

# Seeing Through the Illusion of Money: Challenging The Money Power

By [Richard C. Cook](#)

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## ***“Seeing Through the Illusion of Money:***

*From Barter to the Gaia Plan”*

***by Richard C. Cook***

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*First I want to thank you for inviting my wife Karen and me to join you in this beautiful land of ocean, sunshine, history, and mystery. Second, I want to offer the organized barter movement—and by this I mean the barter associations that have placed their work on a sound professional business level—my heartfelt congratulations. I congratulate you not only for acting in the face of the global monetary crisis but also for taking active and practical measures for putting something **real** in its place.*

*It proves you don’t have to fight something directly to change it. “Resist not evil,” says the wisdom of the ages. Rather see it as a business opportunity!*

And while the word “barter” conjures up images of primitive people exchanging bushels of corn for hogs and chickens, in today’s computerized business environment, the barter movement has become a highly sophisticated component of global trading. Reflecting on this fact in the background will help us work together today to see through the illusion of money as the world’s Money Power defines it.

Our journey will start with an analysis of the crisis, followed by recognition of how the barter

networks and the rest of the complementary currency movement monetize value through trade credits and scrip. We'll tour history through the medieval trade fairs and the creation of bills of credit in colonial America . We'll conclude with my advocacy for a worldwide Basic Income Guarantee that I am calling the Gaia Plan and introducing for the first time today by that name.

We'll be making this journey as nation after nation becomes insolvent due to their unsustainable sovereign debt, giving the Money Power an excuse to enforce crushing austerity measures. In Spain , for instance, proposals to eliminate laws that protect workers from summary firings are called "labor reforms." In nation after nation, including the U.S. , workers' wages and job security, as well as health care and pensions, have been slashed.

But the people of the world are starting to wake up and say, "Enough is enough," though their anxiety and demands are often vague and contradictory, as are statements by those in the press and politics who attempt to define and respond to them.

Progressives in the U.S. demand a restoration of high taxes on the wealthy like those prior to the Reagan years. In contrast, those involved in movements like the Tea Party argue for dramatic reductions in government spending.

But you will see as we proceed that I take a different tack by advocating instead a new understanding of the **meaning** of money, the purposes of economics, and the methods of balancing an industrial economy between the value of production and the availability of consumer purchasing power. While control of the world's economies by the Money Power makes reaching such a balance difficult, it is yet possible.

The Money Power—centered in the U.S. in the Federal Reserve, the largest banks, and Wall Street—gains its apparent legitimacy by enacting a simple clerical operation—pluses and minuses in a multitude of checkbooks and ledgers. Yet it tries to control everything, profit from everything, and determine which human activities survive and which do not.

My question is who gave it the right to do these things? Is it a power of nature or is it manmade? If the latter, it can be changed.

Central to the problem is the fact that our monetary system is the reason it is so difficult for anyone to start a new independent small business. Actually, the Wall Street war against small business has been raging for over 30 years, starting with the Federal Reserve-induced recession of 1979, when the Fed raised interest rates to over 20 percent.

This amounted to a 20 percent tax on the circulating medium of exchange levied by the central bankers—officials elected by no one. From the carnage inflicted on the small business sector came the 1980s merger-acquisition bubble, as well as all the bubbles that came afterwards, including the housing bubble of recent catastrophic memory.

The bubble economy from the 1980s until the 2008 collapse was Wall Street's calling card—its bread and butter. It was the Money Power's takeover.

Yet it's small business—what we call Main Street —that should be the employment engine in a free enterprise economy. It's a flourishing small business sector that should give an economy resilience and recoverability in the face of shocks.

We have lost that resiliency and recoverability. And it's not just Federal Reserve policy. It's

also Wall Street-supported mega-business like the big box stores that suck money out of Main Street communities, money that should be circulating locally. And it's tax and regulatory policy as well.

Cumulatively, the attack by the Money Power and its government enablers on small business in America, including family farming and small to medium-sized manufacturing concerns, has been an economic and cultural disaster. The greed of the Money Power has so severely damaged the U.S. economy that our nation is on the verge of implosion.

The same is happening elsewhere around the world. The tension is palpable.

Supposedly in an eleventh-hour attempt to avert calamity, the Federal Reserve recently stated its intent to keep interest rates at a level approaching zero into 2013. But even this measure is likely to damage small business further, as pointed out by Camden R. Fine, president of the Independent Community Bankers of America.

Mr. Fine wrote in the *Washington Post* on August 25, 2011, that:

"...the Fed has taken away community bankers' ability to compete in the free market. In the midst of a depressed economy with low loan demand, the central bank is exacerbating the financial crisis.

Why? In my view, the Fed's policy is nothing more than a backdoor bailout for the Wall Street mega-banks and investment houses. It amounts to the back of the hand for the community banks of this country... The Wall Street money houses are basically getting free money that they can hedge and arbitrage worldwide to make baskets of money, while local banks are stuck with deposits costing more than the federal funds rate....For the extended future... capital will be difficult if not impossible to raise, stifling growth on America's Main Streets."

Meanwhile, other nations and blocs of nations have learned to play the money game as well as we. However, they do not all seem so content to live on monetary manipulations as opposed to production as America has been, particularly once we outsourced our manufacturing to them, intending to live on financial profits alone. This in turn is tied in with our aggressive international currency policy.

In decades past it was the British pound that acted as the global trade and reserve currency and kept the British leisure class in control of world commerce. But by the 1930s Britain was bankrupt.

