THE CONCORD RESOLUTION

By the rude bridge that arched the flood,
Their flag to April's breeze unfurled,
Here once the embattled farmer stood,
And fired the shot heard 'round the world.

"Concord Hymn," Ralph Waldo Emerson

*** Endorsed by the World Conference of Mayors ***

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<u>THE CONCORD (MA) & ___________ RESOLUTION</u>

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common Defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

Preamble to the United States Constitution

We the People, citizens of ___________________USA, join Concord, Massachusetts — America's first non-native, inland community, from whence was fired "the shot heard 'round the world" — in calling upon the Federal Reserve System and major financial institutions to devote themselves not just to the ongoing fortunes of Wall Street but to the mounting misfortunes of Main Street: the backbone of our ailing economy. At long last, by:

1) Initiating the call for a clear, consistent, non-contradictory and universally recognized definition of money — the lack of which we propose is the fundamental cause of our growing financial crisis;

2) While this process of arriving at a proper definition of money is going on globally, *We the People* call on the FED here at home to adopt a stable or "passive" (in terms of dynamic systems theory) monetary system, by removing the major de-stabilizing elements of our current debt-based monetary system: i) interest charges on newly created (as opposed to existing) money; and ii) percentage fees on transactions that, as such, take no account whatsoever of the actual cost of the service rendered.

3) On the basis of these first two points, and closer still to home, *We the People* of _______________USA will work with Concord and other sister cities/ communities to get our own "House" (public works/infrastructure) in order, by presenting the following information to our local officials.

The bottom-line is: Our community and communities can fund our business/ transactions <u>the</u> <u>very</u> <u>same</u> <u>way</u> we, as individuals, have increasingly fundED our own transactions: via credit, as opposed to cash, increased tax assessments, public grants or private bond issues. All of which bear compounding interest charges and the accompanying fees noted. This can be done at no unnecessary and unwarranted cost, as outlined in the following presentation.

OPENING WORD

"It is well enough that the people of the nation do not understanding our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning."

Instead of the ***re-volution****,* of which not just Henry Ford speaks but his colleague Edison and a good many other notable figures, going back to old Ben (Franklin) himself, fellow Americans who have come to understand the consequences of our *debt-based* monetary system, plight itself, beginning with the resultant multi-trillion dollar US debt alone and continuing on to the poverty, misery, despair… the desperation, wars, destruction, and countless deaths the world over.

Instead of a revolution or of the ongoing ***e-volution*** — that has us *failing* to solve problems with the same thinking that created them in the first place, "insanity" itself, Einstein goes on to note — "The Concord Resolution" proposes something new, as "new" as the age-old wisdom itself.

We invite you to consult your *best* thoughts, the deeper source of your, our, the People's "Genius." That is, we invite you to consider a deepening engagement with respect to addressing the monetary CRISIS BEFORE US, AS WE SPEAK: an ***in-volution***. *That is*, friends, *We the People* invite your greater in-volvement/ turning-in, if you will. For a reason, most simple and universal, in the words of "The Great Commoner" himself, William Jennings Bryan:
"When we have restored the money of the Constitution, all other necessary reforms will be possible, but until this is done there is no other reform that can be accomplished." ~ "Cross-of-Gold Speech"

Otherwise expressed, in an age in which money not only makes the world go 'round, but brings our affairs to a grinding halt, every fiscal/spending issue (health care, infrastructure, education, global warning, our pandemic itself, you name it) is in truth, at its root, a monetary/money issue. Indeed, every issue that has a price tag attached to it is a money/monetary issue — in, to repeat, an age in which "money makes the world go 'round."

This invitation, friends, is extended to those who are committed to becoming part of the long-awaited solution — as opposed, with all respects due, to remaining part and parcel of the ongoing problem. Toward that end, the solution, we invite you to slow down and consider, more deeply, the mounting problem-*challenge-* **opportunity** before us: the redemption of our *debt-based* monetary system.

For, if we don't understand more deeply, and master more fully, our "Almighty Buck," do *We the People* doubt that the "Almighty Buck" will master us, the US?

"The refusal of King George to operate an honest Colonial money system, which freed the ordinary man from the clutches of the manipulators was probably the prime cause of the Revolution… The Colonies would gladly have borne the little tax on tea and other matters had it not been that England took away from the Colonies [the right to issue] *their money."* ~ Ben Franklin

"All the perplexities, confusion, and distress in America arise, not from defects of the Constitution or Confederation; not from any want of honor or virtue, as much as downright ignorance of the nature of coin, credit, and circulation." ~ President John Adams

"*But here is the point: If our nation can issue a dollar bond it can issue* [directly and debt-free] *a dollar bill. The element that makes the bond good makes the bill good, also. The difference between the bond and the bill is that the bond lets the money brokers collect twice the amount of the bond and an additional 20 percent, whereas the* [debt-free bill] *currency pays nobody but those who directly contribute to the* [projects] *in some useful way.* ~ Thomas Edison

If we pause long enough to consider, allow our best thoughts, wits to catch up to us, might the deeper source of your, our, the People's 'Genius" reside in, be our sovereign power, as *We the People*? As with the kings of the past, that sovereign power has always been, and remains, the issuer of "the coin of the realm," the arbiter of our common wealth. That common wealth, in turn, constitutes our, the People's, true "inheritance": "Life, Liberty" and not merely "the pursuit" — seemingly endless — "of happiness," but its actual attainment. The "happiness" spoken of begins with the assurance of our lives and livelihoods and unfolds in our grateful service to others.

"America, America, may God thy gold refine,
Till all success be nobleness and every gain divine."

So much by way of an opening word? The Concord Resolution itself follows, constituted of 3 simple, straightforward, consequential and long-awaited actions, action steps.

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<u>THE CONCORD RESOLUTION</u>

ELABORATED

"The Concord Resolution" invites sister cities/communities in the US and abroad to join Concord, Massachusetts — the first non-native, inland community in the United States and the crucible of our American Revolution — in directing the Federal Reserve System to assume, at long last, its role as the central bank not just for Wall Street but for Main Street by:

1) Directing the FED to call for the establishment of a *clear, consistent, non-contradictory, universal* definition of money, the most basic terms of all our financial contracts: from loans and mortgages to IRA's and more complicated investment "instruments". Behind this call stands the recognition that — without such a clear, consistent, non-contradictory and universally recognized definition of this most basic term of our financial contracts — those contracts are invalid. If, that is, our law can uphold itself. A legal imperative stands behind this mandate.

If this first point is clear, the second point that follows should be as well. If not, it most likely won't be clear.

2) While such a definition of money is being determined, the FED is called to ensure that our current *debt-based* monetary system — a monetary system that is based on the questionable definition of money as a "commodity" — is made stable. In the cutting edge field of Dynamic Systems Theory, such stability is referred to as "<u>passivity</u>." A system becomes stable/passive when its otherwise de-stabilizing elements — compounding interest charges and percentage fees — are removed from its reckonings, transactions.

If this second point is clear, the third that follows should be as well. If not, it most likely won't.

3) Communities are called to fund their public works, infrastructure projects (roads, bridges, school, water/sewage systems etc.) <u>the very same way we increasingly fund our own individual transactions</u>: via credit, i.e. electronic book-keeping entries. Such funding is not only possible, as we speak, but it is based on: i) the clear, consistent, non-contradictory, universal definition of money called for (nothing more, or less, we ourselves propose, than a "<u>recording keeping device</u>"); and ii) on the stable/passive monetary system referred to. As such, our communities' credit transactions would no longer bear interest charges or percentage fees. As a result, we would have the means, at long last, to get our "House" in order. Prosperity would arise across our land.

These mandates are the three pillars of “The Concord Resolution.” A more formal presentation of the resolution is here: < https://www.moneytransparency.com/msta-resolutions >.

The resolution is beginning to be adapted and adopted in communities throughout our country, including Gloucester, Massachusetts, Tuskegee, Alabama, The Twins Cities, Minnesota, Hillsboro, W. Virginia, and in communities throughout the North Country of New Hampshire, the “First-in-the-Nation” primary state.

