

The Butterfly Society



**We, the People, Can Create a Society
to Benefit Everyone**

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We, the People, Can Create a Society to Benefit Everyone

“There is nothing in a caterpillar that tells you it’s going to be a butterfly.” - Buckminster Fuller.

Foreword

This essay describes taking the existing system, which is like the caterpillar with a voracious appetite and a tendency to destroy what it is feasting on, and initiating the process of metamorphosis, which allows the caterpillar to become the butterfly, to create a new society that is beautiful, delightful, and inspiring. This essay is intended to arouse the desire in the reader to be like the imaginal cells that cause the metamorphosis of the caterpillar into the butterfly.

When the caterpillar has finished its voracious eating and is full grown, having molted many times, it hangs itself upside down and spins a pupa, a hard shell around itself. From within its body, imaginal cells emerge. These are single cells that are entirely different from the cells of the caterpillar; so different in fact that the caterpillar’s immune system attacks them. But more and more of these individual imaginal cells appear. As more and more of them survive, they start to clump together, still as individual cells, until something magical happens: they recognize each other as butterfly cells and begin to cooperate and synergistically differentiate creating the butterfly¹.

We can be the imaginal cells emerging to create the new delightful butterfly society. We can clump together, share our visions and imaginations for the future, and create together as we become self-aware and recognize we are creating the new Butterfly.

“You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.” - Buckminster Fuller

“You can’t solve a problem with the same kind of thinking that created it!” - Albert Einstein

¹ The Fuller story is in the Butterfly Appendix

Introduction

The culture would have us believe that competition is the operative force in evolution. Permaculture has demonstrated how complex the cooperation and symbiotic relationships are in an ecosystem, demonstrating the effects of cooperation are far greater than those of competition². The metamorphosis of the caterpillar into the butterfly is another example of how complex the cooperation in nature is. In human society, despite the premises of capitalism, we see cooperation all around us. Without going into all the research that demonstrates the cooperative principle at work, it is the organizational structures of human society which get people to work together for common goals. This cooperation is subverted by the idea that we need to be competing with each other in order for the economy to work. It would seem that the problems we face (poverty, war, environmental degradation, etc.) stem more from the idea of competition rather than of cooperation. If we are to solve our problems, it would be good to look at replacing the idea of competition with cooperation. The new thinking that we need would treat economics as the way we provide for our material needs by cooperating with each other to benefit everyone.

Mutual Credit and Sociocracy is a new model and way of thinking that can transform the existing ravenous caterpillar system into the delightful butterfly system, a sustainable and thriving system of mutual support. Mutual Credit³ can be implemented as a parallel banking system (accessible on the Internet), which allows us, the participants, to issue money for the things we mutually decide are what we value. Using Sociocracy⁴ as the inclusive, participatory decision-process as well as an organizational model, makes it reasonable and efficient for us to decide together what we value. Issuing the money to fund what we value creates a Common Good Community. Common Good Communities cooperating with each other across the country, and eventually the world, enables us to create a society that benefits everyone.

The new thinking we need to do this is that issuing the money is a public purpose. Issuing the money for the things we value is how we create the economic, social, and cultural conditions in which we all live. If we, the people, are to be the effective sovereign, then we, the people, need to decide together how to manage the money supply. We need to decide what to issue money for and we need to regulate the money supply so that the money maintains its value with no inflation or deflation.

² <https://en.wikipedia.org/wiki/Permaculture>

³ See the appendix on Mutual Credit

⁴ See the appendix on Sociocracy

Issuing the money to represent real value is crucial. The existing monetary system is based on the idea that the money is valuable in itself, rather than just representing the value of the things - goods and services - that are actually valuable. As long as the money can earn interest or be invested for a return, our attention is on money making money, rather than on the cooperative view, in which money is simply a tool making trade easy and efficient. When the people control the issuance of money and regulate the money supply, in ways that make sense, we will not compete for money. Instead, we will cooperate to create goods and services we agree are good. Consider that if money were not scarce, we wouldn't have to compete to get it, and it becomes immediately obvious that the competition for money underlies the problems we face. If money only represented the value of goods and services, our attention would be on producing those goods and services we mutually agree are good. Money would then accurately reflect demand. Money would only be giving us the market feedback we need to know what is in demand and desired, and what is not.

Issuing money is the most fundamental political right that we, the people, have. Issuing money is the right that we need to exercise to implement any of the other rights we consider inalienable. When we, the people, issue the money to facilitate the production, distribution, and consumption of the goods and services that make sense, we will also enjoy the surplus that the economic process engenders. Then we will all enjoy rising standards of living with none of the excesses that doing things for the money generates.

The participants in the Mutual Credit and Sociocratic system will get together to decide to issue money for the things they value. They will choose to issue money for various projects and purposes, and this process will make it clear that money is politics. The question of what to fund is the political issue. When the system is large enough and many things have been funded and life in general is much improved, it is likely that the political discussion will become one of rights. At a certain point we, the participants, are likely to realize that we are in a position to grant to each other the right to the capital (the money) each participant needs in order to lead a productive, satisfying life. When we share our life stories and what we would really like to be doing with our lives, we discover what social science research has demonstrated so many times⁵, namely that we are happiest when we are working in the service of a purpose that we believe in, acting autonomously, and developing mastery in our work.

Serving a transcendent purpose, working autonomously, and developing mastery are the things that make us happy. In the phrase *Life, Liberty and the Pursuit of Happiness*, (our inalienable rights), this is what is meant by pursuit of happiness:⁶ When our Life is secure and we are at Liberty to pursue our

⁵ See Drive by Dan Pink here: <http://www.danpink.com/drive/> and here: <https://www.youtube.com/watch?v=u6XAPnuFjJc>

⁶ Life, Liberty and Property was the usual phrase at the time, but Jefferson changed it so it would apply more generally, not just to property owners.

calling in life, we will enjoy true Happiness⁷. We know this, because in our existing system, we are always making the effort to bring what we do to earn our living into alignment with what we love to do. When we are successful, we are happy. When we are just doing a job to earn money, we look to our families, our hobbies, and/or volunteer work for fulfillment and happiness.

In the existing system, the vast majority of people have to earn money to live by doing what someone who has money, pays them to do. In the existing system, there is never enough money to fund all the things we generally agree would be good. We would not have crumbling infrastructure, or unemployment, or poverty, if there were always the right amount of money in circulation to represent what we are capable of providing each other. It is this scarcity of money that creates competition. It appears that we are using goods and services to acquire money⁸. There does not seem to be an intrinsic-to-human-nature reason for arranging the economy this way. The prejudice exists that if people didn't have to earn their living and if their living were given to them as a right, then people would not do the necessary things to keep the economy going. However, the actual social science and anthropological research does not support this conclusion. If each person received the money that their capacities warrant from their community, that would put them in a position to do the things that would make them happy - namely pursuing a purpose they believe in that benefits their community, that they enjoy doing and get better at doing it, and they do it with similarly minded colleagues, then there would be no compulsion, no need for competition, and we could go about creating a society that reflects those values⁹.

Since the transcendent purpose that is motivating enough for people to jump out of bed in the morning raring to go will not include exploitation, environmental destruction, war, etc., there won't be any detrimental ways of providing for our material needs. In fact, providing for the material needs of one's fellow human beings is likely to be among the most obvious transcendent purposes to which we will want to dedicate our lives. If every able-bodied person spent a little time each week doing something to provide food, shelter, clothing, transportation, etc. for the community, then everyone could be well fed with wholesome food, well housed, and clothed, and with a transportation system that makes common sense. And each person would have most of their week to pursue their dreams.

If there is no compulsion, and the amount of money available is equal to and backed by the valuable goods and services being produced, distributed, and consumed, then the economy and society would be made up of all the things that the participants voluntarily do for each other. Money would reflect the value we create. It would not be used to compel people to do what 'society' wants them to do. It would be only an accounting system, not a compulsion system. Everyone would cooperate voluntarily to do the things they are inspired to do, and the money would reflect the value created. What are we typically inspired to do? Something that we see needs doing, that we are either already capable of doing, or that we would like to learn how to do. It goes without saying that this would

⁷ Mark Twain pointed out that the two most important days in your life are the day you were born and the day you find out why.

⁸ See the Bernard Lietaer Appendix

⁹ See Buckminster Fuller Appendix

bring about a radically different society. The things that would no longer be available are all things that we basically agree should not be available anyway. And the things that we want, such as financial security and stability, environmental sustainability, the arts, celebrations, and community would all increase dramatically, because those are the things that people experience joy in creating and sharing.

This vision is easy to understand, but it is difficult to see how it could happen. We therefore need new ideas in order to bring this vision about. We need ideas that we can all recognize as true, that correspond to our experience of our true nature.

New Thinking

We can offer a new understanding of economics, based on a keen observation of what is really going on and what has been missing. It is important to remember, or understand, the meaning of rights and politics: how 'We, the People', are supposed to decide together what we actually value. When we use an inclusive, participatory decision-making process that genuinely honors our equality, we create a culture that is an expression of our values.

Exchange Facilitated by Money

The first and most important element of the new economics recognizes that only things that have a material value, namely goods and services, should have a price. Rights and culture have unmeasurable value and must not be for sale.

Goods and services flow from production through distribution to consumption, in a series of exchanges based on a price. Money as a *unit-of-value* makes it possible to assign a price to goods and services that represents their value. It is the price that makes all the goods and services commensurate and comparable. Money as a *means-of-exchange* makes it possible to exchange the values. One party to the exchange wants the material good or service, and the other party wants money, which is storing the value of goods and services already rendered. Think of money as a receipt for goods or services rendered. In each exchange, both parties to the exchange make the judgment that, at the agreed price, they will be better off. The 'better off' - the judgment that is made in each exchange - is a result of our justified egoism.¹⁰ As a result of our egoism, which is an aspect of our human nature, all of the exchanges should be making us all increasingly better off. It is the mutual advantage that results from the exchange of goods and services facilitated by money that gives us rising standards of living. Money makes the division of labor possible which creates our increasingly complex economy. This is important to understand because the money system is so central to the economy and society that when it is designed to benefit the people, we can have a government of the people, by the people, and for the people. As so many reformers have pointed out: without monetary reform, no other reform is possible.

¹⁰ Egoism is not egotism or selfishness, egoism is a social phenomenon, taking care of oneself.

The fundamental issue is that when we are consuming value, which is deciding what to buy that will benefit us, our egoism is entirely justified. But when it comes to production, which is serving a transcendent purpose, such as satisfying the needs of others, we are naturally altruistically motivated.

The idea that turns production into an egoistic activity is having to earn our living. If the system and the social conventions make it necessary to 'work for a living', then our motivation is confused. We can't just produce or provide something that people need for the pure joy of producing it and satisfying a need in the world, out of our genuine altruism. We ask ourselves: "Am I doing my job because I believe in the mission or because I need a paycheck? How much of my values do I compromise in order to keep my paycheck coming? At what point will I need to find a new job in which the compromises are not so painful?" How much suffering in the world would we tolerate if we didn't have to worry about where our income, our living, was coming from? Is there a good reason to compromise one's values other than the need for a paycheck?

Adam Smith's phrase '*the greatest good results from everyone pursuing their self-interest*' points to the mutual benefit that arises from the exchange process. What is missing is the altruism of the production side. A better phrase would be: '*The greatest good arises when the egoism of consumption supports the altruism of production*'.

Money is not valuable in itself. We know this because we want what the money will buy, not the money. Therefore, one can recognize that money seals a social contract. Money gives us a claim to goods and services available in the marketplace. Buying money (paying for the use of money) would only make sense if it were valuable in itself. For money to be experienced as valuable in itself, it has to be scarce. This is the justification for central bankers to keep the money supply scarce. They even say that if money is scarce, it will maintain its value! Should we have to *buy* the means of exchange? If we recognize that money scarcity does not serve our commonwealth, and that it has resulted in the 1% owning more than 80% of the entire wealth of the country, then we will want to find a better way¹¹.

Culture, Governance, and Economics

Our culture and government are dominated by economics. Corporations and the super wealthy manipulate our government and control the culture so that both the government and the culture serve economic purposes. Rather than being citizens creating together the world we want, we have been reduced to consumers. Education serves consumerism, the media serves consumerism, politics is about jobs and providing subsidies to corporations. Exercising our right to petition the government for redress of grievances is so ineffective that Congress does what the people want only ½ percent of the time.¹²

¹¹ The interest that we pay for the use of the means of exchange is automatically transferring the wealth from those who pay more interest than they receive to those who receive more interest than they pay.

¹² <https://represent.us/action/theproblem-4/>

Society is made up of the culture, governance, and economics. Treating these three as distinct areas of human endeavor, would give a basis for overcoming the dominance of economics over our lives.

What would happen if we recognized that to have a vibrant culture, we need to set the culture free of economic considerations and foster real competition between all the ideas that arise from our individual experiences and inspirations? What if we recognized that for there to be real equality and fairness, we would all need to participate in making the decisions that govern our lives? What if we recognized that providing for our material needs would best be served by a cooperative economy rather than a competitive economy? Adopting these ideas would give us Liberty, Equality and Fraternity (Solidarity) in a way that seems impossible to reconcile in our current economically dominated society. We could recognize freedom as appropriate for culture, as in freedom of worldview or religion; equality in rights, and most importantly, the right to issue the currency to create the conditions in which we live; and brotherhood or cooperation in providing for our material needs. This concept is an orienting idea, an organizing principle that would completely accord with our human nature. We would succeed in creating a society to benefit everyone using these ideas.

Culture

Freedom of religion is well established. Religious freedom is a major force in the history of the United States. In its broadest sense, religion is the worldview out of which we make judgments about what is good and moral, and therefore how we live our lives. This makes it essential that we all be at liberty to live our lives out of what we judge to be good. Because education is the value-inculcating process, one could think of it as a 'religious' activity. Although Public Education is not seen as the established religion, it is nevertheless the unifying idea of our society. Therefore, it is essential that our education also be free, that is, not proscribed by economic considerations.

