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Sir,

Your correspondent D. Parry is living in cloud cuckooland when he says banks do not create money. The man he derides as a crank, Major Douglas, gave a mathematical proof of this in his books “The Monopoly Of Credit” and “Social Credit”. Douglas was not an economist but an engineer who applied engineering principles to the monetary system.

Leaving that aside, if banks could lend only the money of their depositors, where does all the new money come from?

Mr Parry has inadvertently hit the nail on the head with his suggestion that the solution to society’s problems is monetary reform rather than socialism.

Call me a conspiracy theorist if you wish, but it never ceases to amaze me that so many avowed enemies of capitalism are always in the vanguard of defending it.

Yours Sincerely,
A Baron

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