

Fiat Currency is a publicly agreed Symbolic Medium of Measure and Exchange, Not a Storage of Value.

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***TRANSFORMING MONEY: From Debt to Empowerment:
Restoring Civilization, Life of People and Planet (with **Big-mind shift**)***

by Susmita Barua

"The significant problems we face cannot be solved with the same level of thinking we were at when we created them." - Albert Einstein

" In some important ways our designing of the theoretical framework of economics or the misrepresentation of it is responsible for perpetuating poverty." Commonwealth Lecture 2003 by M. Yunus, Economist and Creator of Grameen Bank. "Poverty is an artificial creation." See **Quotes on Money and Banking**

Disclaimer: This educational article is neither to glorify nor to persecute "Capitalism". It is to address the unconscious blind-spot of Capitalism and make corrections based on whole view and understanding of the structural problems inherent in the way monetary and banking system developed. This is a roadmap and compass to guide us for designing a sustainable currency system that nurtures the Deep Web of Life and socio-economic relationships, ends poverty and injustice, secures long-term peace, freedom and security for all citizens everywhere, and serves as a universal medium of infinite possibilities..

Definition: "Currency" or money is a publicly agreed symbolic medium of communicating exchange with a unit and measure of value that allows goods and services to pass freely and simultaneously among multiple producers and consumers in a society. Money functions in reality not as a Promissory note (IOU), but a collectively agreed Trust or Thank You note (ITU) or universal acknowledgement receipt which enables both the providers and users of services and goods to meet the individual and collective needs (physical-social infrastructure needs) of the people. The power to issue and regulate the supply of debt-free money in accordance with the real needs (effective demand and effective supply capacity) of the people must by definition rest with the people and not with centralized private commercial banking system. Money is the greatest social acknowledgement, incentive and reward for both individual and collective enterprise, private and public initiative, and individual and joined cocreative skills.

We are just entering a new era of compassionate conscious capitalism where money becomes a reflection of a conscious choice and deliberate action by spontaneous co-creative organic networks of socially aware and engaged citizens within increasingly interdependent local communities and global villages. Consciously created and publicly adopted 100% trust (no-debt) money could become the greatest tool of individual empowerment, social emancipation, self-actualization, and sustainable development."

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TM by Susmita Barua

ABSTRACT: This paper examines the nature of 'capital' in Capitalism, the eye of the needle. The part of man-made economic system (a sub-system of ecological system) that has gotten most stuck, most unbalanced and blatantly top-heavy is the monetary system we inherited from colonial-industrial times following the model of Bank of England (see history). Monetary reform, micro-finance and local currency together do not provide a sufficiently viable alternative to myriad systemic problems generated by the current debt-based usurious centralized financial system at national and global levels. Current fiat money and banking system adopted in most nations in the post colonial period is in fact mathematically unsustainable, logically unsound and ethically indefensible. Transforming the very perception and definition of money and some flawed economic assumptions are required if mankind as a species intends to transcend all the self-destructive and suicidal dysfunctions inherent in unexamined capital economy in order to restore the health of the planet and people and secure the future of our children in the coming decades.

This paper discusses some ideas about transforming money from its current unconscious state that produces increasing poverty, inequality, war, human rights abuses and debt-slavery of people and massive waste of natural capital and societal breakdowns to a state where money becomes a conscious publicly supported debt-free/taxfree medium of delivery and circulation that allows free flow and self-organization of all land, labor and human capital from community level upwards to global level. This non-dual, non-competitive, holistic and publicly adopted



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decentralized form of trust money (ITU), as opposed to centralized monopolized inaccessible debt-money (IOU) would foster unprecedented cooperation and true empowerment of all individual and communities, public and private initiatives irrespective of economic and cultural differences, peaceful participatory democracy and sustainable use of both the natural resources and indigenous human capital.

The perennial problem of distribution and allocation of basic goods and services for basic survival needs can be eliminated with adoption of Universal Basic income (UBI) for all. Changing perception of money from a "store of value" to its reality as only a "collectively agreed symbolic communication tool with a measure of value" is needed to address myriad problems (like speculation, gambling, hoarding, usury) arising out of this false assumption. Since money is a collective agreement, its design and function, issue and control by necessity rest on the Citizens of the free nations. Control of debt-free money issued publicly would actually come to rest upon creative class of entrepreneurs, service providers and conscious consumers and not upon faceless entities like central banks, global financial institutions, world trade organizations, corporations and investment bankers.

Transforming the perception of money from a "real medium of exchange" to its reality as a collectively agreed "symbolic tool of exchange that communicates transfer and allows flow of valuable products/services often separated in time and space" is going to address the problem of universal fair allocation of money for both the consumers and producers. Under such system human energy and free enterprise will increasingly self-organize itself into all manner of creative, cooperative and human-scale enterprises and all businesses would be service oriented than profit oriented. Job creation by corporations and government bureaucracy is a necessity only for long term debt servicing and tax-based welfare system. With economic empowerment of the bottom half of world's population many secondary social benefits including substantial reduction in population growth, ecological destruction, and gender-race based inequalities are bound to follow. [Transforming money by Susmita Barua 3/31/05]

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This paper is based on author's buddhist upbringing and Buddha's complete prescription of Noble Eight fold Path for cessation of suffering in this world. Right view (as *samyak darshan* in Sanskrit or *samma ditti* in Pali) is the beginning and the end of that path. It simply means to see and to understand things as they really are, and not as one like to see or interpret them. **Right view** is attained, sustained and enhanced through engaging all faculties of mind. The Pali word "samma" actually means full, complete, wholesome or an all pervading view and somewhat inappropriately translated in English as 'Right'. The word 'understanding' is not intended to mean just an intellectual or conceptual comprehension but understanding that is developed through experience. The fifth factor of the Noble Eightfold Path is **Right Livelihood**. In the scriptures the Buddha refers to the practice of 'deceit, treachery, soothsaying, trickery, **usury**' as wrong (unwholesome) livelihood. Elsewhere he refers to **five trades** that should be avoided: 'trading in arms, in living beings, in flesh, in intoxicating drinks, and in poison'. Right livelihood is that which brings true benefit to oneself and/or others. Wrong livelihood is that which is to the detriment of oneself or others. Buddha like other enlightened teachers taught that to do harm to others is also to do harm to oneself. Also Buddha talked about overcoming the three unwholesome mental states and mind poisons of greed (*lobha*) with generosity (*dana*), ill-will (*dosha*) with loving-kindness (*metta*) and delusion (*moha*) with wisdom (*prajna*) [see [David Loys](#) paper]. Buddha always encouraged reason and rational pursuit of Truth over blind faith. He did not talk about sin, instead he talked about unwholesome (unskillful) actions and consequences (*karma*) arising out of ignorance (*Avijja*). Buddha also talked about *avijja* (ignorance, not-knowing, unconsciousness, non-wisdom) in his discourse on Dependent Co-arising [[Pattica Samuppada](#)]. In this age of rapid globalization practitioners of Natural and Conscious Capitalism must move beyond personal, national or ideological sphere to planetary responsibility through collective awakening of our whole heart-mind. We must design a conscious human centered holistic capital and market economy by engaging our collective will and evolutionary intelligence. [Satyagraha](#) is a Sanskrit term popularized by Gandhi during his non-violent non-co-operation movements. It means any effort to discover, discern, obtain or apply "Satya" or 'Truth' to correct injustice. Great wisdom can be gained by following the unfoldment of human social values, human beliefs and perception in the way money evolved historically in different times, places and cultures. A final realization of the inherent truth and emptiness of money as a human construct accompanied by inner transformation will lead to organic peaceful outer transformation of all human institutions (see [word origins](#) for some common economic terms)

The Present Reality: The current global situation is a reality of extremes of poverty and starvation for the masses and unlimited accumulation of wealth in few hands, massive waste of resources, unchecked pollution, loss of arable lands and watersheds in many parts. **About 80% of mankind - live on 15% of world's total GNP. About 3 billion live in poverty on less than two dollar a day of which 1 billion live on less than a \$1 a day and 850 million suffer from hunger.** [Globalissues.org]. **About 35 million in US experience hunger.** Vast majority of poor are women and children.

The United States has 13.7% of the total population (36.5 million) under poverty of which about 21 million are women. (see US poverty data). Yet World agriculture produces 17 percent more calories per person today than it did 30 years ago, despite a 70 percent population increase [[World Hunger Fact sheet 2006](#)]. Of the 2.2 billion children in the world, UNICEF estimates that 1.9 billion lived in the developing world. **One billion of those children lived in poverty** and were deprived of at least one of seven amenities that UNICEF regard as basic rights – shelter, water, sanitation, schooling, information, health care and food [[Unicef Report on State of World's Children 2005](#)]. About 1.7 billion of world's population is in 15-29 years age group and 85% of them live in Developing Countries. While overall population of this youth group increased by 10% in past 10 years, employment for them increased by 0.2% only. **And 70% of children below 14 years in the Developing countries are not in school** [source: [Imaginations.org](#)].

Women work two-thirds of the world's working hours, produce half of the world's food, and yet earn

only 10% of the world's income and **own less than 1% of the world's property**. Girls account for 2/3rd's of the world's children without access to education. 17 million people, including 11 million children, die every year from easily preventable diseases and malnutrition. 800 million people are hungry or malnourished. [State of the World]. Half of its food in US is wasted. A new study by **Timothy Jones**, from the University of Arizona (UA) in Tucson, indicates that a shocking forty to fifty per cent of all food ready for harvest never gets eaten [why hunger exists today].

This year 2006, for the first time, everyone in **The Forbes 400** has at least \$1 billion. The collective net worth of the nation's wealthiest climbed \$120 billion, to \$1.25 trillion. [does forbe's list include banking dynasties **Rothschilds** and **Others**]

Can Prosperity Built on the Foundation of Debt Sustain Itself? By the end of 2005, the **gross debt in the USA** reached \$7.9 trillion, about 8.7 times its 1980 level. This amounts to \$28,412 per head of the U.S. population, or \$58,390 per head of the U.S. working population. Total debt is **nearly six times** the amount of **United States currency in circulation** (M1 Money Supply), estimated to be \$1,372 billion. U.S. official gold reserves are only worth \$160 billion, foreign exchange reserves \$63 billion and the Strategic Petroleum Reserve \$33 billion. The **UK national debt** as at the end of 2003 - the last date for accurate(ish) figures was US\$829.7 billion. The UK population was 60.2 million, leading to a calculation that each British citizen has a share of that debt of \$13,782, while debt among the working population (28.5 million) amounts to \$29,110. With gross debt exceeding 170% of GDP, measures to reduce **Japan's large government budget deficit** have become increasingly urgent.