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THE CONCORD RESOLUTION

THE HISTORY & LOOK AHEAD

"All truth passes through 3 stages:

First, it is ridiculed.
Second, it is opposed [violently or otherwise].
Third, it is accepted as being self-evident."

Arthur Schopenhauer

FRIENDS, 50 years in its forging, This Concord Resolution offers the even longer-awaited solution to our ever deepening financial mis-fortunes, a solution that may determine whether our show will remain on the road, whether **We the People** will have a future worth envisioning.

Or not.

If, that is, we know what we are talking about with respect to the resolution that follows.

The Concord Resolution is the precious fruit of the labors of many people, "Concordians" near and far.

These individuals include a number of kindred spirits (for those who can imagine) in leading positions on both the Board of Governors of the FED, as well as two presidents, in particular, of the regional Federal Reserve Banks: the former Frank Morris, President of the Boston Fed and Neel Kashkari, current president of the Minneapolis Fed.

Herewith the first cornerstone to "The Concord Resolution."

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Secondly, key contributions to the Concord Resolution have come from lesser known and, we suggest, no less accomplished economists, "experts."

At the forefront is a colleague of over 30 years, a former Fulbright Scholar and Scholar of Europe, who has not only duly revised the "master," Keynes himself. But, assisted every step along the way, by his countryman and former MIT Nobel laureate, Franco Modigliani, Dr. Carmine Gorga < https://www.somistinstitute.org > has offered a way for his fellow economists to escape from "Egypt" of old/ new through the reddening sea into the Promised Land, itself.

Such a realm was presaged by Einstein himself in his reminder that we can't, can NOT solve a problem with the same thinking that created it in the first place. *And…* the "father of modern science" went on to add, our efforts to do so is "INSANITY".

Common sense?

Carmine is blazing a trail, as we speak, from the old empire of rationalism — grounded by our "fallen" intellect — into the new world of relationalism. Ralph Waldo Emerson joins Einstein in hailing such labors, which have birthed "Concordian Economics: The Integration of Economic Theory, Policy and Practice into an Economics of Common Sense," an *Enlightened Common Sense.*

Herewith the second cornerstone to "The Concord Resolution."

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Thirdly, contributions to the "Concord Resolution," invaluable and inestimable contribution, have also been offered from the rank of our fellow citizens (non-experts), kindred spirits, whose angles of vision have been honed by what some refer to as the "school of hard knocks and lucky breaks" — Amazing Grace itself, rising out of the trenches themselves.

Foremost in this rank of the non-experts is a Vietnam Vet, engineer, and inspired LINK monetary historian par excellence, Richard Kotlarz, whose life's work, undying labors are finding their capstone in the Twin Cities arising "Institute for the Redemption of Money." For those who may not have considered, "redemption" is not only a financial term, not only an all so human term. It is both. The point.

And closer to home (Concord, MA, USA), "The Concord Resolution" tips its cap to a Concordian and general contractor, John Marden, who — in his own words — learned his economics on the seat of a tractor. The proprietor of Musketaquid Farm (the native name for Concord), a veritable old timer, has offered, duly, a cornerstone to Concord's resolution. That cornerstone sets the resolution squarely in the midst of our modern digital age. Young in spirit John is. *Herewith the third cornerstone to "The Concord Resolution."*

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Finally, the cornerstones of "The Concord Resolution" would not have been been finely and fully hewn without the indispensable contribution of a cutting edge disciple, "Dynamic Systems Theory." I believe it is not an exaggeration to say that this discipline is, indeed, indispensable for any resolution/discipline that is not intent upon isolating and, thereby, alienating itself from life, the larger, living "system" in which we find ourselves.

Marc Gauvin and his efforts with MSTA (Money Systems Transparency Alliance) are focusing THE QUESTION for those who realize that actually understanding what we are talking about (that is, money itself) is a meaningful place to ground our efforts in money/monetary reform. For what can we expect, in terms of reform, if we don't, as expressed, know what we are actually talking about. Marc's point — which introduces the Concord Resolution — couldn't, could not be simpler. I quote:

If money is a measure it cannot also be a tradable commodity and if it is a tradable commodity, it cannot also be a measure.

Colloquially, we say "so many dollars worth" of this or that, implying money is a measure of value. However, we also say "I'll give you ten dollars for that…." which implies money is also a tradable commodity, but is this logically sound?

No Expert Consensus on Money's Definition

In expert mathematical terms, Narayana Kocherlakota former President of the Federal Reserve Bank of Minnesota (2009-2015) in his 1998 paper entitled "The Technological Role of Fiat Money", shows how the standard 'definition' of fiat money as a "store of value, medium of exchange and unit of account", is "proven to be vacuous" (empty) and that the only "technological role of money" is that of a "record keeping device". Similarly and according to the semantic analyses of the same definition in this paper that same standard definition logically reduces to money being defined as only a "record of a measure of value", not a store nor a medium of exchange. This is wholly consistent with Kocherlakota's findings although more specific as it says what the "record" is of i.e. it is of "value."

Thank you, Marc.

Need more be said, friends, with respect to the background, history of The Concord Resolution?

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Turning our visions to the future, the implementation of "The Concord Resolution," the most challenging aspect for some, is that — despite the misunderstanding, if not opposition, that such a resolve understandably calls forth — the resolution simply sets in a clearer light the practices that, as noted, we *have* fully adopted, how we are *currently* operating with money. *As we speak*.

Is this point clear?

"The Concord Resolution" calls us to do nothing different than what we are already doing — with one small, but significant, exception that is easily accounted for.

That is, if a bridge goes down in your community (as in the Twin Cities in 2007) or needs repair, a bridge or a road, school, sewage/water system, you name it, what do we do? If, that is, the bridge is to be resurrected, so we can get to the other side, carry on with our lives and labors.

The beginning of the answer is that, in a large and growing number of cases, our bridges (and all) are *not* rebuilt. Rather, life becomes a growing detour — with costs of its own.

In those cases where the bridge, or other public works project, is rebuilt, the means of doing so are a number:

1) A community pays for the bridge/project (entire project) with cash on hand. Both literally and rarely.

2) A community pays for the bridge/project (entire project) through either; i) an increase in taxes; ii) its own reserves; iii) or via grants: regional, state, federal.

Of note, the manner of such payment can be an actual check (which deducts the funds from the issuer's/town's account). Or it can be credit: an electronic book-keeping entry that is credited from the town's account to that of the individuals and businesses who are lending a hand in the rebuilding of the bridge/project.

3) A community pays for the bridge/project (*not* the entire project) either via the foregoing taxes, reserves, grants or — in the majority of cases — by selling bonds on the bond market.

Of note is the fact that, though the project is public, a public works project, the bond market is private. What this amounts to is what is referred to as "interest," interest payments, otherwise referred to as usury, formerly as "tribute".

Of further note, we suggest, is the fact that, as is the case with a standard loan, no bond will be bought and issued for a bridge or other public works project, unless the credit of the seller of the bond, i.e. the credit rating of the community is "good."

That is, banks could not make loans, investors would not buy bonds, unless, in the first instance, our individual credit and, in the second instance, our community's credit rating warrants such an investment.

This fact addresses the heart of the matter: our fortunes and mis-fortunes, individually and as a nation. That said, if the essential point is not entirely clear in the moment, we trust it will become so in the following.

4) If *most* communities pay for the bridge by issuing a bond, the interest payments referred to will have the citizens (through their taxes) paying for the bridge/project 2-3 times over in the interest charges alone over the term of the bond, 15, 20, 25 years or more. Because, given the mis-fortunes of our (debt-based) financial/monetary system, the credit rating of most communities is not high. Thus the money they are borrowing is viewed as riskier and, accordingly, the bond/interest rate is higher in order to cover that risk. So it is, when we treat money *not* as a "record-keeping device," a "unit of measure," but as a commodity that is seen to possess value in and of itself.

If the foregoing is clear, the point being focused on is the *method* of payments. That is, with few, if any, exceptions, the bond payments for the bridge/project are made electronically, as opposed to with "cold cash".