The U.S. stepped in. Since the end of World War II, it has been the U.S. dollar in the forefront, with the U.S. leisure class soaring into the stratosphere with income and wealth. With the outsourcing of U.S. manufacturing as a means of shipping dollars overseas, the middle and working classes have been sacrificed on the altar of dollar domination.

The jobs were sent abroad so U.S. dollars would become the world's trading currency and be used by other nations to finance our government's debt and to deposit in U.S. banks in order to extend their global leverage.

The American government has tried to keep the dollar supreme. The centerpiece of dollar domination, since President Richard Nixon removed the gold peg in 1971, has been the use of U.S. currency for the international oil trade—the petrodollar. Also in the 1970s, figures

within the U.S. government induced OPEC to double the cost of oil, which ignited the inflation leading to the 1979-83 recession.

But the dollar is increasingly threatened by the currencies of other nations and blocs, including the euro, which are maturing to the point when a time may be foreseen where currency multilateralism could become a reality. The threat of such a sea-change is the underlying reason the U.S. military is so intent on controlling the Middle East as did Great Britain until its decline.

Meanwhile, regardless of whatever currency is under discussion, the objective of the Money Power is to assure that money can only be entered into circulation by being borrowed on credit from the privately-owned banking system.

Thus the crisis is not simply one of availability of credit. Yes, that availability has been reduced, which is why the Federal Reserve has supposedly taken such radical action. But even though interest rates are and will remain low and Wall Street and the big corporations are awash in cash, large numbers of people and businesses are excluded by the banks from borrowing because they are not viewed as credit-worthy.

All this reflects the persistence of the recession that now threatens to turn into the feared double-dipper. In fact there is a worldwide monetary deflation going on that no one talks about, caused by the withdrawal of money from circulation when loans are repaid, combined with the loss of equity through collapse of the housing market, and excessive “savings” through tying up of money in non-productive fixed assets like gold.

I’ll talk more about this later. For now, we must simply realize that since the crash of 2008, absolutely nothing of substance has been done to reform the conditions that led to it.

Household debt is still off the charts, and unemployment remains high. What has happened is that tightening of credit, even with low rates, has made it harder for either the banks, government, or consumers to create another bubble.

But that is not reform. It’s simply the ongoing recession moving in the direction of a permanent condition. Without bubbles, both the Money Power and the U.S. government have lost the ability to generate real economic growth. Take away their bubbles and they have little remaining. The decline in the Dow-Jones average reflects such an awareness by investors.

But let’s rise above the level of political finger-pointing and realize what few commentators do, which is that central to the problem is that all Western governments remain in collusion with the banks in calling **only** their debt-derived currencies “legal tender.” Ladies and gentlemen, the legal tender laws, are, in my opinion, a fraud upon the people.

The origin of these laws lies solely with the Money Power, and their purpose is to create and sustain the monopoly whereby the Money Power seeks to control the economic affairs of every nation. This understanding moves us powerfully in the direction of seeing the **real** causes of the crisis, not just their effects.

All the Money Power knows how to do is lend at a profit, remove money from circulation when loans are repaid, seize assets when loans are **not** repaid, and assist corporate predators by financing their gobbling up of any small fry that may threaten their own monopolies. The Money Power does not know how to invest in real production, and it does

not know how to generate sustained consumer purchasing power. You simply cannot do these things by policy based on the money banks create from thin air.

Another underlying issue that no one focuses on is the fact that one of the most important responsibilities of any government is, or should be, to assure the presence of a sufficient quantity and quality of money to be used as a medium of exchange.

Without a medium of exchange, no commerce takes place. It is a fact that the U.S. government, as have most governments, has delegated the creation of a medium of exchange to the private banking system. But this system does not work in the long run.

As any businessman knows, while borrowing money from a bank via a line of credit makes sense for operating liquidity, it is the worst possible means of investment because of the interest attached and the fact that lenders assume none of the risk of business failure. Much better means are gifts or grants, savings, retained earnings, or raising money in the capital markets.

But these means have dried up under the financial crisis, except for some hi-tech start-ups or for the largest global businesses, and even then primarily for acquisitions where costs are cut, operations consolidated, and employees fired to pay off the loans used to finance the purchase. For individuals or small business, a satisfactory method of generating consumer purchasing power to allow their businesses to survive or grow simply no longer exists. This in a nutshell is why so many businesses and even state and local governments are exploring the creation of complementary currencies.

But the banks rule, so almost everyone else, including governments, are increasingly broke. The recent charade carried out by the U.S. Congress and the Obama administration, whereby the Republicans threatened to shut down government unless massive cuts were made to the federal budget was but play-acting by everyone involved.

We all knew the debt ceiling would be raised, because the government cannot live for one day without borrowing. The ceiling **was** raised, after massive handwringing, with deficit reduction targets that had social programs and entitlements facing cutbacks to pay for them.

No wonder Steven Pearlstein of the *Washington Post* was candid in stating that the only challenge in the years to come will be how to “share the pain” from the collective sin of having lived beyond our means.

Next, the Money Power, acting through Standard and Poor’s, downgraded the U.S. government’s credit rating. The same thing has been done to Japan by Moody’s, with the International Monetary Fund even recommending that Japan’s sales tax be raised to 15 percent to reduce the deficit there.

The Federal Reserve will be maintaining low interest rates supposedly to kick-start the private sector back into prosperity. Now we also have President Obama’s \$477 billion job-creation proposal, if, of course, it can pass Congress. But unless a new economic engine is identified that is not simply another bubble like the housing one, these policies too will fail.

So will someone please tell me what the economic engine of the future is going to be? If it is to be more exports, won’t every other nation be trying to do the same? There can be no winners where a global economy tries to get over currency wars by creating trade wars. All

there can be is **more** wars.