Religion, Science, and Art, are the main categories that make up the culture. We allow science to be manipulated for economic purposes; art is considered unessential because it doesn't pay for itself and relies on donations, which are hard to come by when money is scarce. What if science and art were funded for their own sakes? What if society recognized that religion/education, science and art are what we all want to be involved in doing? What if Truth, Beauty, and Goodness were recognized as the pillars of culture and were used to judge everything by: Is it True? Is it Beautiful? Is it Good? Truth is the mission of science, beauty is the mission of art and the good is the mission of religion.

Governance

What would happen if we took our equality seriously, and governed by hearing from each one of us? What if we met face-to-face in our precincts or wards, and consented to proposals to improve our commonwealth and made sure they would have no unintended consequences by giving them a time frame and a method of evaluation? What would happen if we stopped electing our leaders in winner-take-all elections, and instead selected our leaders by determining together who is best suited for the job? What if, after a guilty verdict, the Jury decides what would best serve justice? We could use truth and reconciliation, rehabilitation, and education instead of incarceration to keep us safe. What

if the Executive, Legislative, and Judicial functions of Government were subject to the evaluation of a Constitutional Convention every generation (25 years) to assure that they always serve to implement our unalienable rights?

Economics

What would happen if we all cooperated with each other to produce all the goods and services we agree we want? What if we distributed the surplus from exchange so everyone had what is needed to live? What if everyone were able to dedicate their lives to the transcendent purpose they feel called to serve because we grant each other the right to the capital our capacities warrant? What if we were continually aware that consumption, the satisfying of our material needs and not 'making money', is the purpose of the production and distribution of goods and services? What if economics were simply the result of our cooperation in meeting the material needs of our fellow human beings? What if money was just the accounting system we use to make objective and transparent the activities, goods and services of the economy? What if we understood that issuing the money and regulating the money supply is not a function of economics, but a right we need to exercise to create an economy that serves us?

Rudolf Steiner

Steiner is reasonably well known in America for Waldorf Education and Bio-Dynamics, both of which spread entirely by word of mouth. What is less known is his effort to create a social order on the basis of a deep insight into the social nature of the human being. Rudolf Steiner proposed a Threefold Social Order after the First World War, 100 years ago. His insights from 100 years ago are just as timely now as then. Understanding society as Threefold would have tremendous benefits. Would you agree that we need a Cooperative Economy, Equal Rights, and a Free Culture? The Economy provides for our material needs, Government secures our rights, including the right to issue the money, and Culture is the expression of our striving for Truth, Beauty, and Goodness.

The Creation, Distribution and Consumption of Value

Steiner was concerned about the 'true price' of a good or service. The 'true price' does not externalize any costs. It includes the cost of keeping the production or service going and sufficient surplus to support the government (tax) and the culture (gift). The economic process that engenders all the value we need to have a society that benefits everyone begins with the culture - science, art and religion – out of which the conception of a new product or service comes. Once the entrepreneur has formed the idea, and the market research confirms it is a desired product or service, the entrepreneur is capitalized by the community, with community-created credit. Steiner proposed that economics be governed by associations of producers, distributors and consumers that would determine the true price. The association also would recommend the best structure for the enterprise, (such as a sole

proprietorship or a multi-stakeholder coop). If the enterprise proves successful in the marketplace, it will continue to generate surplus that supports our rights and the culture.

The economic process begins with an inspiration that comes from the culture, i.e. from our family or our education, or our friends or another culture. We may call it vocational arousal, that moment when we see what we could do to satisfy a need and are inspired to do so. Whether the idea is a big one or a little one, it needs to be capitalized. In the planning stage, it is the ideas (culture) about the product or service and the methods of manufacturing and distributing it that are required to get all the pieces to cooperate and work together synergistically. The business plan is a result of the cultural context in which the business exists. When production starts, and the product or service is satisfying a real demand, then we see the value-creation process at work. Assume for the purpose of this example, that the product or service is satisfying a real need and that the true price covers the costs and is affordable. The business will generate a surplus (profit), which will be sufficient to repay the capital, and thus the money invested will represent real value. Now the magic happens. The good or service generates new value with every exchange, and that value can be monetized. In conventional economics, it is capital appreciation and dividends. In the new thinking of community and participatory cooperative economics, the surplus that arises from exchange can be determined and a community dividend can be calculated, issued, and distributed.

For what purpose shall we distribute the surplus? This is the key political question: what do we value? What do we want to base our society on? Shall we fund a society in which we enjoy our unalienable right to Life, Liberty, and the Pursuit of Happiness? Shall we first secure Life? Fund government services so we are safe, secure, and respectful of life i.e. no war or poverty? Shall we secure Liberty? Fund a Culture in which we are free to pursue whatever we come to believe is good, beautiful, and true? Shall we fund the Pursuit of Happiness? Give everyone an equitable share of the community dividend, so we, the people, do not have to earn our living and may pursue the transcendent purpose that generates genuine happiness?¹³

Rights and Governance

Money is a social construct, a fiat of the law, or an agreement, that allows us to regulate the value creation, distribution, and consumption process. The surplus generated by our egoism in the exchange process can be captured by the monetary system and used to fund our rights and the culture, our altruism.

Life, Liberty, and the Pursuit of Happiness plus the rights and responsibilities that are spelled out in the Constitution is what unites us as Americans. The sense for Universal Human Rights is what unites all the peoples of the world. As far as rights are concerned, we are all equal. The privilege of the rich countries and the privilege of the super-rich class is what divide us. Rights unite, privileges divide. What the political process and governments should do is allocate money to promote our commonwealth, the general welfare. A government of the people, by the people, for the people

¹³ See the Universal Basic Income Appendix and National Dividend Appendix

should decide what to fund and then issue the money! The people should decide how the economy is organized and how the culture is funded. Unfortunately, governments have come to be dominated by economic forces and by the corporations. Corporations are now considered to be 'people' and have the same rights as you and I. Money as speech is used to bend the will of the government away from the general welfare and towards the corporate welfare. The facts indicate that we have a Corporate Welfare State. Corporations are legally required to be amoral, psychopathic even, because their aim is to pursue profit for their owners as their foremost priority. Corporations use goods and services to compete for money to enrich their owners, without regard for social justice or environmental sustainability. Satisfying the needs of consumers is not their aim, so consumers need to be manipulated by advertising, the media and education to want what they offer to make money for their owners.

The sense for independence that developed in the Colonies and resulted in the Declaration of Independence, the Constitution and the Bill of Rights, was based on a fact that has been obscured historically: The Colonies all issued their own paper currencies, collectively called Colonial Scrip¹⁴. It was issuing the money democratically that gave the people the conviction that they were creating the circumstances in which they could all thrive. The King was not the guarantor of their freedoms, they were.

Benjamin Franklin pointed out that Colonial Scrip was issued in proper proportion so that the goods pass easily from the producer to the consumer. With no shortage of money, the Colonies developed an economy that rivaled that of England. In 1757, the King and Parliament made Colonial Scrip illegal. The resultant shrinkage of the money supply caused a depression that generated discontent and eventually the American Revolution. Although this is not the way American history is portrayed, once you know this, it all becomes clear. The Continental Congress issued Continentals, a paper currency that indicated that the Colonies were indeed united and sovereign. It was the Continentals that funded the Revolution and enabled the Colonies to win against the British Empire. Also obscured in history is that the British actually counterfeited the Continentals and put so much into circulation that after the war they became worthless, i.e. "not worth a Continental". The Constitution gives Congress the power to coin money. Unfortunately, the broadly dispersed understanding of money that would have been necessary for the fledgling nation to issue a new currency similar to Colonial Scrip and Continentals, never developed. Gold and silver coins were considered money, but they were always scarcer than the capacities of the people.¹⁵ The Civil War was also won with a paper currency that President Lincoln issued, called Greenbacks, and up until the establishment of the Federal Reserve System, the populists made great efforts to establish an ongoing issuance of Greenbacks.¹⁶

The Federal Reserve System was established by representing that it was a takeover of the money power by the Government. This was an illusion, a sleight of hand, a deception maintained to this

¹⁴ See the Colonial Scrip Appendix

¹⁵ See Colonial Scrip Appendix

¹⁶ See the Populist Movement Appendix

day. The Federal Reserve System is owned by its member banks. It serves only the interests of the banking establishment as the Bailout of 2009 so clearly illustrates. The Fed issues money - as an accounting entry - to buy government debt (US Bonds); and it regulates the banks. The Banks issue money as debt to themselves, also with an accounting entry, and the Fed regulates the banks in ways that maintain the deception. The Fed and its chairman, even though appointed by the President, are not subject to the authority of the President, nor the Department of the Treasury, nor the Congress, nor the Courts!¹⁷ As one learns more about this and the role banks and Wall Street play in the economy, it may become obvious that the Federal Government is pretty much just an agency of the Federal Reserve System, managing the country for the benefit of the owners of the banks.¹⁸

From the study of our monetary history, the conclusion we need to reach is we, the people must issue the money to create the conditions in which the rights we grant each other are implemented with the money we issue.

Since we have had a Constitutional Republic with representative democracy from the time of the Revolution and it has not kept us safe from the predators of the moneyed class, we need another way of governing ourselves which is based more fundamentally on our equality. Issuing and allocating money is what politics is all about. What shall we fund? What shall we issue money for? These decisions need everyone to be involved in making them.

One example that illustrates this principle is Thomas Jefferson's lament about his experience as President when he reports being forced by the political process to make decisions he was opposed to, and that did not represent the common good. We got it all wrong, he said, when, for example, nine men in black robes can overrule the will of the people, or political parties can adopt platforms contrary to the common good. He proposed we adopt a new system, which he called the Ward Republic, a unicameral system, with no separation of powers! A Ward is a neighborhood where people can meet face-to-face, and where everyone living in the Ward has a right to participate. In the Ward Republic, every political decision has to be ratified by at least the majority of the Ward Republics. The Ward would select one of its members to represent it at the next level up, and that person would serve as long as the members of the Ward agreed s/he was selflessly serving the Ward's interests. The Wards would have absolute responsibility for every aspect of government, including the Legislative, Executive, and Judicial Functions. Only what the people of the Ward agreed was good or just would be given effect.¹⁹

Sociocracy has a similar intent. It is a very sophisticated decision-making process that is based on the absolute equivalence, or equality, of the participants. Meetings are conducted in rounds hearing from each participant in turn. Everyone uses reasoned arguments. Proposals have a time frame and a method for evaluating them. Proposals are developed to include the considerations and concerns

¹⁷ See Ellen Brown's book *Web of Debt*

¹⁸ For an explanation of how the current debt based monetary system works see the Modern Money Mechanics appendix.

¹⁹ See the Sociocracy Appendix and the Ward Republic Appendix

of every member of the circle and are consented to, meaning that there are no paramount objections to a proposal. Consenting to proposals with a timeframe and method of evaluation is easy since the usual objection in a consensus-based group is the fear of unintended consequences. Shorten the time frame and strengthen the evaluation methodology, and it becomes easier to consent.

Sociocracy is also an organizational structure and method of organizing that scales very well from a small company to an entire nation. All the business of the organization is conducted in circles and circles select the best person for roles within the circles, such as Convener (leader), Delegate (representative), Facilitator, and Scribe. The circles are double linked; the circle with the more general responsibility selects a Convener to form a circle to carry out an aim of the organization and that circle selects a Delegate to represent it in the circle that created it. The double linking greatly improves the quality of the communication within the organization and, in particular, allows everyone to participate in accomplishing the transcendent purpose they are dedicated to, with autonomy and ongoing opportunities to develop mastery in accomplishing their aim.²⁰

Culture, Public Education and Freedom of the Press

The framers of the Constitution did not guarantee the most fundamental rights that the people knew they needed to have spelled out, and so they were not willing to ratify it. This resulted in the Bill of Rights, the original amendments to the Constitution. The first of those rights is the freedom of religion, the right to create a culture of like-minded people in total freedom. The First Amendment states this and more.²¹ Government shall have no role in religion, and the press is to be free of any government intervention or regulation. This is recognition of the importance of Liberty. For there to be a just society, the culture may not be proscribed. Culture must enjoy the fullest measure of Liberty possible.

As described earlier in this essay, education is a 'religious' activity. It is the value-inculcating process, the way in which we learn our culture and the values embodied in it. Once you realize this, it is easy to see that public education is the establishment of a secular religion, often referred to as scientism, or secular humanism, that fundamentally alters the Liberty or freedom of religion so necessary for society to reflect the values of the people. There is, in fact, an established 'religion' in America. It is the pseudo-science and economic bias on which public education is based. This creates a culture dominated by values that are inimical to any religion practiced by any group, even the professed values of organized agnostics and atheists! In fact, conversation will reveal that everyone has their own religion, the beliefs out of which they live their lives. The value of a religion and affiliating with it is that it creates a culture in harmony with one's values. It is obvious we currently have a very

²⁰ See the Sociocracy Appendix

²¹ Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances. - See more at: <http://constitution.findlaw.com/amendment1.html#sthash.MVaIPbFR.dpuf>

irreligious culture that is materialistic, sexualized, violent, superficial, competitive, and environmentally destructive.

Also obvious is that the major media is owned by a few very large corporations cooperating to present a uniform worldview that does not correspond with our experience of our ideals at all. In conversation, we might all easily agree that you can't fight for peace; that the War to End all Wars (World War One) led to a worse war (World War Two); that we are manipulated into wars by lies (Saddam Hussein has weapons of mass destruction); that wars serve corporate interests and not our interests; and that it would be good to adopt the Quaker insight that *there is no way to peace, peace is the way!*

We all intrinsically know that the end does not justify the means and that not only do the means ensure the end, the means *are* the end. *The Future is Now* might easily become the motto of our new nation!

Summary

The three spheres of society, namely, culture, rights, and economics, are useful categories because they allow us to place our ideals of Freedom, Equality and Solidarity in their rightful place.

If we respect that we must each be free and act out of our inherent freedom, we can create ways to live out of the beliefs that animate us. We can cooperate to provide for our material needs. We can recognize that we are all equal and need to participate fully in deciding what rights we enjoy and how to fund them. Then we can create the butterfly society, the society in which we each can say: "My community is as it should be, and I will that it be so!"

We recognize that money is the primary tool of the sovereign. We can imagine Jefferson's Ward Republic managing its affairs using Sociocracy. These are the ideas, the picture, the imagination, and the blueprint that will surely bring about a Society to Benefit Everyone.

Common Good Offers a Payment System to create a Society to Benefit Everyone.