For those who haven't considered the matter in such detail, what this means is that either you, or someone in your bank, credit union, or financial institution, call up your account on your (electronic) computer screen… then put in the routing and account number to which the payment (principal plus interest) will be sent… Then you, or the person, push the (send) button. And the payment has been made, the transaction is completed, as you are advised a moment later.

The point is that such a transaction takes 5, 4, 3 minutes or less — if it is not done automatically, as is increasingly the case.

The further, and related, point is that when a bank makes a loan, as in the case of each and every credit card purchase (i.e. the card that you have qualified for and which is, thereby, used for the purchase has the bank's name/logo on it), money is ***newly*** created with the "swipe" of that credit card.

That is, the $20 dollars you just spent on gas (either at the cash register via the attendant or at pump yourself) did *not* exist before your purchase. This is in contrast to a debit card purchase of the same amount, which would debit/withdraw the $20 of *existing* money from your bank account. This point too will, I trust, reveal its significance with respect to our mounting mis-fortunes.

5) So, to summarize, what we have seen is:

i) That most transactions these days are done with/via credit, as opposed to cash.

ii) The credit transactions are largely computerized, in the form of electronic credits and debits between accounts: book-keeping entries.

iii) If not automatic, such computerized, electronic transactions take little time and, thus, involve minimal expense — when, that is, a banking representative is involved. Apart from a portion of the banker/bankers' salaries and overhead, such costs are spread out over many clients and transactions.

Is the point becoming clearer?

iv) If most of our transactions/business is done, carried out in the way noted, what is essential?

Is it anything more than that the parties to the transaction — be the transaction the building of a bridge, be it the purchase of $20 worth of gas — are left with a <u>clear</u> <u>record</u> of what they have transacted between themselves?

So that the one party to the transaction knows that, in return for the good or service she/he has received, money is being deducted from his/her account. And the person/business providing the good or service knows that the amount agreed upon is being credited to their account?

Is anything more required — if, that is, we call to mind:

a) That in the case of all credit/credit card transactions, the money used — via the computerized/electronic book-keeping entries — is, as noted, NEWLY created in every moment. (Once again, this is in contrast to *debit* card transactions, which debit the existing funds from our accounts.)

b) That the bond/loan is based on the credit-worthiness of the borrower, i.e. the community. The credit card purchase/loan is based on the same, our own personal credit worthiness.

The point, elaborated in the fuller presentation of "The Concord Resolution," is two-fold:

^ If we recognize that money is not a "commodity" — seen to possess value (like other commodities: grain, gold, lumber) in and of itself — rather money is a representation, a re-presentation of value… then, as outlined, money is rightly understood as nothing more, or less, than a "record-keeping device," a "unit of measure," public "utility" that facilitates our transactions, business, our common wealth.

^ Given this fact, a third party is not only <u>not</u> necessary for a transaction between a buyer and a seller (using money that, as noted, is newly created in the moment of the credit transaction *and* that is based on the buyer's own credit worthiness).

But, would you be surprised to discover that third parties inserting themselves into the process — in order to "take a cut," not infrequently "make a killing," via compounding interest charges and percentage fees, such as on balance transfers — would you be surprised to discover that herein lies the root cause of our ALL our monetary/financial mis-fortunes?

If you are not surprised, we draw this foreword to its conclusion by recalling the opening words.

What we have described — with respect to getting the old bridge rebuilt, with respect to the construction of any public works project, with respect to every credit transaction — is not new, novel. Rather, it describes our current mode of operation, how we are carrying out our business, both individually and as a community — as we speak. With, that is, the one simple, and significant, exception: *interests payments and percentage fees no longer have a place in such transactions, reckonings.*

If you are surprised and/or question the merits of such an exception, we commend to you the words of the former Director of the Bank of England, the "Bank of banks". Sir Josiah Stamp was, in his day, the second wealthiest man in Great Britain. Otherwise expressed, the words are offered by someone "in the know" — with, clearly, a conscience, and more:

"The modern banking system manufactures money out of nothing. The process is perhaps the most astounding piece of sleight of hand that was ever invented. Banking [not, as noted, bankers] *was conceived in iniquity and born in sin. Bankers own the Earth. Take it away from them, but leave them the power to create money, and with the flick of the pen they will create enough money* ["out of thin air," i.e. on the basis of our, the people's credit-worthiness] *to buy the earth back again.*

However, take this great power [to thus control the creation, issuance and circulation of the money supply] *away from bankers, and all great fortunes like mine will disappear. And they ought to disappear. For then this would be a better and happier world to live in.*

But, if you want to continue to be slaves of the banks and pay the cost of your own slavery, then let bankers continue to create money and control credit."

~ Acres USA Magazine, "The Owners", April 1991.

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Postscript:

The postscript is addressed to those, who are able to slow down long enough for their best thoughts, wits, to catch up to them.

To ensure that Sir Josiah's distinction between banking and bankers is clear, we offer a further word from one in the banking fraternity, *here on our shores*, the "New World". Harry Keefe was the second largest dealer of bank stocks in his day. Concise and to the point, the passage is taken from Martin Meyer's widely acclaimed book, *The Bankers*:

“Of the fourteen thousand chief executives of banks, maybe forty really know what's going on.”

Maybe…?
What *is* going on?

A passage from *A Citizens Tale: Common Cents*, that takes up Tom Paine historic treatise, *Common Sense*, offers an answer:

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We have spoken of how money, that is not already in existence, is created. That is, via a loan from that institution that creates money: a bank. Money is created via loans with their accompanying interest charges.

If this is clear, it leads to the question noted: How do you, I, how do *We the People* get or “qualify” for a loan? And what is the significance of such a qualification?

To receive a loan, we have to be deemed “credit-worthy” by those who process our loan application, including for a *credit* card.

Credit-worthy, what does that mean?

Credit worthy means that our hard work, productivity “backs,” as we say, the loan that we receive. That is, our hard work, productivity, our blood, sweat and tears are, literally, counted on, including in the form of collateral (i.e. the value of our home) in the event that we are unable to pay back our loan *principle*, as well as the accompanying *interest* charges. Our hard work is deemed to be a credit.

If this point is clear, it leads to a further consideration: How is the loan actually transacted, processed?

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If you’ve received a loan, what do you recall?

After you are deemed credit-worthy by the loan officer, and the loan agreement (let us say for $20,000 for a car) is written up and signed, did the loan officer, sitting across the desk from you, go down stairs to the vault, in order to return with *bills* totally 20,000 dollars?

Or, did the loan officer instead push a few buttons on his/her computer (then or later) and the $20,000 showed up as a *credit* posted to your account at the bank? If the (latter) answer is clear, a further and related query may arise: How can that be? Where did the money actually come from that has ended up in your account? With this question we are approaching the heart of the matter: the source of both our misfortunes and, if we can take this tale to heart, our future fortunes as a nation.

An old retired banking friend of mine shared with me his answer to the question. “After my first week on the job, I came home, scratching my head, and said to my wife: ‘*Honey, I don’t believe it. This first week, I created, out of nothing, 10 million dollars in the form of loans to customers'.”*

In the banking world the expression is: The money was created “with the flick of a pen” (or, as noted, the push of a computer button), in either case “out of thin air.” While there is more to the process than that, the million dollar question is before us.

In a booklet published by the Fed, "*Everyday Economics*," the opening sentence of the section titled "How Banks Create Money" states simply: *"Banks actually create* [new] *money when they lend it.”*

Including via our credit card transactions, which — in contrast to our debit card transactions (that, we’ve noted, debit *existing* funds from our account) — are purchases that we are liable for.

That is, our credit card transactions are, in effect, a loan from the bank (whose logo is on our credit card) that we can review in our monthly statements, which include a clear summary of the accompanying interest charges, if we are delinquent.

How can such transactions be done?

The answer will make most sense, we believe, if we take a moment to review the *process* whereby the loan has arisen — in, note, our current *debt-based* monetary system.

As noted, we go into a bank to apply for a loan. For we need money, let us say to purchase the car.

If we are deemed credit-worthy, *our* hard work, productivity (including in the form of collateral) provides the basis for the loan.

