

To Members of the Prometheus League:

Your function in the Prometheus League is to convince the voters of Europe during election time to elect Prometheus League parties to the legislatures of each respective country. These will be people who have originated national parties for that purpose. The names of these various national parties are left to the members, and will vary nation to nation. Particular electoral issues related to the various nations will also be left to the members. But each political party will have two themes that will not change between nations or parties, and these are spelled out in the following short essays for voters.

In our modern age the Internet is a marvellous propaganda tool. The following introduction letter and essays are to be translated into the languages of the relevant nations and transmitted to voters' cell-phones and e-mails during elections. Website advertising will be required. Nor should the printed word be ignored. Small booklets of the text can be computer composed at home and printed by every member for street distribution.

These efforts will require dedication and true commitment. That is what we will demonstrate in the struggle against the ignorance that affects all nations. It has been assumed that you have read and agree with the general philosophy expressed in *Cosmos Theology*. Now you have a chance to put your convictions to work. They will ride on two general grievances of Europeans today: erosion of national identities and defection of elites. Two explanatory essays are here included, meant to be translated and publicly distributed.

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Dear Voter:

We are once again asked to cast our ballots to decide the government of (France, Germany, or whatever country). Yes, we have a choice of candidates who will decide our taxes and immigration policy within the framework of the European Union. What we do not have is the right to choose that framework. Our nation is not sovereign when our currency is not national and our culture is "multi".

There is a better way to have an international union and that is to have a true federation of European nations, one from which nations like Britain would not want to separate. It is one where the ownership of a nation's money supply is not in the ownership of elites. An example of a sovereign nation is China. A little more than a hundred years ago China lay prostrate at the mercy of the West. Communism impoverished China more. But that country corrected its mistakes, giving it a GDP of \$12,238 billion in 2017, more than the combined GDP of Germany, U. K., France and Italy *together* (\$10,817 billion). Western countries can do the same, in particular with their banking system. This system has been an impediment to Western growth for over a hundred years, while enriching a restricted set of powerful elites. The first of the following essays reveals the scam of Western banking and why Europe should rid itself of this drag on its prosperity.

No doubt readers of generous inclination look disfavouredly on the populist waves of xenophobic zeal that have swept Europe. That zeal does seem excessive, especially when many immigrants are Syrian and Europe was originally peopled, 7,000 years ago, by farmers from the Middle East. Nevertheless, a strong Europe can only be achieved by recognizing its national diversity, a diversity that would be destroyed by liberal multiculturalism and the elimination of borders. The second essay gives thought to this problem by examining the meaning and necessity of nationhood.

A modified European Union, a true federation of free nations, will be the result of following the recommendations of these essays. We of the XX Party, in cooperation with other countries of Europe, will democratically achieve these required changes.

‘BANKSTER’ BANKING

A plague stalks the world today, a plague caused by our Western banking system. The symptoms are: on-going inflation, increasing economic disparity, declining middle class, corruption in high places, exorbitant payouts, lessening democracy, crime, even wars. If allowed to continue we will eventually have a peon system - a system of elites ruling the rest of us.

To understand the current banking system that affects all nations of the Western world, we must understand the importance of the money-goods balance. If the money supply in an economy increases over the production of goods, there is inflation. That is, if an apple costs one euro now but the money supply is doubled, that same apple will then cost two euros. This is monetary inflation. Notice it has nothing to do with apples. This is so bizarre that people find it hard to believe. Fortunately, if production is also doubled the one euro price is restored. The best cure for inflation is increased production. The money supply and national production must be kept in balance for a stable economy. This simple rule is followed with difficulty in modern economies because the voting citizenry does not understand the economics of inflation, and does not realize how we the people are being fleeced by that hidden tax.