Or if the engine is to be infrastructure spending, including military construction to make up for cuts to the defense budget, what will happen when the loans to the federal government from the Federal Reserve used to finance it have to be paid back?

Going back to the start of my speech, it won't surprise you to hear that in my opinion the economic engine for a revived economy must be local and regional economic activity based on a resurgence of small business and the generation of individual and family purchasing power. And there must be adequate availability of currency as a means of exchange unencumbered by debt.

The Money Power is unable to do this through bank lending, even at low rates, because it has created a global economy which for decades has been based on price bubbles, concentration of wealth in global corporate cartels, speculation in resources, destruction of the manufacturing base as a means of sustaining a middle class, and enrichment of the financial elite at the expense of everyone else.

Almost every solution that anyone has proposed to the crisis, including the progressives who habitually call for more federal government action, is a top-down approach, as though some macroeconomic quick-fix can change the lives of nations. But it's all just trickle-down economics.

The right-wing advocates trickle-down from the rich. The left-wing advocates trickle-down from the government. This includes the Obama jobs-creation proposal.

But what we need is actually trickle-up. From the people. From the producers. From small business.

Token federal programs cannot cure the problem because fundamentally we are starved of a workable medium of exchange. There is today a vast shortage of money, including funding of day-to-day business operations through credit liquidity, at the grassroots level to meet the legitimate needs of the people who actually work for a living.

And this in turn is because of the illusion of money that the Money Power fosters. This illusion is that money is so sacred and scarce a commodity that only the wealthy, comfortable, and secure lenders and investors of Wall Street, along with their enablers like the chairman of the Fed, the Secretary of the Treasury, and the committee chairmen of both houses of Congress, can make the decisions the life and death of the community depend upon.

I can tell you that a person who buys into the illusion of money will be poorly equipped to understand the things I am talking about today. But it's a different story for those in the complementary currency movement.

You do have the background and experience. Because you know what money is—you have proven it for yourselves. You know it is nothing sacred or mythical—it is merely trade credits or tokens created to move goods in trade. You know who really should have the right under the laws of nature to create those trade credits and tokens—the people who produce or have legitimate title to the goods that are available for trading.

The concept is simple. Yet most of the so-called progressives completely fail to grasp it. So



do the conservatives who actually are the Money Power's greatest apologists, because they confuse the money monopoly with "free enterprise" which it most emphatically is not.

I am now going to tell you everything you should need to know about economics. Economics is barter. Period.

Let's be clear about that, in spite of the endless obfuscations of the so-called economics profession. I repeat: economics is barter.

Barter is the exchange of objects of worth, which includes the value of labor, ingenuity, and resources. Even when exchange is facilitated through what we call "money," the principle is the same.

The unit of value of ancient civilizations was the cow. While gold, silver, or other metals had value, they were denominated in the number of healthy mature cows they could purchase.

This is a fact of history. A unit of gold meant, simply, "one cow's worth."

An economy of barter, including the barter those here today engage in, is not an emergency measure, not something to fall back on only when the system fails. I say this despite the fact that every financial crisis in history has had as one of its results an uptick in barter.

When you add to barter a system of tokens, or money, with or without its own intrinsic value, and add to that the ability quickly to create, store, and transport trading records, you have a full-fledged economic system. Credit may have a part to play in facilitating exchange within this system, but it is not primary. **Production** is primary. Credit and a satisfactory means of exchange should be tools.

Trade in objects of real value is the way things are supposed to work. The separation of money from production that has developed today is destructive, dysfunctional, dishonest, and delusional.

The world's largest market is in the trading of currencies to gain a profit from temporary fluctuations in relative value. For the producers of the world, it's a disaster, because every industry and nation is subject to manipulated currency values that make long-term planning and financial security impossible.

Unless, of course, you happen to control the world's reserve currency. But even there, as we have seen, control can only be maintained by having the world's strongest military.

How then **should** the system work?

Let me take you back a few centuries to a simpler time—the medieval trading fairs. If you study medieval history, or read a good book on economic history, you see that the medieval trading fairs were one of the most remarkable economic and cultural phenomena ever seen.

Merchants from all over Europe would transport the products of their localities and meet several times a year at central locations. Sometimes municipalities would build large warehouses for the fairs, some of which still stand.

At the fairs there would be agricultural products of all kinds—animals and produce—mainly from local sources. From farther away there would be articles of clothing, textiles, or the raw materials for making them. There would be manufactured objects from the various lines of artisan work. What there would **not** be was sufficient money to trade all the commodities that were brought to the fair.

Instead, each merchant, upon arrival, would deal in paper bills of exchange authorized by the managers of the fair. Often these bills would be dated to expire at the end of the fair, so were not viewed as having intrinsic value or serving as a repository of wealth. So a medium of exchange was created as needed on the spot.

And the method worked. Its spiritual descendant is the Swiss WIR system, a hugely successful non-official trading system with its own self-generated trade credits and system of record-keeping. Something similar is working today through the on-line trading networks such as yours.

Another type of self-generated complementary currency is scrip. The most famous scrip currency of the last 30 years has been Ithaca Hours in Ithaca , New York , which began during the 1991 recession.

Scrip has gotten a bad name because often coal miners were paid in scrip that could supposedly be redeemed only at the company store. But there is an element of bankers' propaganda in this depiction.

For much of the 19th century scrip as a means of exchange was a cornerstone of local economies in the U.S. Thousands of businesses issued scrip; for instance, drug stores and lumberyards. The scrip had value because it would be redeemed by the issuing merchant; such as, so many board feet of lumber. It had the added advantage of not having bank interest added to it.