Much of the current levels of Third world debt were amassed following the 1973 oil crisis when the western members of OPEC pushed the price of oil up making the Arab nations very wealthy. They decided to deposit this money in large Western banks. The banks didn't want all of this money lying around so it is lent to the third world countries. Most of the loans never reached the poor of the country either going towards large-scale development projects, some of which proved of little value, or to the private bank accounts of dictators. Overall, about one-fifth of loans went to purchase of arms. Do we ever stop to think **who are owning all this debt** or where this excess money in few hands flowing into?

Investment in Military, Arms Trade and Warfare: According to the Stockholm International Peace Research Institute, in 2003 the United States spent approximately 47% of the **world's total military spending of US\$956 billion**. The current (2005) United States military budget is larger than the military budgets of the next fourteen biggest spenders combined, and nearly seven times larger than China's, which places second [source: wikipedia] Now The CIA **black budget is annually in the vicinity of 1.1 trillion dollars**. [sourcewatch: CIA methods and **Secret Wars**]. There are Reports by Solari and others of Trillions of dollar missing from US Treasury and Pentagon [Solari.com]. USA, Russia, France and Britain do the largest businesses of arms trade in the world. Sometimes, these arms sales are made secretly and sometimes knowingly to human rights violators, military dictatorships and corrupt governments. Over two years world military spending increased by 18 per cent in real terms, to reach \$956 billion (in current dollars) in 2003 [source: globalissues.org]. What if we could redistribute the cost (\$334 billion) of Iraq war to take care of the problem of global poverty of 2 billion, and restoration of fragile eco-systems? [National Priorities data].

The Business of Warfare: War brings enormous profit to manufacturer and traders of weapons and arms (**physical, chemical and biological WMDs**). Lockheed Martin, Boeing, and Northrop Grumman, the three largest weapons manufacturers, together received more than \$50 billion from the Pentagon in 2003. Making bombs and fighter jets is one of the fastest growing industries in the world, buoyed by the Bush administration's "war on terrorism." [Corpwatch]. Also see unholy alliances of our current First family [[1], [2]., [3], [4]]. Such relationships can be traced across party lines. [War is a Racket, General Smedley Butler and Iraq for Sale] As Gandhi said, "What difference does it make to the dead, the orphans, and the homeless, whether the mad destruction is wrought under the name of totalitarianism or the holy name of liberty and democracy?" Whose interest this bloated and unadvertised war economy is defending? (See who benefits and NSC-68 the origin of war economy)

How Perception Becomes Reality: The subject of money and banking is fascinating not only from socio-economic or political viewpoints but more so from psychological, philosophical, metaphysical and mathematical perspectives. Money, more than anything else reveals how beliefs and perception create our reality. Market Capitalism has become the new religion and like religion it is adversely affecting all human social-psychological relationships and priorities at every level of human endeavor from science to media, academia, business, politics, education, health care, resource allocation and energy use and preservation of healthy habitat and ecology. According to Zarlenga, economics has become the new clandestine religion, masquerading as science. Economists often use confusing definition, poor methodology and overly rely on theoretical modeling at the expense of practical reality and real world data. Myths have been perpetuated through manipulation of language, perception, definition and suppression of monetary history.

Almost all of money (more than 96%) in circulation is issued as credit or debts, also known as

promissory notes, with an assurance that the equivalent value will be paid in coin, silver or gold in future. The US dollar notes states "this note is a legal tender for all debts, public and private." Tying the value of money with the backing of gold or silver have been found to be impractical and inefficient many times historically. People trusted in the promise and never actually exercised that promise, except in really bad economic times. If all people demand their deposits and equity back at the same time, banks (the very best ones) will simply fail. We have inherited **a colonial system of money** and banking following a belief system that resources, labor and capital are scarce, therefore every person needs to compete against the other in order to survive, and free market where price is determined by unregulated supply and demand is the best way to allocate resource among competing demands. It is time that we question those beliefs.

What is Money? Money, especially paper money itself is a great human invention (first used in China), an abstract tool of symbolic payment, which allows free flow of goods and services. Historically locally available resources (like amber, beads, cowries, drums, eggs, feathers, gongs, hoes, ivory, jade, kettles, leather, mats, nails, oxen, pigs, quartz, rice, salt, thimbles, umiacs, vodka, wampum, tobacco, yarns, zappozats or decorated axes) have been used as money. The average person's life and living standard has been vastly improved, because of universal acceptance of money as the medium of exchange. However, confusing the symbol for the real things is similar to giving away the real land for the paper map. To this day money-changers have used every form of deceit (including elaborate government taxation and welfare schemes) and control of education, media and research institutions to create myriad diversions through ideologies and scare tactics to keep the control and issue of money power to themselves. Lot of confusion exists about what is money or how to define it. Money is generally confused with wealth since money can buy any wealth (land and its resources, labor, precious minerals and goods). The difference between US Treasury printed cash money and credit (interest bearing loans issued by banks) has also disappeared with the introduction of credit cards. Money is perceived as a medium of exchange (MOE) and as a store of value (SOV). Neither is quite correct, as money exists now. Both paper money (fiat-money) and credit money under fractional reserve system is no longer backed by any precious metal; as such money has no inherent storage value. Since it is not a store of value, it is also not a "real" medium of exchange (which implies exchange of value). Money is a document, a symbolic measure of exchange, a universally transferable acknowledgement receipt (ITU), a human made tool or communication device that allows repeated and complex transaction and delivery of goods and services between parties often separated in space-time. [see [Aristotle Vs. Adam Smith's concept of Money](#) by S.Zarlenga]

Perception Vs. Reality of Money: The history of origin of paper money and commercial banking and the growth of central banks have never been studied systematically, except by a few. The question of what money is and how it is created is not commonly understood; hence this issue have never been discussed or decided democratically by people everywhere. True democracy, equality and sustainability demands replacing the current structurally unsound and grossly unfair system of debt-money (which produces debt-slavery of people, their governments and businesses) with debt-free, interest free trust-money. Changing perception of money from a "store of value" to only a "symbolic measure of value" (in the same way a coupon, ticket or accounting entry is) is going to minimize all volatility arising out of speculation or hoarding of money, over-building of excess capacity or waste due to unused capacity. The current system of fiat money (not backed by gold or precious metals) has no intrinsic value and derives its value solely from the collective legalized agreement to use money as the universal "medium of currency of flow." The continued perception of money (from the old goldsmith and gold standard days) as a "store of value" is simply an illusion. Since fiat money is no longer a store of value (SOV), the continued perception of money (from old barter or mutual commodity trading days) as "medium of exchange" (MOV) is also an illusion. This paradoxical situation however brings the historically unprecedented global opportunity to redefine money as a universally accepted man-made tool - simply a token and symbol (with units of measure) which enables delivery and transfer of goods and flow of services among all people. **This slight shift in perception is actually a Quantum shift in the way we generate and use money** for all kind of creative human enterprises.

Private Creation of Debt-Money Through Centralized Banking: Private Banks has been given the legal power to not only create credit (free money to banks but debt-money to people, businesses and government) based on [Fractional Reserve System](#) (read and understand this first before going further) but charge interest on it that is compounded annually! It is mathematically impossible to sustain such a grossly unfair system. At the time of issue of a loan, mortgage or credit only the principal is created, not the interest (huge in long term loans)! By design outstanding debt repayable always exceed principal issued or credit money put into circulation. This is what actually creates perpetual inflationary pressure on money created as debt and not enough money to go around debt-free see usury). Price of housing and goods are elevated as consumer income is eroded by compounded debt burden. Fiat or legal money is purely a medium of exchange and has no commodity or storage value; as such must not be issued as debt under fractional reserve system. [see video [Money as Debt](#)]

Viscious Cycle of Credit (debt-money), Poverty and Concentration of Wealth: People assume that money loaned by bank is other people's money. This is not so. Entire supply of money depends on people, businesses and government going under debt. "The financial system currently adopted

by all nations is often described as "debt based", since the process of going into debt is relied upon almost exclusively to create and supply money to their economies. By the action of lending to borrowers, commercial banks create credit and advance this to industry, consumers and governments. This "bank credit" circulates in the broader economy until such time as the loan is repaid. Such "bank credit" now forms 96% of the money stock in most industrial nations, with a mere 4% the notes and coins created by government, and free from a parallel debt. Thus, almost the entire money stock is supported in circulation by vast debts in four main sectors: Private debts e.g. mortgages, loans, overdrafts, credit-purchases; Industrial and commercial debts, Government "national" debts International, including Third World debt. The supply of money is a direct product of borrowing, and debt maintains this money in circulation. Modern debt is, in aggregate, quite unrepayable. Furthermore, difficulty is experienced in the repayment of individual debts in all four sectors." [see Top Ranking Companies in [Forbes2000 Biggest Companies](#) 2007 List, *in terms of assets* are primarily Banks]

Monetization of Economy and Third World Poverty: The vicious cycle of poverty in the Third World itself has its root in the colonial times. It was created, by the progressive monetization of the economy with debt-money alongside destruction of indigenous self-sufficient local economies. The monetization of economies through the colonial institution of Central Banking created progressive concentration of wealth in a few hands of merchant-banking class and Institutions engaged in financial speculation. It progressively destroyed earlier human scale cooperative barter and gift economies and sustainable agrarian economies. People need to understand how absurd it is for the people and their representative Government to borrow money legalized by itself and pay compound interest on it. Who or where is the government borrowing from? The centralized and monopolized banking system that regulates money supply has its root in colonial times and was designed after the Bank of England. Understanding what money is and how it actually work through the banks is crucial before people will be open to embrace any alternative to the current system with endless loop of debt exceeding money in circulation and funneling of real wealth through **accumulation of money at the top** from the basic farming, goods and service sectors. War and economic-imperialism and corporate greed becomes a necessary fuel to sustain this corrupt and dysfunctional monetary-financial system that has been institutionalized by law. [The Drive Behind Globalization, 1998, pp 3-4, Income Inequality in the US, [The L Curve](#)]

Power of Money comes from People's collective Agreement: It virtually costs nothing to produce money. The power of money actually comes from the legal decree or legal sanction behind it. The power of law only prevails only as long as people collectively trust and believe in the fairness of the law. The current debt-based monopolized banking/financial system is simply unsustainable and unconstitutional. It is turning the planet into a global casino and playing havoc with people's lives.