Now let us see how this could occur. Instead of first supposing an apple in existence and then the euro, let us suppose that a euro *causes* an apple to be produced. That is, a farmer *borrow*s a euro, one printed for the purpose of producing an apple. Once produced the system has a euro and an apple. The system is in balance. The loan is returned, the euro cancelled and the apple eaten. All that happened is that the euro was created before the apple. So what? That actually benefited production. Critics of our present system claim this causes inflation because bank credit is created “out of thin air”. We see in this simple system of a euro and an apple that this is not where inflation comes from. It comes from the inability of the farmer to only return a euro because the creditor expects *interest* on his euro loaned. If the interest is 5%, the farmer must return €1.05, not just €1.00. Where does the extra €0.05 come from? The farmer could indenture himself to his creditor to pay the €0.05, he could counterfeit €0.05, or obtain it by borrowing more money. In the latter two methods we see that it is the €0.05, the interest, that is inflationary. If the farmer already had the €0.05 he would only borrow €0.95 and the system would remain approximately in balance. In practice the interest cost is covered by selling the apple at €1.05 or more. But this assumes more money in the system than the original €1.00, i.e., inflation. Profit masks the inflationary effect, and that effect accumulates.

Money is created from debt in all countries using the *fractional reserve* system, which means all countries of the West. We realize that banks loan our deposits and pay us interest on those deposits, but few realize that such loans are how money is created. Under this system a *fraction*, say of a €1,000 deposit, must be kept in reserve and the rest loaned, so if the fractional reserve is 10% then €100 is kept in reserve for people who might want to withdraw their deposits, and €900 loaned. But if that €900 is deposited in another bank, then 10% of that, or €90, must also be kept in reserve with €810 loaned, and so on. If taken to its extent this system (banks plus public) generates €900 + €810 + €729 + . . . = €9,000. That €9,000 was created “out of thin air” but in line with private enterprise when there are many competing banks, none receiving interest on the *totality* of the new money generated. If the system is monopolized with only *one* bank, then on the basis of the €1,000 deposit the one bank does create, with the various exchanges between its branches and public, the extra €9,000, all from *debt*. Thus it is that if the system *in toto* were one bank that *monopoly* creation of money becomes a powerful force when privately owned, and that is what “national” banks virtually are: a cartel of privately owned banks on which shares are sold.

Similarly, when a €1,000 deposit is withdrawn the system *loses* €9,000 by the banks retracting the money supply the same as they generate it, and since there is both gain and loss the system would seem to be in balance. But as in the case of the apple, on that created €9,000 loaned to the public, *interest* must be paid. If the interest rate is 5%, that is €450 *more* than the system generated originally and does not represent the production of goods and services. Where does that extra €450 come from?

There is only one way: it has to be created by the same system. It is *new* money masked by the profit of all industry that borrows from banks to produce goods. It is *inflationary*. We hear that in productive times inflation is inevitable. Here is a major reason, but that reason will not be found in any standard economic text. Of course, there are other reasons for inflation, including increased money in people's pockets during productive times, and loss of production from weather, but these are episodic and remedied.

Obviously the wealthy do not like inflation either, more so than average citizens, for the simple reason that on their loans with inflation they receive less value on their money when the loans are paid. But when inflation gets out of hand, as it is liable to in a private banking system (because of the interest motive), there is deliberate contraction of the money supply, which causes an economic recession or even depression. Here is the reason for business cycles. What *can* be supported by our banking elite is *creeping* inflation, and that is what we have had in Western countries for many decades. It is when our euro does not buy what it could ten years ago that we have reason to gripe.

In the private capitalist system interest can be justified the same as rent. Whether rent is for an apartment, car, lawn-mower, etc. or for the equivalent value in euros, interest is like rent only on money. When a bank loan is repaid the principle is cancelled out of existence but the interest is not. It is what banking investors live on, and that repaid money masked by the profit of an economy is interest on *new* money. Rent for an apartment is money already in existence, but the rent on a bank loan, the interest, is money that does not represent new production. It is inflationary.

Worse yet, the real scam of the private banking system is on *public* debt, because federal governments have no comparison with private individuals and businesses due to their legal right to levy taxes. Governments borrow funds by selling bonds in Open Market Operations. The major players who buy those bonds are insurance companies, Big Business and banks, to whom by far the major part of the interest is paid, and paid to people who are already owners of wealth. That payment is a transfer of wealth from taxpayers to wealth holders and is the major reason for the growing disparity in our Western societies, all in line with our private banking system.