[Our individual credit becomes the basis for the creation of money that, via the loan, we seek as an individual. Nationally the same principle applies. The collective credit of the citizens of a nation constitutes the national credit of that nation.]

The banker then proceeds not only to create the money, i.e. the $20,000 *principal* for the loan that we apply for — out of "thin air"— but he/she adds an interest payment on top of the principle sum of the loan.

And, once the transaction is completed and recorded in the bank's ledgers, something else occurs that few people appear aware of.

That is, *our* loan/credit-worthiness provides the *further* basis for the bank to create on its "books" up to 9 times the amount of my $20,000 loan or $180,000 in further loans to others.

These additional monies arise through the process of credit creation, what is referred to in the business as "fractional reserve banking." [My $20,000 loan becomes the reserve that amounts to but a fraction of the additional sum that it generates on the bank's books and behalf.]

And, need I ask if you can imagine what the bank does with the additional $180,000? Would you be surprised to hear that the banks then proceed to lend on out the money that has been newly created? And that each additional loan may also generate up to 2 to 3 times its principal amount in interest payments for the bank, and on, and on...

If this process is, we trust, comprehensible, does the question dawn:

Is not ALL this new money, these fortunes, being created on the basis of *my/our/the people's* credit-worthiness, productivity, hard work?

That is, without *our* hard work, credit-worthiness, no money, as we've seen, could be loaned by the bank. For the loans would not be "secure"; they would have no "backing."

Are you following...?

We invite you to pause for a moment and consider.

If you are following, what is the banker and bank doing making all the money on our blood, sweat and tears, while we, many, struggle on to survive, keep a job, a roof over our head, and not go further into debt?

If the picture is clear, it leads to a further question: How can this be?

The conventional (default?) answer is that bankers have to assess our credit-worthiness, which not only requires their time, but overhead expenses, including the bank building itself in which he/she works.

Is that answer satisfactory for you? Does it answer the question?

The answer has meaning — can one say? — **when the point of such loans, the banking enterprise itself is not lost sight of**.

This loss occurs in those cases when the profits on *our* hard work, productivity, credit worthiness end up going into six and seven figure salaries, benefits, bonuses, and golden parachutes, alongside bounteous dividends to bank executives and minority shareholders — in the latter case as “un-earned” income? That is, the minority shareholders have not earned the income; rather *We the People* have earned it through our never-ending labors, heavy-lifting.

[Of note in this description is the fact that our *debt-based* monetary system provides a direct channel, funnel, stream of money — through the interest payments noted — from those who struggle to survive, “make a living,” i.e. the 99%, and growing, to those who use their “disposable” (excess) income to purchase such debt-contracts, i.e. the 1% and diminishing.]

That is, the *debt-based* monetary system we’ve described will not have meaning until the People, We receive the due fruits of our labors, as opposed to being reduced to indebtedness, while we enrich others through our never-ending work.

Would you say…?

Is the question clear?

If so, we invite you to keep it in heart and mind, as you proceed on with this *Citizens’ Tale: Common Cents*.

For the purpose of the question is to call forth its answer: simple, common sense, and to the point.

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Taking up our thread, the foregoing passages focuses two points, and then a third:

1) Bankers, like most of us, are simply "doing their job," what they have been taught and/or allowed by the "regulators," (who are also doing their "job").

2) Regardless of this fact, a number of bankers, at least, may not be pleased with the words of Keefe, Stamp and the foregoing "The Concord Resolution." At first glance, that is. And upon second glance, upon reflecting more deeply?

3) Not only did the financial crisis of 2008 occur, but we are in the midst of what may prove to be an even greater crisis, as we speak. Indeed, Neil Kashkari, a former Under-Secretary of the Treasury during the 2008 crisis, and current president of the Minneapolis Fed, stated that we should *not* expect otherwise. For, in Einstein's words, we are seeking to solve our ongoing financial/monetary problems with the same thinking that created those problems in the first place. Such a preoccupation, the "father of modern science" went on to say, is "insanity," insane. Truth be told?

Kashkari's words summarize the "Minneapolis Plan" that was the fruit of a year-long study by monetary experts from around the world. The summary is clear and to the point:

"We have a 67% (i.e. nearly 70%) *chance of another financial crisis,"* as we speak. Pandemics aside.
Another and even worse financial crisis, might one add, when one refuses to learn the lessons that we have brought upon ourselves?

The bottom-line?

The response to such a crisis can be "insane," as Einstein notes. Or, it can be sane; it can be the revelation of common sense, an *enlightened* common sense.

The former, insanity is summed up by the Wall Street Mantra:

"**IBG**" (I'll be gone with my millions when it ALL collapses); **"YBG"** (the same).

Gone where… if the market/sky has fallen in, if it all comes tumbling down on top of us? Gone to some deserted off-shore island, to chew on your diminishing stock pile of provisions? Water water everywhere, and not a drop to drink.

Simply expressed, those of such means have a LOT to lose and, thus, the ones I know seldom get a good (uninhibited) night's sleep.

The third point can be summed up in a question: Do you want to be/remain part of the ongoing problem, on behalf of your children, grandchildren, the generations to come: Ignorance is truly bliss?

Or, can you, *We the People* envision ourselves becoming part and parcel of the long-awaited solution?

Even more simply expressed, can bankers, can we all satisfy ourselves with making a living, as opposed to “making a killing” — the “killing” referred to being the “fall-out,” “collateral damage” of our US *debt-based* monetary system, that monetary system which was globalized at Bretton Woods?

This question is offered in light of the expression that what goes around, comes around. A truism and more. The old chickens come home to roost…

THE CONCORD RESOLUTION

THE NECESSITY & RESULTANT PRACTICAL STEPS

"*New ideas of where we ought to be headed… will emerge from individuals. The material out of which we* [the People] *shall build a new world is in us, in our minds, in our character, in our memory of things past, in our hopes for the future. We are the source. We shall conceive it; we shall design it; and we shall put it into operation."*

John W. Gardner, Founder, *Common Cause*

~ ~ ~

The Necessity

You can't solve a problem with the same thinking that created the problem in the first place, Einstein noted and went on to add that to try to do so is "insanity."

"We have a 67% (i.e. nearly 70%) chance of another financial crisis."

As we speak. This finding introduces the "Minneapolis Plan," initiated by Neel Kashkari, President of the Federal Reserve Bank of Minneapolis and former Assistant Secretary of the Treasury during the 2008 financial crisis. The plan was formulated by Kashkari and leading monetary experts from around the world. Need it be added that the subsequent financial crisis spoken of would eclipse the devastating financial crisis of 2008?

The bottom-line is clear, for those whose heads are not buried in the sand. Unless, as Gardner and Einstein, the "Father of Modern Science" note, unless *We the People* come up with NEW ideas and put those very ideas into "operation," we will not have a future worth envisioning — for our children, grandchildren, and for the generations to come: All Our Relations.

Much is expected. Above all from those to whom much has been given?

PRACTICAL STEPS

The following is how a public works or related project is developed and presented to Concord's and to our nation's central bank, the FED, for its accounting. What follows is the same old story — i.e. deliberative process — with a new and renewed understanding. That is, the matter that we are addressing is the question that arises immediately in the mind of tax-payers and officials alike: "How are we going to finance the project?" The options are at least 2:

1) As to date, i.e. part and parcel of our existing debt-based monetary system, we rely on the private bond market to fund public works projects. In this first case, in order to build its new proposed middle school, Concord would take out a $90 million bond that it would pay off over 25 years with an additional $50 million in interest payments on that bond. That said, Concord is getting a "deal," as its bond rating is among the best.

2) The Concord Resolution proposes a new, more common sense approach that, we also suggest, is All-American. That approach is presented in its more *practical* form in the following steps and in its more *technical* form in the following link. With respect to the latter, welcome to the cutting edge, the aforementioned "Dynamic Systems Theory" presentation by the Money Systems Transparency Alliance (MSTA).

https://www.moneytransparency.com/msta-resolutions

The MSTA Resolutions can be summarized as follows:

Resolution 1: Recognizes the **legal imperative** for money to be properly specified/defined. For, as we speak, there is no formal, non-contradictory and universally agreed upon specification/definition of money. Thus we not only do *not* know what we are talking about, but we have yet to become aware of this very fact, truth be told: the cause, we proposed, of our monetary mis-fortunes.