In some areas, as in Appalachia where Karen and I now live, this system continued well into the 20th century. I have spoken to people whose grandparents survived with it.

So it should be no surprise to hear that this is the way the people in hundreds of municipalities in the U.S. traded during the Great Depression. It's the way the people of Argentina saved their nation during the currency collapse of the early 2000s. They met at central warehouses and traded goods through scrip created by the trading clubs that were set up.

It's happening in America and Europe today. A couple of weeks ago CNBC ran a clip on the town of Filettino , Italy , minting its own money. Even residents of Washington , D.C. , are printing local currency—the Potomac .

Pure barter has also reemerged. It's the way Russia survived when the currency of the Soviet Union disappeared in the 1990s due to a full-front monetary attack by the West.

It's said that by the mid-1990s up to 50 percent of Russia 's economic activity took place through barter, including goods accepted by the government as taxes. One author describes how he was able to travel through Russia at the time doing research for a book on the crisis with a trunk full of vodka his only spending money. Many large corporations and even nations deal directly in barter transactions today.



But back to scrip. Scrip was and is “money” in its natural form. Scrip does not require a government to issue a decree as they do when calling only bank-issued interest-bearing notes legal tender. But scrip can be driven out of circulation by such a decree.

Use of scrip was the way the British colonies in America functioned in the years leading up to the Revolutionary War. Apart from barter and trading in such currencies as Spanish dollars and Indian wampum, the colonies had begun to issue scrip currency by the year 1700.

Sometimes the currency consisted of receipts of goods deposited in public warehouses, as was done with tobacco in Virginia . Sometimes the currency originated with a land bank, as was done in Pennsylvania , where landowners used their land as collateral. Sometimes the colonial governments spent scrip into circulation through bills of credit, as with the colony of Massachusetts .

It was this variety of scrip used as a means of exchange that helped create the economic prosperity of the colonies. But here’s the key. Scrip received its value not only from its convenience and convertibility but also from the fact that governments accepted it in payment of taxes.

Remember this principle. It shows one way we can unlock the power of barter and complementary currencies today.

But, as we know, the bankers launched a long campaign to take over the U.S. economy, whose milestones were the First and Second Banks of the United States and the National Banking Acts of 1863-64, culminating in the Federal Reserve Act of 1913. The 20th century saw two parallel phenomena: 1) the ever-growing power of big finance with its control over nations and their economies and 2) the worst wars ever fought among human beings on the planet, with the half-century of warfare carried out by the U.S. and its allies from Vietnam to Iraq to Serbia, with Afghanistan, Iraq again, and now Libya just a continuation.

But the global crisis is not just economic. The world stands at a crossroads today in every category of human life. There are two completely different visions competing for humanity’s future. These two visions are the materialistic vs. the spiritual.

The materialistic vision is based on the presumption that the world consists entirely of what we perceive with the physical senses and that human beings are essentially thinking animals living in a world of limited material sustenance and subject to constant threat of privation due to lack, limitation, disease, and ultimately death.

According to this view, a human being is only a physical body, controllable by conditioning based on the pleasure-pain principle.

People might yet enjoy a few fleeting moments of pleasure, of personal and family enjoyment, of hope in a better material future, or even of getting to heaven if they are good. But life on earth, believes the materialist, is a struggle for survival, a struggle that the social classes, nations, and races which are the most clever and energetic in beating out the others not only will win but deserve to win.

Materialism is a function of what may be called biogenetic consciousness. But taken to an extreme, it’s Social Darwinism elevated to theology. Add to it the power of modern technology, and it becomes extremely dangerous.

Given this view, politics and planning are best left to an elite functioning across international lines to control and dominate the world as they see fit, even if vast and increasing numbers of human beings are left out to the point of having their futures and lives sacrificed if there is not enough to go around of the crumbs that fall from their masters' tables. It's a trickle-down world.

Big dog eats little dog—that's the materialistic philosophy. It's the big dogs who think they have the right to rule the world.

This is obviously the vision of the Money Power that strives to run things by putting everyone, even the technicians and militarists who support and extend its power, into endless cycles of debt. It is this debt above all that defines the global crisis.

Nations and individuals are mired in debt they can never get rid of. For debt on this scale is never repaid and no one is ever out of debt. It is simply rolled over to the next cycle of debt while the Money Power acquires title to everything it can get its hands on.

As I said earlier, the obvious answer for those foreclosed upon is austerity. Stop living beyond your means. If the banks so dictate, or if you can't get a job and the public entitlements have run out, then starve and die and even blame yourself in the process.

Governments and businesses try to cope by raising taxes and prices and so generate inflation. But debt catches up with that too. It's a treadmill that gets faster all the time.

The police and military are there to step in if anyone gets out of line and tries to defy the established order. The same goes for the educational system, whose objective is to train the drones of the world to passively accept their fate, strive to stay out of trouble, and feel lucky if they can get a job or a low interest rate on a mortgage or a loan. Meanwhile, the corporate owned-press and entertainment industry is there to provide a little distraction.

Is this the world you want to live in? Obviously the result of materialism is massive and growing levels of psychological and physical stress.

A dark cloud of fear hangs over the world where people subsist amid nagging anxiety over losing what little they have if something should go wrong. Bankruptcy and loss of one's home threaten if a person should lose his or her job or a family member become ill.

While this is going on, the rich become richer by the day, the earnings of CEOs and Wall Street tycoons set new records, universities which hand out tickets to prosperity by monopolizing the job credentialing process raise tuitions ever higher, and the giant corporations and too-big-to-fail banks wallow in more money than they know what to do with.