William Spademan had an epiphany back in 2002 that the problem was in the money. By studying money and banking, he developed the idea for a democratically controlled bank, with an internal mutual credit system. It was called the Common Good Bank, a conventional stock bank but with the stock owned by the member depositors. The Common Good Bank was designed to use a mutual credit system for all the transactions that took place among the participant owners of the bank, thus preserving the dollars for other community purposes. The interest on the bank loans would return to the owners to fund the common good. These two features, internal mutual credit and returning the interest to the owners, together with a comprehensive plan for a participatory, consensus building decision-process would give the owners of the Common Good Bank the ability to issue money for the things the owners value. This would give rise to the experience of sovereignty.

However, raising the 10 million dollars needed to charter a bank was not accomplished by the time of the financial crisis in 2009. The urgency for a new financing system led to creating the mutual credit system known as Common Good. Between 2011 and 2014, Spademan, an accomplished and creative programmer, developed the Common Good Payment System. Common Good is designed very similarly to the Common Good Bank, but without the bank. It is a mutual credit system based on an agreement among the participants²² to take responsibility individually and collectively for the success of the system.

Common Good is a robust complementary payment system that is easy to use and more secure than the banking system. Most importantly, it allows the participants to issue money to implement the values that the participants agree will promote the common good. Common Good allows the participants to keep their dollars in reserve, so that they are not siphoned off through the conventional banking system to Wall Street. The money that is kept in reserve can be judiciously spent to realize the participants' hopes and community values, giving the participants the power of real sovereignty.

The Common Good Promise

The real potential of the Common Good system is that, as the participation grows, the amount of money the participants will be able to issue does also. Their autonomy makes it possible to expand the money supply, because the agreement to make exchanges using Common Good instead of dollars results in the increase in value from exchange in Common Good. The system is well monitored, which provides the feedback needed to decide how much money can be issued, and how to regulate the money supply so as to avoid inflation and deflation.

The Common Good system was launched in Greenfield, MA in 2014 as a pilot project to prove the concept and refine the system. Currently (June 2018), there are 49 businesses and 272 people

²² See the Appendix with the Common Good Agreement

participating. The participants are in the process of learning how to issue money and practice direct democracy. In the Fall of 2016 with around 200 hundred participants and about 30 businesses, especially food related businesses, the system was large enough to safely allocate \$10,000 from the dollar pool account for community purposes. The participants met and decided to seek grant and loan applications. The applications were ranked with a unique voting system, and after a meeting to confirm the results, this money was distributed as grants and loans in February of 2017. This process completed the Pilot Project, so it seems reasonable to expect it to grow rapidly and become an increasingly significant percentage of the local economy. Currently the community is in the process of deciding how to allocate \$20,000 from the dollar pool, and whether to formally adopt Sociocracy as their management tool.

What shall we incentivize? Some communities might issue money as a rebate, so participants can afford to buy local organic food. They might also decide to establish local food processing businesses, or a healthy fast food restaurant with a drive through. As the system grows towards 10% of the local economy, we could explore ways to provide a minimum income to all participants, or we might figure out how to make our community carbon negative. At a certain point, when the participation is approaching 50% of the local economy, we might be able to implement free health care; we could fund alternative education, like Waldorf, Montessori, and homeschooling. There would be more schools for the arts and more community celebrations. When there are enough Common Good Communities in a region, then we can begin to think about such things as buying the electric company and converting the grid to renewable energy, and even building solar roadways²³. The possibilities are only limited by our collective participation.

The fundamental shift that we can look forward to is that we will stop asking the question: “Can we afford it?” and “Where will you get the money for that?” We know that if it is a good idea and there are people who are able and willing to do it, then we can issue the money to accomplish it.

Increasing numbers of locally owned businesses, together with their suppliers and employees, will use the Common Good system. More of the concerned citizens will be active in doing business with them, and the wealth we all create together will not be siphoned off to Wall Street. We will be able to decide together what we value, and increasingly will be able to issue and allocate the money needed to fund the public purposes we agree would create a Common Good Community.

Common Good in Detail

The Common Good System is based on an agreement, a simple large print contract that we make with each other. This agreement states that we honor each other’s credit, use the dollar as a unit of value, and use Common Good instead of dollars as the means of exchange. We agree to participate ethically, using the system only to do the things that make the system stronger and more effective.²⁴ We agree to pay attention to the feedback we get from the system and we agree to participate in

²³ <http://www.solarroadways.com/Product/Videos>

²⁴ See the Common Good Agreement Appendix

determining the funding priorities. We want to use the existing legal system as little as possible, so we also agree to an arbitration process. The agreement aims to create a community of trust as we demonstrate that participating in determining what we value feels good and is reliable.

The Common Good system is accessed on the Internet, with a Common Good Card and a smartphone app. The merchant scans one's Common Good Card with their smartphone, verifies one's identity, enters the amount and what it is for, and the system debits one's account and credits the merchant's account. The Common Good system works with the existing banking system, so one can transfer dollars from one's bank account to one's Common Good account, and cash out some Common Good by transferring them to one's bank account. It is a parallel system because we use the dollar as the unit of value, but we prefer to use Common Good as the means of exchange.

When one transfers money from one's bank account to one's Common Good account, what actually happens is that the money from your bank account goes into your community's dollar pool, and the system creates that amount of Common Good and puts them in your Common Good account. So now the funds available in the system are doubled: the dollars one put in are in the dollar pool and the Common Good issued by the system are put into one's own account. Of course, the dollars in the escrow account may be needed so that businesses can cash out, but if the businesses have plenty of places to spend their Common Good, they won't need to cash out. Preserving the dollar pool as a "Community Savings" reserve means the dollars can be spent later, in ways that promote the common good. The Common Good Community that is being created by the people who use Common Good is also who would issue Common Good to fund projects.

It should be obvious from this description that the Common Good system has the potential to substantially change the fortunes of the Common Good Community it creates. It should also be obvious that the challenge is to get enough businesses and people involved for the system to be self-sustaining and have a significant impact.

In order to help get the Common Good system up and running in a particular locality, the system can issue incentives automatically. These incentives could be such things as a 10% rebate on purchases, and a 10% bonus on sales; a sign-up bonus of \$50 and \$50 for the person who invited you. There could be other bonus amounts for signing up companies, their employees, and suppliers. These incentives can be used to get the system up and running in a particular town or neighborhood. As soon as there are sufficient businesses and people participating, the automatic incentives can be replaced with what the community decides it wants to incentivize and fund.

The Society to Benefit Everyone

At some point, the participants in the new Common Good system will feel that what they have created is viable for the long term and they will assume the full responsibility for their system.

Once that happens, and there are many common good communities, all the Common Good Communities will cooperate with each other to take on the bigger issues that one town or

neighborhood (a Ward) cannot take on by itself. Buying a bank is a really important strategic move, because it magnifies so dramatically the ability of the Common Good Communities to fund with dollars the projects that they consider most worthwhile.

One can imagine that as the participation becomes increasingly universal, agreeing what is most important will become increasingly difficult. But, there is one thing that everyone will be able to agree to and that is that everyone should participate in the overall abundance common good communities create, which could take the form of an income by right, based on the national or regional dividend, and, even more important, that money be issued or allocated to provide the capital that each person needs in order to put their capacities in the service of the community and enjoy a soul satisfying life.

As this begins to be realized, it will become more and more apparent that Common Good has indeed created a Society to Benefit Everyone. In the end we will recognize that we have created together a society and governing system of the people, by the people and for the people. Life, Liberty and the Pursuit of Happiness provided by everyone for everyone!

Read more and get involved at
CommonGood.earth

Butterfly Appendix

IMAGINAL CELLS AND SUPPORTIVE COMMUNITY²⁵

"When a caterpillar nears its transformation time, it begins to eat ravenously, consuming everything in sight. (It is interesting to note that individuals are often called "consumers" and one of the largest manufacturers of heavy construction machinery is called "Caterpillar," Inc.). The caterpillar body then becomes heavy, outgrowing its own skin many times, until it is too bloated to move. Attaching to a branch (upside down, where everything is turned on its head) it forms a chrysalis—an enclosing shell that limits the caterpillar's freedom for the duration of the transformation.

Within the chrysalis a miracle occurs. Tiny cells, that biologists actually call "imaginal cells," begin to appear. These cells are wholly different from caterpillar cells, carrying different information, vibrating to a different frequency—the frequency of the emerging butterfly. At first, the caterpillar's immune system perceives these new cells as enemies, and attacks them, much as new ideas in science, medicine, politics, and social behavior are viciously denounced by the powers now considered mainstream. But the imaginal cells are not deterred. They continue to appear, in even greater numbers, recognizing each other, bonding together, until the new cells are numerous enough to organize into clumps. When enough cells have formed to make structures along the new organizational lines, the caterpillar's immune system is overwhelmed. The caterpillar body then becomes a nutritious soup for the growth of the butterfly.

When the butterfly is ready to hatch, the chrysalis becomes transparent. The need for restriction has been outgrown. Yet the struggle toward freedom has an organic timing." And is connected to the breath. A children's book that I read stated that the butterfly "pops" it's chrysalis by taking a deep, full breath. As the butterfly emerges, it's upside down. It immediately turns right side up and it proceeds to holds its chrysalis with such reverence, I can "hear" it saying "thank you" to where it came from. When we've been through troubles of trauma, it can be difficult to find the gratitude for where we came from. It may be empowering to pause in this reading and give thanks to yourself and to all the sentient beings who supported you through the times of loss.

With loss there can be a loss of innocence. And the paradox is that in losing innocence a new-found wisdom is gained. In this new wisdom there is even greater inner connection to innocence, allowing the possibility for wholeness."

²⁵ *A Story for Our Times* from Anodea Judith's book, *Waking the Global Heart*, p.35.

Mutual Credit Appendix

RECLAIMING THE CREDIT COMMONS: TOWARDS A BUTTERFLY SOCIETY²⁶

By Thomas H. Greco, Jr.

By now, local currencies and alternative exchange systems have become familiar themes in the media, even in mainstream newspapers like the *Wall Street Journal*, *The Guardian*, and *Der Spiegel*, as well as on both local and network TV. These reports focus mainly on attempts to keep money circulating locally instead of “leaking out,” as a way of enhancing the vitality of local economies and improving the prospects of local businesses in their struggle to compete with large corporate chains.

All of that is well and good, but it misses the main point of what ails our communities – and our world. The problems facing our communities, and civilization as a whole, stem from the very nature of money and the mechanisms by which it is created and allocated by the members of the most powerful cartel the world has ever known. The entire global regime of money and banking has been designed to centralize power and concentrate wealth in the hands of a ruling elite, and it has been doing that ever more effectively for quite a long time.

In every developed economy, labor is highly specialized. Very little of what we need do we make ourselves. This fact makes the exchange of goods and services necessary for subsistence. But primitive barter is inefficient and dependent upon a coincidence of wants or needs – “I have something you want, and you have something I want.” If one of us has nothing the other wants, no barter is possible. Money was invented to enable exchanges that fall outside the local tight-knit communities in which less formalized modes of give and take are possible. It makes possible trade that is occasional and impersonal.

Money is first and foremost a medium of exchange, a kind of place-holder that enables a seller to deliver real value to a buyer, then use the money received to claim from the market something that s/he needs from someone else.

In earlier times, various commodities that were generally useful served the purpose of exchange media. I might, for example, have no personal use for tobacco, but knowing that many others desire it, I might accept it in payment for my apples. The same goes for gold and silver, which eventually became the preferred commodities for use as exchange media.

But money has evolved over time; money is no longer a “thing.” It is credit in a system of accounts, which manifests mainly as “deposits” in banks, and only secondarily, in small amounts, as paper currency notes. Every national currency is supported by the collective credit of everyone who is obliged by law to accept it.

²⁶ This essay is also available here: http://wealthofthecommons.org/essay/reclaiming-credit-commons-towards-butterfly-society#footnote2_b0dp7mx

Quite simply, we have allowed the credit commons to be privatized so that it can be accessed only by appealing to some bank to grant a “loan.” Someone must go into debt in order for money to come into existence. But nothing is being loaned; banks simply create the money on the basis of the “borrower’s” promise to pay. As I put it, we give our collective credit to the banks then beg them to lend some of it back to us – and we pay them interest for the privilege. The result is a chronic scarcity of money within the productive sector of the economy, even while money is lavished upon central governments to enable deficit spending to finance wars, bailouts, and all manner of wasteful spending.

But the worst aspect of the present global money system is its built-in requirement for continual growth – what I call the growth imperative. This stems from the fact that money is created on the basis of interest-bearing debt, so that the amount owed increases simply with the passage of time. But compound interest is an exponential growth function, which means that debt grows, not at a constant steady pace, but at an accelerating rate. The global money system requires the further continual expansion of debt in order to avoid financial collapse. Thus, the bubble-and-bust cycles we have seen become ever more extreme, and the competition amongst borrowers for an insufficient supply of money results in ever-increasing environmental despoliation and social degradation.

The credit commons has been the most overlooked aspect of the commons, yet it is the most crucial, because credit is the very foundation and substance of modern money, and money is the essential medium for exchanging goods and services. Whoever controls money controls virtually everything in the material world. The privatization of the credit commons has not only enabled the few to exploit the many, it has also driven economic expansion beyond any reasonable limits and fueled conflict over the control of resources around the world.

In a previous era, the world power structure was based on a collusive arrangement between political authority and religious authority. Kings, emperors and princes relied upon the ecclesiastical hierarchy to legitimize their rule. So long as the people were dependent upon the church and its priests for salvation and admission to “heaven,” they docilely accepted that state of affairs, but as beliefs began to change, ecclesiastical authorities lost most of their influence. Today, the global power structure is based upon a collusive arrangement between political authority and financial authority. Even in nominally democratic countries, it is the top-level bankers and financiers and their minions in the media, education, medicine and other areas who select political leaders and determine public policy. So long as people depend upon the money that bankers create for their material “salvation” and admission to the “good life,” that state of affairs will continue causing the masses – the guarantors of government debt – to sink ever deeper into the quicksand of debt-bondage.