Resolution 2: Recognizes that, until we create a formal, non-contradictory and universally agreed upon understanding of money, we need to continue to operate, do business, "keep the show on the road." That is, we need to ensure that our current monetary system is "passive," in the formal scientific sense of the term, i.e. stable. Passivity will ensure our uninterrupted day-to-day use of **money for what it, in fact is: a valid record** of what each of us do, transact in the economy. That "record" become stable, when it eases our current "drive" for money — as something seen to possess value in and of itself. As outlined, this drive *amounts* to the ultimate distorting factor in our financial system, economy, and lives today.

In light of the foregoing, the following steps introduce the “Concord Resolution”:

i) An individual citizen or two... discuss together a project that they think is needed, can serve the community — such as the proposed new middle school in Concord, Massachusetts.

ii) They share the idea with other citizens. If there is interest, the circle expands — with the balance of perspectives and refining that often results from such joint considerations.

iii) When a consensus is established among those bearing the idea (the parents may have also spoken with teachers or administrators), they approach the town’s school committee and present their idea.

iv) The school committee members offer their best thoughts. In the case of Concord, the idea was welcomed.

v) Other committees, including the school’s finance committee members weigh in. Thereto, citizens on committees interested in environment, within the school and without, special ed, health, and interested civic organizations, such as The League of Women Voters, bring their best thoughts to the table.

vi) If things proceed forward here in Concord, the proposed middle school project will be prepared for town meeting, that is for the consideration of the citizens of the town at large. This will involve bringing the matter to the town’s finance committee, as well as to the town elected leaders (Concord’s board of Select-Persons), as what is referred to as an “article” for the town meeting’s “warrant” or agenda.

In the case of the proposed middle school, the public “Concord Resolution” would save Concord tax-payers the projected $50 million in interest payment over the proposed 25 years of the $90 million dollar private bond issue. Those $50 million in interest payments go, often, to private out-of- state investors and are brokered by Wall Street, which also has its fees and commissions.

vii) At town meeting, Concord citizens vote on the consideration/article to build a new middle school.

viii) If Concord's citizens get behind and support the project, the People have spoken. Their will is made clear, and the project is presented to Concord's and the nation's central bank, the Federal Reserve.

ix) On the basis of the citizens' support, Concord's Finance Director/Town Treasurer contacts the FED to set up all necessary business accounts that are involved in the building of the middle school, i.e. accounts related to the town, as well as to the vendors, suppliers etc. As elaborated in the following, these accounts are set up within what is referred to — in dynamic systems theory — as a "passive," i.e. a stable system. That system of accounts is denominated within the nation's currency, dollars in the US.

As noted, The Concord Resolution addresses the fact that the FED does business with Wall Street, deals all but exclusively with Big Banks, Big Business. Accordingly, we are calling, at long last, for the FED to facilitate business with Main Street — since it is the central bank for the ENTIRE nation. Such Main Street business would begin in Concord, the first non-native, inland community in this nation.

x) The FED is invited to turn its keen banker's eye to the project. If, in doing so, *substantive* concerns arise, the FED presents those concerns.

xi) If the Concord officials, committee members, and citizens involved in the project have overlooked something and are unable to address the concerns, the project goes on hold until that is done.

xii) If the Concordians noted *are* able to answer such questions, the process continues.

xiii) The FED directs its member banks in our communities to adopt the "passive"/stable banking practices noted for the business at hand, i.e. Concord's middle school. Once that is done, the FED acts as the auditor for the entire system, making sure that the books are kept accordingly.

The key is that all parties must issue statements, so that there is perfect transparency and no need for a third "interested" party to step in and seek to oversee or control the money supply and commerce. This will serve to ensure that the system or money unit is stable within the requirements for "passivity" itself. See:

http://bibocurrency.com/index.php/full-intro-2#SCUT

[Of note is that fact that once FULLY adopted, passivity, in the formal scientific sense of the term, will guarantee that the money system, *itself*, does not have adverse effects on the economy. That is, such a “passive" system will *not* become “active”/inflated/heated up. Nor will such a “passive” system deflate or limit growth. Rather, like a scoreboard for a sports event, such a “passive” system tells us the score of the game *without* interfering in the play. In this sense the system is stable.

A “passive” system allows us to keep score and, thereby, to know how the “game,” our labors are doing, truly. The bottom line, for those who are able to pause and reflect, is that *we*, ourselves, who determine which of OUR labors (busy-ness, transactions) are accounted for. Not the other way around, where the use of money is imposed by an unrelated third party, including those who have inserted themselves into the process, in order to profit on it.

Of note is the fact that most of our transactions — i.e. credit card purchases — are, in fact, as we speak “passive”.

That is, you step up to a counter, be it in a store, a restaurant, farmer’s market or flea market. For you see something, a “good” or “service” that you value, believe to be valuable, that “embodies” value for you — be it a coat, a good warm meal, bag of beets, or favorite old country western record. And the transaction occurs.

As a consequence of receiving the good or service, money is created on account (in the accounts), to re-present value given in the form of “goods and services,” pending future reciprocation of “goods and services” of commensurate value, e.g. a massage if that is the value that you offer others in return. Upon reciprocation, the money is cancelled on account.

Related balances of such “money” shall be kept by all stakeholders, e.g. the central bank, associated banking or credit institutions, public administrators and interested parties etc. Periodic issuance of statements are also required.

In order to ensure that a system of any number of such transactions remains “passive,” according to the formal requirements of “passivity,” the following needs to be observed.

Accounts are credited and debited correspondingly, i.e. money is created *after* the transaction not before. Thus money serves as a record of value of goods or services, not a precursor of value. The notations/annotations of value will show up on your monthly credit card and bank account statement accordingly. Is the point clear?

There is no requirement for anyone (i.e. a bank) to supply "units" of money. There is, however, the need for someone to maintain records for these accounts, specifically annotating the credits and debits.

The point is no middle man has inserted him or herself into the process, at that point in time in our current credit card transactions.

In our current debt-based monetary system, the "middle man" comes in at month's *end* with interest charges, as we are well aware. Less aware many are of the fact that the money we are paying the interest on did *not* previously exist, i.e. it was created <u>in the very moment of the transaction</u> out of absolutely nothing, "thin air," with the mere swipe of the card card.

Otherwise expressed, there is what one can speak of as a sanctity, *sanctity* to the transactions described. That sanctity can be expressed simply as give and take / take and give between two human beings who recognize and exchange value they possess (i.e. a good or service on the one hand and money on the other) — free of the distortions spoken of that arise from third parties. The Top-Line is: A "passive" system eliminates the possibility of ANY adverse monetary effects on the community of users.]

http://bibocurrency.com/index.php/passive-bibo-currency-2#IAPSindetial

Carrying on with the steps of the Concord Resolution:

xiv) All transactions involved in the building of the school are cleared: payments to architects, masons, electricians, carpenters, roofers one and all) are cleared. This does not occur all at once but when the business is done. A full account of these transactions is kept.

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Since the approach is a novel one, that may (understandably) leave people scratching their heads — I.E. How can it possibly be so simple and straightforward? — let's return to the guiding principles and consider what would be the concerns that the FED might bring up with respect to the "Concord Resolution"? Three concerns, if not the fourth, may well arise:

1) *The money isn't available; it is "scarce."*

The concerns begin with the fact that the FED is, as noted, the central bank not just for Wall Street (which it bailed out royally in 2008, with little benefit, “trickle down," to the citizenry at large), but for Main Street.

In this latter respect, we trust that some readers will recall when the great bridge went down in the Twin Cities in 2007.

The point?

When a bridge goes down, does it not need to be built up again — in order for people to get to the other side, carry on with their work and lives?

If so, why allow money (its supposed “availability” and related and compounding interest charges) to get in the way — *if it does not need to*?