Just like democracy is a tool to empower people politically, debt-free transparent money can be the most powerful tool of economic transformation and social empowerment for all. Democracy or political freedom does not work without true economic freedom and empowerment for all. There is a peaceful way to accomplish this without war and violent revolutions once "we the people" understand the fundamentals of what money is and how money is made available as debts by centralized banking across the planet.(see [Bank Profit in UK](#)), [World Bank and Asian Development Bank](#). Note the current president of World Bank is Paul Wolfowitz of [Project for New American Century](#)]

World Bank, IMF and WTO Impacts: The Bretton Woods Institutions or [The World Bank group](#) was created in 1944 to establish the supremacy of one singular currency of World Trade, which is US dollar and US supremacy in the world. As the developing countries got increasingly dependant on dollar to buy oil and other industrial goods, it was easy for World bank to advance loan on conditions of structural adjustment to thoreign investors to the detriment of those countries. Instead of helping development and ending poverty the World bank Shareholders (largest US) saddled these countries with mounting debt and transfer of local ownership of of future mineral, oil, forest-logging, even water distribution rights to foreign shareholders. The value of dollar today is also maintained with the support of Japan, China and OPEC countries, which maintain substantial dollar reserve. This gross inequality of world wealth/currency distribution precipitated the migration of low and highly skilled (brain-drain) undocumented and documented aliens from other countries to the US. Read some documents at the grassroot group [50 years is enough](#) and also 50 years of failure of world bank by [Heritage foundation](#)

In India, Wada Na Todo Abhiyan (Keep the Promises Campaign) and a group of organisations organized a South Asia Peoples Summit Against Poverty in September 2005. the Summit called for the scrutiny of the foreign capital in the country while describing [World Bank](#), [WTO](#) and [IMF](#) as part of the "unholy trinity" that is presiding over the misery of people and destruction of planet. Beyond debt-relief, trade justice, and debt-cancellation there is a need for going to the root cause of in-debtedness among nations and institutions [see [paper by Dr Muhammad M. Alam](#)]

The Illusion of Free Market with Mounting Debt: We must ask "free market" for whom? For Corporations legally given personhood [See Corporate Personhood] and/or the Central Bankers legally given the right to mint money [Tragedy and Hope, Caroll Quigley]? Farmer and activist Wendel Berry reflects on the god status given to the idea of 'free market' by developed countries and how they are sacrificing to it their farmers, farmlands, and communities, their forests, wetlands, and prairies, their ecosystems and watersheds. They had accepted universal pollution and global warming as normal costs of doing business. "We citizens of the industrial countries must continue the labor of self-criticism and self-correction. We must recognize our mistakes [see Berry's post 9-11 essay [In the Face of Fear](#)]. Market is not free or accessible for the vast majority of the planet's people who do not have regular employment/income or collateral to access bank credit from commercial banks, to pursue life and living as they see fit. Both the national and personal debt is skyrocketing along with breakdown of families and communities. (See Book "[The Empire of Debt: Rise of an Epic Financial Crisis](#)." Interest forces workers and businesses to demand more money for the work and goods to pay their ever increasing debts and taxes. This increase in prices and wages is called "inflation." This "inflation" benefits the money-lenders, since it wipes out savings of one generation so they can not finance or help the next generation. With an adequate supply of interest-free money, little borrowing would be required and prices would be established by people and goods [[Sheldon Emry](#)]. Also see for yourself the **illusion of debt-money and US debt-clock** in real-time.

Basic Problem of Circulation of Debt-Money: People will never be free with money that is issued as debt to begin with and reality will continue to contradict the myth of freedom under democracy and free market. *"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. 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 unpayable debt and usury (Benjamin Franklin autobiography)."*

At the international level, trade is deeply affected by the debt-based financial system. The aggressive pursuit of maximum export revenues, rather than seeking a simple balance of trade, is entirely due to the fact that even the wealthiest nations operate from a position of gross insolvency. International trade has degenerated into a competition between nations to alleviate their indebtedness, rather than a process involving a mutually beneficial exchange of goods and services. Endemic Third World debt is also directly attributable to the reliance upon debt and banking to supply money. The theoretical model of borrowing from the World Bank/IMF, investing in development and repaying loans from export revenues, is one of the great failures of contemporary economics. The persistent inability on the part of debtor nations to repay these loans suggests strongly that the nature of the indebtedness suffered by the Third World has absolutely no actual legitimacy or validity. [[The Grip of Death](#) by Michael Rowbotham 1998, and [Confessions of Economic Hitmen](#), John Perkins

UBI, Fair Allocation, and Dignity of All Human Life/Labor: The problem of fair allocation of money, as well as mass poverty and inequality can be safely addressed by giving every citizen (consumer) a basic income with non-inflationary and non-speculative trust money. Since money is not a store of value, its value is secured by collective agreement and trust of people to serve the basic needs of all people in the community, region and nation by using the best of collective human wisdom practices and human-scale technology available. Public Money issued debt-free as ITU notes or electronic currency (I Trust you, I Thank You instead of IOUs) can be fairly and easily allocated to all living citizens as basic guaranteed income. This also sets free the providers of basic goods and services from the need to secure markets by aggressive marketing or advertisement hypes. With readily available consumer base backed by real purchasing power (effective demand) providers can now concentrate on production and delivery of goods and services. people and productive activities can self-organize inspired by service than motivated by profit. Also money allocated debt-free for basic sector will keep circulating in local economy, building rich community networks and healing relationships that were weakened under predatory capital economy. [Universal Basic Income](#) (see below) have the potential to free humanity from physical survival needs, create equality across race and gender, restore dignity of all human labor, promote community spirit of cooperation, strengthen peace, democracy and well being and free the innate creative potential in all human beings. True equity, individual sovereignty and entrepreneurship can thrive only on the foundation of equality! With UBI , all services are honored including services of mothers, homemakers (both men and women), grandparents, volunteers, non-business hobby type craftspeople, caregivers and the like whose services are not counted in the GDP, but without whom families and communities cannot survive.

Public Vs Private and Other Assumptions: The definition and perception of "public" entities Vs. "private" corporations has been blurred historically through a complex system of legislations. Giving global mega-corporations with employees in different countries and continents the "private" status to avoid public accountability legally is something that needs to be questioned (see [corporate](#)

personhood). Each person is simultaneously a public and private citizen in his/her daily life. Any institution dealing with people, land resources and environment must hold a greater degree of civic responsibility and accountability than maximization of profit for a few shareholders alone.

The two basic assumptions of economics regarding "scarcity" and "competition" (as the best model for free market allocation) need to be seriously questioned. Human ingenuity, creativity and enterprise have always overcome scarcity or lack anywhere within society. Such progress has been always accompanied by mutual cooperation and collaborative behavior and ingenuity of individuals rather than competition among private corporations (see 'Unequal Protection').

The **gross national product** does not allow for the health of our children, the quality of their education, or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages; the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage; neither our wisdom nor our learning; neither our compassion nor our devotion to our country; it measures everything, in short, except that which makes life worthwhile. And it tells us everything about America except why we are proud that we are Americans." - Robert F. Kennedy

What's Wrong with Usury? Usury (in the original sense of any interest especially excessive interest) is scripturally and doctrinally forbidden in many religions. Usury was denounced by countless spiritual leaders and philosophers of ancient times, including Plato, Aristotle, Cato, Cicero, Seneca, Plutarch, Aquinas, Moses, Mohammad, Jesus and Buddha. **See more on usury at Wikipedia**. What wikipedia doesn't mention is that Usury is actually compound interest on principal that is mathematically unsustainable over long run. Usury is also **Unearned income**, which means no labor is expended in earning usury. Also charging interest on fiat money that has no intrinsic value is deceitful. Usury is exploitative and promotes greed and artificial scarcity in money supply (when principal is issued, the future interest is not, ultimately resulting in inflation and loss of value of money). Also money issued as debt cannot be fairly allocated to vast majority in the planet without formal full time jobs and much more. It is not just the third world, the developed countries like US, UK, Japan and others are accumulating national debt at a staggering rate. Do we stop to think who are owning all this debt? There is a huge gap in reality and how we are conditioned to believe in TINAC (There Is No Alternative to Capitalism) through diversion of attention to myriad dysfunctions of Capitalism and perpetuating fear and denial of anything else that looks at the cause. A monetary system designed to issue money privately via centralized commercial banking and allocated money as usurious debt (bearing compound interest) gradually shifts wealth from actual productive class (farmers, farm laborers, artisans, manufacturers, service providers) to non-producing bankers, financial sectors, bureaucrats, and middlemen of all kinds. There is a breakdown of relationships between actual producers/providers of food, goods and services and actual consumers/users of those gifts of labor. The dignity of life and labor is lost in the process of mindless production and consumption generated by endless cycle of debt-money and unrepayable debt. Lay-offs, downsizing, outsourcing, sweatshops, pollution and waste are the last survival strategies left to this insane chase for globalization of capital economy and imperialism of financial interests.

According to **Stephen Zarlenga of the American Monetary Institute**, "by mis-defining the nature of money, special interests have often been able to control a society's monetary system, and in turn, the society itself." AMI's research shows that a main arena of human struggle has been over the monetary control of societies. This control is exercised through monetary theory - in obscure doctrines about the nature of money.

All of mankind's moral and religious codes forbade usury. But the Old Testament strictly forbade Jews from taking usury from their "brothers" (other Jews), and discouraged taking it from strangers. Scholastics (1100 -1500 AD), the Church scholars looked on all mankind as brothers. Other codes restricted usury

Code Of Hammurabi (2130-2088 BC) limited usury to 33%;
Hindoo Law - Damdupat - limited interest to the full amount of the loan; Roman Law limited interest; Justinian's 6th century Code reduced the 12½% limit of Constantine the Great, to 4-8%, and accumulated interest could not exceed principal. The Koran totally forbids usury, from the 7th century;
Charlemagne's laws flatly forbade usury in 806 AD.
The Magna Carta placed limits on usury in 1215 AD.