The interest that must be paid to “borrow” our own credit from a bank is not the only parasitic element in this system. Another is the inflation of the money supply that accompanies government’s deficit spending. Most national governments consistently spend beyond their incomes, sucking real value out of the economy in return for counterfeit money that the banks create for them under color of law. This debasement of the currency inevitably results in higher prices of basic necessities in the

marketplace. To these drains you can add the obscene salaries and bonuses that insiders pay themselves to run the system, and the periodic bailouts that they extract from governments.

The picture becomes crystal clear to anyone willing to take a close look at it: The dominant system of money and banking, based as it is upon usury and the centralization of power and wealth, has visited untold misery and injustice upon the human race and the entire web of life on planet Earth. It is a system that cannot be reformed; it can only be transcended.

TRANSCENDING THE MONEY SYSTEM?

The good news is that we need not be victims of a system that is so obviously failing us. We have in our hands the power to reclaim the credit commons. We can do it peacefully and without attacking the entrenched regime. It only requires that we each take control of our own credit and give it to those individuals and businesses that merit it and withhold it from those that do not, and for us to apply our talents and energies to those enterprises that enhance community resilience,²⁷ sustainability, self-reliance and the common good.

We have all been conditioned to chase after money as a way of providing ourselves and our families with the material necessities of life, but money has become an instrument of power, a contrivance that enables the few to control the course of human events. So long as we remain enthralled with the pursuit of money, we are all puppets on a string and must do the bidding of the puppet-masters – that small elite who, granting them the best of intentions, act from a place of narrow self-interest, error and gross delusion.

Perhaps they will someday see the light, but we cannot afford to wait. The answer lies in learning to share, cooperate and reorganize to create what I like to call the “Butterfly Society.” Community currencies and exchange systems provide an essential toolkit for community- and self-empowerment, but they need to be designed in such a way as to make us less dependent upon political money and banks. Private exchange media should be issued on the basis of the value created and exchanged by local producers, especially the small and medium sized businesses that form the backbone of any economy. This means that a currency must be spent into circulation, not sold for money. It is possible to organize an entirely new structure of money, banking, and finance, one that is interest-free, decentralized, and controlled, not by banks or central governments, but by individuals and businesses that associate and organize themselves into cashless trading networks.

In brief, any group of people can organize to allocate their own collective credit amongst themselves, interest-free. This is merely an extension of the common business practice of selling on open account – “I’ll ship you the goods now and you can pay me later,” except it is organized, not on a bilateral basis, but within a community of many buyers and sellers. Done on a large enough scale that includes a sufficiently broad range of goods and services, such systems can avoid the dysfunctions inherent

²⁷ http://wealthofthecommons.org/essay/reclaiming-credit-commons-towards-butterfly-society#footnote1_dk5w2a3

in conventional money and banking. They can open the way to more harmonious and mutually beneficial relationships that enable the emergence of true economic democracy.

MUTUAL CREDIT CLEARING – CASHLESS TRADING

This approach is no pie-in-the-sky pipe dream. It is proven and well established. Known as mutual credit clearing, it is a process that is used by hundreds of thousands of businesses around the world that are members of scores of commercial “barter” exchanges that provide the necessary accounting and other services for cashless trading. In this process, the things you sell pay for the things you buy without using money as an intermediate exchange medium. Instead of chasing dollars, you use what you have to pay for what you need.

Unlike traditional barter, which depends upon a coincidence of wants and needs between two traders who each have something the other wants, mutual credit clearing provides an accounting for trade credits, a sort of internal currency, that allows traders to sell to some members and buy from others. There are reportedly more than 400,000 companies worldwide who, in this way, trade more than \$12 billion dollars’ worth of goods and services annually without the use of any national currency.

Perhaps the best example of a credit clearing exchange that has operated successfully over a long period of time is the WIR²⁸ Economic Circle Cooperative. Founded in Switzerland in the midst of the Great Depression as a self-help organization, WIR provides a means for its member businesses to continue to buy and sell with one another despite a shortage of Swiss francs in circulation. Over the past three quarters of a century, in good times and bad, WIR (now known as the WIR Bank) has continued to thrive. Its more than 60,000 members throughout Switzerland trade about \$2 billion worth of goods and services each year, paying each other, not in official money, but in their own accounting units called WIR credits.

CREDIT COMMONS: A PEACEFUL REVOLUTION FOR A HAPPIER SOCIETY

The challenge for any network, of course, is to achieve sufficient scale to make it useful. The bigger the network, the more opportunities it provides for cashless trades to be made. In the early stages, it may require some help to find those opportunities, but as the members discover each other and become aware of what each has to offer, the benefits of participation become ever more evident and attractive. Like Facebook, Twitter, MySpace and other networks that are purely social, cashless trading networks will eventually grow exponentially—and that will mark a revolutionary shift in political as well as economic empowerment. It will be a quiet and peaceful revolution brought on, not by street demonstrations or by petitioning politicians who serve different masters, but by working together to use the power that is already ours – to apply the resources we have to support each other’s productivity and to give credit where credit is due.

²⁸ http://wealthofthecommons.org/essay/reclaiming-credit-commons-towards-butterfly-society#footnote2_b0dp7mx

Through participation in an exchange network that is open, transparent and democratic, members enjoy the benefits of:

- A reliable and friendly source of credit that is interest-free and community controlled.
- Less need for scarce dollars, euros, pounds, yen, or other political money.
- A stable and sustainable means of payment.
- Increased sales.
- A loyal customer base.
- Reliable suppliers.
- A more prosperous and livable community.

What will it take to make mutual credit clearing networks go viral the way social networks have? That is the key question, the answer to which has heretofore remained elusive. While the WIR has been an obvious success, it seems to have been intentionally constrained and prevented from spreading beyond Swiss borders. And while commercial “barter” has been significant and growing steadily for over forty years, its volume is still tiny in relation to the totality of economic activity.

As they are operated today, commercial trade exchanges are self-limiting and typically impose significant burdens upon their members. These include onerous fees for participation, exclusive memberships, limited scale and range of available goods and services within each exchange, the use of proprietary software, and insufficient standardization of operations, which limits the ability of members of one trade exchange to trade with members of other exchanges.

Virtually all commercial trade exchanges are small, local, and operated as for-profit businesses. Small scale, local control, and independent enterprise are all desirable characteristics. But when it comes to building a new exchange system, something more is required. What the world needs now is a means of payment that is locally controlled but globally useful. That means giving members of a local trade exchange the ability to trade with members of other exchanges easily and inexpensively, with little or no risk.

Here are the things that I believe are needed for cashless trading based on mutual credit clearing to go viral:

1. Members need to offer to the network, not only their slow-moving merchandise and luxury services, but their full range of goods and services at their usual everyday prices. This will assure the value of the internal trade credits and make them truly useful.
2. Like any “common carrier,” trade exchanges should make membership open to all with little qualification.
3. Lines of credit (the overdraft privilege), however, must be determined according to each member’s ability and willingness to reciprocate, measured, for example, by her record of sales into the network.
4. Trade exchanges must be operated for and by the members in a way that is transparent, open, and responsive.

5. Members must exercise their duties to provide proper oversight and supervision of those assigned to manage the exchange.
6. There must be sufficient standardization in the operation of trade exchanges to assure that their internal credits maintain comparable value.

As trade exchanges master these dimensions of design and operation, they will become models for other exchanges to follow. Then the rapid growth phase will begin, leading eventually to an Internet-like global trading network that will make money obsolete and enable a freer, more harmonious society to emerge.

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Sociocracy Appendix

Sociocracy and the New Economy

The non-profit Sociocracy for All has been calling sociocracy the “operating system of the New Economy”.

We say that sociocracy could be at the heart of the New Economy. Before we describe how sociocracy and collaborative paradigms go together, let’s look at the New Economy.



The New Economy

For us, the new economy are all the parts of our economy that are based on values around justice (social, generational, racial, environmental etc.) and cooperation. The underlying insight of the New Economy movement is that competition will always create winners but inherently also losers of a system. Supporters of the new economy are not willing to accept marginalized groups as an inherent part of a system. Instead, the basic assumption is that all

humans are wired for collaboration, based on equality, and that collaboration serves us all. We are all connected, and if we harm the planet in one place, we are all affected.

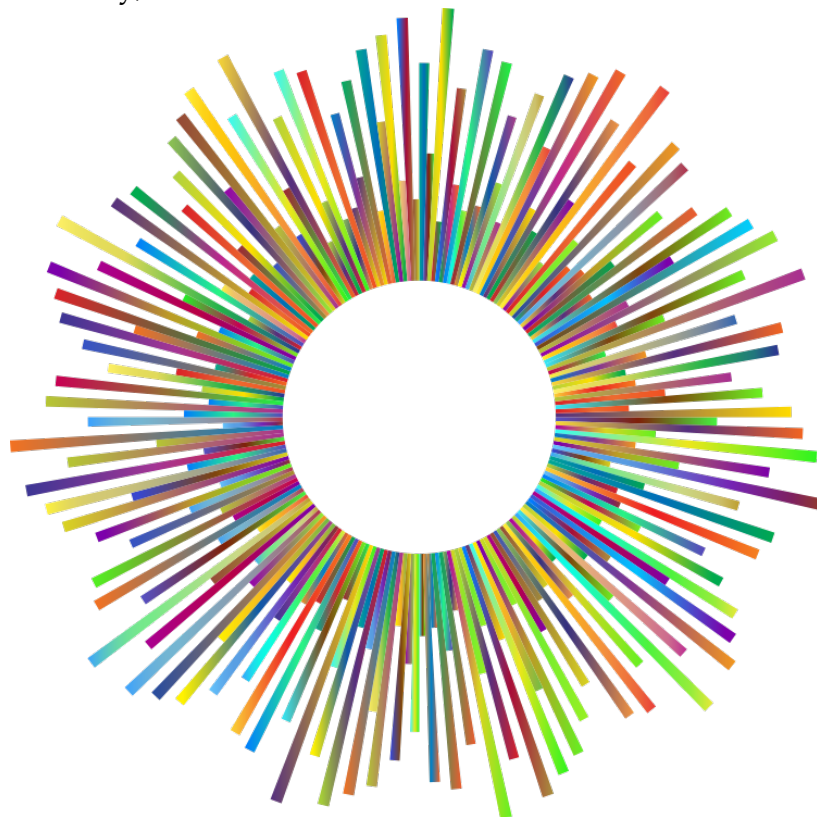
Add sociocracy

The new economy is not run by isolated individuals. It is run by people collaborating. No one is an island. Once you’re a group, you have to make decisions together, in one way or another. Self-governance is everywhere, even in how we were raised and are raising our children. Methods of governance— *how* we make decisions — will impact not only *what* and *how much* we get done but also how we relate to each other in our group. Group decision-making can be cumbersome and painful. Or it can be productive, refreshing and connecting. It depends on what method you use to come to a decision, down to the very detail of who talks when (and how long). Sociocracy helps groups have those conversations, as equals, and to actually move forward. Beyond effectiveness, sociocratic tools make group discussions and decisions a uniting experience.

With sociocracy, we run organizations using the values of the new economy ourselves. Even more: since we are more productive, our positive contribution to our society and our planet will have more impact than with a traditional governance method.

Sociocracy supports the values of the new economy

To show how the values of sociocracy are aligned and supportive of the values of the new economy, I will focus on how decisions are made in sociocracy.



In sociocracy, we make decisions by consent. That means that a decision is made when there are no objections. An objection will be raised if a team member has a concern that the decision will harm the aim of the organization. For instance, introducing membership fees might harm the aim of providing inclusive access. But fees, therefore having funds, might promote the aim of doing the work of the organization. Nothing is binary either-or. And objection is not a block, it is just a request to look at one aspect of a decision and to improve that

aspect. We need to look at objections and see how we can come to an overall solution that works for everyone. It might not be perfect for everyone all the time, but no one's needs can be ignored.

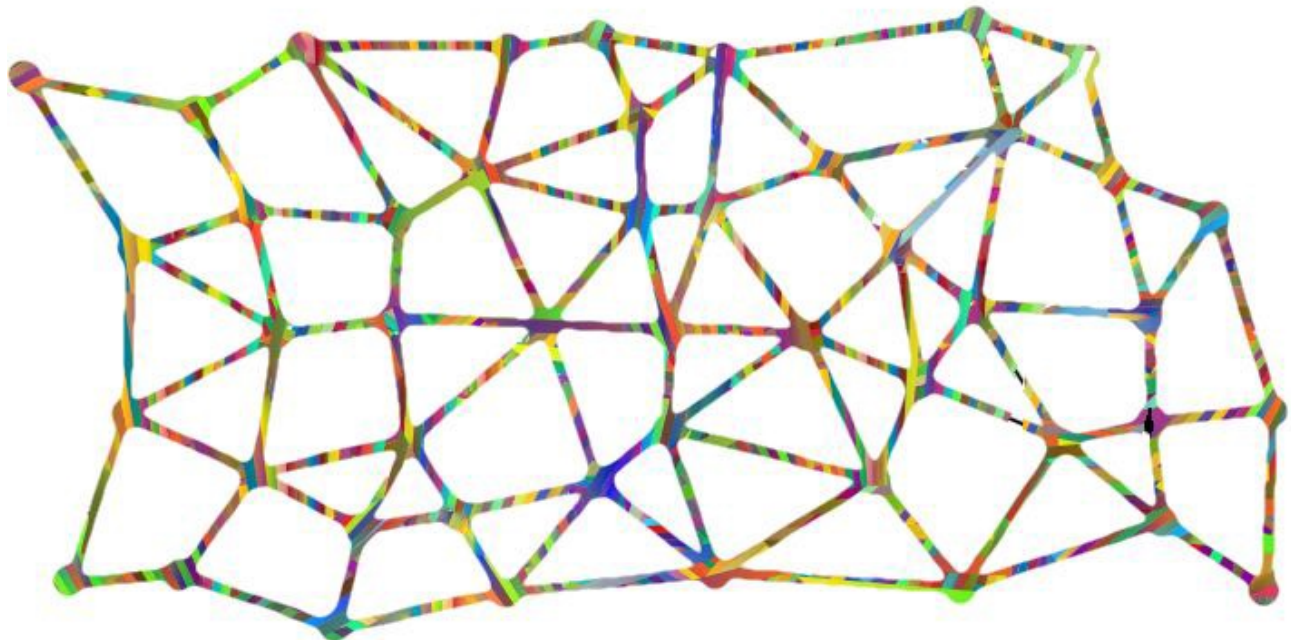
Culture change

How is that different from consensus? Consensus asks, "do you agree?" while consent asks, "do you object?". In consensus, we are tempted to demand our preferences, what we really want to happen. Consensus works well in a very homogenous group with very similar value sets and backgrounds. However, as we come together across boundaries, we have to embrace pluralism. Our experiences will not be the same. What is best for you might not be best for me. We have to find a way to work with that. Consent decision-making is exactly that. To me, switching to consent and leaving the ideal of assuming consensus behind is a matter of

respect to the diversity of experiences we have in our society. Dropping the expectation that we can find a perfect solution, opens up more possibilities in the moment, between people and over time.