That is, need a few private people "benefit” (at a little imagined expense) from having inserted themselves into that process, at the expense of the public at large? With this thought in mind, we invite you to keep reading.
What would be the concerns that the FED might bring up with respect to the “Concord Resolution”? Three concerns, if not the 4th, may well arise:

1) *The money isn’t available; it is “scarce.”*

Response: Starting with our *current* debt-based monetary system (and the pandemic, some say, that it has helped to create), what is scarce about taking 10, 15 seconds to push buttons on a key board, which credits — immediately/ electronically — billions, trillions to existing account?

Bring the point closer to home to the finances of our communities and own households, with every single purchase, credit card purchase (which, in effect/its effects, is a loan that appears on your monthly statement from the bank that has issued you the credit card), with every such purchase *new* money is actually created with the swipe of your card.

The money appears on your monthly statement from the bank that has issued you the credit card. Such transactions confirm that money is not a prerequisite to commerce, something that needs to exist/be available/supplied ahead of time — by those who have come to control our money, common wealth, “life-blood”. Rather, money is a consequence of commerce. Truth be told. That is, money “arises,” is created in our very transactions. Third parties aside, who would profit on such transactions — with all respects due.

2) *There must be interest charges, compounding interest charges. Otherwise, how does the bank cover its costs?*

Response: Must....? Why....? "The Concord Resolution does not question reasonable charges or fees — *in the existing system*. Bankers, no less, have to make a living, pay their bills. That said, what is the rationale — in our debt-based monetary system — for assessing the sort of interest charges that many individuals and communities are strapped with? In terms of "The Concord Resolution," we refer to the estimated $50 million dollars that would be assessed in the building of the new middle school, on the basis of the mere pushing of buttons on the computer keyboard, i.e. the electronic credit to Concord's account? Less than a minute's work? What is the rationale for inviting a third, disinterested party into what is spoken of as the sanctity of our transactions?

With respect to "The Concord Resolution," the <u>FED</u> <u>isn't</u> <u>loaning</u> <u>anybody</u> <u>anything</u>.

This is the most difficult point for many to understand, who have bought, invested into and/or who are victims — to speak forthrightly — of our debt-based monetary system. With *all* respects due, that system is, we suggest, part of the "INSANITY" of which Einstein himself speaks, the insanity of seeking to solve our current financial problems with the very same thinking that created those problems in the first place. The result was not only the financial crisis of 2008 that almost led us over the brink, but, as Kashkari has noted, that waits to do so as we speak.

If this is clear, the FED is simply keeping track of the accounting of the value of projects. By virtue of ensuring "passivity," the FED is fulfilling its mandate to guarantee stability within the system. Since the FED and/or banks in its system is/are providing such a service, they must be paid. However, if that payment is to be due, justified, it must, as noted, be in terms of the value of the *particular* service provided by the bank and not in terms of percentage commissions on the value attributed to other transactions.

This technical point is essential as it guarantees "passivity"/stability within our financial/monetary system.

If this is not immediately clear, clarity can arise by contrasting such credit card purchases with those of a debit card. The latter, *debit* card, *debits* or deducts money *that already exists* from our accounts. The former, credit cards, create, as we've outlined, *new* money with the swipe of each credit card.

So it is with the $90 million dollar “loan” noted as option 1 in the foregoing. So it is with virtually ALL credit loans that individuals and communities are having to deal with. In the case of Concord, the $90 million is created in the very moment of the push of the keys on the computer, as an electronic book-keeping entry. If the picture is clear, it is one of the best kept secrets in the financial world.

If the foregoing makes sense, we turn our gazes from our current indebted, debt-based monetary system to "The Concord Resolution” and the NEW “passive”/ stable monetary system envisioned.

The point is that the two systems operate identically, with one simple and monumental distinction: The “passive”/stable system, introduced here by “The Concord Resolution,” does not confuse money itself (as a presumed object of value), with the *actual, real* value of the goods and services, which money can only re-present.

In the new system, debt does not exist. For money is, as noted, created as a *result* of the transacting of goods and services, not the other way around. In the case of Concord’s new middle school, the $90 million would not be created all at once, but as the project unfolds. That money is denominated in value, i.e. wood, cement, steel.

3) *Well, if all this money is created... to build bridges and schools, it will be INFLATIONARY.* (The specter that is inevitably raised when the People seek reasonable access to their national credit, “life-blood,” common wealth.)

Response: If money is created as the function of goods and services in “passive”/ stable transactions, it cannot be inflationary, by definition. Note, all money, so created, will be cancelled “in good time” through the actual service it provides, backed by the new project (school) in the community.

If this response is not clear, we defer to the wisdom (and wit) of old Ben Franklin. For, with but a slight and significant variation, the monetary practice we are speaking of was instituted at the founding of our nation with what was referred to as the “Colonial Scrip.” The point being that such a practice was, and remains, All-American. Explaining the principle and the fact that one need not be concerned about inflation, Ben noted:

“.... we [the legislatures] *issue our own money. It is called colonial scrip, and we issue it* ***in proper proportion to the demand of trade and industry.”***

That is, not too much scrip was issued by the colonial governments, leading to inflation, i.e. *too much* money in circulation, “chasing” too few goods in the stores (thereby driving up the prices of the scarce goods). And not *too little* scrip was issued, leading to the opposite, deflation, i.e. too little money in circulation, in order to buy the existing goods, (leading to the lowering of prices). Rather, the prosperity that subsequently arose here in our "New World" was due, as expressed, to the proper proportion of the scrip issued.*

The point is both a simple and fundamental one: Where there is a will to avoid inflation, and to create a sound and prosperous economy, do we doubt that there is a way, today as over three centuries ago?

So, one might ask, what about the $90 million dollar "loan," or whatever you would call it? Does Concord, or any community ever have to pay it back?

As noted, the FED isn't loaning anybody anything. It is simply keeping track of the accounting of the value of the $90 million. The school becomes an asset. The cost, not in money but in goods and services (the value of which is re-presented by money), is off-set by the reciprocating services that the school provides.

That is, the $90 million will be paid back, *in good time*, since the money (created, as described, in the very moment that the electronic credit is made) is neither *scarce* nor does it bear *compounding interest payments*… nor is inflationary.

"In good time" means that, as the school, indeed as any necessary and well thought-through community project (such as the Twin Cities' bridge) is up and running, it will generate the revenues — both directly, through the actual service it provides, and indirectly, through the value of the new project (school) in the community — to credit the $50 million back (in good time, as noted) to the FED's account.

[Note: minus the *additional* $50 million interest charges that otherwise would have been generated by our current debt-based monetary system.]

4) The 4th concern — that, as noted, would most likely *not* arise — was, as we heard, addressed most aptly by Sir Josiah Stamp a former director of The Bank of England, in his day, the second most wealthy person in the United Kingdom. The moral of the story?

"The modern banking system," Sir Josiah Stamp noted, "*manufactures money out of nothing… if you want to continue to be slaves of the banks and pay the cost of your own slavery, then let bankers continue to create money and control credit."*

Simply expressed, the essence of The Concord Resolution lies in a central realization. That realization addressed the role of the legions of middle-men and -women, who have managed, as noted, to insert themselves into the process of two parties carrying out a transaction, doing business together, eye to eye, heart to heart. The "sanctity" of such transactions is based on the fact that each person, who is party to the exchange, brings to it what they consider to be things of equal value, i.e. money on the one hand and a good or service on the other. The point is that with the Concord Resolution any and all third parties are *excluded* from the transaction. For a reason. They do *not* bring an added value to that process; rather, through their claims, they devalue the process, the sa..nctity of the exchange between the two parties to the transaction.

NOTE: If the foregoing is clear, including the fact that NEW money is created — *in the matter of moments, seconds* — when the electronic book-keeping payment is credited to the town of Concord's account, we arrive at the deeper underlying question — out of the very process itself. That question is what is money. This question will be more fully posed, and addressed, on this web site.

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Footnotes & Appendix

[**1**] Concord's/Musketaquid's History:

Concord/Musketaquid was the home of the *Spirited* "Praying Indians," who safe-guarded the "promise" of he who Hopi Elders refer to as "The True White Brother," as many of their other white brothers and sisters — all too many? — swapped the Gospel of the New Testament/Commandment for that of "Manifest Destiny."