Most States of the United States enforced usury limits until 1981. As economies became more dynamic, with real growth possibilities, it became clear that charging interest on business loans where the borrowing merchant prospered, couldn't be condemned as greed or lack of charity and by 1516 the idea of a lending institution charging interest for its services had been overwhelming accepted. John Calvin finished off the usury ban in 1536. He considered usury sinful only if it hurt ones neighbor and that it was generally legitimate in business loans. (Zarlenga)

Note: see description of self organization and holistic thinking.

Free market under debt-slavery: Right now money is allocated as debt by a highly dysfunctional system of centralized banking primarily to already wealthy producers and speculators, who have inherited or acquired wealth through collateral property or securities like stocks and bonds. None goes to poor people and consumers without regular income. Creative qualified people who get suddenly unemployed due to business outsourcing or ownership changes have difficulty being self-employed in this so-called free market. Geniuses and gifted people who can empower the people and the planet with their practical revolutionary ideas and inventions cannot find the financial and

institutional support for ideas which are a threat to existing corporate profits and power structures. Allocating funds through the discretion of out-of-state banks and venture capitalists is simply not the best way to fund creative enterprises.

Real Vs. Unreal (delusional) Economy: In real economy money is issued in accordance with monetary need for production and distribution of real food, goods and human services. But when money itself is used as a commodity for earning usury or compound interest then all human services and activities (including human labor and life's worth itself) becomes commodified and measured in terms of money. The historic growth of Stock market and lately the foreign exchange currency market (FOREX) are part of the Unreal Economy fueled by excess accumulation of wealth in hands of those who have the inside access and inscrutable knowledge of this unreal economy of global financial/capital and derivatives markets. [see MEL formula of Money]

Speculation, Hoarding and Volatility of Debt-money: Debt-repayment and taxation requires taking out money from circulation for hoarding, saving and profiteering purposes not only to meet current needs but future needs and inflationary uncertainties. "In addition to almost unlimited usury, the bankers have another method of drawing vast amounts of wealth. The banks are able to approve or disapprove large loans to large and successful corporations to the extent that refusal of a loan will bring about a reduction in the selling price of the corporation's stock. After depressing the price, the bankers' agents buy large blocks of the company's stock. Then, if the bank suddenly approves a multi-million dollar loan to the company, the stock rises and is then sold for a profit. In this manner, billions of dollars are made with which to buy more stock. This practice is so refined today that the Federal Reserve Board need only announce to the newspapers an increase or decrease in their "discount rate" to send stocks soaring or crashing at their whim. Banks collect billions in interest by loaning to Government and the Corporations!" [Pastor Sheldon Emry]

Future of Money: "Your money's value is determined by a global casino of unprecedented proportions: \$2 trillion are traded per day in foreign exchange markets, 100 times more than the trading volume of all the stockmarkets of the world combined. Only 2% of these foreign exchange transactions relate to the "real" economy reflecting movements of real goods and services in the world, and 98% are purely speculative. **This global casino** is triggering the foreign exchange crises which shook Mexico in 1994-5, Asia in 1997 and Russia in 1998. These emergencies are the dislocation symptoms of the old Industrial Age money system." [Future of Money by Bernard Lietaer]

Money as compound interest bearing 'debt' (coupled with creation of monopoly global currencies of trade like dollar and Euro) creates extreme polarization of poverty and wealth distribution, which progressively leads to war and financial imperialism, monopolization of local economies through global corporations driven by profit maximization, rise in various speculative activities with money and currency (the illusion of free market), and destruction of the delicate ecological balance that sustain the rich web of life in the planet, including human lives. Only 2% of over \$2 trillion worth of daily foreign exchange transactions relate to the "real" economy reflecting movements of real goods and services in the world, and 98% are purely speculative (Bernard Lietaer, former central banker and developer of Euro. Also see Foreign Currency Speculation Disaster)

Co-operation is the basis of Economic Activity and Life: Every human being begins life as a Consumer of goods and services and continues to be a Consumer even after assuming productive Producer roles in the community. There would be no demand for goods and services and need for creative work, were it not for consumption! So *Consumption is the basis or reason for Production and Creative Work*. In a traditional family two adults cooperative synergistic work can support a few children, elderly parents and some relatives needing occasional help. In a community, a hundred people working cooperatively can support the needs of many hundreds. This is why we are more frequently a buyer (consumer) than a seller (producer). Giving debt-free legal money in the hands of actual consumers (all citizens) would actually reinvigorate, diversify and decentralize farming, food-processing and basic industries everywhere. Businesses will have ready and willing market and can concentrate on producing products of real value than on wasteful conspicuous consumption. Raising debt-free interest free capital with the support of the community co-op banks to start or expand a business means businesses would be service oriented than profit oriented. Such sustainable businesses can be organized in a flexible basis for duration of five to ten years; they do not need to meet shareholder demand for continuous growth in productivity or merger and lay-offs for profit-maximization, or build overcapacity or wasteful aggressive marketing to push harmful products. Diversifying or changing the business product or services according to changing consumer needs and behavior would be easy for robust decentralized entrepreneurial human-scale businesses than they are now for huge mega-multinational companies.

Abundant Money and Prosperity for All: What kind of money we need in a democracy depends on what kind of society we like to live and create for our children and our children's children. Nature is abundant and human creativity is unlimited. Nature's capacity itself expands as human innovation, and creativity expands. Why should we limit supply and access to money when both human creativity and natural resources are abundant? As we have seen above that money is an abstract tool created by law that allows free flow of goods and services; unlike barter (which is finished every

time with exchange in kind) money allows repeated (almost forever) flow in goods and services as long as it keeps circulating between buyers and sellers. Why should we support a deceptive usurious money and banking system which is fueling excessive concentration of wealth in few private hands - a self-destructive system where money is freely available for unhealthy war-military-industrial-oil-drug-disease-chemical-pollution complex and not available for children's education, adult-healthcare, clean water, sanitation and other basic social-human services? As president Lincoln said, "the privilege of creating and issuing money is not only the supreme prerogative of Government, but it is the Government's greatest creative opportunity." This opportunity remains unrealized to this day. (see America: [Freedom to Fascism](#))

Unrealized potentials and opportunities within: True cooperation, creativity and genuine free enterprise will replace predatory competition and excess accumulation of wealth and monopoly power in few hands. What could be a better method of fair allocation of resources than giving money to the source (people) whose trust and agreement after all holds the validity of anything including money? Consumers will be bound by a simple social contract of good citizenship to help each other and be their best. There will be too many by-products and bonuses. There will be no forced unemployment and no need for myriad welfare and social services that create dependency. People will begin to value their own life and have their self-worth and faith restored in community and society. Inciting War or violence on the basis of division, inequality or party affiliation will be difficult. Alleviation of poverty itself will bring the population growth down to harmonious level and people will be willing to serve and celebrate life rather than waste life in doing meaningless work or sacrificing life to make a living.

New Economic Thinking and Holistic Measures of Growth: Rather than a simple mathematical equation of GDP, we need a set of measures that includes external costs like costs to the environment, costs to our health and wellbeing and costs to society. And we need a system that allows us to measure the things that are truly valuable in life: happiness, health, community, and life as well as the unpaid work of mothers, caregivers, volunteers and such [[GPI Genuine Progress Index](#)]. The associative or relational approach to economics is based on the idea that economic life is the responsibility of every human being in collaboration with humanity as a whole. It proceeds from what we think and do, rather than by way of abstract forces. Associative economics is about making this responsibility conscious and finding ways to give it effect in practical life [[Associative Economics Institute](#)]. There are also other emerging fields like Green Economics, Evolutionary Economics and Ecological Economics or NGO's like New Economic Foundation of UK. **Gross National Happiness** (GNH) is a term coined by Bhutan's King Jigme S. Wangchuck in 1972 to define quality of life in a more holistic (material and spiritual) terms than GNP.

Basic-income and Local Self-sufficiency: Basic survival necessities like food, water, power, shelter are most sanely and economically produced locally in decentralized and distributed way (see [related articles](#)). Under current system small farms are not just vanishing in developed countries, small farmers are committing suicide in parts of India because now they have to buy the seeds from multinationals, seeds which require heavy fertilization and pesticide use. Farming has become a system run by banks and large industrial corporations, subsidized by our taxes, that keeps food artificially cheap, driving out the small farmer who is not subsidized and cannot compete with agribusiness prices. There is no future for the family farm under this system [[To Be of Use by Dave Smith](#)].

With adoption of Basic Income for all, producers of basic goods and necessities will always find a ready and willing market with consumers having purchasing power. Bureaucracy itself will get lean and mean, because people freed from basic survival will freely gravitate to work that feels most satisfying and meaningful to them. Human creativity will self-organize itself when free exchange of human energy is allowed to happen through debt-free money (as it is happening on the web without any central control). Both the people and their Government Representatives could work free of pressures from special interest. All this may sound too Utopian considering the reality we live now. But reality changes only when our perception and understanding of the nature of things changes. No central exchange or bank or interest fluctuation is necessary to preserve the value of money in a decentralized debt-free monetary system. Each Local and State Government can issue its own currency or its share of national currency (regional or local allocation based on population size, creative human capital and natural resources) and decide on its monetary responsibilities and distribution.

Several Arab nations issue interest free loans to their citizens today. (Now you can understand what all the commotion in the Middle East is all about, and why the banker-owned press is brainwashing American citizens to think of all Arabs as terrorists). The Saracen Empire forbade interest on money 1,000 years ago and its wealth outshone even Saxon Europe. Mandarin China issued its own money, interest-free and debt-free. Today, historians and art collectors consider those centuries to be China's time of greatest wealth, culture and peace. [[Every citizen as owner of national stocks](#)]

No Usury and No Inflation Money: Debt-free and usury-free money can always be put into circulation according to the needs and productive capacities of the people and the region. Such money circulation can be tracked easily unlike debt-money/credit produced through multiple banks under fractional-reserve system. As such, it would tend to stabilize price levels by decreasing

inflation or recession in money supply. Actually the purchasing power of such money is likely to increase as the productive capacity of people increases. There would be no borrowing or paying back involved in debt-free money. Each person earns handsome living wage for the services they provide. Gifted and creative people would naturally command higher wages following rules of demand and supply. There will be no need to save, hoard or invest money as it is always made available according to need of the people and people willing to work together to meet that need. The minimal cost of printing and replacing money can be done with new money.

