
ECONOMICS

All the nation's economies have the potential of producing wealth. The following 7 economic principles will cause humanity to have an acceptable standard of living. The principles will be applied during the Eternal Testament Age.

ECONOMIC LAWS

Economics has exact laws like the other sciences. Here are a few laws. The money issued has a value. The amount of money in the economy influences the prices of goods and services and the standard of living of the people. Increases in the money supply cause inflation and prices to rise. Decreases in the money supply cause deflation and prices to fall. The money's future value will decrease, increase, or remain the same depending on how much money is in circulation.

Every government program has a cost. Somebody has to pay for the government programs. Most government programs help a specific group without benefitting the general welfare. No class or group is to have special privileges. Public welfare assumes the people cannot take care of the poor and the government is the only organization helping them. Corporate welfare benefits the businesses unfairly. All forms of welfare are to be eliminated because the system causes people to live like slaves and businesses to steal.

The nations are to balance between having a strong and weak currency. A weak currency benefits the export based businesses. On the other hand, a strong currency benefits the

customers who buy foreign products. A strong currency benefits the vacationers who visit the weak currency nations.

The following law applies to trade. Free trade improves the standard of living. If one nation can produce a product at a cheaper cost and ship it to another nation then the people of both nations are to allow it. The cheaper products benefit the nations more than the lost jobs. The cheaper products mean the buyer has money left over to buy other products. The buyer has the cheaper import product plus other products with the same amount of money. The cheaper products mean a higher standard of living. The more expensive worker's products are to be replaced with the cheaper worker's products. The more expensive workers are to find another job to benefit society. Every job lost due to imports results in: a cheaper product, a better product, more profits for the business, or all of the preceding points. A balanced economy has both cheap products and well paid jobs. The previous laws define the science of economics.

FREEDOM OR SLAVERY

The nations are to choose freedom over slavery and thievery. The following examples distinguish the two types of people. Free people accept life's challenges. Slaves do not accept life's challenges. Freedom means one can provide for one's self. Slavery means the master or masters provide. Freedom means one can determine one's future and one can live with the potential uncertainties that happen in life. Slavery means one's future is determined by the master or masters who are suppose to take away the uncertainties in life. Free people act in a morally correct way. Slaves and thieves do not act correctly. Free people do not stay mad. Slaves stay mad. Free people know good will prevail. Slaves pursue evil. Free people take responsibility for the poor and needy. Slaves rely on a compassionate master government to help the poor and needy. Free people do not want the government's advice, help, and stolen money. Slaves need a compassionate master government. Free people know the public programs have a cost. Thieves think the public programs are free, and they make excuses for their stealing. Free people want to pay for their life style and entertainment. Thieves argue the cost of their government program is small when measured on a per capita basis or to the overall budget. Free people are capable of preparing for retirement without any government help. Slaves need a compassionate master retirement program.

PUBLIC OPPORTUNISTS

The nations are to give a new name for the government workers; they are to be called public opportunists. They allow people the opportunity to earn property. They protect property rights. They recognize the buyers and sellers right to exchange property. Public opportunists recognize the different business structures. A business is like a person with rights and

responsibilities. Public opportunists offer the people the right to earn a drivers license. They recognize wills and trusts, issue passports, and offer citizenship. The opportunity is to be available to all the people in the nation. The public servants are found in the people, businesses, organizations, and religious groups. The nations are to assume the people will act in a responsible manner but if one is threatened, harassed, or violated in any form the system is to address the issue. The public opportunists prosecute and punish whoever breaks the law and abuses the rules. The nations cannot tolerate wrong behavior. The system is to define immoral behavior and punish the people and businesses who act improperly.

EQUALITY UNDER THE LAW

The nations are to have honest officials who pursue truth, justice, and equality under the law. The system is to have no special privileges for any one or any group. The official's position is not to be greater than the law. Bribes are unacceptable public policy. The rights of life and liberty are the most important issues of a nation. Every life is sacred and important. One's right to life and liberty is not to be hindered or prevented. Women are to have the same legal rights as men. The system is to remove the people who abuse their liberty from society. Wealth is created when property rights are defined and secured. Property has no value if the officials do not recognize the owner. The nations are to develop a system and place to secure everyone's right to own property, like titles and deeds, and courthouses. The system is to allow the wealth to be owned, sold, rented, or loaned. Everyone is free, but the home owner with a mortgage is not free from the bank if the payments are not paid. A renter is not free from the landlord if the rent is not paid. If a business violates the standards then the system is to correct the wrongs. The nations are to ensure the contracts are fulfilled. A contract has two or more parties who agree to exchange something freely. If the contract is not fulfilled then a system is to address the issue. The intangible property rights, like inventions and other created expressions, are to be protected. The nations are to address the issue of bankruptcy. Spending is to be controlled. A stable money supply is a natural right like life, liberty, and property.