Building on this native foundation, the "plantation" of Concord became the first non-native, inland community (as opposed to an outpost or settlement) in our nation.

With the shot "heard 'round the world, Concord became the crucible of our American Revolution and, at the conclusion of the revolution, the first community in the nation to call for a Constitutional Convention, in order to establish a government of, by, and for the People.

In the early decades of the 19th century, further resounding "shots" were fired with Emerson's "American Scholar" and "Divinity School" Addresses, along with kindred reverberations by Thoreau, the Alcotts, Hawthorne and Margaret Fuller, which were taken up by Tolstoy, Gandhi, King, Mandela, and Chavez, among other globally recognized leaders of humanity, servant-leaders, and conveyed to millions upon millions of fellow citizens.

Inspired by Thoreau's vision of "the village university," two of America's pioneering social scientists, Edward Jarvis and Lemuel Shattuck rolled up their sleeves and set to work. Under their keen regard, our town became a burgeoning laboratory in which the customs, habits, health and, ultimately, the spirit of a people were studied and recorded.

Bridging the 19th and 20th centuries, what had been a philosophical and literary impulse was transformed into a musical impulse, with the establishment of "The Concord Summer School of Music," which transformed American musical education, to become the forerunner of the Tanglewood Music Festivals of our day.

Across the tracks, Edward Carver Damon, one of West Concord's venerable turn-of-the-century citizens, exemplified the true wealth and industry of our town. The owner of the textile mill that bears his name to this day, as well as the good spirit who stands behind Damonvale, itself, Edward was not only a successful --

because principled -- businessman *and* pioneer in his industry, but he was a devoted neighbor and fellow citizen with a generous heart and goodly will.

More recently, three veritable Concordians, Jay Forrester, Joseph Weizenbaum, and Hrand Saxenian, helped to launch the computer "revolution" — with a thoughtful caveat/concern or two. That has been lost in the mounting digital tsunami?

[**2**] "*All the perplexities, confusion, and distress in America arise, not from defects of the Constitution or Confederation; not from any want of honor or virtue, **as much as** downright ignorance of the nature of coin, credit, and circulation."* [**emphasis** added] ~ John Adams.

*"Of the fourteen thousand chief executives of banks, **maybe** forty really know what's going on."* (**emphasis** added: "maybe"....) ~ Harry Keefe, the second larger dealer of banks stocks in his day.

Not only does the Fed currently "do business" with the Wall Street banks in the very way, *in effect*, that "The Concord Resolution" proposes. (In 2008 the Fed provided the Wall Street banks with all the money they needed by purchasing, i.e. paying money for, the banks' mortgage backed securities, MBS's, on top of the already existing low interbank interest rate policies). But, *We the People* do business the way "The Concord Resolution" proposes with each and every credit and debit card transaction — millions of times each and every moment. That is, money — via the receipts we receive for our transactions — is used to "measure," note, annotate our transactions.

That is, we *first* make the transaction (with our credit/debit card, i.e. the money is on its "way" to going from my account to that of the merchant with whom I have purchased a good or service). *Then*, afterward we receive on line, or in the mail, that actual notation of the transaction(s) in our monthly credit/debit card statement.

The point being: Concerns will, understandably, be raised that the way of working with money that "The Concord Resolution" proposes is not possible, i.e. money NOT as a commodity but as a measure, "unit of measure" or "record-keeping device."

While this may be true in theory (for the bugaboo of reasons that are invoked,

beginning with the ever lurking *specter* of inflation — theories that have arisen, truth be told, by those seeking, understandably, to keep their hands on the purse-strings?)... in practice we are actually working with money the way "The Concord

Resolution" proposes ALL THE TIME. For, that is what money, in fact, is — in a healthy and truly productive economy: a measure or record of our transactions, our business.

This is the reality, despite ourselves, i.e. our compulsion to turn money into a commodity. That is, our compulsion to make a buck on any and everything we can get our hands onto, including money itself, our "life-blood," which we speculate with in our "money markets," in order to make "a killing".

In a healthy society, a rightly ordered social order, money is a unit of measure or, as noted in the following, "a record keeping device".

Truth be told.

The further point is: Solutions to our monetary mis-fortunes become entirely straightforward, the natural fruit of an *enlightened* common sense, when we pause long enough (in our pursuit of the "Almighty Buck"?) to consider what we are actually doing, what money, in fact, is.

While we still can.

[4] For example, in the case of Concord's proposed Middle School Project, The Concord Resolution would save Concord's tax-payers the projected $50 million in interest payments on the 25 year term of its proposed 90 million bond issue.

[5] The former president of the Minneapolis Fed, Narayana Kocherlakota, stated that all definitions of money — apart from that a "record keeping device," i.e. unit of measure of value — are "vacuous," non-sensical. The Concord Resolution concurs.

[6] The Wall Street Mantra, as voiced by its (*Wall Street*) *Journal*, is: **"IBG" (**I'll be gone); **"YBG" (**You'll be gone) — after we've made our millions, a "killing," indeed.

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Summary Exchange

Question: This is radical.

Answer: No, it is not, we suggest, radical. Rather, as noted, it is, in fact, how the Fed operated in 2008, how it currently operates, as we speak. That is, after the major Wall Street Banks were major contributors to the 2008 crisis — which wiped out much of the middle class — the Fed bailed the banks out with our tax-payers' "money," millions of which went to the executives as bonuses. If this point is clear, the question that arises is, we propose, a simple and fundamental one: Does this make sense? Is that what our nation is *truly* about? ***Can we not do better?***

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Backdrop for The Concord Resolution

In the mid-1990's a meeting was held with the former President of the Boston Federal Reserve Bank, Frank Morris. At the meeting was the assistant superintendent of a New Hampshire school district and other interested officials and citizens.

As was the case across the nation then, and all the more so now, the citizens in that school district were facing major tax increases. The increases were in order to fund a bond issue to build new schools that would save the district from being penalized for not keeping up with the codes, as well as with the growing student population.

The meeting began with a noteworthy statement by the host, Mr. Morris, which set the stage: “Most people don’t understand how money is made.” He said, and continued: “When I built this bank, I simply wrote a check.”

Moved by the candor of the President of Boston’s FED, the individual who organized the meeting responded: “Thank you, Mr. Morris. That’s precisely our point. With all due respect, if you can create money ‘out of thin air’ (in fact, on the basis of our credit-worthiness?), in order to build your private bank… why can’t we, the people, get ‘access' to our own national credit, in order to build public schools for our children? Without, that is, having to pay for the facilities 2 to 3 times over in interest charges to private investors in the bond market, brokered by your major Wall Street banks?”

The organizer of the meeting went on: “We the People have been made responsible for our national debt through the taxes we are obliged to pay. What would be the reasons that we could not also assume responsibility for the other side of the coin: our national credit? After all, national credit is, as noted, the expression of our credit-worthiness, the productive capacities of the citizens of our nation? It is our COMMON wealth.”

To Mr. Morris’ credit, he acknowledged that the point was a good one. That said, the more significant point was, and remains, that such matters are rarely discussed. Thus, we suggest, the misfortunes that beset our nation and global community; thus the Bretton Woods Monetary Institute’s Year 1 Keystone Project.

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THE CONCORD RESOLUTION

SUMMING UP

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common Defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish…

Preamble to the United States Constitution

The Concord Resolution is the fruit of 50 years of collaboration by leading bankers, economists, and inspired lay-men and -women. In this respect, the Concord Resolution is of, by, and for the People, ALL People of good will, who are moved to slow down long enough to recognize both the resolution's significance and, we suggest, timeliness.

The Concord Resolution calls on sister cities/communities across America to join Concord, Massachusetts — America's first non-native inland community and the crucible of the American Revolution — in calling, in turn, upon the Board of Governors of the Federal Reserve System to assume its role as the central bank not just for Wall Street (which the FED is once again bailing out, as we speak) but for Main Street, the backbone of America's economy. At long last.