Sustainable Natural Resource Development Fee and Ground Rent: New thinking is needed in how to manage land and natural resources given to us freely by the planet. Such resources can be jointly held (under custodianship) by the resident and native community and only leased for a reasonable fee to others for sustainable use and development purposes. A genuinely service based economy fulfilling true human needs (that recognizes the inherent value and dignity of all human life and labor, and creativity latent within all human beings) can replace a purely commercial buy-sell economy that emphasizes mindless cycle of production for profit and needless addictive consumption promoted through mass-media suggestions. People would be able to value the planet and its resources (includes human creativity) and the value of creative cooperation and harmonious development in all spheres of human endeavors. It is interesting to note that the sustainable development movement at the level of National Governments, United Nations or progressive media and academia rarely talks about the uncontrollable debt accumulation or ownership issues regarding man-made currency or common habitat we all share.

America Created its Own Money in 1750 to Be Prosperous and Free: Before the American War for Independence in 1776, the colonized part of what is today the United States of America was a possession of England. It was called New England, and was made up of 13 colonies, which became the first 13 states of the great Republic. Around 1750, this New England was very prosperous. Benjamin Franklin was able to write: *"There was abundance in the Colonies, and peace was reigning on every border. It was difficult, and even impossible, to find a happier and more prosperous nation on all the surface of the globe. Comfort was prevailing in every home. The people, in general, kept the highest moral standards, and education was widely spread."* [Congressman Charles D. Binderup, 1941]

After the Revolutionary War had started, Benjamin Franklin believed it was the act of abolishing Colonial Scrip that was a heavy contributor to revolution. *"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

Is Life Free After All? Those who say "there is no free lunch" just need to remind them ;-) once in a while, where every breath they inhale is coming from? Without the Sun's warmth, the life giving water and abundant flora, fauna and minerals we could not even play this self-destructive "usurious capitalist game of marketplace". Technologically speaking, how do we harness electricity without naturally existing electro-magnetism, send radio, TV, satellite communication without radiowaves, make silicon chips without silica, or fly in the air without air pressure, run our autos and cook our foods, wage war without nature's fuel for pete's sake? By allowing everyone to share in the natural abundance of the planet and magnificently creative human ideas we could make us and our children rich beyond measure. "Money is the paper ticket by which transfers are made and should always be in sufficient quantity to transfer all possible production of the nation to the ultimate consumers. It is as ridiculous for a nation to say to its citizens, 'You must consume less because we are short of money,' as it would be for an airline to say, 'Our planes are flying, but we cannot take you because we are short of tickets.'" [Sheldon Emry].

Role of The Game Changers: The majority in the planet (particularly the intelligent middle class) must decide whether they want to participate in this game of perpetual lack and insecurity created by an artificial shortage of money (money=debt multiplied by compound interest) or create a reality of basic life and living security and abundance for all (particularly creative enterprising individuals) through transparent debt-free publicly trusted money. Explore how this entire notion of private property based on greed and fear originated. Ask yourself what am I giving back to the planet, people or society.

Overcoming Fear of "isms": Some people may be wary of giving people basic income; it may make them lazy, unproductive or worst a communist or socialist! This is a stereotype promoted by the same forces (Capitalist bankers and their vast network of mind-manipulations) who do not want to change status quo, who want to keep people divided through ideology and make you think freedom is not free and you must continually work and pay taxes in order to live. (see Financing of World Wars and Communism)

The Grameen Bank Example: UBI can incorporate a social contract (as in Grameen bank) requiring citizens to abide by some basic conduct of good citizenship; people may lose their benefit temporarily if they fall for substance abuse or criminal behavior. The growth and success of Grameen Bank (see below) show how banking itself can be vastly improved from its current state of dysfunction to help poor people achieve self-sufficiency through entrepreneurship and self-

employment. Non-profit Community Coop banks can be designed after Grameen model to provide no-collateral short term loan for self-employment, and basic health insurance for the uninsured and income security for suddenly unemployed!" The alternate reality picture given here is easily attainable once people become aware of the problems inherent in the debt-money and starts changing it from the community level up.[See [Microfinance in Developed Countries](#)]

Sustainability as an Open-ended Balance Seeking Process: With unfair and unsustainable monetary system, everything in human society and economy becomes unsustainable from local to global level. We all have been put on a mindless treadmill of corporation driven capital economy and we do not quite know how to get off of this insane ride that is suicidal and self-destructive to everything that we value in life. The [Vienna Institute](#) for Urban Sustainability has yielded an operational definition of sustainability. *"Sustainability is a local, informed, participatory, balance-seeking process, operating within its Sustainable Area Budget, exporting no harmful imbalances beyond its territory or into the future, thus opening the spaces of future opportunity and possibility."* William McDonough, an architect and author of the landmark book [Cradle to Cradle](#), contends that every material used in the manufacturing process should ultimately either biodegrade harmlessly or be reusable with no loss of quality.

Sustainable cities need to focus more on developing local economies by taking advantage of locally existing independent and human-scale businesses. These are by far the majority of all businesses, provide most jobs, create nearly all new jobs, and are the source of most innovation [see [Living Economies](#)]. Also we can learn from cultures that have lived sustainably for centuries. The word sustainability has become a popular catchphrase in the nineties, with the growth of environmental movement. David Orr identifies two different viewpoints in the sustainability movement. **Technologically driven view** believes that sustainable solutions can be found within current market-economic, socio-political system. The second approach **ecological sustainability** believes the current mind-set of our society is unsustainable and a new mode of thinking must take place. The current economic and socio-political system must be restructured.

The technological approach seems to be more dominant, since it leaves the power in the hands of those already in power. These two approaches are actually complementary once we realize that both high tech and low tech cultures and societies can co-exist peacefully with one another by designing a tool or currency system that is based on holistic, integral and deep understanding of the interdependence of all living systems in our planet and entire cosmos. Community based Sustainability movement is the [Great Turning](#) or culmination of last 5000 years of patriarchal society and past 500 years of industrial revolution. Many communities after post 9-11 are launching effective grassroots resistance to unfair Corporate encroachments on local rights. (works of [CELDF.org](#))

How to Secure value of Money: Ideally money needs to be secured by the trust of the people and the land, resources (including quality of human labor, entrepreneurship, creativity and civic engagement opportunities), as well as technological and indigenous skills of the people. Securing money with gold or precious metals will create division and war between haves and have-nots. It will also restrict supply of money in many places without precious metals. Most of all it will sustain the illusion money, as commodity with inherent value, therefore needs to be amassed, traded and hoarded for speculation.

Usury-free Money is a basic Human Right: Every person by virtue of birth is entitled to a reasonable basic living off of earth land, water, air and resources. As Tom Paine (1796, page 611-613) commented **"The earth, in its natural, uncultivated state was, and ever would have continued to be, the common property of the human race." ...it is the value of the improvement, only, and not the earth itself, that is in individual property.** Every proprietor, therefore, of cultivated lands, owes to the community a ground rent to every person, rich or poor...because it is in lieu of the natural inheritance, which, as a right, belongs to every man, over and above the property he may have created, or inherited from those who did" The gigantic debt-burden on the nations of the Third world and the First World is a total fabrication. The power of a few currencies like Dollar and Euro as world currency has created the new colonialism in the Third World, globalization of corporate/banking power over the people and their Governments everywhere. Government cannot guarantee people's rights because government itself is saddled by artificial debt. If all the nations of the Third World starts trading in mutual currency the value of Dollar or Euro will fall relative to currencies in the Third world, leading to improvement in standards of living in non-Dollar Euro countries. Also development of a Third Asiatic International Currency would promote fair and equitable international trade (see link).

When is Freedom Free? Freedom is free only when we start thinking independently and freely out of the box of conditioned thinking based on unexamined beliefs and assumptions. The failure of reductionist science, economic theories, compartmentalized legal, political, organizational thinking of management gurus and think tanks in solving growing mass poverty and inequality shows how much we are entrapped by our conditioned thinking learned through long years of academic learning (indoctrination). As Einstein rightly commented, "The only thing that blocks my learning is my education". Man is neither conceived, nor destined to be a creature of mere survival. Love, harmony and service are our highest essence. This essence inherent in the seed of every human

child cannot flower and flourish under systems that are unfair and limiting instead of allowing spontaneous growth and creativity to take place. The debt-free tax-free money system creates true wealth, peace and prosperity and promotes freedom of the people, government, genuine creative enterprise, responsible use of natural habitat, protection of all human rights and dignity of all human labor. **"Given the resources on Earth, every man, woman, and child should be a millionaire many times over"** [Buckminster Fuller]. The existing dysfunctional debt-based private money system can be phased out peacefully by using creative ideas and changing the definition and perception of money itself! Changing the monetary-banking system is an evolutionary imperative now to secure the ecological balance of our planet and the future of our children.

Conclusion-Designing Money as Instrument of Public Trust, Private Collaboration and Sustainable Growth: As E. C. Riegel pointed out, "The greatest enemy of mankind is his ignorance of the inherent money power in all of us. When the realization of this comes to man, he will like Samson, push down the walls of his prison." Life is meant for living joyfully and creatively and not for continual mindless growth in production and consumption which itself is driven by debt-money system with unrepayable debt. Imagine a usury-free money that is created as an instrument of trust for all public and private (individual) endeavors. Money being the lifeblood and current of society and economy needs to circulate freely wherever there is genuine need for goods and services. **Currency must allow free exchange and organization of human creative energy and it could be made freely available by the people, for the people wherever the need for such mutually beneficial exchange and delivery exist or needs to happen as in essential public infrastructures.** What has been proclaimed as the great achievement of free market and capitalism as far as freedom and individual creativity are concerned are the achievements of the indomitable human spirit towards greater freedom, creativity and excellence. What we call competition is actually every human's innate desire and creative need to excell and surmount challenge or limitation of any kind. Reality only shifts once enough people starts entertaining **a new possibility** to force the tipping point!