MONEY SUPPLY

The nations are to know how much money is in circulation. The following examples describe how the money supply increases or decreases. The money supply increases if the government has a deficit or the spending is more than the revenue. However, if investors finance the deficit then money supply does not change because the money for the government expenses comes from the investor's wealth. The government borrows the investor's money and has the interest expenses. In contrast to a money supply increase, the money supply decreases if the government has surplus or the revenue is more than the spending. The money supply

decreases if a nation has more imports than exports. The money leaves the importer nation and the goods and services enter the importer nation. The exporter nation receives the importer nation's money and the goods and services leave the exporter nation. The exporter nation has the foreign nation's money. The central banks can increase the money supply. The bank uses the credit of the nation to create the money without any backing. The created money is loaned out. The new money inflates the money supply until the loan is paid back. The central bank increases or decreases the money supply by buying or selling government debt or other assets.

Inflation is unproductive for the economy. The extra money in circulation decreases the value of the money and increases prices. More money is needed to buy the products and services. One must work more hours to buy the more expensive goods. Inflation is destructive to improving the standard of living because prices do not remain the same or decrease. In the 1920's, the money supply was inflated significantly then reduced to cause the Great Depression. A better definition of the event is the Great Plunder or the great stealing of the people's wealth. The money interests controlled the money supply for their benefit. The masters knew the crash would happen, and they benefitted from the event. The free market system did not fail. The event of the 1930's caused the people to trust in the compassionate master governmental system.

FRACTIONAL RESERVE BANKING

Fractional reserve banking is an unacceptable public policy. The bank keeps a small reserve amount of the savers' money. The bank reinvests most of the depositors' money back into the economy. Only a small percent of the savers' deposited money is in the bank. If the reserve ratio is 10 percent then only 10 dollars of every 100 dollars deposited is in the bank. The 90 dollars is loaned out. The bank statements read, "Deposits may not be available for immediate withdrawal" because the money is loaned out. If every saver demands their deposited money then the banking system will collapse. Fractional reserve banking has a legal, economic, and moral problem because both the saver and bank claim ownership of the deposited money at the same time. A change in the banking system is needed to fix the problem. The savers' money is to be stored wealth. The banks are to charge a fee for storing the deposited money. The system of paying for demand deposit money will stabilize the amount of money in circulation and insure consumer confidence in the banking system. Banks will never put out signs that read, "No money." All the nations of the world are to prohibit fractional reserve banking because the banks in the nations without the restrictions will loan the deposited money out to make a profit.

CREATE WEALTH NOT JOBS

Wealth comes from productivity rather than from job creation. The wealthy nations have productive economies and a higher standard of living. Productivity is the ability to create more products with the same amount of time or the same amount of products with less time. Reducing the labor time makes the product cost less. The productive economies have fewer workers, but they produce more wealth with their time and resources. The wealthy nations changed from farming societies to manufacturing ones. During the industrial revolution farmers planted more seeds and harvested more food with the machines than by the labor methods. The number of farmers decreased because each farmer produced more food with the new machines. The industrial revolution improved the standard of living. The farm workers left the farms to work in the factories. The workers time was better spent in the factories creating consumer products. Society had a higher standard of living because the mass production methods meant mass consumption. More products were available at cheaper prices. The mass production methods of the factories eliminated many labor intensive skilled jobs because the machines created more products. The skilled workers found other jobs to benefit society. The wealth of more goods benefitted society more than the losses of the unproductive labor skilled jobs. The wealthy nations changed from manufacturing societies to service ones. The service businesses make life easier and improve the quality of life. The growth of service businesses is a positive economic sign. If everyone farmed then society has less wealth and a lower standard of living. A worker can dig a hole then another worker can fill in the hole. The two workers have a job but no wealth is created. The work is unproductive to society. Some jobs hinder the wealth producing methods of the economy. For example, some regulations require needless restrictions and forms to be filled out. A confusing tax code requires needless lawyer and accountant costs. If morality is not taught then society pays with crime and the extra cost of police officers and prisons. Society's wealth is used unproductively. Productivity gains have many benefits for society if the money supply is under control. Society has more wealth and services at a better price. People work fewer hours, days, and weeks to earn a living. More time is available for the people to pursue their interests. Parents have time to spend with their children. One can volunteer one's time to help the poor and needy. Poverty is eliminated. Retirement plans increase in value when the people invest in the businesses that produce wealth. The preceding economic laws will produce wealth, but the laws of human nature will not insure society has justice because the officials will abuse their position. Society cannot govern without Jesus.