

THE BRETTON WOODS ~ CONCORD RESOLUTION

Endorsed by the World Conference of Mayors

“There is still a 67% chance of another financial crisis.”

Neil Kashkari, former Under-Secretary of the Treasury during the 2008 financial crisis; current president of the Federal Reserve Bank of Minneapolis.

I. Introduction

The Bretton Woods ~ Concord Resolution calls on our communities to finance their public works/ infrastructure the very same way that we, as individuals and families, have come, increasingly, to finance our own obligations: through credit. *Rightly understood.*

This innovative *common sense* solution addresses one of the most persistent, and pressing, problems of our day: How, amidst the mounting financial crisis, can we get our “House” in order, maintain our roads, bridges, schools, sewage and water systems — without going ever deeper into debt?

Inspired by Einstein’s words that we can’t solve a problem with the same thinking that created the problem in the first place, **The Bretton Woods ~ Concord Resolution** inaugurates the shift from our current *debt-based* financing to a *credit-based* financing, a financing that is based in the full faith and credit of the People.

As such, the resolution has been fashioned with the input of leading representatives of the Federal Reserve, bankers, economists, political scientists, historians, “*experts*,” along with those in business, state, and local government, as well as the citizenry at large, whose *expertise* is forged in the marketplace, the arena of everyday life. In this respect **The Bretton Woods ~ Concord Resolution** is All-American.

The roots of the resolution go back through presidents Kennedy, Eisenhower, Franklin Roosevelt, Garfield, Lincoln, Jackson, to Jefferson, Benjamin Franklin and the United States Constitution itself. The first five and eighteenth points of Article 1, Section 8 of the Constitution set the stage for **The Bretton Woods ~ Concord Resolution**.

This All-American solution offered is pre-eminently win/win. That is, everyone benefits, including the increasingly maligned 1%.

As elaborated in the **The Bretton Woods ~ Concord Resolution**, the comprehension of the solution is both simple and straightforward. Its *realization, institutionalization* is less so. As with all things of essential value, the actual implementation of the resolution requires an effort, commitment, dedication.

Effort, commitment, dedications is required for the resolution is based on the fundamental, and long-awaited, reform of our monetary/money system — while such reform is still possible. The crisis spoken of in the opening words by Neel Kashkari (one “in the know”) is not only real, but it will dwarf the financial crisis of 2008 if lessons remain unlearned.

As has been the case with the most successful reforms throughout history, **The Bretton Woods ~ Concord Resolution** is arising out of the grassroots, the mounting *resolve* of fellow citizens and officials in communities across our nation and beyond these shores. The resolution offers a vehicle for such a resolve. As such, **The Bretton Woods ~ Concord Resolution** is dedicated to our children, grandchildren, and to the generations to come.

Summarizing

The Bretton Woods ~ Concord Resolution

^ Addresses the **root cause** of our mounting monetary misfortunes, thereby offering a solution to what is perceived in growing quarters as the impending financial crisis.

^ The solution the resolution offers is **win/win**. Everyone, who is committed to making a *living*, as opposed to a “*killing*,” prospers. Everyone.

^ The resolution is not only **All-American** but **Universal**. It has been forged by a broad cross-section of the people of these United States, experts and lay people alike, who are representatives, in turn, of the nations of the world.

^ **The Bretton Woods ~ Concord Resolution** invites officials and fellow citizens across the country and overseas to work, together, to create a future worth envisioning, for the generations to come, “All Our Relations.”

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THE BRETTON WOODS ~ CONCORD RESOLUTION

Preamble to the United States Constitution

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.

We the People of Concord, Massachusetts, America's first non-native, inland community, call upon our central bank, the Federal Reserve System, to devote itself not just to the ongoing fortunes of Wall Street but to the mounting misfortunes of Main Street, the backbone of our ailing economy, by taking the following 3 steps. The steps are concurrently bottom-up and top-down. As such, they meet in the middle with a proposal for an *integrated, concerted* and *unprecedented* reform of our financial system. The reform envisioned benefits ALL peoples.

Step 1: Initiate the call for a clear, consistent, non-contradictory and universally recognized definition of "money" — the most fundamental term of *all* our financial contracts — which remains undefined to this day. The lack of such a *clear, consistent, non-contradictory* and *universally* recognized definition of "money" itself is, we propose, the **fundamental cause** of our growing financial crisis.

Step 2: While this process of arriving at a proper definition of money is going on globally, *We the People* call on the Federal Reserve System here in the US to adopt a stable or "passive" (in terms of dynamic systems theory) monetary system. Such stability is accomplished by removing the major de-stabilizing elements of our current *debt-based* monetary system: i) interest charges on *newly created* (as opposed to existing/circulating) money; and ii) percentage fees on transactions that, as such, take no account whatsoever of the actual cost of the service rendered. Those destabilizing elements have, we suggest, arisen out of the un-examined notion of money as a "commodity." *

Step 3: On the basis of these first two steps, and closer still to home, *We the People* of Concord, Massachusetts call on our community to finance our public business/transactions *via credit, the full faith and credit of the people*. Of note is the fact that such credit financing amounts to the very same common sense way that we, as individuals and families, have increasingly financed our own private transactions/business. Rightly understood, such credit-based financing of our public/community's business offers an alternative to: i) our current debt-based financing via bonds (with the interest charges and fees noted); ii) payments in cash; iii) increased tax assessments, or iv) grants with the tangle of strings attached. The poor state of our public works/infra-structure speaks to the growing limitations of each of these approaches. **

Bottom-line: As outlined in the accompanying background information, such *credit-based* financing of our communities' business can be done without the existing interest charges and attendant fees. As such, credit-based financing leads to the win/win scenario noted at the outset of this presentation. *Livings* are made; prosperity results for ALL — as opposed to “*killings*,” as the expression goes.