These are all the results of the materialistic perspective, or the belief that man "lives by bread alone."

The **spiritual** vision starts with the realization that man is a spiritual being living in a spiritual universe. What does this mean?

Let us consider the following statement that has beckoned to man for 2,000 years: "Man does **not** live by bread alone but by every word that comes from the mouth of God."

Does this statement establish a gulf between the material and spiritual worlds? Or is it of a higher vision, where the everyday world of getting and spending may also be seen as suffused with an inner light of meaning?

May the statement then signify, at least in part, that our daily bread also comes from the world of goodness and abundance which the words “the mouth of God” point to? The words of the Lord’s Prayer, “Give us this day our daily bread,” would signify as much.

This is certainly what the Catholic Workers Movement believes or the old Distributist movement that favored maximum property ownership by householders and families. It is also what the ancient Hebrew religion believed through its periodic debt-forgiveness jubilees and what the Islamic religion maintains with its prohibition of usury. It was what Jesus Christ manifested by overturning the tables of the money lenders at the temple in Jerusalem , an incident which the scribes and Pharisees down through the ages have never been able to explain away.

The spiritual dimension was reflected in comments by Pope Benedict XVI in Spain only a month ago. Responding to the crisis where unemployment in Spain has climbed to over 20 percent he said:

“The economy doesn’t function with market self-regulation but needs an ethical reason to work for mankind. Man must be at the center of the economy, and the economy cannot be measured only by maximization of profit but rather according to the common good.”

He added that the crisis shows that a moral dimension isn’t “exterior” to economic problems but rather “interior and fundamental.”

We all know that spiritual vision means that we must not judge by appearances. It means we do not judge people by their nationality, the color of their skin, how prestigious a job they have, what university they attended, how many possessions they have piled up, whether or not their education conforms to our approval, and a host of other external factors.

The spiritual perspective means that we view every human being as worthy of respect, entitled to live on the earth with dignity, being equal not only before the law but in the sight of God. It means everyone should have a chance and should be treated decently and fairly.

Where does this vision come from? It comes from every religion, every spiritual teaching, every humanistic vision that has ever appeared on the planet. In the U.S. it also comes from the Declaration of Independence and the Constitution, including the Bill of Rights, and the 14th Amendment providing for equal protection under the law.

The spiritual vision also comes from deep down inside each of us in the common understanding and divine spark of conscience that truly civilized and cultured people know in their hearts make us all members of the human family.

I worked for NASA at one time, and I can tell you that the space program gave tremendous impetus to the vision of earth and humanity as one of unity and togetherness. The images sent back from space of the beautiful but fragile blue marble we inhabit and of the

incredible vastness and beauty of the other worlds and galaxies with which we share a place in the universe—all this changed our perspective forever and opened doors that will never close again.

But there is more even than that. Spiritual vision shows that the earth is not limited in its resources as most people believe and fear. Remember, this is a spiritual universe. Spiritual consciousness points to awareness of the infinite, of goodness without end.

Physics has started to understand that what we see of materiality is really only the outward manifestation of vast processes from the universal core of being that every millisecond give birth to energy vibrations on a scale too vast to contemplate but which crystallize to form the measurable worlds of matter.

In the 1890s the newspapers were reporting on the economic crisis that would destroy the birth of the industrial age because we were going to run out of horses. Today we fear we will run out of food or oil.

It has been figures representing the Money Power who, more than anyone else, have bemoaned the population explosion. Obviously a very effective means for stopping it is genocide in its many forms, and if war can't always be counted on, then raising food and gas prices, allowing poverty to run amuck, tolerating high unemployment, or cutting pensions and government services will do a pretty good job as well.

I would even go as far as to say that the elite's tolerance of un- and underemployment in our complex society is a crime against humanity, one responsible for many of the other crimes that plague us.

So that is where matters stand today. This is what in my opinion the Money Power believes and is up to.

And it all goes back to the materialistic vision. I can't have more, or even enough, if you have some too. Gimme. It's mine.

The ideology of the Money Power comes from greed and destroys all that makes us human. The spiritual vision, by contrast, is one of moderation. It sees that if you have what you need, and thereby become a happier, more productive person, then I will benefit also.

Because there is truly no limitation on what an expansive universe can potentially produce if its resources are used wisely. We have scarcely even begun to tap the energy resources available when you think of wind energy or geothermal energy, or, of course, solar energy.

Then there's zero-point energy, based on the theories of scientists such as Nikola Tesla, who said that seemingly empty space is in fact the repository of an unlimited source of energy in its potential state. Many independent researchers have been working to make Tesla's ideas a reality in ways that would advance human freedom beyond anything dreamt of in the past. The computer revolution, where virtually unlimited computing power can be packed into microchips of infinitesimal size, hints at these possibilities.

In the field of economics, the spiritual vision means that everyone on earth should have fair access to purchasing power without having to go to a bank to beg for a loan at interest or a government handout if hardship can be proven to a bureaucrat.

In monetary affairs, the materialistic vision says money is a commodity to be tightly controlled by a financial oligarchy that will use it as they see fit to enrich themselves while everyone else struggles. This in spite of the fact that much of the money they lend they have created out of thin air under a license from government whose politicians they buy and sell at will. Government benefits because it can run up trillions of dollars in debt by borrowing this fictitious money from domestic and foreign banks through an arrangement presided over by the Federal Reserve and the central banks of other nations.

A twist on the materialistic idea is that the money supply should be tightened because only precious metals like gold and silver have real value. The gold bugs and the bankers represent two sides of the same coin so to speak. Both would throttle commerce for the sake of a materialistic ideology.