Specifically:

1) The Concord Resolution calls upon the FED, our nation's central bank, to address what, we — experts and laypeople alike — suggest, is **the very crux** of our financial/monetary mis-fortunes: the lack of a clear, consistent, non-contradictory and universal definition of money.*1 The lack of such a definition of this most basic term of ALL of our financial contracts renders — by definition/lack of definition — each and every financial contract (loans, mortgages, IRAs, annuities and other such "instruments") invalid. If, that is, our law is able to uphold itself. To address this fact, along with the crux of our monetary mis-fortunes, we call upon the FED to initiate, globally, a process to define money in, as noted, *clear*, *consistent, non-contradictory* and *universal* terms. (To avoid confusion, we are *not* calling here for a single global currency.)

2) While this process of defining money is taking place globally, The Concord Resolution calls upon our central bank, the Federal Reserve, and upon all related and interested parties, to adopt a stable (debt-free) financial system.*2 The stability provided by such a system will lift both the fortunes and spirits of the

People, by ensuring not only the espoused principles of life, liberty and the *pursuit* — seemingly endless — of happiness, but its, happinesses' actual *attainment*. This attainment, at long last, begins with peace of mind with respect to our lives and livelihoods.

3) The Concord Resolution calls upon sister cities and communities across our land to fund their public works, infrastructure projects (roads, bridges, schools, sewage/water systems, hospitals etc.) the very same way that, over the last 70 years, we have increasingly funded the majority of our *own* work, lives and labors: through credit, as opposed to cash transactions. Nothing more; nothing less.

That is, each day millions upon millions of transactions are *facilitated*, made easier, through the crediting and debiting of accounts: electronic book-keeping entries. Countless daily credit card purchases are but one example of such credit transactions that facilitate our lives and labors.

Once money, our *common* wealth, is *properly* defined (pt. 1) and the de-stabilizing factors are removed from our financial reckonings (pt. 2), then, as elaborated in the footnotes that follow, the credit transactions noted in point 3 above will bear *none* of the interest charges or fees spoken of.

Freed, thereby, of such unnecessary burdens that have been imposed upon our communities, we will be able to get our "house" in order, shore up our public works and infrastructure. This will occur without, as is currently the case, frequently paying private interests — who have inserted themselves into the process/our business — 2-3 times over in interest payments for our public projects.

Prosperity will return unto our land.

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Footnotes:

"The most difficult subjects can be explained to the most slow-witted person, if he has not formed any idea of them already. But, the simplest thing cannot be made clear to the most intelligent person — if he is firmly persuaded that he knows already, without a shadow of doubt, what is laid before him." ~ Leon Tolstoy

*1) Black's Law Dictionary attests to the fact that there is no clear, comprehensible, non-contradictory and universally recognized definition of what may be the most fundamental aspect of our financial/monetary system and economy: MONEY itself. Lacking such a definition, Black's acknowledges that we have defaulted to two *assumptions* of money — assumptions that are, in fact, mutually exclusive, contradictory.

One assumption speaks of money as a commodity (e.g. wheat, beef, gold), seen, as such, to possess value *in and of itself*.

The other assumption speaks of money as as "record-keeping device," public "utility," or "unit of measure," measure of value *external to itself*.

To repeat, these two assumptions are mutually exclusive, contradictory. That is, if money is a commodity, it *can* not be a record-keeping device". If money is a "record-keeping device," it can *not* be a commodity.

Narayana Kocherlakota, former President of the Minneapolis Fed, explains how the notion of money as anything other than a "record keeping device," a measure, unit of measure is "vacuous": i.e. non-sense.

That is, distinct from the other commodities referred to, including coal, money, *itself*, does not embody value — apart from the momentary warmth imparted by a fleeting flame when the paper bill, money, is lit on fire. Rather, money is a representation of value external to itself, value that it, literally, re-presents.

If money, our common wealth is *not* a commodity, it no longer make sense to speak of money with respect to such terms that have become engrained in us: "loans," "interest," "borrowing," "lending." For, when money is treated, rightly, as a "record-keeping device," "unit of measure," there are no longer what economists refer to as "opportunity costs" or a "time value" associated with money. Nor is money rendered scarce, artificially. These foregoing points are key. Unless they are clearly grasped, the significance of "The Concord Resolution" will elude our understanding.

Supporting the understanding of money as a record-keeping device is the fact that money is *newly* created as a result of each and every credit transaction, including our credit card purchases — created with the swipe of our card. [This is in contrast to a debit card, which debits *existing* funds from our bank account.] Given this fact — that money is *not* a commodity, but a public "utility," "unit of measure" that is created in the moment of each and every transaction, a "record-keeping device" that notates/annotates the respective values of buyer and seller

— given this fact interest charges and percentage fees have NO place in our transactions.

Summing up, “money” — the most basic term in all our financial contracts — *is, as we speak, neither clearly nor rightly defined*. Once recognized, this fact calls forth the **legal imperative** that such a definition of money be established. When this is done, we will, as noted, have addressed the **root cause** of our global financial mis-fortunes and, thereby, have paved the way not only to prosperity but to peace on earth and good will to all men and women, to ALL People.

* 2) The stability spoken of is referred to, in the cutting edge field of dynamic systems theory, as “passivity,” < http://bibocurrency.com/index.php/stability-passivity >. Simply expressed, a passive system is not active, *overly* active; that is it doesn’t heat up or inflate unduly. Nor does it leads to deflation. Passivity is achieved when money, our *common wealth*, is both defined, and treated, as the “record-keeping device,” or the “unit of measure” spoken of, a public “utility” — *not as a commodity*. In the case of money, its commoditization has led, as noted, to the de-stabilizing interest charges and percentage fees assigned by banks — exorbitant fees that are not based on *the actual service provided*.

Once the stability referred to is achieved, communities are relieved of the pressure — *from our former debt-based monetary system* — to pay back both the loan principal and compounding interest charges. Otherwise, nothing whatsoever changes with respect to our finances, our ongoing life and labors. To repeat: nothing changes.

The foregoing pressure caused by our debt-based monetary system (i.e. money as a commodity) is replaced by the deliberative process whereby the citizens of a community:

I. Determine, together, what the community’s public works, infrastructure needs are, e. g. a new school, which will generate, in turn, clear value to off-set (on the record-keeping accounts) the cost of its building;
II. Create the money/credit required to finance/monetize the project, at each phase of its construction: from the architectural plans, through the brick and mortar, to the finishing touches. The money/credit is created as electronic book-keeping entries, credited by the community to the architects’ and builders’ accounts.

III. Given the fact that the money spoken of is a “record keeping device” that records or re-presents value, there is, as noted, no longer a rush for what we *otherwise* refer to as the “pay back”. For there was no “loan” in the first place.

What takes the place of such *debt-based* reckonings is the straightforward reconciling of the books/accounts, via electronic credit and debit entries. The process is as simple (if not complicated for some) as that.

It is self-evident to those who, as noted, can make the transition in their thinking from the *notion* we've defaulted to of money as a "commodity," to the *reality* of money as the "record-keeping device" that it currently is (via our credit and credit card transactions) and must more fully become — if our economy is to serve more than the diminishing 1%.

Summing up, we are speaking of money/credit that, as noted, is *newly* created with each and every transaction, including the swipe of our credit card. Otherwise expressed, what we are talking about is *not* money, as the commodity we have come to view it as. Rather, money, our common wealth, amounts to the simple debits (minuses) and credits (pluses) that are part and parcel of such electronic book-keeping entries that have all but replaced the cash transactions, whereby we do our business.

*3) In the words of Harry Keefe, the second largest dealer of bank stocks in his day: *"Of the fourteen thousand chief executives of banks, maybe forty really know what's going on."* Maybe...?

Tolstoy's foregoing words sum up the problem-*challenge*-**opportunity** before us all:

"The most difficult subjects can be explained to the most slow-witted man..."

In that trust, we conclude this presentation on "**The Concord Resolution**", calling to heart and mind the oft forgotten/forsaken verse from our national song:

"America, America, may God Thy gold refine.
Till all success be nobleness and every gain divine."

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