

Right Honourable Sajid Javid MP,  
2 Marsham Street,  
London SW1P 4DF.

93c Venner Road,  
Sydenham,  
London SE26 5HU.  
0208 659 7713

October 27, 2017

Dear Sir,

I write with reference to your widely reported plan to borrow money to fund a massive programme of house building. I am surprised that someone who describes himself as being of “Muslim heritage” should subscribe to this doctrine.

Borrowing this money (at interest) is not only *haram* but will add unnecessarily to the national debt, which is itself largely unnecessary. Broadly speaking, a government has three ways to raise money, it can: tax, borrow, or print.

Taxation is the method preferred by fiscal conservatives, but this reduces both investment and purchasing power. Borrowing has the advantage of making this new money available at no instant cost, but instead leads to years and decades of interest payments - which come out of taxation. The third option, to print the new money is always the most effective and cheapest. Any suggestion of this leads to the usual suspects claiming to do so will lead to inflation, but borrowing leads to inflation in any case. Furthermore, if new money is spent into circulation for productive means rather than speculation, any inflation will be minimal. I would refer you in particular to this extract

[http://www.financialreform.info/f\\_r\\_money\\_trick\\_extract.pdf](http://www.financialreform.info/f_r_money_trick_extract.pdf)

from the 1937 Royal Commission report.

Furthermore, printing money can be done at minimal cost electronically, indeed the central banks of the world do this all the time through so-called quantitative easing, the big difference being that in that case they literally give the new money created to the clearing banks who lend (ie sell) it at interest to the private sector.

Yours Sincerely,  
A Baron