So what would a spiritual economics look like? What would spiritual money consist of? These have been questions I have been writing about since I retired from the federal government in 2007.

First of all, a spiritually-oriented currency would be available to everyone in sufficient quantity to satisfy the needs of life and provide for free and fair exchange of goods and services.

Obviously employment should be a chief means of acquiring the means of exchange. But it is not necessarily the only means. Earlier we mentioned grants, savings, and capital markets. But in addition, associations of producers, as well as states and municipalities, **should** be able to create complementary currencies, as you do and as many others are exploring.

But there is more. We know for a fact that not everyone needs to work to provide the necessities of life for society. The productivity of modern industry is phenomenal.

Too many workers on the job are inefficient, as any factory manager knows. Also, as we discussed earlier, business centralization and the decimation of the small business sector have sharply decreased the number of jobs available.

Structural unemployment resulting from changing conditions in the workplace is also a fact of life, and the types of jobs that can potentially be eliminated by computers and robots increase daily.

The result is, of course, that machines can produce far more than there is consumer income available to purchase it. While this is obvious to anyone with commonsense, economists seem not to have noticed. Henry Ford realized this when he decided to pay his workers enough to purchase the automobiles they constructed on the assembly line.

So what many of us believe is that there should be a public stipend for people who are not needed to work, who cannot work, for university-level students, for those who do volunteer work, for those trying to get a new business or career off the ground, for those whose work is not highly paid like teachers or eldercare providers, or for mothers or fathers who want to remain at home and raise their children while the spouse works.

I am speaking of a Basic Income Guarantee. There is a vitally important and growing worldwide movement for a Basic Income Guarantee, and I am proud to be part of it. A Basic Income Guarantee is the only practical way to create the leisure dividend the industrial age

promised but has never delivered.

Some oppose the Basic Income Guarantee because they claim it is a socialistic measure. I emphatically disagree with this viewpoint.

Rather its roots may be found deeply implanted in the three historic religions of the Western world—Judaism, Christianity, and Islam.

All three share a common ancestry and have a powerful social welfare component. Eastern religions contain the same idea in their concepts of compassion and the oneness of creation. A Basic Income Guarantee also makes economic sense.

The first modern figure to advocate a Basic Income Guarantee was Thomas Paine, author of *Common Sense* and the famous saying, “These are the times that try men’s souls.” Paine wrote, following the American Revolution, that U.S. citizens should receive a regular stipend as compensation for “loss of his or her natural inheritance by the introduction of the system of landed property.” (***Agrarian Justice***, 1795).

Within the U.S. many famous economists have spoken in favor of a Basic Income Guarantee, including James Tobin, Paul Samuelson, John Kenneth Galbraith, and Milton Friedman. Another strong supporter was Friedrich Hayek, a major figure in the Austrian school of economics.

In his final book, ***Where Do We Go From Here: Chaos or Community?***, Dr. Martin Luther King, Jr., wrote:

“I am now convinced that the simplest approach will prove to be the most effective — the solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income.”

In 1973, [Daniel Patrick Moynihan](#) published ***The Politics of a Guaranteed Income*** that became the basis of a proposal by President Richard Nixon that passed the U.S. House of Representatives in 1973 but was defeated by a coalition of Southern senators in a vote with strong racial overtones. What did emerge from that era was the earned-income tax credit as a limited guaranteed income that expanded to become a major anti-poverty measure under President Bill Clinton and remains a chief means of support for many low-income families.

In Western Europe an extensive social safety net became a cornerstone of post-World War II society that is increasingly threatened by societal debt. Other nations such as Brazil have begun to consider enacting a Basic Income Guarantee through statute.

The purest form of a Basic Income Guarantee in existence is the Alaska Permanent Fund, where all residents receive an annual payment of around \$1,200 from the state’s resource revenues. Such a system would be replicable anywhere in the world.

The logic of the Basic Income Guarantee may be seen through the game of ***Monopoly*** where players collect \$200 each time they pass “GO.” What would happen if, instead of receiving the free \$200, it was a loan from the bank at 10 percent interest? What if you had to pay back \$220 when you arrived at “GO” before receiving your next loan?



Clearly what would happen would be that every player on the board would soon be bankrupt, with the bank owning everything. And what would happen in real life if unemployment compensation or Social Security consisted of loans, not payments?

As automation continues to grow and eliminate jobs, more and more nations must begin to realize that to maintain a functioning economy people must simply be granted a subsistence income. Of course there is less chance of this happening every day under the global financial crisis.

Which raises the question of how a Basic Income Guarantee anywhere in the world can be paid for? By taxing everyone to the max who still has a job? No. For the interesting thing is that such grants of public funds do not always have to be balanced by taxation or government debt.

This is what the Money Power and their politically conservative allies want us to believe. That money is scarce and the resulting pain inevitable. Or even that money should be **kept** scarce because that is how its value is maintained for those fortunate enough to possess it. Of course the pain envisioned is always someone else's, never one's own.

But what I have been arguing since I entered the field of discussion after leaving the Treasury Department is that money creation for programs like a Basic Income Guarantee can be balanced by increased economic efficiencies, by the augmented production its availability would call forth, and by enhancing the velocity of money—the rate at which it is turned over by an active economy.

These are concepts many experts within and outside the government have known for decades. It's what gave Keynesian economics its force for so long.

The fact is that money can simply be created by any sovereign authority or delegated by that sovereign authority to any organized entity within society. Conservatives deride this power as simply one of "printing money."