Last updated 12/06/04

Democracy is not about capitalism or socialism. Democracy is about people making collective decisions and agreements about not only the nature of their representative government, but the nature of their currency that sustains all social, economic political relationships and all transactions of human labor and skills in any civil society.

New Definition of Capital (meaning "Currency", not to be confused with "factor or means of production") - "Capital" is a creative and collectively agreed man-made tool of communication and pure medium of exchange that allows efficient and sustainable use of both natural and human capital, free flow of goods and services and self-organization of all human labor, enterprise and creative knowledge on a sustainable basis at every level of socio-economic and cultural development. - Susmita Barua



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One of the discussion threads in Global Justice Movement list.

Please rate this article @ [Global Ideas Bank](https://www.globalideasbank.com/). Thankyou 8/17/05

See this page quoted at **[Evolutionary Justice Site Money](https://www.evolutionaryjustice.org/)** booklet page 4

Also see this page/article

at [www tools for Financial Education](http://www.toolsforfinancialeducation.com/) and

[Wikipedia Capitalism; Sources and Further Reading](https://en.wikipedia.org/wiki/Capitalism;_Sources_and_Further_Reading)

at [Global Justice Movement Site](https://www.globaljusticemovement.org/) 10/12/05

and at [ComplementaryCurrency.org](https://www.complementarycurrency.org/) 11/28/05

[New Civilization News: Oil war and US Imperialism](https://www.newcivilizationnews.com/) 10/29/2004, see comment 2 and at [Openmoney.org](https://www.openmoney.org/) 11/17/03

and see External Link 'Rethinking and Transformin Money at [Science Fair Project on Money](https://www.sciencefairproject.org/)

Other Global sites: [Wizards of Money Tree](#), [PostCapitalism](#), [Joytopia](#) (german)

Additional Author Notes:

The root of the systemwide corruption of the institution of Church, the Monarchy and the State (under feudal system, totalitarian fascist/communist regimes and even within democracy) goes deep. Some of the basic assumptions and language of Economics need to be evaluated from a free and open mind. The assumption of "scarcity" of resources arises out of few "men's greed (usurious debt-money system) and not due to man's basic and universal needs. Man's basic instinct and nature as formed from birth to adulthood within family, community and society is one of going out of physical survival needs to one of greater relationships, greater cooperation and ultimately a greater kinship with all life. Theories can become self-fulfilling because the very assumptions and beliefs (like survival of the fittest, man's inherently selfish and competitive nature, educated mind is open mind, experts know best etc.) shape the institutional design, management practices, educational norms, media focus, and social expectations, which in turn create the conditions where theories appear to be valid.

The vicious cycle of poverty (explained in economics as a perpetual cycle low-productivity -> low Income -> low savings -> low capital) leaves out the reality that money "as debt" cannot be allocated to vast majority of poor, illiterate masses who have no income or access to capital (without job and collateral). The poor and illiterate are not necessarily without indigenous skills, wisdom and enterprise (see experience of grameen bank); however most poor people (dispossessed of land) are denied basic access to clean water, education and health under current monetary system. Usurious debt and inflation generating money is mathematically unsustainable. In developed countries too like Australia and USA as much as 40% of the population is under some form government welfare. The vast majority of world's poor are women, children, disabled, and seniors. Three billion people live on less than \$2 per day while 1.3 billion get by on less than \$1 per day. Seventy percent of those living on less than \$1 per day are women. It is not scarcity of money (or resource or labor) that is creating poverty, it is the kind of money we are using unconsciously. [[poverty statistics](#)].

In conclusion money is a measure and symbol of payment, and not a store of value. Money is a collectively agreed and acceptable medium of delivery of value and not a medium of exchange of value. This SHIFT IN PERCEPTION is a QUANTUM SHIFT in the way we perceive, generate and use money. In this system it is possible to pay every citizen a non-inflationary debt free basic income (perhaps with some expiration date to prevent hoarding), build public infrastructures based on publicly collected ground rent (land and resource use fee), and develop local economies and sustain indigenous resources and skills using community currency. ***It is possible for man to live and create in harmony with nature, when our currency can embody the principle of free energy flow as found in Nature which preserves the Web of Life.***

Every living thing in nature spontaneously self-organizes itself through exchange of energy available freely. All human activity and endeavors can self-organize itself once debt-free tax-free money is made available as basic income to all citizens. Self-employment and small businesses can emerge in myriad ways to fill every need of humanity. All businesses and organizations will be service oriented, and profit or speculation will no longer be the motive in a fair and mathematically sound monetary system. Money that keeps circulating (not being taken off circulation for saving, hoarding, speculation, and future uncertainty) will be anti-inflationary. It is likely with increasing technology, productive capacity co-operation, and free information flow it is very likely that people will be able to afford more and more with less and less money. Think of the internet and web, where nothing is centrally controlled, yet it is exhibiting spontaneous pattern of self-organization of all kind of information. With the help of technology the gap between work, leisure and play is also likely to fade. Full employment is necessary only for purposes of long term debt-servicing and a tax-based welfare system.

Community currency is emerging as a powerful tool for fostering local economic development, but it is **currently handicapped by some of the assumptions and perceptions inherent in conventional money** (money as a store of value and medium of exchange needing some form of centralized accounting of transactions)! As long as our mind is full of theories and fear-based assumptions and preferences we cannot see and recognize the obvious. Please share this article widely, so people at least start thinking along different lines.[Added 6/9/05]

Complementary Currencies for Social Change: an interview with Bernard Lietaer, Nexus Holistic Magazine, Colorado July-Aug 2003

Community Currency Software Cyclos via Internet

We Can All Be Part of a Solution: see an example of SANE Community Exchange System in South Africa where debit is not a debt and credit is only an acknowledgement of goodwill and gratitude

"All the ingredients for ending poverty of a person always comes neatly packaged with the person himself. A human being is born in this world fully equipped not only to take care of himself (which all other life-forms can do too), but also to contribute in enlarging the well-being of the world as a whole. Poverty is not created by the poor people. So we shouldn't give them an accusing look. They are the victims. Poverty has been created by the economic and social system that we have designed for the world. It is the institutions that we have built, and feel so proud of, which created poverty. It is the concepts we developed to understand the reality around us, made us see things wrongly! It is the failure at the top - rather than lack of capability at the bottom - which is the root cause of poverty. Concepts, institutions, and analytical frame conditions which created poverty, cannot end poverty. If we can intelligently re-work the frame conditions, poverty will be gone, never to come back again....Try to imagine how the economists would have built their theory if they had started out with an axiom that all men and women are created equal, that each of them is endowed with unlimited creativity, and each of them is a potential entrepreneur. In some important ways our designing of the theoretical framework of economics or the misrepresentation of it is

responsible for perpetuating poverty."

- [Commonwealth Lecture 2003 by Professor Muhammad Yunus, Creator of Grameen Bank](#)

Current examples of debt-free public money in small Islands: "The Isle of Guernsey's secret of success is the fact that it has been a "protectorate" of the British Isles for centuries and, as such, is able to make its own laws and thereby determine its own destiny. By controlling its own money supply from 1816 onwards, Guernsey was able to avoid the century old trap of borrowing when it didn't have to. Guernsey decided to issue £6,000 of their own "interest-free" Guernsey State Notes. This was in addition to the current supply of English pounds which two main banks were circulating on the island already.

By 1837, £50,000 had been spent into circulation by the government for the primary purpose of local projects such as the sea walls, the roads, a new marketplace, a church and a college. This £50,000 more than doubled the money supply. But there was no inflation. In 1914, while the British restricted their own money supply, Guernsey issued more ... another £140,000 over the next four years. By 1958, over £500,000 of interest-free money was in circulation on Guernsey and still no inflation. By 1990, there was a total of £6.5 million in circulation issued interest-free. There was no public debt as in the rest of Britain which was still paying for its war debts. And yet on Guernsey, prosperity was very much evident everywhere.

When Dr. Jacques Jaikaran visited Guernsey in 1990, he reported on the state of the Guernsey economy in his book *The Debt Virus*: There were about 60,000 permanent residents; the average family owned 3.3 cars; their unemployment rate was zero and their standard of living was very high. Also, there was no public debt and a surplus of public funds was earning them interest. The Guernsey Treasury increased the money supply by 50% over a 3 year period and this increase did not cause any inflation. The price for a gallon of gas in the UK was about \$5, but the price in Guernsey was about \$2. Contrary to the teachings of economics in all higher institutions, inflation, it was claimed, was not related to the volume of money, but rather to the size of the commercial debt. Dr. Jaikaran also mentioned that Guernsey's income tax was only a "flat" 20%. Not bad, compared to the rest of the world." [See link](#)

"Debt is like a cancer in society. It causes the ills of unemployment, bankruptcy, poverty and destitution, which lead, in turn, to crime and ill health. At some point in the future, at least in some countries, the rate of money-creation, increasing at an exponential rate, will be overtaken by the size of the government debt, increasing at an even faster exponential rate. At that point, all wealth will go to pay an unrepayable loan, and there will be no social services. This is already the case in Third World countries, where the real wealth of those countries is exported to pay an unrepayable debt, and where every newborn baby is already in debt to foreign banks. In the Channel Islands it is different. There, the government has not delegated the money-creating powers to the banks. There, the government creates debt-free money and spends it into the economy, rather than lending it into the economy, so that the government has no debt to the banks. Partly as a result, Jersey and Guernsey experience prosperity unknown in many countries. Income tax is only 20%. There is no VAT, inheritance tax or capital gains tax." More Here [\[1\]](#) and [\[2\]](#)

During a visit to Britain in 1763, The Bank of England asked Benjamin Franklin how he would account for the new found prosperity in the colonies. Franklin replied. "That is simple. In the colonies we issue our own money. It is called Colonial Script. We issue it in proper proportion to the demands of trade and industry to make the products pass easily from the producers to the consumers. In this manner, creating for ourselves our own paper money, we control its purchasing power, and we have no interest to pay to no one." Benjamin Franklin 1 America had learned that the people's confidence in the currency was all they needed, and they could be free of borrowing debts. That would mean being free of the Bank of England. In Response the world's most powerful independent bank used its influence on the British parliament to press for the passing of the Currency Act of 1764. This act made it illegal for the colonies to print their own money, and forced them to pay all future taxes to Britain in silver or gold. "In one year, the conditions were so reversed that the era of prosperity ended, and a depression set in, to such an extent that the streets of the Colonies were filled with unemployed."- [Benjamin Franklin](#)

"The issue which has swept down the centuries and which will have to be fought sooner or later is [The People vs. The Banks.](#)" - Lord Acton, Historian, 1834 - 1902. See class action lawsuit in Canada.