In the case of federal government debt the interest paid is completely unnecessary. *Federal governments do not need to borrow and pay interest at all!* Instead, public works can be financed directly from their federal treasuries. Instead of first borrowing money, like businesses and households must do, highways, bridges, etc. can be financed directly with money immediately spent from federal treasuries without interest payments. The big bug-a-boo raised in doing so is always that it would be inflationary. Yes, it would be, but let us remember: governments, unlike individuals and businesses, have the power of taxation. New money pumped into an economy can be withdrawn using taxes. If done in equal measure to expenditure there need be no excess of money created or scarcity of it (causing depression). The big advantage is that *there would be no interest payments to private investors* by federal governments for public goods and services, and no transfer of state funds to private financiers. Nor need there even be an increase in taxes if the expenditure is on capital goods, because of the increase in production.

Of course, the system of federal borrowing is justified in our system of private financing with the argument that it is better that financiers voluntarily surrender their money than the public through taxes, which is sophistry because the public does pay federal costs eventually when government debt is paid, only then paid with interest. We can imagine the interest on just military procurement, and government-financial collusion suspiciously is the incentive for the bloated U. S. military budget, which in 2018, a time without international war, was over twice as large as the military budgets of Russia and China *combined*. The inflationary pressure caused by government borrowing is particularly egregious when its bonds are bought by central banks, a sale known as "monetizing the debt". In that practice the entire sale plus interest on the bonds becomes new money; it is purely inflationary, and that is admitted.

By contrast, treasury financing means direct financing of public goods and services, with inflation only when profligate federal governments do not follow carefully the balance needed between new money and production. It further presents the possibility of fostering cooperative capitalism, i.e.,

worker-owned industries, in place of corporate capitalism with its elites. Worldwide there are today already 250 million people employed in worker-owned industries, the largest being the successful Mondragon Corporation in the Basque provinces of Spain, begun in 1956. Argentina also is a hub of this democratic development. Treasury financing would be a big help democratizing an economy by supplying start-up capital for new industry, which could be worker owned and directed. It need not be an attempt at government-owning Socialism, with the inefficiency that implies, and certainly not Fascist.

In case federal treasury financing of public expenditures is thought Utopian, it is nothing new in the world. Canada had that system between the years 1938 and 1974 and it was during those years that Canada financed its participation in World War II, built the Saint Lawrence Seaway, trans-Canada highway, and established hospitals and universities, all without inflation. Regardless of what we think about Nazi Germany, it was the first country to come out of the Great Depression by this system, and Germany experienced little inflation throughout the years of World War II. Abraham Lincoln did the same during the American Civil War by issuing debt-free money known as *Greenbacks*. Speculation has been that this was the reason for his assassination, and of John F. Kennedy who also issued debt-free money.

In summary, there is no need to have federal debt in private hands. The enormous interest generated by this illicit borrowing and paid by taxpayers is completely unnecessary. Instead of governments raising funds by selling bonds, federal projects can be financed directly from national treasuries. There need not be any borrowing whatever. For commercial markets, money drawn from national treasuries would be loaned by central banks at interest to private banks, which in turn would loan it to the public at higher interest, as in the present system. The fractional reserve system would probably need to continue, to avoid the disruptive consequences of a full reserve system. None of this means nationalized banking systems, except for central banks if their profits are not paid to national treasuries.

NATIONHOOD

History is not the study of general humanity but of nations. No matter what we study about the past it is always couched in some form of nation, but the forms of nation have changed dramatically through the centuries. In ancient Greece 'nation' meant the *polis*, or just a city with its surrounding countryside. The French king, Louis XIV, could say: "L'etat, c'est moi" (The state, it is me), for in his time the nation was centred on the king. The Levantine Civilization of the Near East defined 'nation' by religion, as Jews still define themselves today, resulting after two thousand years of the Diaspora in the state of Israel. The Western world has given a spatial meaning to the concept of nation. With all these forms we might ask just what 'nation' means.

The Germans were the first to give 'nation' a racial meaning, and surely race must be part of the definition because we can distinguish nationalities by looking at the people, but then we must acknowledge that most, if not all, nations are ethnic composites. The Japanese certainly consider themselves a nation but are composed of Chinese and Ainu (the original Caucasian-looking, beard-growing race of Japan). Germans themselves are a Nordic-Alpine mix, British are Nordic-Iberian. So if we think of nations only as racial we get a sense that something is missing in our definition.

