

DEBT VIRUS

DEBT VIRUS

*A Compelling Solution
to the
World's Debt Problems*

Jacques S. Jaikaran, M.D.

PUSTAKA PERDANA



1001481

Glenbridge Publishing Ltd.

CONTENTS

| | | |
|--------------|--|-----|
| Foreword | | ix |
| Introduction | | 1 |
| Chapter 1 | What's Wrong With Debt? | 14 |
| Chapter 2 | Ultimate Secrets | 26 |
| Chapter 3 | The U. S. Dollar | 40 |
| Chapter 4 | The Planet "Doom" Experiment | 52 |
| Chapter 5 | The Phoenix Response | 71 |
| Chapter 6 | The Anatomy and Physiology of Inflation | 79 |
| Chapter 7 | Debt and Bondage | 96 |
| Chapter 8 | Money and Banks | 110 |
| Chapter 9 | Banking and the Goldsmiths | 124 |
| Chapter 10 | Jewels in the English Channel | 139 |
| Chapter 11 | The Solution | 154 |
| Chapter 12 | Debt, Death, and Destruction | 177 |
| Chapter 13 | Vaccine for the Debt Virus | 190 |
| Chapter 14 | Midas Touch or Fraud and Usury? | 202 |
| Chapter 15 | Peace and Plenty | 214 |
| Notes | | 233 |
| Index | | 239 |

Foreword

Debt Virus is an intriguing book that questions the traditional role of money in our economy. It critically examines the current money-creation process as the source of instability in the United States and global economies. Debt-ridden money, laced with interest rate premiums, according to the author, is a deadly virus which destroys the economic foundations of society in that total debt repayment is mathematically impossible. The debt virus is no respecter of governments, institutions, or individuals as it takes its toll on savings, investment, employment, income, growth, and stability. Inflation, recession, and economic depression are inevitable in an all-debt monetary system, and conventional explanations of these economic phenomena are grossly inadequate.

Debt money is the machination of financiers who, as heirs to the goldsmiths of the Middle Ages, tend to conceal the true meaning of money from the public. Most of our money is created out of thin air with the stroke of a pen or computer key rather than by the Treasury's printing press that is actually controlled by the privately owned Federal Reserve banks. The United States currency, coins, and checks fall into this rubric as they are not full-bodied money, though the government decrees it to be so, and economic agents

readily accept it. *Debt Virus* questions the traditional method of money creation and unequivocally demonstrates its flaws.

A flawed monetary system can devastate a nation's economic health. Given the functions of money as a medium of exchange and as a unit of account, its effective management is vital to a nation's stability, growth, and equity. The government of Guernsey, a British protectorate in the Channel Islands, creates and spends interest-free money for public expenditures. Unlike Guernsey, the privately owned Federal Reserve System and its interlocking network of financiers and depository institutions, over which the United States government has absolutely no real control, consciously influence the money supply and hence the real gross national product. A byproduct of this enterprise is ever-mounting debt.

Public debt has only a remote possibility of repayment and imposes enormous potential burdens on present and future generations. *Debt Virus* mathematically advances this argument and concludes that unpayable debt, both public and private, leads to death and destruction as in the ancient civilizations of Egypt, Persia, Babylon, Greece, and the Roman Empire. The same fate awaits the United States economy, and indeed the world economy, if corrective measures are not taken to eradicate the infectious nature of debt money. Such a catastrophe, the author contends, is likely to occur by the year 2012.

The National Treasury should have the sole responsibility of creating money and clearing checks, all toward the mutual benefit of all economic agents, namely, households, businesses, and governments. Under a reformed system advocated by Jaikaran, government will create debt-free money for public expenditures and debt money for private expenditures. The money supply then would grow at a rate consistent with the needs of these agents so as to avoid undue

economic fluctuations, defaults, bankruptcies, and foreclosures. A debt-free monetary system would eventually lead to “economic liberty” and an uninterrupted prosperity because there would be no shortage of money.

Debt Virus challenges the orthodox methods of money creation and its management in the United States economy and offers a compelling and convincing alternative to the status quo. *Debt Virus* undoubtedly is provocative and imperative reading for all who are concerned about the future of mankind.

Ashton I. Veramallay, Director,
Center for Economic Education,
Indiana University East