A random Google search **The Banking Cartel: A review**

[Secret History of Credit Cards: PBS Frontline Episode](#)

[Other Links and References:](#)

USURY-FREE UNIVERSAL BASIC INCOME FOR ALL: Genuine welfare instead of dependency.

The notion of a universal basic income is an old one and gaining ground world-wide to solve wide spread social problems of poverty, unemployment, gross inequality in income distribution and such. But basic income under the current debt-monetary system is not going to improve living condition substantially. Our goal needs to be creating opportunities for prosperity and creative vocation for everyone. Debt-free tax free Money has the potential to not only create great equality for all but abundance for the truly gifted person in the society.

A basic income is an income unconditionally granted to all on an individual basis, without means test or work requirement. It is a form of minimum income guarantee that differs from those that now exist in various European countries in three important ways:

- it is being paid to individuals rather than households;
- it is paid irrespective of any income from other sources;
- it is paid without requiring the performance of any work or the willingness to accept a job if offered.

Liberty and equality, efficiency and community, common ownership of the Earth and equal sharing in the benefits of

technical progress, the flexibility of the labour market and the dignity of the poor, the fight against inhumane working conditions, against the desertification of the countryside and against interregional inequalities, the viability of cooperatives and the promotion of adult education, autonomy from bosses, husbands and bureaucrats, have all been invoked in its favour.

But it is the inability to tackle unemployment with conventional means that has led in the last decade or so to the idea being taken seriously throughout Europe by a growing number of scholars and organizations. Social policy and economic policy can no longer be conceived separately, and basic income is increasingly viewed as the only viable way of reconciling two of their respective central objectives: poverty relief and full employment.

Source: Basic Income European Network <http://www.etes.ucl.ac.be/BIEN/BI/Definition.htm>

Other country links: <http://www.etes.ucl.ac.be/BIEN/Resources/Links.htm#non-european>

Historical Use of National Debt-free Money

"Given the resources on Earth, every man, woman, and child should be a millionaire manytimes over" - Buckminster Fuller

1. * The Saracen Empire forbade interest on money 1,000 years ago, and it's wealth outshone Saxon Europe.
2. * Mandarin China issued its own money, interest and debt- free. Historians and collectors of art today consider those centuries to China's greatest time of wealth, culture and peace.
3. * The American Colonies issued Colonial Scrips, and Ben Franklin explained to the English that this was the key to the prosperity Colonies, long before the American Revolution.
4. * Abraham Lincoln did it in 1863 with Greenbacks to finance and win the Civil War.
5. * Germany issued debt-free and interest-free money from 1935 and on, accounting for its startling rise from the depression to a World power in 5 years. Germany financed its entire government and war operation from 1935 to 1945 without gold and without debt, and it took nearly the whole Capitalist and Communist world to destroy the German power over Europe.

Was this the real cause of World War II? Did the International Bankers have to destroy the Government of Germany because it issued debt and interest free money just like Lincoln did?

The map of the world today shows the effect of globalisation, as interpreted by the ethnic Europeans in history. There was no US, Canada, Australia, Latin America, New Zealand until the Europeans discovered the sea passages and started global trade.

Before the Europeans, there were Arab, Indian, Chinese and Turkic traders. There was no conquest or colonisation when these people sailed the seas to trade. Only when the Europeans carried out world trade were countries invaded, human rights abused, genocide committed, empires built and new ethnic European nations created on land belonging to others. See [America's third world war](#).

Monopolized Banking and Usury is the foundation of modern Capitalism

The Tyranny of Compound Interest

Now there is a problem with the interest. When you borrow \$100,000 to buy a very modest home with 7-8% interest for 30 years, you end up paying roughly over \$270,000 in principal and interest. A simple flat rate interest of 20-30% for 10 years is far better proposition than a compound interest of 8% over 30 years. Such is the power of compounding because one pays interest on interest. With compound interest the money lenders (bankers), "who produce nothing of value, gradually gain a death grip on the land, buildings, and present and future earnings of the whole working population (E.Sheldon)". Compound interest coupled with fractional reserve is a quick and clever way to siphon off actual resources and current and future labor from the people of the nation to the hands of bankers. We all pay the interest even if we do not borrow through rising inflation.

When you took out the loan, only the principal was created not the huge \$170,000 worth of interest amount. Fulfilling your obligation requires you to take more money out of the circulation than was added into it at the start. No goods or services were produced for the interest money (at the time of issue at least). If you bought an old construction then no new good was produced also! By design at any given moment some businesses and borrowers are bound to fail in loan payments and

banks can foreclose on your property or farm or seize your collateral (even if you have paid twice the principal)!

Just by controlling amount of credit and interest rate banks can create depression or recession or boom-bust in financial markets. The burden of national debt and personal debt (easy credit card system) is spiralling into infinity. Bankers and banker supported arms-ammunition merchants can take the entire nation to War to secure and further their financial empires through control of political leaders and institutions. Unfortunately this appears to be the case both in the US and elsewhere. On average for every tax dollar collected in the US 29% goes to defense/military, and 19% goes to paying debt of government (9% to military and 10% to non-military debt), 5% for income security, 4% to education, 3% to nutrition, and only 2% each to housing and natural resources (<http://www.nationalpriorities.org>).

All taxes are collected locally, but local government gets a miniscule 2%, state 6% and federal government gets the lion's share (78% of total share of income tax paid by individuals)! Some people are challenging the legality of US government to coerce people in paying annual income taxes. They are saying income tax is voluntary and no law exists anywhere that says otherwise. See more here..[<http://www.givemeliberty.org>]

Monetization of the economy particularly hit hard the rural-farming population and set the urban-ward migration of rural small farmer who lost land or had to quit farming because every part of farm operation from buying seeds to equipments now required money instead of commodity as in the earlier barter system! The situation was especially worse in developing countries in post colonial era. The structural adjustment policies pushed by World Bank and IMF on the developing countries mostly failed and riddled these countries with enormous debt. Imagine what would have happened if these countries were allowed to conduct export-import in mutual home currency by OPEC and WTO! With the adoption of Bretton woods policy in 1944 (which Created the World Bank and IMF) all international currencies and exchange were pegged to the value of US dollar, which soon became more favored instrument of meeting fractional reserve requirement for national central banks than gold itself. By signing the agreement, nations were submitting their exchange rates to international disciplines. This amounted to a significant surrender of national sovereignty to an international organization.

Billions for Bankers, Debts for the People by Pastor Sheldon Emry

In 1930 America did not lack industrial capacity, fertile farmlands, skilled and willing workers or industrious families. It had an extensive and efficient transportation system in railroads, road networks, and inland and ocean waterways. No war had ravaged the cities or the countryside, no pestilence weakened the population, nor had famine stalked the land. The United States of America in 1930 lacked only one thing: an adequate supply of money to carry on trade and commerce. In the early 1930s, bankers, the only source of new money and credit, deliberately refused loans to industries, stores and farms. Payments on existing loans were required however, and money rapidly disappeared from circulation. Goods were available to be purchased, jobs waiting to be done, but the lack of money brought the nation to a standstill. By this simple ploy America was put in a "depression" and bankers took possession of hundreds of thousands of farms, homes, and business properties. The people were told, "times are hard" and "money is short." Not understanding the system, they were cruelly robbed of their earnings, their savings, and their property. The same Bankers who in the early 1930's had no loans for peacetime houses, food and clothing, suddenly had unlimited billions to lend for army barracks, K-rations and uniforms.

A nation that in 1934 could not produce food for sale, suddenly could produce bombs to send free to Germany and Japan! Prior to 1913, America was a prosperous, powerful, and growing nation, at peace with its neighbors and the envy of the world. But in December of 1913, Congress, with many members away for the Christmas Holidays, passed what has since been known as the Federal Reserve Act. (For the full story of how this infamous legislation was forced through our Congress, read "Conquest or Consent", by W. D. Vennard). The act divided the United States into 12 Federal Reserve "Districts." This simple, but terrible, law completely removed from Congress the right to "create" money or to have any control over its "creation", and gave that function to The Federal Reserve Corporation. The people were not told then, and most still do not know today, that the Federal Reserve Corporation is a private corporation controlled by bankers and therefore is operated for the financial gain of the bankers over the people rather than for the good of the people. The word "Federal" was used only to deceive the people. A nation that in 1934 could not produce food for sale, suddenly could produce bombs to send free to Germany and Japan!

In addition to almost unlimited usury, the bankers have another method of drawing vast amounts of wealth. The banks are able to approve or disapprove large loans to large and successful corporations to the extent that refusal of a loan will bring about a reduction in the selling price of the corporation's stock. After depressing the price, the bankers' agents buy large blocks of the company's stock. Then, if the bank suddenly approves a multi-million dollar loan to the company, the stock rises and is then sold for a profit. In this manner, billions of dollars are made with which to buy more stock. This practice is so refined today that the Federal Reserve Board need only announce to the newspapers an increase or decrease in their "discount rate" to send stocks soaring or crashing at their whim. Banks collect billions in interest by loaning to Government and the Corporations!

History tells us of debt-free and interest-free money issued by governments. The American colonies did it through colonial script in the 1700's. Their wealth soon rivaled that of England and brought restrictions from Parliament, which led to the Revolutionary War. Abraham Lincoln did it in 1863 to help finance the Civil War. He was later assassinated by a man many consider to have been an agent of the Rothchild Bank. No debt-free or interest-free money has been issued in America since then.

Several Arab nations issue interest free loans to their citizens today. (Now you can understand what all the commotion in the Middle East is all about, and why the banker-owned press is brainwashing American citizens to think of all Arabs as terrorists). The Saracen Empire forbade interest on money

1,000 years ago and its wealth outshone even Saxons Europe. Mandarin China issued its own money, interest-free and debt-free. Today, historians and art collectors consider those centuries to be China's time of greatest wealth, culture and peace.