That obvious something is culture: nations are racial-cultural divisions of humanity, brought forth by Nature and are not creations of the mind, as is the state. The form of nation can change through the centuries and between civilizations but this definition remains true. Athenians were hardly distinguishable from Spartans racially but they certainly were culturally, hence they formed different nations. Culture even affects ethnicity, for when people share the same language, religion, customs, traditions, etc., they blend, to form a distinguishable national type. If a totally different race blends with an original nation so formed, that original nation is destroyed, for when people with different talents and temperament mix, their race and culture must invariably change.

The identification of culture with nationhood is generally recognized but the racial component of the above definition is more contentious, due to the liberal assumption that the whole concept of race is a mistake, being rather a social construct and therefore a notion that should be dismissed. This opinion is very curious because no one has any difficulty admitting that species exist, and *racial differentiation is the beginning evolutionary stage of species differentiation*. The great variety of species we see in the world today must have gone through the racial process of evolutionary differentiation. We actually see the process happening in present day Orcas (killer whales), which divide themselves by diet and exhibit racial distinctions from the long held cultural practice of hunting preferred foods, although they are all the same species that can still interbreed. So how can species exist if races do not? We should not be too surprised at this liberal illogic since the same extends to the liberal concept of multicultural “diversity”. The racial diversity evident in our streets today is temporary, because in time when different races live together history shows they blend, *destroying* diversity. Government efforts at integration, therefore, are strange, because if we genuinely want racial diversity the last and least policy we should want is liberal multiculturalism.

So what of the human species? Can we make the same racial case for it? Obviously we can, and not only from the evidence of our eyes. Caucasians have been separated from Africans about 60,000 years and from Asians 40,000 years, which is enough time for people disciplined in the hard science of Anthropology to examine the differences between human races that have accumulated in that time. These differences are well known and documented in books such as *Race*, by John R. Baker, published by the Oxford University Press, and *The Origin of Races*, written by Carleton S. Coon, professor of Anthropology at the University of Pennsylvania. Amazingly, we should now discard these scholarly volumes, written from years of study using hard evidence, in preference for the views of Sociologists who give us the “race-is-a-social-construct” theory.

To understand race we must first understand that the concept refers to the differentiation of populations, to numbers, not individuals. Neither the bigot nor liberal recognizes the statistical nature of race. If a particular race has not been renowned for achievement, the bigot concludes that its members are “inferior,” even an individual possessing a high achievement potential. Conversely, the liberal generalizes from the examples of a few outstanding individuals, but by presenting a member of high achievement proves nothing concerning the collective, which is the issue. No individual wholly defines any group. We could make an observation on the differences in height between men and women, statistically men being taller than women. This is generally true although it is also true that many women are taller than many men. An observation on the group has nothing to do with an observation on the individual, and vice versa. We must approach the subject of race with this understanding.

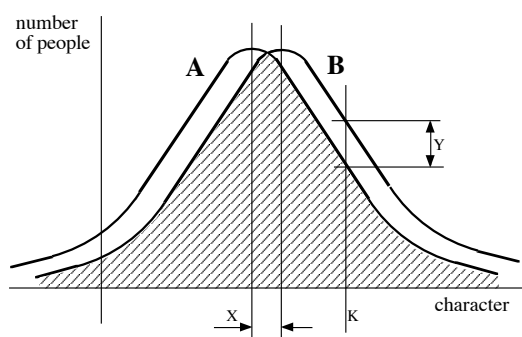


Figure I: Population Divergence

Being statistical, population variation can be placed on a Bell Curve, shown in **Figure 1** for two populations, A and B. Most characteristics of a population lie in a continuum, with people who possess a very high and very low measure of a character being low in number, and people who possess an average

measure being high in number. **Figure I** shows difference 'x' between averages for any particular characteristic measured for the two populations. The shaded area represents where the characteristic measurement is the same in the two populations, and for this reason liberals claim little or no difference between racial populations. But to be noted is difference 'y' measuring the level of what could be genius in one population over another. When we take a higher measurement than average, at 'k', and compare the difference 'y' between the two populations, we find that 'y' is larger than 'x'. The claim of insignificant difference between racial populations ignores this measurement. Even if 'x' is small, for a characteristic that is culturally valuable the difference in the population distribution shown by the Bell Curve reveals that there are more valuable people in 'B' than we would expect from looking only at the difference in averages.