Sociocracy changes culture. Objections are not slowing down the process. People's needs are not nuisances but needs that we want to consider. They are opportunities to take into consideration what we have missed before. Objections point to a concern, a way that a policy might harm our aim. While our experiences and feelings are all different, our basic human needs are all the same. Hearing differences but coming together in what we all share as humans, that's the mindset of sociocracy and exactly what the New Economy is about.

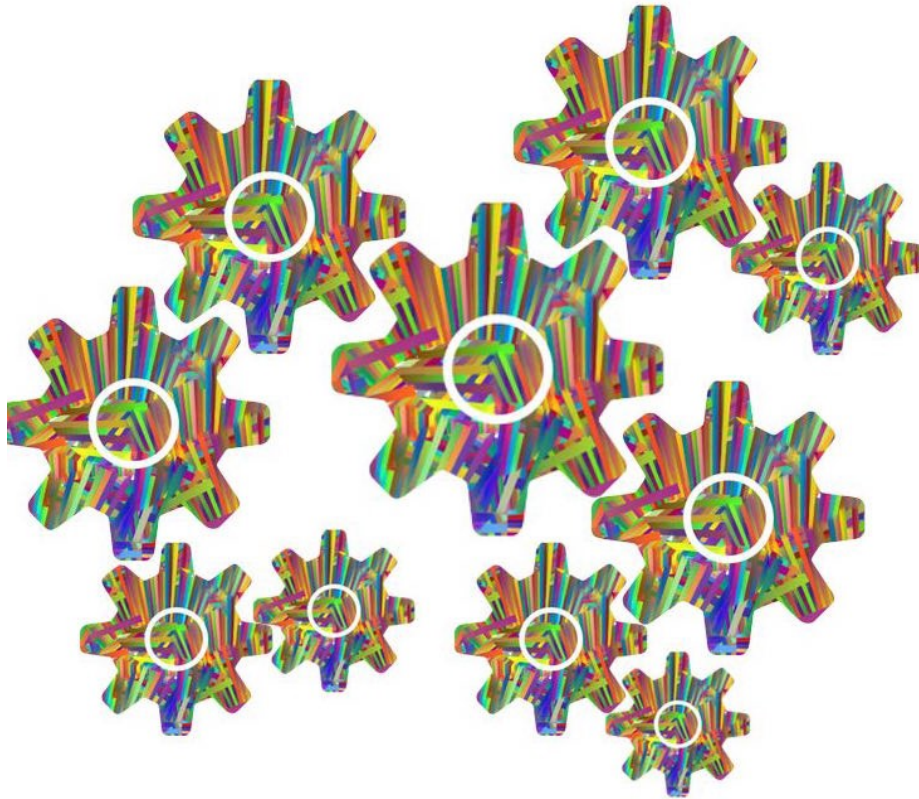
Local decisions and connected units



We can only tap into our sense of our one-ness if we have information about the impact our actions have. If I don't know anything about your struggles, how would I be able to feel with you? (And then care about you!) We need to know about others *and* we need to be free to act. This has two implications:

- On the one hand, decisions have to be local – where the experiences are made. Sociocracy puts decision-making into the teams where work is being done. Workers and only workers make the decisions about their department. They know what works well and what does not work well

- On the other hand, there has to be flow of information between local units (we call them circles). What we are doing in one place might affect what is happening in a different place, sometimes in unexpected way. No one person or group can pay attention to the whole because the world is too complex. What we *can* do is link our circles for flow of information. This is exactly what sociocracy does. Linking provides transparency and unity. Through flow of information, everyone in the organization knows what the impact of their work is, and their work is being seen in the whole organization.



Circles are nested so that we can have state level circles that are made of leaders and representatives of the next-lower circles. That way, no information about what is happens on the small community level gets lost, it only gets filtered so broader ('higher') circles can pay attention to the whole.

The future

We want to practice sociocracy in every organization we're a part of. Many communities and cooperatives are already using it. More and more non-profits are starting to be interested. And there are now more and more sociocratic schools – imagine a generation of kids trained in skills of cooperation and co-creation!

I am glad to contribute to the collaborative culture shift with a tool as powerful as sociocracy. Let the New Economy thrive!

(Watch 4 min introduction video "*Sociocracy. The Operating System of the New Economy*" that has been clicked more than 16,000 times!) and here:

<https://www.flipsnack.com/SociocracyForAll/the-basics-of-sociocracy.html>

The Ward Republic

Jefferson's Ward Republics governed sociocratically and with the power to issue money is what would create we, the people, as the sovereign.

From Wikipedia, the free encyclopedia²⁹

Ward republic is a concept promoted by Thomas Jefferson to place most of the functions of government in the ward, a small subdivision of a county or municipality. Jefferson thought of this concept as his favorite: "The article nearest my heart," wrote Jefferson to Samuel Kercheval in 1816, "is the division of counties into wards." His proposal was that such wards consist of no more people than can all know one another and personally perform the functions of government for one another. Although his proposal was not generally adopted, there have been partial implementations of the idea in small townships, school districts, voting precincts, and neighborhood associations.

History

The concept was inspired by the traditional practice in England and other feudal European countries to organize people below the county level into what were called "hundreds", that is, a geographic group of a few hundred individuals and their families. That concept goes back to a similar practice among the ancient Hebrews of organizing themselves for military purposes, and form a militia unit for each such group. Although intended for feudal administration and defense, hundreds also tended to cooperate in performing other functions of government.

Jefferson presented the idea in a letter to Sam Kercheval in July 1816. "The true foundation of republican government," Jefferson wrote, "is the equal right of every citizen in his person and property, and in their management." Kercheval, of Winchester, Virginia, had been trying to organize a convention to write a new state constitution, and sought the support of Jefferson, who had been trying since 1776 to get Virginia to adopt a new constitution.

In that letter Jefferson outlined the need for "ward republics," small units of local government, within Virginia's existing counties, which he thought were too large for direct participation of all the voters. He proposed to divide the counties into "wards of such size as that every citizen can attend, when called on, and act in person ... will relieve the county administration of nearly all its business, will have it better done, and by making every citizen an acting member of the government, and in the offices nearest and most interesting to him, will attach him by his strongest feelings to the independence of his country, and its republican constitution."

²⁹ https://en.wikipedia.org/wiki/Ward_republic

Jefferson proposed that such ward republics, among their other functions, should select jurors, so that these units of local government would act as a restraint on the judicial as well as the legislative and executive branches of government.

One of the functions to be performed by such wards was public education. Jefferson's 1779 Bill for the More General Diffusion of Knowledge was never passed in the form he proposed. Virginia did not set up a system of mandatory common schools until well into the nineteenth century. However, the concepts it contained persisted and he continued to campaign for public education as the safeguard of republican citizenship.

Jefferson's Bill proposed that each county would be divided into "hundreds ... so as that they may contain a convenient number of children to make up a school and be of such convenient size that all the children within each hundred may daily attend the school to be established therein." Jefferson's deliberate use of the term "hundreds" echoes the Anglo-Saxon term for such a political sub-division. He and many of his contemporaries believed that English and American liberties were rooted in Anglo-Saxon political life. These "hundreds" are the origins of Jefferson's later conception of "ward republics," political units so small that "every citizen, can attend, when called on, and act in person." The school system was envisioned as tiered, from primary to secondary to college, so that the ward republics were to be the smallest, most intimate parts of political life and the basis for state republics and the national republic.

Modern practices

The term "ward" or "precinct" continues to be used for subdivisions of counties or municipalities, but usually only as voting districts to send representatives to county government, or for the administration of county or municipal functions. Most of those subdivisions contain too many people to fit Jefferson's vision. The closest would be voting precincts, which in most states tend to consist of about 3,000 people. There are also small townships and neighborhood associations that realize that concept for at least some people.

Jefferson envisioned a society of small landholders, continuing the system set up by John Locke for the colonies that became North and South Carolina. However, the adoption of the fee simple model of land titles encouraged large landholdings that would make it more difficult to establish ward republics everywhere.

The ward republic model has continued to be advocated by reformers, especially some Libertarians, who argue that the trend toward government centralization presents a threat to rights and liberty, discourages civic virtue, and encourages dependency.

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Bernard Lietaer Appendix

This is taken from Yes! Magazine, Issue Number 2 Summer 1997³⁰

Beyond Greed and Scarcity

Few people have worked in and on the money system in as many different capacities as Bernard Lietaer. He spent five years at the Central Bank in Belgium, and he was president of Belgium's Electronic Payment System. He has helped developing countries improve their hard currency earnings and taught international finance at the University of Louvain, in his native Belgium. Bernard Lietaer was also the general manager and currency trader for one of the largest and most successful offshore currency funds. He is currently a fellow at the Center for Sustainable Resources at the University of California at Berkeley.

YES! editor Sarah van Gelder talked to Bernard about the possibilities for a new kind of currency better suited to building community and sustainability. He can be reached to discuss this topic via an Internet conference at: <http://www.transaction.net/money/>

BERNARD: Money is like an iron ring we've put through our noses. We've forgotten that we designed it, and it's now leading us around. I think it's time to figure out where we want to go - in my opinion toward sustainability and community - and then design a money system that gets us there.

SARAH: So, you would say that the design of money is actually at the root of much else that happens, or doesn't happen, in society?

BERNARD: That's right. While economic textbooks claim that people and corporations are competing for markets and resources, I claim that in reality they are competing for money - using markets and resources to do so. So, designing new money systems really amounts to redesigning the target that orients much human effort.

Furthermore, I believe that greed and competition are not a result of immutable human temperament; I have come to the conclusion that greed and fear of scarcity are in fact being continuously created and amplified as a direct result of the kind of money we are using.

For example, we can produce more than enough food to feed everybody, and there is definitely enough work for everybody in the world, but there is clearly not enough money to pay for it all. The scarcity is in our national currencies. In fact, the job of central banks is to create and maintain that currency scarcity. The direct consequence is that we have to fight with each other in order to survive.

Money is created when banks lend it into existence. When a bank provides you with a \$100,000 mortgage, it creates only the principal, which you spend, and which then circulates in the

³⁰ <http://www.yesmagazine.org/issues/money-print-your-own/beyond-greed-and-scarcity>

economy. The bank expects you to pay back \$200,000 over the next 20 years, but it doesn't create the second \$100,000 - the interest. Instead, the bank sends you out into the tough world to battle against everybody else to bring back the second \$100,000.

SARAH: So, some people have to lose in order for others to win? Some have to default on their loan in order for others to get the money needed to pay off that interest?

BERNARD: That's right. All the banks are doing the same thing when they lend money into existence. That is why the decisions made by central banks, like the Federal Reserve in the US, are so important - increased interest costs automatically determine a larger proportion of necessary bankruptcies.

So, when the bank verifies your "creditworthiness," it is really checking whether you are capable of competing and winning against other players - able to extract the second \$100,000 that was never created. And if you fail in that game, you lose your house or whatever other collateral you had to put up.

SARAH: That also influences the unemployment rate.

BERNARD: It's certainly a major factor, but there's more to it. Information technologies increasingly allow us to attain very good economic growth without increases in employment. I believe we're seeing one of the last job-driven affluent periods in the US right now. As Jeremy Rifkin argues in his book, *The End of Work*, jobs are basically not going to be there anymore, even in "good times."

A study done by The International Metalworkers Federation in Geneva predicts that within the next 30 years, 2 or 3 percent of the world's population will be able to produce everything we need on the planet. Even if they're off by a factor of 10, we'd still have a question of what 80 percent of humanity will do.

My forecast is that local currencies will be a major tool for social design in the 21st century, if for no other reasons than employment. I don't claim that these local currencies will or should replace national currencies; that is why I call them "complementary" currencies. The national, competition-generating currencies will still have a role in the competitive global market. I believe, however, that complementary local currencies are a lot better suited to developing cooperative, local economies.

SARAH: And these local economies will provide a form of employment that won't be threatened with extinction?

BERNARD: As a first step, that is correct. For example, in France, there are now 300 local exchange networks, called Grain de Sel, literally "Grain of Salt." These systems - which arose exactly when and where the unemployment levels reached about 12 percent - facilitate exchanges of everything from rent to organic produce, but they do something else as well. Every fortnight in the Ariège, in southwestern France, there is a big party. People come to trade not only cheeses, fruits, and cakes as in the normal market days, but also hours of plumbing, haircuts, sailing or English lessons. Only local currencies accepted!

Local currency creates work, and I make a distinction between work and jobs. A job is what you do for a living; work is what you do because you like to do it. I expect jobs to increasingly become obsolete, but there is still an almost infinite amount of fascinating work to be done.

For example, in France you find people offering guitar lessons and requesting lessons in German. Neither would pay in French francs. What's nice about local currency is that when people create their own money, they don't need to build in a scarcity factor. And they don't need to get currency from elsewhere in order to have a means of making an exchange with a neighbor.

Edgar Cahn's Time Dollars are a classical example. As soon as you have an agreement between two people about a transaction using Time Dollars, they literally create the necessary "money" in the process; there's no scarcity of money. That does not mean there's an infinite amount of this currency, either; you cannot give me 500,000 hours - nobody has 500,000 hours to give. So, there's a ceiling on it, yes, but there's no artificial scarcity. Instead of pitting people against each other, the system actually helps them cooperate.

SARAH: So you're suggesting that scarcity needn't be a guiding principle of our economic system. But isn't scarcity absolutely fundamental to economics, especially in a world of limited resources?

BERNARD: My analysis of this question is based on the work of Carl Gustav Jung because he is the only one with a theoretical framework for collective psychology, and money is fundamentally a phenomenon of collective psychology.

