

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

Remimeo HCO POLICY LETTER OF 27 NOVEMBER 1971

Executive Series No. 3

MONEY

So you think the GI should be higher.

So you wonder why the staff isn't paid better.

In order to successfully solve these riddles it is necessary to know something about MONEY.

Basically money is "an idea backed by confidence."

The idea is that the exchange of goods or services kind for kind is too clumsy. To carry your dozen eggs all over town until you find someone who has bread he will exchange for your eggs so you can have bread is too clumsy. That is called a "barter (trading) system" and is used in primitive tribes. To solve this, men get the idea of making metal or slips of paper represent the eggs and the bread. Thus you don't need to look all over town. Anyone will buy your eggs that wants eggs and give you money and anyone who has bread will accept money for it. Like: one money particle is worth five loaves of bread or one dozen eggs or two hours of manual labor or one booklet or a square inch of land or-or-or.

Confidence comes in that the money particle (piece of metal or paper or some such symbol) WILL be further accepted after you have accepted it for your eggs. This extends to confidence in the country that issued the coin or the paper.

As metal has other uses - gold, silver, copper, bronze - it is more likely to have confidence placed in it as the country could go broke and one would still have his metal. With paper one has to have more confidence in the country.

So MONEY is only something that can be exchanged confidently for goods or services. It is a symbol which represents value in terms of goods or services.

When money is paid out without buying value (as in welfare handouts or war materials or bad stocks or just a promise with no backing) it itself gets into trouble. It begins to buy less because it no longer represents production or services or value.

When one begins to receive and spend money he gets into a field known as ECONOMICS.

To understand money one must understand economics. Or he'll be made a fool.

ECONOMICS

ECONOMICS in modern language means "The social science that studies the production, distribution and consumption (using) of commodities (things)."

If you like money or want money or use money you cannot remain ignorant of "economics".

The reason Marx and socialists in general can fool everyone is that there are very few people who know economics and economics itself is not a science but a primitive art. So just as you may stumble on this word "economics" so can the super totalitarian socialists make whole societies stumble and fall into their hands.

The word originally meant "the science or art of managing a house or household" and that is still its first meaning. From this grew up a study of the whole community as a connected activity.

Remember, Money represents things. It is a substitute for goods and services.

What governments, people and even our orgs can't get understood is that NO PRODUCTION = No Money.

If one performs a valuable service and exchanges it for goods he does so through the item of money.

Production can mean producing a service or an item that can be exchanged for goods and services.

If an activity does not produce and deliver and exchange with other activities, no money is possible.

Example: Lack of good Division 6s (Public Division) in orgs makes it impossible to exchange with the community. Equals no money.

This is what is behind low Gross Income.

The steps to take are, get the org so it can produce a valuable service in some volume and then exchange through Div 6 contacts that service with the community for money. Then increase the volume and quality of the service and increase the exchange through more division 6 contacts. That builds up to a big GI that will continue to be big and not slump.

As soon as one ceases to deliver the service the exchange breaks and the GI collapses. No matter how hard you sell, if you don't deliver you get into trouble.

The staff member, as part of the org, may think his pay comes from mysterious places. It does not. It comes from his own personal production.

The combined services of staff members give the org the valuable final services it can exchange for money. If it does this, then the staff member gets paid and cared for.

It is up to Division 6 to build up a DEMAND for the services and a volume of people who then demand the service. It does this with surveys of what the public will buy that the org can offer. It then makes the public aware of this by ads and contacts. The public comes in and pays. The rest of the org keeps itself functioning and delivers it.

That is really all there is to it.

When you see a staff unpaid or an org not very solvent, it is the data above that is not grasped.

When you see an org solvent and its staff well paid, then the majority there have grasped this and are doing it.

When they do it well enough and in enough volume, they control more and more goodwill and expand.

People today are very badly taught on this subject. All money comes from daddy. Governments roll it out in endless streams (and the currency becomes worthless).

It's no wonder people believe in "luck" as the only thing that makes them rich and powerful. Or some wild idea that was never tried and would be a flop.

The truths of wealth are:

Income of money on sales must be greater than outgo on bills.

Books, Auditing and training, tapes and meters must be sold for more than they cost the org to produce or buy.

Money is simply that which represents delivered production.

Morale also depends upon accomplished and exchanged production.

Money does not equal morale. The idle rich are a wonderful study in psychosis.

And welfare money degrades because it is not exchanged for delivered production.

These are all factors in economics.

The way to good pay is an understanding of the subject as above and the work necessary to make it so.

L. RON HUBBARD
FOUNDER

LRH:nt
Copyright © 1971
by L. Ron Hubbard
ALL RIGHTS RESERVED