But so what? It's how the private banks—which, again, the conservatives **never** criticize—lend today under the fractional reserve system. They create a debit in a ledger and transfer it as a credit to the borrower's bank account.

When the loan is repaid, the credit is cancelled from the books. After the banks tally up the interest charges, of course.

This cancellation actually subtracts from the money supply, as does locking up money in the creation of fixed assets like yachts or mansions that sit and rot while producing nothing of value. This type of conspicuous consumption is actually a type of hoarding.

Are the conservatives really so naive they don't understand any of this? Or are they just terminally addicted to crying crocodile tears over whatever threatens to upset their self-absorbed world view?

Don't they understand that credit should be treated as a public utility and used in the same way that bankers now use it except for the benefit of society rather than just the already-rich?

Yes, money **can and should** be created and distributed sufficient to society's need, and in

the industrial age the need is massive. In fact a Basic Income Guarantee ***could and should*** be “printed.”

And it need not be inflationary if it is balanced by what really gives money value—production. This balance is the key to maintaining the value of money—not artificial scarcities created by the Money Power when it wants to crash the economy.

The Social Credit theorists of the British Commonwealth nations tackled this problem under the leadership of British engineer C.H. Douglas almost a century ago. They advocated the distribution of money as a National Dividend in order to bring into balance cumulative consumer prices with available national income, noting that income always lagged due to the enormously important factor of retained earnings which any business must engage in to prepare for the future. Distribution of a National Dividend, they said, can be safely and readily done so long as it is balanced by an equivalent level of economic appreciation in terms of future productive capacity.

Those engaged in barter should understand this, because you know quite well that credit does call forth increased production. But lending by the banks is not necessary for this. Simply distributing the money against a national credit ledger would be far better, because the money remains in circulation and so sustains economic growth without the overhead of interest charges.

The math has been done. You can read about it in my writings and many other places. Similarly, barterers know that even if you have huge amounts of valuable goods and services ready for use, unless a medium of exchange is created they sit stagnant. But once that medium is created, trade begins to move again.

Indeed, anyone with objects of value to trade, including their own labor, should have a right to monetize them as you are doing. Another method in widespread use is computerized labor exchanges.

All such systems have a close intellectual and spiritual affinity to the concept of a Basic Income Guarantee. All such systems would transfer the privilege now allocated only to banks to individuals and associations under a similar public license now monopolized unfairly by the banks.

And all such systems can readily be created in the computer age. Think what the world would be like if eBay or Craigslist traded not just in dollars but in trade credits as well. There might really be an economic recovery, and—heaven forbid—without any bank-generated debt-based currency.

And what if people were ***given*** a certain amount of trade credits free and clear just to set the trading in motion? This would also be a Basic Income Guarantee.

What stands in the way of all this? Obviously a major factor is the tax system, which is another monopoly run by collusion between the Money Power and governments.

We saw earlier the economic advantages in colonial America of accepting scrip in payment of taxes. ***The same could and should be done today.***

There is a great injustice, of which those in the barter movement are well aware, in the government having no compunction in taxing the trade of your clients to the full extent of

its equivalent in U.S. dollars. Of course organizations like the International Reciprocal Trade Association are to be commended for keeping the barter associations legal with IRS and other national taxing authorities by helping you work with your clients to include in their accounting systems the payment of such taxes.

But you know it is unjust. And why is it unjust? Well, obviously because if the government considers your trade units as **real money** that can be taxed they should accept trade units in **payment** of taxes as well.

Yes, your barter trade credits should also become a legitimate currency with which to pay taxes. In fact, **any** association of producers that comes together with a functional system of trading, and this should include the hundreds of complementary currency systems cropping up around the world, should be able to pay taxes in that complementary currency if the government chooses to tax it as being real money.

Then we would see whether the legal tender laws have any meaning or not, because then complementary currencies would be accepted in trade everywhere in the world.

In fact the government would benefit by realizing a large increase in revenue simply by converting these taxed trade credits to dollars in its accounting systems. I can tell you from my own experience that the Treasury Department could implement this policy in a matter of months and retire much of the national debt in so doing.

It could even be argued that doing otherwise should be considered unconstitutional by denying traders in complementary currencies the equal protection of the law. Am I saying then that the declaration by the government that only Federal Reserve Notes may be legal tender could be found unconstitutional?

Yes, I am. I would urge the complementary currency movement to create test cases and undertake litigation to argue this issue in court.

It's a simple matter of justice and equity. Confirming the full legal status of complementary currencies, combined with a Basic Income Guarantee, would break the money monopoly held by the Money Power that is destroying the economies of the world.

True, there are many other proposals out there for various types of monetary reform, including public banking, allowing the government to spend money into existence as was done with the Greenbacks of over a century ago, and so on. But unless individual citizens and associations of producers can obtain sufficient quantities of the medium of exchange needed to survive and to monetize their production, we will just be trading one type of money monopoly for another, and the same deadly crisis of poverty in the midst of plenty will remain.

Now, I am, for the first time, going to introduce another proposal that could help solve the global financial crisis. You will hear it today for the first time.

Let's start with what I have called the Cook Plan. I first presented the Cook Plan at the 8th Congress of the U.S. Basic Income Guarantee Network in New York on February 27, 2009. The plan was part of a paper entitled: "A Bailout for the People: Dividend Economics and the Basic Income Guarantee."

My suggestion was to place a substantial amount of credit directly into the hands of the

U.S. population through a Basic Income Guarantee consisting of a sufficient amount to supply **every adult** a subsistence living in the form of vouchers for such necessities as food and housing, then having the vouchers deposited in a national network of community savings banks that invest in locally productive enterprises.