A key concept Jung uses is the archetype, which can be described as an emotional field that mobilizes people, individually or collectively, in a particular direction. Jung showed that whenever a particular archetype is repressed, two types of shadows emerge, which are polarities of each other.

For example, if my higher self - corresponding to the archetype of the King or the Queen - is repressed, I will behave either as a Tyrant or as a Weakling. These two shadows are connected to each other by fear. A Tyrant is tyrannical because he's afraid of appearing weak; a Weakling is afraid of being tyrannical. Only someone with no fear of either one of these shadows can embody the archetype of the King.

Now let's apply this framework to a well-documented phenomenon - the repression of the Great Mother archetype. The Great Mother archetype was very important in the Western world from the dawn of prehistory throughout the pre-Indo-European time periods, as it still is in many traditional cultures today. But this archetype has been violently repressed in the West for at least 5,000 years starting with the Indo-European invasions - reinforced by the anti-Goddess view of Judeo-Christianity, culminating with three centuries of witch hunts - all the way to the Victorian era.

If there is a repression of an archetype on this scale and for this length of time, the shadows manifest in a powerful way in society. After 5,000 years, people will consider the corresponding shadow behaviors as "normal."

The question I have been asking is very simple: What are the shadows of the Great Mother archetype? I'm proposing that these shadows are greed and fear of scarcity. So, it should come as no surprise that in Victorian times - at the apex of the repression of the Great Mother - a Scottish schoolmaster named Adam Smith noticed a lot of greed and scarcity around him and assumed that was how all "civilized" societies worked. Smith, as you know, created modern economics, which can

be defined as a way of allocating scarce resources through the mechanism of individual, personal greed.

SARAH: Wow! So, if greed and scarcity are the shadows, what does the Great Mother archetype herself represent in terms of economics?

BERNARD: Let's first distinguish between the Goddess, who represented all aspects of the Divine, and the Great Mother, who specifically symbolizes planet Earth - fertility, nature, the flow of abundance in all aspects of life. Someone who has assimilated the Great Mother archetype trusts in the abundance of the universe. It's when you lack trust that you want a big bank account. The first guy who accumulated a lot of stuff as protection against future uncertainty automatically had to start defending his pile against everybody else's envy and needs. If a society is afraid of scarcity, it will actually create an environment in which it manifests well-grounded reasons to live in fear of scarcity. It is a self-fulfilling prophecy!

Also, we have been living for a long time under the belief that we need to create scarcity to create value. Although that is valid in some material domains, we extrapolate it to other domains where it may not be valid. For example, there's nothing to prevent us from freely distributing information. The marginal cost of information today is practically nil. Nevertheless, we invent copyrights and patents in an attempt to keep it scarce.

SARAH: So, fear of scarcity creates greed and hoarding, which in turn creates the scarcity that was feared. Whereas cultures that embody the Great Mother are based on abundance and generosity. Those ideas are implicit in the way you've defined community, are they not?

BERNARD: Actually, it's not my definition, it's etymological. The origin of the word "community" comes from the Latin 'munus', which means the gift, and cum, which means together, among each other. So, community literally means to give among each other.

Therefore, I define my community as a group of people who welcome and honor my gifts, and from whom I can reasonably expect to receive gifts in return.

SARAH: And local currencies can facilitate that exchange of gifts.

BERNARD: The majority of the local currencies I know about have been started for the purpose of creating employment, but there is a growing group of people who are starting local currencies specifically to create community.

For example, I would feel funny calling my neighbor in the valley and saying, "I notice you have a lot of pears on your tree. Can I have them?" I would feel I needed to offer something in return. But if I'm going to offer scarce dollars, I might just as well go to the supermarket, so we end up not using the pears. If I have local currency, there's no scarcity in the medium of exchange, so buying the pears becomes an excuse to interact.

In Takoma Park, Maryland, Olaf Egeberg started a local currency to facilitate these kinds of exchanges within his community. And the participants agree that is exactly what has been happening.

SARAH: That raises the question of whether local currencies can also be a means for people to meet their basic needs for food and housing, or would those sectors remain part of the competitive economy?

BERNARD: There are lots of people who love gardening, but who can't make a living from it in the competitive world. If a gardener is unemployed, and I'm unemployed, in the normal economy we might both starve. However, with complementary currencies, he can grow my salads, which I pay for in local currency earned by providing another service to someone else.

In Ithaca, "Hours" are accepted at the farmer's market; the farmers can use the local currency to hire someone to help with the harvest or to do some repairs. Some landlords accept Hours for rent, particularly if they don't have a mortgage that must be paid in scarce dollars.

When you have local currency, it quickly becomes clear what's local and what's not. K-Mart will accept dollars only; their suppliers are in Hong Kong or Singapore or Kansas City. But Ithaca's local supermarket accepts Hours as well as dollars. By using local currencies, you create a bias toward local sustainability.

SARAH: Local currencies also provide communities with some buffering from the ups and downs of the global economy. You've been in the business of monitoring, dealing in, and even helping to design the global finance system. Why would communities want to be insulated from it?

BERNARD: First of all, today's official monetary system has almost nothing to do with the real economy. Just to give you an idea, 1995 statistics indicate that the volume of currency exchanged on the global level is \$1.3 trillion per day. This is 30 times more than the daily gross domestic product (GDP) of all of the developed countries (OECD) together. The annual GDP of the United States is turned in the market every three days!

Of that volume, only 2 or 3 percent has to do with real trade or investment; the remainder takes place in the speculative global cyber-casino. This means that the real economy has become relegated to a mere frosting on the speculative cake, an exact reversal of how it was just two decades ago.

SARAH: What are the implications of this? What does it mean for those of us who aren't transacting deals across international boundaries?

BERNARD: For one thing, power has shifted irrevocably away from governments toward the financial markets. When a government does something not to the liking of the market - like the British in '91, the French in '94 or the Mexicans in '95 - nobody sits down at the table and says, "you shouldn't do this." A monetary crisis simply manifests in that currency. So, a few hundred people, who are not elected by anybody and have no collective responsibility whatsoever, decide what your pension fund is worth - among other things.

SARAH: You've also talked about the possibility of a crash in this system...

BERNARD: Yes, I see it now as about a 50/50 chance over the next five or 10 years. Many people say it's 100 percent, and with a much shorter time horizon. George Soros, who's made part of his living doing what I used to do - speculating in currencies - concluded, "Instability is cumulative, so that eventual breakdown of freely floating exchanges is virtually assured."

Joel Kurtzman, ex-editor at the Harvard Business Review, entitles his latest book: *The Death of Money* and forecasts an imminent collapse due to speculative frenzy.

Just to see how this could happen: all the OECD Central Banks' reserves together represent about \$640 billion. So, in a crisis situation, if all the Central Banks were to agree to work together (which they never do) and if they were to use all their reserves (which is another thing that never happens) they have the funds to control only half the volume of a normal day of trading. In a crisis day, that volume could easily double or triple, and the total Central Bank reserves would last two or three hours.

SARAH: And the outcome would be?

BERNARD: If that happens, we would suddenly be in a very different world. In 1929, the stock market crashed, but the gold standard held. The monetary system held. Here, we are dealing with something that's more fundamental. The only precedent I know of is the Roman Empire collapse, which ended Roman currency. That was, of course, at a time when it took about a century and a half for the breakdown to spread through the empire; now it would take a few hours.

SARAH: So local currencies could provide some resilience for a community that could help it survive a currency melt-down or some other international breakdown. You've also mentioned that local currencies help promote sustainability. What's the connection?

BERNARD: To understand that, we need to see the relationship between interest rates and the ways we discount the future.

If I ask, "Do you want \$100 now or \$100 a year from now," most people would want the money now simply because one can deposit money risk-free in a bank account and get about \$110 a year later. Another way of putting it is that if I were to offer you \$100 a year from now that would be about equal to offering you \$90 today. This discounting of the future is referred to as 'discounted cash flow'.

That means that under our current system it makes sense to cut down trees and put the money in the bank; the money in the bank will grow faster than trees. It makes sense to "save" money by building poorly insulated houses because the discounted cost of the extra energy over the lifetime of the house is cheaper than insulating.

We can, however, design a monetary system that does the opposite; it actually creates long-term thinking through what is called a "demurrage charge." The demurrage charge is a concept developed by Silvio Gesell about a century ago. His idea was that money is a public good - like the telephone or bus transport - and that we should charge a small fee for using it. In other words, we create a negative rather than a positive interest rate.

What would that do? If I gave you a \$100 bill and told you that a month from now you're going to have to pay \$1 to keep the money valid, what would you do?

SARAH: I suppose I would try to invest it in something else.

BERNARD: You got it. You know the expression, "Money is like manure; it's only good when it's spread out." In the Gesell system, people would only use money as a medium of exchange, but not as a store for value. That would create work, because it would encourage circulation, and it would invert the short-term incentive system. Instead of cutting trees down to put the money in the bank, you would want to invest your money in living trees or installing insulation in your house.

SARAH: Has this ever been tried?

BERNARD: There are only three periods I have found: classical Egypt; about three centuries in the European Middle Ages, and a few years in the 1930s.

In ancient Egypt, when you stored grain, you would receive a token, which was exchangeable and became a type of currency. If you returned a year later with 10 tokens, you would only get nine tokens worth of grain, because rats and spoilage would have reduced the quantities, and because the guards at the storage facility had to be paid. So that amounted to a demurrage charge.

Egypt was the breadbasket for the ancient world, the gift of the Nile. Why? Because instead of keeping value in money, everybody invested in productive assets that would last forever - things like land improvements and irrigation systems.

Proof that the monetary system had something to do with this wealth is that it all ended abruptly as soon as the Romans replaced the Egyptian 'grain standard' currency with their own money system, with positive interest rates. After that, Egypt ceased being the grain-basket, and became a "developing country" as it is called today.

In Europe during the Middle Ages - the 10th to 13th centuries - local currencies were issued by local lords, and then periodically recalled and reissued with a tax collected in the process. Again, this was a form of demurrage that made money undesirable as a store of value. The result was the blossoming of culture and widespread well-being, corresponding exactly to the time period when these local currencies were used.

Practically all the cathedrals were built during this time period. If you think about what is required as investment for a small town to build a cathedral, it's extraordinary.

SARAH: Because cathedrals take generations to build?

BERNARD: Well, not only that. Besides the obvious symbolic and religious roles - which I don't want to belittle - one should remember that cathedrals had an important economic function; they attracted pilgrims, who, from a business perspective, played a similar role to tourists today. These cathedrals were built to last forever and create a long-term cash flow for the community. This was a way of creating abundance for you and your descendants for 13 generations! The proof is that it still works today; in Chartres, for instance, the bulk of the city's businesses still live from the tourists who visit the cathedral 800 years after it was finished!

When the introduction of gunpowder technology enabled the kings to centralize power in the early 14th century, the first thing they did was to monopolize the money system. What happened?

No more cathedrals were built. The population was just as devoutly Christian in the 14th or 15th century, but the economic incentive for collective long-term investments was gone.

I use the cathedral simply as an example. Accounts from 12th century estates show that mills and other productive assets were maintained at an extraordinary level of quality, with parts replaced even before they wore out. Recent studies have revealed that the quality of life for the common laborer in Europe was the highest in the 12th to 13th centuries; perhaps even higher than today. When you can't keep savings in the form of money, you invest them in something that will produce value in the future. So, this form of money created an extraordinary boom.

SARAH: Yet this was a period when Christianity was supreme in Europe and so presumably the Great Mother archetype was still being repressed.

BERNARD: Well, actually a very interesting religious symbol became prevalent during this time: the famous "Black Madonna." There were hundreds of these statues during the 10th to 13th centuries, which were in fact statues of Isis with the child Horus sitting on her lap, directly imported from Egypt during the first Crusades. Her special vertical chair was called the "cathedra" (which is where the word cathedral comes from) and interestingly this chair was the exact symbol identifying Isis in ancient Egypt. The statues of the Black Madonnas were also identified in medieval time as the "Alma Mater" (literally the "Generous Mother," an expression still used in America to refer to someone's 'mother university').

The Black Madonnas were a direct continuity of the Great Mother in one of her most ancient forms. She symbolized birth and fertility, the wealth of the land. She symbolized spirit incarnate in matter, before the patriarchal societies separated spirit from matter. So here we have a direct archetypal linkage between the two civilizations that spontaneously created money systems with demurrage charges while creating unusual levels of abundance for the common people: ancient Egypt and 10th-to-13th century Europe. These money systems correspond exactly to the honoring of that archetype.

SARAH: How interesting! What potential do you see for local currencies to bring this Great Mother archetype of abundance and generosity into our economic system today?

BERNARD: The biggest issues that I believe humanity faces today are sustainability and the inequalities and breakdown in community, which create tensions that result in violence and wars. We can address both these issues with the same tool, by consciously creating currency systems that will enhance community and sustainability.

Significantly, we have witnessed in the past decades a clear re-awakening of the feminine archetype. It is reflected not only in the women's movement, in the dramatic increase in ecological concerns, or in new epistemologies reintegrating spirit and matter, but also in the technologies that enable us to replace hierarchies with networks (such as the Internet).

Add to these trends the fact that for the first time in human history we have available the production technologies to create unprecedented abundance. All this converges into an extraordinary opportunity to combine the hardware of our technologies of abundance and the software of archetypal shifts.

Such a combination has never been available at this scale or at this speed: it enables us to consciously design money to work for us, instead of us for it.

I propose that we choose to develop money systems that will enable us to attain sustainability and community healing on a local and global scale. These objectives are in our grasp within less than one generation's time. Whether we materialize them or not will depend on our capacity to cooperate with each other to consciously reinvent our money.

Buckminster Fuller Appendix

Buckminster Fuller: **“The Things to do are: the things that need doing, that *you* see need to be done, and that no one else seems to see need to be done.** Then you will conceive your own way of doing that which needs to be done — that no one else has told you to do or how to do it. This will bring out the real you that often gets buried inside a character that has acquired a superficial array of behaviors induced or imposed by others on the individual.”

Letter to "Michael" (16 February 1970). Michael was a 10-year-old boy who had inquired in a letter as to whether Fuller was a "doer" or a "thinker".