Unfortunately, population differences that occur irrespective of race have often been conflated with racial differences. The two populations, A and B, could be of the same race, but they could also be of two different races defined by, say, skin colour. Whether of the same race or two different races, difference 'x' may have the same or different values. It does not vary because of skin colour. Silicon Valley is very aware of this, since much of its talent is drawn from beyond American borders. What might be different between the two racial populations is racial history. If the history of one is more arduous than the other, that population will experience natural selection more severely than the other. If that selection reduces the number of members of less valuable quality, that race will be left with *proportionately* more viable people. This process of natural selection is well known and proven. The difference in average quality between the two populations, possibly IQ, will be changed. That is, difference 'x' will exist in intelligence between the two racial populations.

It is probable that selective factors can explain the differences in national GDP levels around the world. We know that human beings migrated out of Africa thousands of years ago, to inhabit Europe and Asia. It is probable that Europe and Asia have been the continents where civilization progressed the most, in contrast to sub-Saharan Africa, because of ancient selective migration. The migrants were also later subjected to the challenging conditions of an Ice Age, unlike Africans. Due to their migrations northward the migrants entered regions with less sun than Africa, and to produce vitamin D their skin lost pigmentation. Two evolutionary selections occurred: one type requiring survival techniques in a new environment and the mental ability to produce them, and the other being a skin adaptation. One was culturally significant, the other purely physical. They are two completely different types of change, but have become *associated* in subsequent generations of the two populations. The achievement disparity between migrants who left Africa and sub-Saharan Africans has nothing to do with skin colour, that remains true; they are due to racial history. But although the amount of skin pigmentation does not mean that one race has to be higher or lower in the measurement of human qualities, as the bigot would have us believe, the liberal, conversely, must see that the difference in human qualities need not be zero. A race featuring certain animal adaptations, such as skin pigmentation, may very well undergo selective factors also forcing cognitive adaptations affecting culture, factors that do not play with equal severity on other branches of our species. In this assessment the statistical lesson of **Figure I** must still apply, since when speaking of selection we are only referring to Nature's *numerical* selection on populations.

Regardless, we might ask: are there characteristics notably identified as racial that also incline a population toward a particular national character? Temperament would be one such possibility, and a major contributor to that is the pineal gland situated deep inside the brain. The pineal gland produces melatonin, a hormone that helps us go to sleep and is suppressed by light, particularly blue light which boosts attention and mood. For that reason sleep experts tell us that watching TV or a computer screen before retiring at night is a bad idea. The main access that light has for influencing the pineal gland is the eyes, and since blue eyes are blue because of less iris pigment, a reasonable conclusion is that more light enters blue eyes than dark eyes, therefore having more effect on the pineal gland. Whatever the effect it is probably small at the individual level, but when added over millions of people the result could be significant. Here is an example of how a racial feature can influence national character.

All considered, race and nation are intimately bound. When that connection is broken we have the loss of harmony and trust found by one study published in 2007, conducted on 30,000 people in the United States. Robert Putnam found the results so disturbing that he delayed publishing them until six years after the time of his study. He found that low trust with high ethnic diversity is associated with lower confidence in local government, local leaders and local news media, lower confidence in one's own influence, lower frequency of registering to vote, less expectation that others will cooperate to solve dilemmas of collective action, less likelihood of working on a community project, less likelihood of giving to charity or volunteering, fewer close friends and confidants, less happiness and lower perceived quality of life, and more time spent watching television. Most disturbing was the finding that diversity not only causes less trust between ethnic groups, it also causes less trust *within* ethnic groups. Clearly a harmonious community is not served by liberal multiculturalism. The answer for Europe is the same as found around the world over the centuries: racial-cultural based nationhood is the most stable and harmonious collectivity for human existence.

Dear Voter: We of the XX (Prometheus) Party assure you that if elected to form the government of (France, Germany, Belgium, or whatever country), will work to restore our nation to full sovereignty. This does not mean an end to the European Union, but only an end to its imperial pretensions. We can still have a European Union, but one with *national* immigration laws and *national* control over our money supply with the euro still being an international currency. Collective agreements would be determined by democratic vote in Parliament at Brussels, without a "Commission". In other words, the European Union would be a true *federation* of independent nations. Trade and worker agreements would be made nation-to-nation, not by blanked rule imposed on all, as in the manner of an empire ruled by elites.