The system would require no government means test to prove a person really needed the vouchers and no bureaucracy to administer them. They would be treated as a human right.

The Cook Plan is based on the principle mentioned previously that full-employment is not at all necessary or even desirable in a modern economy. Rather there should be any number of options for work of a volunteer or low-income nature that, when undertaken, do not threaten a person's survival.

But I now propose to take the idea of the Cook Plan a step further. I am calling it the Gaia Plan, which I am today unveiling for the very first time.

The Gaia Plan would be a Basic Income Guarantee issued by the International Monetary Fund to every adult on the planet under an accord administered by the United Nations.

The Gaia would be a worldwide currency named for the Greek designation for Mother Earth. The name would signify the care of Mother Earth for her human children.

Of course one of today's concerns is that the Money Power obviously wants a global currency they can use to control humanity by abolishing the sovereignty of nations. The IMF, already having vast experience in impoverishing the people of many nations through austerity regimes, would be one of the agencies they would use for their purposes.

The Gaia would also be a global currency, but not the kind the Money Power has in mind. Instead it would be a means of exchange for all the people, a means of exchange unencumbered by debt.

And wouldn't it be a just turn of fate if the IMF were used to administer it? After all, the IMF employs a large number of highly-paid economists and accountants. Why not give them something to do that would benefit instead of destroy humanity?

Under the plan, there would be no means test for receipt of the Gaia. Every adult human being would receive it every month. I would suggest around \$800 per payment.

The value of the Gaia could be based on a basket of currencies including the dollar, the euro, the ruble, the Chinese yuan, and the Japanese yen. The plan thereby has some affinities with the proposal by Belgian author Bernard Lietaer for a worldwide complementary currency he called the Terra. However, the Gaia Plan is far more comprehensive in calling for a global Basic Income Guarantee.

Like the Terra, however, the Gaia would help stabilize world currencies. The Gaia would also allow economies to be rebuilt from the bottom up, through entrepreneurship and small business growth.

As with the Cook Plan, the system could also include creation of a worldwide network of savings and development banks. The integrity of the Gaia could be maintained by a pledge nations signing the Gaia treaty would make for competent administration and prohibitions on profiteering through price gouging and other anti-competitive measures.

But let there be no doubt about it. To induce the UN, the IMF, and the governments of the world to reverse the present course of events and replace the oppression of the Money Power and its agents with a humanitarian program to benefit all mankind would constitute one of the great revolutions in history.

It is not a revolution that can be brought about by force. Yet it can happen through the ongoing planetary awakening of consciousness we see all around us.

In conclusion, let me say without reservation that it is impossible to believe that the world really does belong to a delusionary monetary system based on greed. It's time for that mythology to end.

The world's consciousness is indeed changing. Globalism is in fact here. Narrow nationalistic policies and national rivalries **should** be a thing of the past. But human freedom and dignity now call out for answers that benefit everyone, not just the elite and their repressive structures in their race to the bottom in destroying worker livelihoods.

The Golden Rule that all religions affirm requires us now, immediately, to alter our actions to reflect love of neighbor as of self. The Gaia plan would be a tangible expression of the highest ethical ideals of conscience recognized by the entire world over thousands of years.

Meanwhile, organizations like the International Reciprocal Trade Association are providing day-in-and-day-out many of the answers we need so urgently, including having the word "international" in its name. Let's now take further steps. A functioning world economy would have a multitude of features with units used to pay taxes a prominent one.

So I say: Move forward with boldness and confidence into the future. Do what you are doing now as efficiently and fairly as possible, and be prepared for a future where you will help lead the way by teaching society what human freedom means in the marketplace and how crucially important monetary freedom is today.

Of course we really don't know what the future holds. But no matter what happens, seeing through the illusion of money is a place to start.

There is a new earth and a new humanity in the making. Let us be part of bringing them to fruition.

*Richard C. Cook was born in Missoula, Montana, later moved with his family to Virginia, and graduated with honors from the College of William and Mary, the alma mater of Thomas Jefferson, where he was elected to Phi Beta Kappa. For the next 37 years he served with several federal agencies, including the Carter White House, taught history, and, for a time, operated organic farms in West Virginia and Virginia .*

*In 1986, while working for NASA, Richard became one of the foremost whistleblowers of modern times as the first NASA official to testify on the causes of the space shuttle Challenger disaster. He left NASA but in 1990 received the Cavallo Foundation Award for Moral Courage in Business and Government for his forthrightness.*

*Richard completed his government career in 2007 after 21 years as an analyst with the U.S. Treasury Department. On retirement in January, 2007, he published "Challenger Revealed," his memoirs of the 1986 NASA tragedy.*

*He then published his book on the causes and cures of the global financial crisis entitled "We Hold These Truths: The Hope of Monetary Reform." He has also written dozens of articles on both a host of public policy issues, as well as contemporary spirituality, and speaks regularly on these topics. His articles may be found on his website at [www.richardccook.com](http://www.richardccook.com)*

*After a search through southwest Virginia , Richard and his wife Karen moved to Roanoke , Virginia , over a year ago from their previous home in Maryland . Their goal was to seek the "high places," both in the beauty of the Blue Ridge Mountains and within their own hearts and spirits.*

*They have established a small business rehabbing old houses, and in January 2011, they decided to formalize their teaching activities through founding the Peace Spiritual Center , where they teach meditation and offer spiritual counseling. The center's website is [www.peace-spiritual-center.org](http://www.peace-spiritual-center.org).*

*To ask about Richard's speaking schedule, please contact [monetaryreform@gmail.com](mailto:monetaryreform@gmail.com)*

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