“We must do away with the absolutely specious notion that everybody has to earn a living. It is a fact today that one in ten thousand of us can make a technological breakthrough capable of supporting all the rest. The youth of today are absolutely right in recognizing this nonsense of earning a living. We keep inventing jobs because of this false idea that everybody has to be employed at some kind of drudgery because, according to Malthusian-Darwinian theory, he must justify his right to exist. **So, we have inspectors of inspectors and people making instruments for inspectors to inspect inspectors. The true business of people should be to go back to school and think about whatever it was they were thinking about before somebody came along and told them they had to earn a living.”**

"The New York Magazine Environmental Teach-In" by Elizabeth Barlow in *New York Magazine* (30 March 1970), p. 30

http://www.brainyquote.com/quotes/authors/r/r_buckminster_fuller.html

Colonial Scrip Appendix

In the American Colonies there was a chronic shortage of gold and silver coins. However, the native people would honor the gifts the colonists gave them, such as muskets and knives, horses and domesticated animals, with wampum (shells strung together to form belts, bracelets, etc.), and the colonists could spend that wampum with the Indians for food and pelts; and so, wampum also became an accepted form of money. In most of the colonies, wampum was legal tender and one could pay taxes with it. What would become money generally was up in the air until Benjamin Franklin attended an Iroquois Nation powwow when he was a young man. He was very inspired by the separation of powers he found in their governance, which was an inspiration for our republic. While he was there a brave came into the camp laden down with wampum, which he proceeded to give to the chief who distributed it to all the chiefs of the tribes and clans. The chief recognized the question Ben Franklin had and explained to him that in Indian culture wampum is not money but is used to make flags and belts to commemorate and remember all the events and gifts that are given during the year. "Of course, there always has to be enough wampum to make all the ceremonial mementos we use to honor our gifts to each other." Ben Franklin realized in that instant that "there always has to be enough money for all the transactions the people want to make." He became a major advocate of fiat paper money, called Colonial Scrip, and attributed the prosperity the colonists enjoyed, to its use.

When Franklin was in England representing the colonists, he was dismayed to discover the unemployment and poverty and almshouses and debtor's prisons there. It was explained to him that there was a population explosion and too many people without enough work. He wrote: "There is abundance in the Colonies, and peace is reigning on every border. It is difficult, and even impossible, to find a happier and more prosperous nation on all the surface of the globe. Comfort prevails in every home. The people, in general, keep the highest moral standards, and education is widely spread... We have no poor houses in the Colonies; and if we had some, there would be nobody to put in them, since there is, in the Colonies, not a single unemployed person, neither beggars nor tramps."

This was not the case in England, which had the Bank of England and a debt-based monetary system in place – and where debtors who could not afford to pay their debts were often thrown in jail. There was plenty of poverty in the streets of London and elsewhere. Here, Franklin explains the difference between England and her colonies:

"In the colonies, we issue our own paper money. It is called 'Colonial Scrip.' We issue it in proper proportion to make the goods pass easily from the producers to the consumers. In this manner, creating ourselves our own paper money, we control its purchasing power and have no interest to pay to anyone... You see, a legitimate government can both spend and lend money into circulation, while banks can only lend significant amounts of their promissory bank notes, for they can neither give away nor spend but a tiny fraction of the money the people need. Thus, when your bankers here in England place money in circulation, there is always a debt principal to be returned and usury to be paid. The result is that you

have always too little credit in circulation to give the workers full employment. You do not have too many workers, you have too little money in circulation, and that which circulates, all bears the endless burden of un-payable debt and usury."

Soon enough, however, the Bank of England had Parliament impose restrictions on the Colonies' issuance of Colonial Scrip. The first law was enacted in 1751, with more restrictive measures in place by 1763. Colonial Scrip became illegal tender, and the British Parliament declared that all taxes could only be paid in coin. Poverty and unemployment began to plague the colonies just as it had in England, because the operating medium had been cut in half and there were insufficient quantities of money to pay for goods and work. Indeed, this was the cause of the Revolutionary War, and not the Stamp Act or a tax on tea, as is taught in all history textbooks.

"The Colonies would gladly have borne the little tax on tea and other matters had it not been the poverty caused by the bad influence of the English bankers on the Parliament, which has caused in the Colonies hatred of England and the Revolutionary War." – Benjamin Franklin

One of the first Acts of the Continental Congress was to issue Continentals as the currency of the Colonies. It was the issuing of the Continentals that gave tangible evidence that the Colonies were united, and Continentals financed the Revolution. What is not taught in conventional history is that the British counterfeited more than twice the amount (perhaps 8 times) authorized by the Congress and after the War the currency lost its value until it was practically worthless. When it came time to write the Constitution there was a general sense that coin was much more reliable than paper scrip and so the relevant paragraph reads: Congress shall have the authority "To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;". To this day Congress issues the coins, debt free.

Populist Movement Appendix

WILLIAM JENNINGS BRYAN

William Jennings Bryan was the leader of the Populist Movement after it dropped its third-party effort. He delivered the most famous speech in American political history on July 9, 1896, at the Democratic National Convention in Chicago. Two paragraphs contain the nub!

“We say in our platform that we believe that the right to coin money and issue money is a function of government. We believe it. We believe it is a part of sovereignty and can no more with safety be delegated to private individuals than can the power to make penal statutes or levy laws for taxation.

Mr. Jefferson, who was once regarded as good Democratic authority, seems to have a different opinion from the gentleman who has addressed us on the part of the minority. Those who are opposed to this proposition tell us that the issue of paper money is a function of the bank and that the government ought to go out of the banking business. I stand with Jefferson rather than with them, and tell them, as he did, that the issue of money is a function of the government and that the banks should go out of the governing business.

However, William Jennings Bryan was duped into supporting the Federal Reserve Act, because he was persuaded that it represented a takeover of the private banks by the Federal Government. In this next story about Edison and Ford we can see that there has been an awareness of the problem at various times since the establishment of the Federal Reserve System.

EDISON AND FORD

Henry Ford and the inventor Thomas Edison visited the Muscle Shoals nitrate and water power projects near Florence, Alabama. They used the opportunity to articulate at length upon their alternative money theories, which were published in 2 reports, which appeared in The New York Times on December 4, 1921 and December 6, 1921.

Objecting to the fact that the Government planned, as usual, to raise the money by issuing bonds which would be bought by the banking and non-banking sector -- which would then have to be paid back with money raised from taxes, and with interest added -- they proposed instead that the Government simply create the currency it required and spend it into society through this public project.

Thomas Edison made it plain in the following excerpt from The New York Times, December 6, 1921 issue ("Ford Sees Wealth In Muscle Shoals"). Here, the reporter is quoting Edison:

"That is to say, under the old way any time we wish to add to the national wealth we are compelled to add to the national debt.

"Now, that is what Henry Ford wants to prevent. He thinks it is stupid, and so do I, that for the loan of \$30,000,000 of their own money the people of the United States should be compelled to pay \$66,000,000 -- that is what it amounts to, with interest. People who will not turn a shovelful of dirt nor contribute a pound of material will collect more money from the United States than will the people who supply the material and do the work. That is the terrible thing about interest. In all our great bond issues the interest is always greater than the principal. All of the great public works cost more than twice the actual cost, on that account. Under the present system of doing business we simply add 120 to 150 per cent, to the stated cost.

"But here is the point: If our nation can issue a dollar bond, it can issue a dollar bill. The element that makes the bond good makes the bill good. The difference between the bond and the bill is that the bond lets the money brokers collect twice the amount of the bond and an additional 20 per cent, whereas the currency pays nobody but those who directly contribute to Muscle Shoals in some useful way.

" ... if the Government issues currency, it provides itself with enough money to increase the national wealth at Muscle Shoals without disturbing the business of the rest of the country. And in doing this it increases its income without adding a penny to its debt.

"It is absurd to say that our country can issue \$30,000,000 in bonds and not \$30,000,000 in currency. Both are promises to pay; but one promise fattens the usurer, and the other helps the people. If the currency issued by the Government were no good, then the bonds issued would be no good either. It is a terrible situation when the Government, to increase the national wealth, must go into debt and submit to ruinous interest charges at the hands of men who control the fictitious values of gold.

"Look at it another way. If the Government issues bonds, the brokers will sell them. The bonds will be negotiable; they will be considered as gilt-edged paper. Why? Because the government is behind them, but who is behind the Government? The people. Therefore, it is the people who constitute the basis of Government credit. Why then cannot the people have the benefit of their own gilt-edged credit by receiving non-interest-bearing currency on Muscle Shoals, instead of the bankers receiving the benefit of the people's credit in interest-bearing bonds?"

What is particularly interesting about the article is that if you read the whole thing³¹ you come away with the impression that it is about whether Henry Ford should manage Muscle Shoals because he could do it better than the government. The article does not emphasize the monetary issue and

³¹ Available in the New York Times Archive

somehow one is given the impression that the monetary issue is irrelevant. I find it fascinating that this continues to this day. Why does the news media continue to obfuscate the obvious?

Modern Money Mechanics Appendix³²

Most bankers do not understand that banks create the money they lend as an accounting entry. This is the key to realizing that elite bankers, who know exactly what they are doing, are the hidden sovereign. It is because of the monetary system that the economy has to constantly grow, and the growth imperative is why the economy turns nature into products that become garbage at such an unsustainable rate. The growth imperative is built into the monetary system. It is because of the monetary system that the wealth we all create is inexorably transferred from the vast majority of us who pay more interest than we receive to the very few of us who receive more interest than they pay.

When banks make loans, and making loans is how about 98% of the money supply is created, they monetize the promise to pay, usually backed by collateral. To understand this, realize that when you deposit cash in the bank the cash belongs to the bank, it is an asset of the bank, it goes in the cash drawer and then to the vault. What the bank “deposits” in your bank account with an accounting entry is their liability, what they owe you. What you think of as your money in the bank, your deposit is actually a demand loan from you to the bank, that is, the bank agrees to pay you back whenever you demand it. They even pay you a little interest. The same thing happens when you borrow from the bank. You don’t “deposit” cash, but you do give the bank something that is so close to cash as to not be significantly different, you give the bank your promise to pay, and your promise to pay is not just for the amount of the so-called loan, it is for the principal plus interest and the bank only creates the principal, what they owe you, not the interest. They know you are good for it, they have a detailed record of your credit history. What they put in your bank account, what you think of as the bank lending you money, is not money; it is their promise to pay you money. If you think this is just academic, just think about the difference between a promise to lend you a car and actually lending you a car. The promise to lend you a car is useless; you need a real car you can drive. This is very significant because you are agreeing to pay the bank principal and interest with money that actually represents the value you create in the economy. The bank promises to lend you a car, and because you don’t understand the difference between a promise to lend you a car and a car, you pay them back with a real car!

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<http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/2014/qb14q1prereleasemoneycreation.pdf> and also: <https://www.theguardian.com/commentisfree/2014/mar/18/truth-money-iou-bank-of-england-austerity>

Because the bank only issues the principal of the so-called loan and not the interest, there is never enough money in circulation to pay both the principal and the interest. This means that the economy has to grow so that the growth can cover the difference between what is owed (principal and interest) and what is available (principal). In case you are wondering why the whole Ponzi scheme doesn't collapse, it is because there is the principal of a loan that is never repaid, a loan that is big enough to be the permanent money supply. It is called the Federal Debt, it is never paid down, it is what grows to provide the money stock that is needed for the economy to continue functioning.

So, the monetary system requires continual growth and it transfers the wealth from the many to the few. This is why mutual credit, which doesn't require interest, and a decision process like sociocracy, can transform the economy from a voracious caterpillar to a delightful butterfly.

Universal Basic Income Appendix

A Plan in Case Robots Take the Jobs: Give Everyone a Paycheck

Farhad Manjoo

STATE OF THE ART

MARCH 2, 2016 New York Times

Let's say computers come for most of our jobs. This may not seem likely at the moment; computer scientists and economists offer wildly varying ideas for how deeply automation will affect future employment.

But for the sake of argument, imagine that within two or three decades we'll have morphed into the Robotic States of America.

In Robot America, most manual laborers will have been replaced by herculean bots. Truck drivers, cabbies, delivery workers and airline pilots will have been superseded by vehicles that do it all. Doctors, lawyers, business executives and even technology columnists for The New York Times will have seen their ranks thinned by charming, attractive, all-knowing algorithms.

How will society function after humanity has been made redundant? Technologists and economists have been grappling with this fear for decades, but in the last few years, one idea has gained widespread interest — including from some of the very technologists who are now building the bot-ruled future.

Their plan is known as “universal basic income,” or U.B.I., and it goes like this: As the jobs dry up because of the spread of artificial intelligence, why not just give everyone a paycheck?

Imagine the government sending each adult about \$1,000 a month, about enough to cover housing, food, healthcare and other basic needs for many Americans. U.B.I. would be aimed at easing the dislocation caused by technological progress, but it would also be bigger than that.

While U.B.I. has been associated with left-leaning academics, feminists and other progressive activists, it has lately been adopted by a wider range of thinkers, including some libertarians and conservatives. It has also gained support among a cadre of venture capitalists in New York and Silicon Valley, the people most familiar with the potential for technology to alter modern work.

Rather than a job-killing catastrophe, tech supporters of U.B.I. consider machine intelligence to be something like a natural bounty for society: The country has struck oil, and now it can hand out checks to each of its citizens.

These supporters argue machine intelligence will produce so much economic surplus that we could collectively afford to liberate much of humanity from both labor and suffering.

The most idealistic thinkers see the plan as a way to foster the sort of quasi-utopian future we've only encountered in science fiction universes like that of "Star Trek." As computers perform more of our work, we'd all be free to become artists, scholars, entrepreneurs or otherwise engage our passions in a society no longer centered on the drudgery of daily labor.

"We're talking about divorcing your basic needs from the need to work," said Albert Wenger, a venture capitalist at Union Square Ventures, a proponent who is working on a book about U.B.I. "For a couple hundred years, we've constructed our entire world around the need to work. Now we're talking about more than just a tweak to the economy — it's as foundational a departure as when we went from an agrarian society to an industrial one."

Sam Altman, president of the tech incubator Y Combinator, recently proposed to fund research into U.B.I. The firm has received thousands of applications for research funding, Mr. Altman said; it plans to select winning recipients within a few weeks, and ultimately Y Combinator plans to spend "tens of millions" of dollars on research to answer some of the most basic questions about life under U.B.I.

