

Letter to Ella

Dear Ella

Some terms, like growth, are polluted by lies and propaganda. The motor of growth nowadays goes far beyond plain economics; it is driven by universal debt owed to private capitalists. We all prattle on about economic growth, but it is mostly financial growth, abstract but nonetheless dangerous when accumulated as power in the hands of its owners. They pretend it is needed for the sake of jobs for growing population etc, but in reality it is only driven by the needs of financial junkies, growing like topsy, out of control, and people go on working for them because they are driven by debt. The system is highly unstable, but they preach about the danger of instability and go gaily on, causing chaos.

Nearly half a century ago the *Stable State Economy* was being postulated in Teddy Goldsmith's journal *The Ecologist*. Even nation states are driven by debt to obey the unelected masters. What they call a stagnant economy might - oh horror - get organised and become a stable economy and not provide extractable profit for absent landlords. What a waste! So they cause chaos to stimulate the pseudo-economy, disorganise the real economy and force people to struggle some more whilst their world is destroyed around them; which is highly profitable for some.

Small businesses strive to survive, and only those survive that can expand at another's expense. Who would bother, without that invisible whip hand? Debt drives that growth of capital, precisely because the loans are not loans but sales of virtual money, the price being the interest, the power to extract that being due to the monopoly that is no longer in the hands of the state but of private protection rackets to which also the state is indebted, thus the state is now part of a private protection racket.

Monetary policy must at all times be more or less tight, because the raison d'être of monopoly money is to be siphoned off in huge amounts as soon as it starts circulating, otherwise they would not 'lend'. Have you ever known a banker who was not tight? When you deposit your money at the bank, how odd it is, that they give you much less interest than they claim back from you after you 'borrowed' - bought - it in the first place.

In the Tyrolean town of Wörgl there was no inflation during 1932 and 1933 when the municipality issued its own currency free of interest - the angel being in the detail that made this money different in nature from monopoly money. It was issued free by being spent into circulation by the town council, subject to a six percent tax - half a percent per month, the value of a monthly stamp bought from the same town council, stuck on the note without which it was not valid currency - enough to stop hoarding, encouraging each family to spend its cash before the end of the month. A little money went a long way, very rapidly, round and round, doing what it should do, circulate freely and not get siphoned up into the sky where the jet set nibbles.

This was stopped after 18 months, in the winter of 1933-34 and the usual bank-inspired inflation started up again, stimulated by bank-inspired debt. Farmers resumed committing suicide and a civil war that was breaking out all over Austria now involved people from Wörgl who had during the experiment been living in harmony.

I once visited Wörgl, where cowbells could be heard from stables in the centre of town, where public works from that period three quarters of a century ago were still to be seen. I have a long taped interview with a survivor who was at that time a town councillor who tried to mediate when there was blood in the snow on the slopes above the town, and I firmly believe that, if that experiment had been allowed to continue, not only would that small town have remained peaceful and prosperous, but the example that was visible to all of Europe at the time could have ensured that nobody in Tyrol or Bavaria or anywhere else ever needed to vote for fascist dictators to save themselves from real or imaginary enemies, or from imaginary debts.

I met old Pfarrer Wesenauer in Salzburg about 25 years ago and spent some hours drinking tea and chatting with him in his musty lodgings. He had been assistant parish priest in Wörgl and had known everybody there. He was the one who found himself with the casting vote when Wörgl had to decide whether or not to fight the central bank at the Court in Vienna - some distance away. He made his confession to me: he voted against fighting the case because he had read some of Silvio Gesell's work and got a hot flush about the other freedoms involved beyond economic freedom. But what else would you expect from a newly ordained curate? During the rest of that winter, he tried desperately to stop the fighting locally. Later on, during the Nazi era, he did much smuggling of fugitives and was famous for it afterwards. He's dead now, so my salzburger friends told me.

Yours,

Anton Pinschof, *Smallholder in Brittany*

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PS. Of course we should really be concentrating on the idea of free markets being perfectly possible without capitalism; there is an excellent article by Werner Onken that illuminates Silvio Gesell's thinking about this.

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NB. If submitted for publication start off: "Dear Editor, regarding the terminology of economics (such as 'Growth') that is everywhere polluted by lies & propaganda, the motor..."