wishfully consider what we would like and then reject most of it because it's too expensive.

Basic political theory postulates that government should exist to do for its people what they cannot do themselves—national defense, infrastructure development, a legal system, trade policy, and so on. It appears that adequate, inexpensive health care is another such item, since almost 50 million of our people do not have it and cannot get it.

Issuance and control of the money supply is one such thing—we can’t do it for ourselves, and we can’t trust the people (corporate financial structures) we have turned it over to, so perhaps we need to do what the Constitution says and have government do it.

The supply of money available in our society is in the hands of commercial bankers and other financial entities, supposedly under guidance and control by the Federal Reserve System. But in times of desperate need for more circulating money (like now) we can’t always get it because the financial mechanism breaks down under fear and greed. Nobody in the money-creating sphere trusts anyone else, so no matter how much government money is pumped into the system, it still does not reach the people who need it. Why? Because the banks receiving government bailout funds just save most of it to apply to their balance sheets so they at least appear to be solvent. So again the public suffers while the bankers survive to pay ever-larger bonuses and to continue their oppressive ways.

The Founding Fathers knew this could happen because of their experience with European banking systems, so they wisely provided that government should control the money supply. But over the years we gradually gave up this power, first to Alexander Hamilton’s Bank of the United States and later to the Federal Reserve System which, by the way, is anything but federal.

Unless and until we reclaim our Constitutional right to control our own money we will not be able to afford what the nation and its people need. To the extent that we do attempt to provide for needs such as medical care and education, we will be forced to run up massive annual deficits (now possibly \$2 trillion) and an even larger total national debt. The debt service (interest) will be paid by the poor and middle classes to those holding the debt—foreign countries, the rich, and various trust and retirement funds. So again we have a massive transfer effect from the average American to the top of the income pyramid, without even getting what we paid for.

Not a good way to run a country or to get what we need.