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Chancellor's Update

Financial Melt Down or Moral Melt Down

Angelo Caloia, president of the Supervising Council of the “Vatican Bank”, recently told [Inside The Vatican](#) reporter, Vladimiro Redzioch, that both the Depression of 1929 and the current crisis have some things in common. “In both cases, we find grave distortions in the markets for the primary materials. In both situations, the world was coming from a period in which the US had followed an expansive monetary policy that, even with differing mechanisms, opened the way for degenerative processes. The first signal of the crisis was the same: lack of liquidity in the banking system...In both cases, this was the first link in a chain which led inexorably to a crisis of the entire economy, with possible analogies in the consequences and the impact on civil society.

“The modern rise of derivative contracts has gone far beyond the useful task of better managing the risks of real economics and financial activity.”

But Pope Pius XI had warned the world over seventy years ago: “In the first place, then, it is patent that in our days, not wealth alone is accumulated, but immense power and despotic economic domination are concentrated in the hands of the few, who for the most part are not the owners but only trustees and directors of invested funds, which they administer at their own good pleasure...This domination is most powerfully exercised by those who, because they hold and control money, also govern credit and determine its allotment, for that reason supplying, so to speak, the life blood of the entire economic body, and grasping in their hands, as it were, the very soul of production, so that no one can breathe against their will...” ([Quadragesimo Anno, May 15, 1931 as quoted in Inside the Vatican](#))

Walter E. Williams, a professor of economics at George Mason University, proposed a practical solution to the current crisis. He stated in his [Release of Wednesday, December 17, 2008, and Thereafter](#) in part: “The justification for Federal Reserve Act of 1913 was to prevent bank failure and maintain price stability. Simple before and after analysis demonstrates that the Federal Reserve Bank has been a failure. In the century before the Federal Reserve Act, wholesale prices fell by 6 percent; in the century after they rose by 1300 percent. Maximum bank failures in one year before 1913 were 496 and afterward, 4,400. During the 1930s, inept money supply management by the Federal Reserve Bank was partially responsible for both the depth and duration of the Great Depression.

“It is not wise for us to permit a few people on the Federal Reserve Board to have life and death power over our economy. My recommendation for reducing some of that power is to repeal legal tender laws and eliminate all taxes on gold, silver and platinum transactions. That way there would be money substitutes and the government money monopoly would be reduced and hence the ability to tax – some people would say steal from – us through inflation.”

But the Moral Meltdown may have started with abortion and the elimination of **forty million consumers**. In a recent article, appearing in the online.wsj.com January 1, 2009 entitled How Support for Abortion became Kennedy Dogma, Anne Hendershott wrote, "In the early '70s, ... Democratic politicians first figured out that the powerful abortion lobby could fill their campaign coffers (and attract new liberal voters). Politicians also began to realize that, despite the Catholic Church's teachings to the contrary, its bishops and priests had ended their public role of responding negatively to those who promoted a pro-choice agenda.

"In some cases, church leaders actually started providing "cover" for Catholic pro-choice politicians who wanted to vote in favor of abortion rights. At a meeting at the Kennedy compound in Hyannisport, Mass., on a hot summer day in 1964, the Kennedy family and its advisers and allies were coached by leading theologians and Catholic college professors on how to accept and promote abortion with a "clear conscience."

"The former Jesuit priest Albert Jonsen, emeritus professor of ethics at the University of Washington, recalls the meeting in his book "The Birth of Bioethics" (Oxford, 2003). He writes about how he joined with the Rev. Joseph Fuchs, a Catholic moral theologian; the Rev. Robert Drinan, then dean of Boston College Law School; and three academic theologians, the Revs. Giles Milhaven, Richard McCormick and Charles Curran, to enable the Kennedy family to redefine support for abortion.

"Mr. Jonsen writes that the Hyannisport colloquium was influenced by the position of another Jesuit, the Rev. John Courtney Murray, a position that "distinguished between the moral aspects of an issue and the feasibility of enacting legislation about that issue." It was the consensus at the Hyannisport conclave that Catholic politicians "might tolerate legislation that would permit abortion under certain circumstances if political efforts to repress this moral error led to greater perils to social peace and order."

"Father Milhaven later recalled the Hyannisport meeting during a 1984 breakfast briefing of Catholics for a Free Choice: "The theologians worked for a day and a half among ourselves at a nearby hotel. In the evening we answered questions from the Kennedys and the Shrivvers. Though the theologians disagreed on many a point, they all concurred on certain basics. . . and that was that a Catholic politician could in good conscience vote in favor of abortion."

In reference to the abomination of abortion and stealing through inflation of currency, the Catechism of the Council of Trent said: "There are some crimes, such as violence and murder, which are in a special way obstacles to the efficacy of our prayers, and we must, therefore, preserve our hands unstained by outrage and cruelty. Of such crimes the Lord says by the mouth of Isaias: *When you stretch forth your hands, I will turn away my eyes from you; and when you multiply prayer, I will not hear, for your hands are full of blood.*" (Isaias I: 15)

For those of us living in America today, the consequences of having elected an overwhelming number of abortion politicians to office in our last November elections may have sealed our fate. It will take a great amount of prayer and penance for the Lord to hear our prayers. **The financial crisis may force us to sacrifice and return to God.**

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