Issuing money which does not have to be paid back in interest leaves the money available to use in the exchange of goods and services and its only continuing cost is replacement as the paper wears out. Money is the paper ticket by which transfers are made and should always be in sufficient quantity to transfer all possible production of the nation to the ultimate consumers. It is as ridiculous for a nation to say to its citizens, "You must consume less because we are short of money," as it would be for an airline to say, "Our planes are flying, but we cannot take you because we are short of tickets".

interest forces workers and businesses to demand more money for the work and goods to pay their ever increasing debts and taxes. This increase in prices and wages is called "inflation." This "inflation" benefits the money-lenders, since it wipes out savings of one generation so they can not finance or help the next generation. With an adequate supply of interest-free money, little borrowing would be required and prices would be established by people (demand) and goods (supply).

Source: <http://www.tradersclub.com/dollarsign/billionsforbankers.shtml>
Beginning of monetary control

Unconventional Banking for Empowering the Poor

Grameen Bank (GB) has reversed conventional banking practice by removing the need for collateral and created a banking system based on mutual trust, accountability, participation and creativity. GB provides credit to the poor. Today, in September, 2002, it has 2.4 million borrowers, 95 percent of whom are women. With 1,175 branches, GB provides services in 41,000 villages, covering more than 60 percent of the total villages in Bangladesh. Grameen bank methodology is the reverse of conventional banking.

A cluster of Grameen companies have been created to bring both information technology and education to the poor people of Bangladesh. Grameen Phone, Grameen Star Education, Grameen Cybernet, Grameen Information Highway, Grameen Software, Grameen IT Park are created to bring IT to the poor, and build IT capacity in Bangladesh. Grameen Phone brings internet enabled mobile phones to the Grameen borrowers and make them "telephone ladies" of the villages. Today there are more than 21,000 telephone ladies selling telephone services in half the villages of Bangladesh. Many of these phones are powered by solar power because electricity does not exist in those villages.

Grameen Bank not only focuses on giving financial services, but it also promotes a strong social agenda. "Sixteen Decisions" adopted by Grameen Bank borrowers commit them to bring many non-economic changes in their lives, such as, keeping families small, sending children to school and making sure they stay in school, breaking away from the custom of giving dowry to the bride-groom's family, making sure they drink clean drinking water, etc. Because of Sixteen Decisions, Grameen borrowers have taken great care to send their children to school. Today not only are all of them in school, but some of them are also in colleges, universities, and professional schools. Grameen Bank hopes to see that the second generation of the borrowers will grow up to take advantage of the knowledge economy and permanently shift away from poverty. Grameen Bank offers nearly 4,000 scholarships every year to leading students of Grameen families, gives student loans to 100 per cent of students who are in the institutions of higher education. The 16 commitments of Grameen members.

There were a number of major natural disasters in Bangladesh during the life span of Grameen Bank. The 1998 flood was the worst of all. Half of the country was under flood-water for ten long weeks. Impact of the post-flood repayment crisis was compounded by its overlap with a recovery problem from an earlier crisis. In 1995, a large number of our borrowers stayed away from centre meetings and stopped paying loan installments. Once a borrower fell off the track, she found it very difficult to move back on, since the rules which allowed her to return, were not easy for her to fulfill. More and more borrowers fell off the track. Then there was the multiplier effect. In the year 2000, Grammen Bank Staff came together to the Drawing Board to devise new changes in the earlier rigid format of granting loans and loan repayment schedules. Grammen Classic System (GCS) was replaced by Grameen Generalized System (GGS) Bank II. The crisis led us to create Grameen II, which has the built-in capacity to handle crises and disasters in a much better way than ever before.

At present there are 168 Grameen Bank Replications in 44 countries. One new Grameen Bank Replication is created somewhere in the world each week. At this rate, 300 new Grameen Bank Replications will be set up all over the world by the turn of the century. The plan is to take credit to half a billion poorest people (100 million poorest families) of the world by the year 2005, and to all of world's 1.3 billion poor by the year 2025. There has been world-wide support of Grameen bank, yet a broad grassroot and public awareness is still lacking. The following statistics were taken from the Grameen bank support Group in Australia.

The accumulated saving of the borrowers (5% of loan amount), one of the indicators the bank uses to gauge its impact on poverty eradication, have grown from nothing in 1983 to 108 million US dollars today. As soon as a borrower accumulates sufficient saving, she buys one (and only one) share in the Bank, which costs \$3. Today 92% of the Bank is owned by its borrowers. (Bangladeshi government owns the remaining 8% of the shares). The board sets the interest rate such that after paying all expenses, including the cost of its growth, the bank makes a modest profit. The profit is returned to the shareholder-borrowers in the form of dividends. Experience has demonstrated that it takes an utterly destitute six to ten successive loans (one year each) - and a lot of hard work - to cross the poverty line. The first loan is often as little as US\$ 50. Average loan size is a little over US\$ 100. In the process, the borrower builds a secure self-employment, often employing the whole family.

FUTURE OF MONEY, DEMOCRACY and SUSTAINABILITY

*1,900 local communities in the world, including over a hundred in the US, are now issuing their own currency, independently from the national money system. Some communities, like in Ithaca, New York, issue paper currency; others in Canada, Australia, the UK or France issue complementary electronic money. Historically people have already demonstrated that living conditions can be significantly improved by creating their own complementary currencies instead of just relying on welfare. Surprisingly, it is in fact not the first time that such solutions have been successfully implemented in the Modern world. During the 1930's many thousands of such initiatives were operational in the US, Canada, Western Europe and other areas affected by the Depression. Complementary currencies could become a key tool to buffer a region from the shocks caused by failures and crises in the official money system. Finally, this approach is a win/win for both locally owned businesses and society at large.

*The value of barter transactions — exchanges which do not use any money as medium of exchange - totaled almost \$6.5 billion in 1994 in the US and Canada, and is increasing three times faster than normal exchanges. The magazine "Barter

News" covers the industry's development and now has 30,000 subscribers. It estimates the total barter worldwide at \$650 billion in 1997, and growing at an annual rate of 15%. Even Alan Greenspan, Chairman of the Federal Reserve, foresees "new private currency markets in the 21st century."

*Degradation of Environment caused by short-term thinking (in business) is shown not to be due to human nature, but to the prevailing money system. It is also possible to reverse this process, by using a currency designed specifically for multinational trade and contracts which would make long-term thinking a spontaneous process, focusing the attention on long-term sustainable solutions without the need for regulations or taxation. Historical precedents have proven such results, some of them lasting over several centuries.

Source: Future of Money by Bernard Lietaer <http://www.transaction.net/money/book/>

The Act of 1871: Congress, with no authority to do so, created a separate form of government for the District of Columbia, a ten-mile square parcel of land. WHY and HOW did they do so? First, Lisa Guliani of Babel Magazine, reminds us that the Civil War was, in fact, "little more than a calculated front with fancy footwork by backroom players." Then she adds: "It was also a strategic maneuver by British and European interests (international bankers) intent on gaining a stranglehold on the coffers of America. And, because Congress knew our country was in dire financial straits, certain members of Congress cut a deal with the international bankers (in those days, the Rothschilds of London were dipping their fingers into everyone's pie). . There you have the WHY, why members of Congress permitted the international bankers to gain further control of America. "Then, by passing the Act of 1871, Congress formed a corporation known as THE UNITED STATES. This corporation, owned by foreign interests, shoved the organic version of the Constitution aside by changing the word 'for' to 'of' in the title. Let me explain: the original Constitution drafted by the Founding Fathers read: 'The Constitution for the united states of America.' [note that neither the words 'united' nor 'states' began with capital letters] But the CONSTITUTION OF THE UNITED STATES OF AMERICA' is a corporate constitution, which is absolutely NOT the same document you think it is. First of all, it ended all our rights of sovereignty [sui juris]. "Refer to any UNITED STATES CODE (USC). Note the capitalization; this is evidence of a corporation, not a Republic. For example, In Title 28 3002 (15) (A) (B) (C), it is unequivocally stated that the UNITED STATES is a corporation. Translation: the corporation is NOT a separate and distinct entity; it is not disconnected from the government; it IS the government -- your government. This is extremely important! I refer to it as the 'corporate EMPIRE of the UNITED STATES,' which operates under Roman Civil Law outside the original Constitution. See [more here](#)

American journalist Gary Allen in his book 'The Rockefeller File' (1976) writes: "A distinction must be drawn between competitive free enterprise, the most moral and productive system ever devised, and cartel capitalism dominated by industrial monopolists and international bankers. The difference is crucial: the private enterpriser operates by offering products and services in a competitive free market, where consumers have numerous choices offered to them, while cartel capitalists use the government to force the public to do business with them. These corporate fascists are the deadly enemies of competitive private enterprise.

Book: Unequal protection <http://www.thomhartmann.com/summary.shtml>

Movie: The Corporation <http://www.thecorporation.com>

Article: Monster Banks <http://multinationalmonitor.org/mm2005/012005/lewis.html>

N E S A R A (Note: please confirm yourself about the ACT & let me know)

A Job For Every Iraqi by Steven Shafarman

The United States has a duty, we all agree, to help the Iraqi people rebuild as a peaceful, stable, and democratic nation. At the same time, the Bush administration is under enormous pressure to minimize spending for Iraq's reconstruction and to get quick results so U.S. forces can come home. So how do we help the Iraqi people build a new Iraq? The simplest and most cost-effective approach is to hire them to do it. All of them. For some weeks, U.S. officials have given \$20 – about half of the prevailing wage, which is \$35 a month – as a one-time payment to Iraqi civil service workers who return to work. But what about everyone else?

Iraq has a population of 24 million, although 42 percent are children; just 14 million are adults. So \$20 a month for every adult Iraqi would cost less than \$3.5 billion a year. Iraq's oil royalties are estimated to be \$10 to \$15 billion a year; that, plus whatever the United States contributes, means plenty of money for a basic income along with substantial reconstruction. A policy of distributing oil royalties to each citizen resident in Alaska already exists.

News and Messages Beyond Beliefs

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