Mr. Altman said these questions range from the most practical — how much U.B.I. would cost the country, and whether we could afford it — to deeper issues concerning people's motivation and purpose in what you might call a "postwork" age.

When you give everyone free money, what do people do with their time? Do they goof off, or do they try to pursue more meaningful pursuits? Do they become more entrepreneurial? How would U.B.I. affect economic inequality? How would it alter people's psychology and mood? Do we, as a species, need to be employed to feel fulfilled, or is that merely a legacy of postindustrial capitalism?

There is an urgency to the techies' interest in U.B.I. They argue that machine intelligence reached an inflection point in the last couple of years, and that technological progress now looks destined to change how most of the world works.

“People have been predicting that jobs would go away for a long time, and usually what happens is they just change,” Mr. Altman said. But even so, “during those periods of change, things can be quite disruptive,” and at the very least, U.B.I. may be able to smooth out the transition period.

We may already be seeing the disruptions. Though the macroeconomic statistics suggest the United States has recovered from the last recession — job growth in 2015 reached levels not seen since the 1990s — surveys show that many Americans feel vulnerable and anxious about their jobs and finances.

Wage growth is sluggish, job security is nonexistent, inequality looks inexorable, and the ideas that once seemed like a sure path to a better future (like taking on debt for college) are in doubt. Even where technology has created more jobs, like the so-called gig economy work created by services like Uber, it has only added to our collective uncertainty about the future of work.

“All of a sudden people are looking at these trends and realizing these questions about the future of work are more real and immediate than they guessed,” said Roy Bahat, the head of Bloomberg Beta, the venture capital firm funded by Bloomberg L.P.

A cynic might see the interest of venture capitalists in U.B.I. as a way for them to atone for their complicity in the tech that might lead to permanent changes in the global economy. After all, here are rich people who both actively fund and benefit from creating highly profitable companies that employ very few people.

It doesn't help that you have some investors who've been terrifically tin-eared about the perils of globalization and the modern economy (see musings from Paul Graham on inequality, Marc Andreessen on colonialism and Thomas J. Perkins on class resentment.)

But my conversations with techies interested in U.B.I. revealed a sincerity and sophistication about the idea. They aren't ashamed or afraid of automation, and they don't see U.B.I. merely as a defense of the current social order. Instead they see automation and U.B.I. as the most optimistic path toward wider social progress.

“I think it's a bad use of a human to spend 20 years of their life driving a truck back and forth across the United States,” Mr. Wenger said. “That's not what we aspire to do as humans — it's a bad use of a human brain — and automation and basic income is a development that will free us to do lots of incredible things that are more aligned with what it means to be human.”

Like much of what venture capital firms work on, basic income is a pie-in-the-sky notion. Though it has enjoyed recognition among wonks and some political momentum in Europe, not a single American presidential candidate has expressed even passing interest in the idea. It has also been hampered by some very basic practical questions: How much should we give out in monthly income? Can the country afford that?

Proponents say these questions will be answered by research, which in turn will prompt political change. For now, they argue the proposal is affordable if we alter tax and welfare policies to pay for it, and if we account for the ways technological progress in healthcare and energy will reduce the amount necessary to provide a basic cost of living.

They also note that increasing economic urgency will push widespread political acceptance of the idea. "There's a sense that growing inequality is intractable, and that we need to do something about it," said Natalie Foster, the co-founder of Peers, an organization that supports sharing-economy workers.

Andrew L. Stern, a former president of the Service Employees International Union, who is working on a book about U.B.I., compared the feeling of the current anxiety around jobs to a time of war. "I grew up during the Vietnam War, and my parents were anti-war for one reason: I could be drafted," he said.

Today, as people across all income levels become increasingly worried about how they and their children will survive in tech-infatuated America, "we are back to the Vietnam War when it comes to jobs," Mr. Stern said. "We're entering a universal, white-collar, middle-class anxiety, which drives political change faster than poor people tend to drive change."

National Dividend Appendix

The **(Big!)** Difference Between a 'Basic Income' and the National Dividend

Posted on: October 30, 2014 by M. Oliver Heydorn

Category: Social Credit Views

It seems that more and more people in various countries are starting to take proposals for the introduction of a basic income quite seriously.

According to the BIEN network: "A basic income is an income paid by a political community to all its members on an individual basis, without means test or work requirement."

The Social Credit proposal of a National Dividend can also be defined as '... an income paid by a political community to all its members on an individual basis, without means test or work requirement.'

However, the National Dividend must not be confused with a basic income because there are hugely significant differences between them.

In what follows, I will only focus on what I take to be the three key differences:

1) The Structural Nature of the Proposed Benefit

Whereas the basic income is typically conceived as a fixed amount that would be granted unconditionally and would be enough for a person to survive on, the National Dividend would vary depending on the performance of the economy. In other words, the dividend is indexed to productivity. No productivity, no dividend. The greater society's productivity, the greater the dividend. It is expected that, in a highly industrialized country, the dividend (in conjunction with compensated prices and massively reduced taxation) should be at least sufficient to meet each person's basic expenses and that its relative purchasing power vis-à-vis salaries and wages should also be growing as machines replace human labor in the productive process.

2) The Social Purpose of the Proposed Benefit

Whereas the basic income is normally allied to a policy of full employment (i.e., the amount given to citizens must not be so great as to serve as a disincentive to seeking work in the formal economy), the National Dividend is allied to a policy of increasing leisure. Social Credit is opposed to full employment as a fixed objective. People should only be required to labor in the formal economy insofar as their work is actually needed in the provision of those specific goods and services that they would independently select (i.e., if their choices were not conditioned by the artificial scarcity of money that is an inherent characteristic of the present financial system). Machines of various types make it possible for a technologically advanced society to produce enough to meet everyone's needs without calling on the full capacity of the labor force. Any policy that goes beyond this and requires people to devote more time to production than the physical facts of the economy warrant is a policy of servility (it is a form of enslavement) and is also grossly inefficient and hence socially and environmentally wasteful.

3) The Financing of the Proposed Benefit

Whereas the basic income is usually conceived as being funded within the financial constraints of existing economic orthodoxy, i.e., through redistributive taxation, or an increase in public indebtedness, or the redistribution of profits from publicly owned corporations, etc., the National Dividend is financed through the debt-free creation of new credit that would be issued by a National Credit Office. The creation of this additional money by an organ of the state is justified by the fact that there is a chronic and underlying gap between the prices of goods on sale to the consuming public and the money that was made available in the course of their production. Principally because of the way in which real capital (machines and equipment) are financed and the way in which their costs are then accounted for, the existing financial system generates consumer prices at a faster rate than it distributes consumer incomes. Social Credit proposes to fill this gap via the creation of a

sufficient volume of debt-free money so that the "surplus production", i.e., the production for which no consumer income is automatically being distributed, can be bought without relying, as we currently do, on the contracting of new debts (whether on the part of governments, businesses, or consumers) for additional consumer purchasing power (amongst other palliatives). It is simply a matter of monetizing, if you will, the additional production. If a certain volume of goods and services alongside their prices exist, but the money to purchase them does not (because of an as-yet-largely-unrecognized accountancy error in the existing financial system), the credit needed to bring the monetary representation of reality into full alignment with reality should be summarily created and issued directly to consumers. The National Dividend would thereby contribute to the establishment of a real equilibrium in the economy's circular flow, i.e., an equilibrium that would be the fruit of a self-liquidating financial system, where consumer prices and consumer incomes would be held in an automatic balance. The basic income, by contrast, does nothing to achieve a self-liquidating financial system and may even, depending on how it is financed, contribute to the build-up of unrepayable debt.

Because of the stark contrast between the two proposals, Social Creditors should be very careful not to jump on the basic income bandwagon. Instead, we must convince basic income supporters that the National Dividend will deliver what they most desire (a certain measure of universal economic security), while simultaneously contributing, on the basis of our enormous physical economic potential, to a broader and most necessary reformatting of economic life in line with the true purpose of economic association: the delivery of those goods and services that people can use with profit to themselves ... with the least amount of trouble to everyone.

Furthermore, let us not be naïve. There are powerful vested interests who may choose to have the basic income introduced for their own reasons. Should the basic income fail (because it turns out to be too financially burdensome, or too many people stop working, etc.), it could be used to discredit real Social Credit: "They tried that and it did not work". Even if it can be sustained long-term under existing financial methods, the basic income will likely tend to mitigate the dissatisfaction of the populace with the existing system, thus further entrenching that system and perhaps making it impossible to dislodge (while at the same time possibly increasing the hold that the financial powers exercise over society via increases in taxation and/or public debts). From this perspective, the basic income may be seen as a few crumbs that the credit monopolists toss to the people in order to keep both them and radical, substantial change at bay. The proposal of a basic income would then qualify, like Keynesian economics before it, as an attempt to co-opt Social Credit by re-engineering one of Douglas' key remedial mechanisms in the service of the existing 'Monopoly of Credit'.

The Common Good Agreement

A. I recognize that:

- Common Good are intended as the basis for the Common Good Economy -- a democratic, community-centered economic system that puts people and planet first.
- Together as a community we have the power to issue credit for our own use as a medium of exchange. It is our promise to accept Common Good that gives them value.
- Governance by the people is essential for a just society.

B. As a responsible participant in the Common Good Economy:

1. As long as I can spend my Common Good easily or exchange them easily for US Dollars, I will accept them without limit as payment for my goods and services. I will exchange Common Good for US Dollars only if I cannot spend them easily.
2. I will accept Common Good from members of any Common Good Community in good standing. Once my geographic area becomes a Common Good Community, in the event of a cash flow crunch I will back Common Good up to my average balance over the past six months.
3. Whenever I exchange Common Good for US Dollars or vice versa, I will exchange them one for one, and I will price my goods and services the same in Common Good and in US Dollars.
4. I understand I will receive some Common Good from the community as Incentive Rewards that I can spend but cannot cash out. If I stop participating (or if the system ends) within 6 months of receiving my first Common Good or before the community has enough revenue to cover the Incentive Rewards, I will immediately give back whatever amount of Incentive Rewards I have received (while keeping any Common Good I received from other participants).
5. I promise to maintain a high level of honesty, integrity, and ethics in my dealings with other Common Good participants and with the community (including the Common Good system itself). When there is a dispute, I will follow the Dispute Resolution Process and will honor its outcome.
6. I agree to participate responsibly in managing the Common Good Economy to the best of my ability and as my life circumstances allow, including:
 - a. paying attention and understanding how the Common Good Economy works
 - b. participating in the decision process to set my community's funding priorities:
 - i. to foster healthy, fulfilling lives for all community members and
 - ii. to assist communities elsewhere
 - iii. participating in other decisions from time to time, as needed.

Biographical Sketch

I was born in 1950 on Patriots Day and have lived most of my life in Massachusetts in which Patriots Day is a State Holiday. I attended 13 years of Waldorf School in New York City where both my parents were teachers. My Father taught history in the Rudolf Steiner High School and used Carroll Quigley's *Tragedy and Hope, a History of the World in Our Time* as a resource, from which I learned much of the hidden history and the control of the International Banking Cartel. I dropped out of Bowdoin College because I realized that a college education is how you become well-adjusted to a profoundly sick society and I pursued the Revolution ('68 - '70) travelling up and down the East Coast to all the protests. I became very disillusioned with dialectical materialism and left the revolution behind to take up community building and trained in the Camphill Communities in Germany for four years and then went to England where I developed the Talander Medical Service - a complement to the National Health Service - to support the development of the Anthroposophical Medical Movement and the Park Attwood Clinic.

I returned to America and the Berkshires with my wife and four children and soon established the Cadmus Lifesharing Association as an intentional community of independent lifesharing households to create community with people with disabilities. In 1984 I was instrumental in establishing the first Community Supported Agriculture venture with the apple harvest on the Community Land Trust in the Southern Berkshires and then at Indian Line Farm and wrote all the materials that Robyn Van En then used to get the movement going. In the '90's I established Cadmus and Cascades Recycling together with people with disabilities as a worker owned cooperative to recycle paper, but we were wiped out when the paper mills and haulers colluded to drive out the independent recyclers. So much for free markets! In the years following the so-called terrorist attacks of 9/11 I joined the 9/11 Truth Movement and discovered how tightly controlled the media is. In 2009 I began to wind down my involvement in Cadmus as it was capitulating to increasing control by the Massachusetts Department of Developmental Services which imposed soul destroying regulations on care of people with disabilities and concentrated on the ideas for creating a new basis for community.

I organized and led a seminar on Understanding Money and created a not-for-profit, Just Abundance, Inc., to support my work and develop the ideas in this essay. I discovered William Spademan and the Common Good Bank and became the Senior Policy Analyst for the Society to Benefit Everyone, Inc. dba Common Good. When we decided we were not going to be able to raise the money to charter the Common Good Bank, after the contraction of credit and bailout of the too big to fail banks, we proceeded with the mutual credit system now known as Common Good and William Spademan designed the system and wrote the software for it that is more comprehensive, secure, easy to use, cheaper, than banks have. Since 2011 we have been running a pilot project to prove the concept and prepare ourselves for a major expansion coming up. The Greenfield, MA system now has over 250 members and 40 businesses and has generated about \$30,000 that is being allocated by the members in the coming weeks. There is over \$250,000 in the system now, and it is growing, with the intention to expand into the Pioneer Valley this coming year.

I also have been active in the Reform the Federal Reserve, and the Public Banking movements. I was a co-founder of a monetary reform group called [Credit to the People .org](http://CredittothePeople.org) and I am participating in bringing sociocracy and mutual credit to various communities. I am often a guest on radio shows, and I am also helping to establish a Sovereign Bank for the Indigenous People of the World.

My main work is now an effort to unite the monetary reform movement around an understanding of money that will support all the strategies that the movement pursues. Together with the Credit to the People group I am working on a script for a movie about monetary reform, and on a script for a dramatic presentation featuring the debates about money and the Bank of the United States, between James Madison, Thomas Jefferson, Alexander Hamilton and George Washington. American history is all about who controls the issuance of money!

I am always looking forward to the day when the Society to Benefit Everyone is a reality.

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