We invite citizens across the country and overseas to consider and, as appropriate, to adapt and adopt **The Bretton Woods ~ Concord Resolution** in your sister-city/community. We look forward to thus working, together, to create a future worth envisioning for the generations to come: “All Our Relations”.

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

The oft forgotten verse of America's national song

*A more formal presentation of the resolution is at:
< <https://www.moneytransparency.com/msta-resolutions> >.*

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Footnotes:

* *Re. money as a commodity.*

In the absence of a clear, consistent, non-contradictory and universally recognized definition/specification of “money,” we have *defaulted* to two largely un-examined notions of money, which we use concurrently.

- 1) Money as a “commodity” that, as other commodities (e.g. coal, corn, timber) is seen to possess or “present” *actual value, in and of itself* — value that is then speculated with by many in our money markets.
- 2) Money as a “record-keeping device” or “unit of measure” that represents, re-presents *value external to itself*. (This latter notion of money encompasses the views of money as “a store of value,” “medium of exchange”.)

What is seldom considered is that these two largely un-examined notions of money are contradictory. As little a baseball score board can accurately record, re-present the play on the field — if its very units (of measure) themselves are seen to possess value that is driven up and down, speculated with by those with a vested interest in the outcome of the game — as little can money serve as a reliable and meaningful record-keeping device, unit of measure in our financial system and economy, if it is speculated with, treated as a commodity.

If this is clear, money must be either a valued “commodity” or an in-valuable, impartial “record-keeping device,” a “unit of measure” that re-presents value external to itself. Money cannot be both — *in a healthy and prosperous society for ALL*.

What *actual* value does money, as a commodity, have — when, for instance, the shelves are empty? Compared with the commodity corn, can money, in the form of a *paper* dollar bill or check, ease your appetite? Compared with the commodity coal, can that *paper* dollar bill or check do more than kindle a fleeting flame to warm, if not burn, your hand? Inquiring further, what is the *actual* value of money in its other increasingly universal form: the electronic book-keeping entries that note the balances in our accounts?

The mis-understanding of money as a valuable commodity, in and of itself, has led to money being amassed, by those who can get their hands on it and, as noted, speculated with in our money markets in order “to make a killing.” Indeed, that is, increasingly, the result: “killings” are made

In a healthy and prosperous society for all, money does not function as a “commodity” that is mis-understood to possess or “present” value, in and of itself. Rather, properly defined/specified, money, we suggest, represents, re-presents value external to itself. That is, money serves as a “record-keeping device” or “unit of measure” that enables society as a whole to survive, “make a living”. In the words of Narayana Kocherlakota,

former president of the Federal Reserve Bank of Minneapolis, to speak of money as a commodity is “vacuous”/empty of any sense, meaning.

Summarizing:

When money is treated as a commodity by those who can get their hands on it, money is used to “make a killing.”

When money is treated as a “record-keeping device” or “unit of measure,” money enables the citizenry as whole to “make a living,” prosper. It becomes the representation of our *common* wealth.

When this is recognized — i.e. money is *not* a commodity — then there is no longer a basis for charging interest on *newly created* money, bank loans of all kinds. (Note, this is in contrast to already existing/circulating money from individual private accounts). Such interest charges on “value-less” units of measure make no sense. As Kocherlakota notes, the charges are non-sense.

On the basis of this recognition, banks will become the *service* institutions that they were originally envisioned to be by those whose commitment was to the *common* wealth, the Greater Good. Banks will cover their costs through fees that are in accordance with the actual and necessary services that they provide.

To repeat, and emphasize, we are speaking about the role of money *in the healthy and truly prosperous* global economy that **The Bretton Woods ~ Concord Resolution** envisions and is committed to helping to establish.

** *Credit-based financing*

As noted, such *credit-based* financing of our community’s business, infrastructure/public works amounts to the very same common sense way that we, as individuals and families, have increasingly come to finance our own *private* transactions/business.

This fact is most clearly recognized in our own *credit* transactions, for instance the millions of credit-card purchases that we, individuals and families, make each and every day.

That is, as distinct from a debit-card purchase, that debit or deduct existing funds from our bank accounts, credit-card purchases create new, non-existing funds, money, with each transaction — literally with each swipe of your credit card. Such purchases, transactions show up, are accounted for, in the month-end credit card statements that we receive from the banks (Chase, Citi, American Express) from which we have acquired our credit cards. Our purchases shows up *as a loan* (in effect) with the accompanying inter-

est charges clearly outlined on our monthly statement.

This fact leads to a question: Would the People, We still be able to carry out our daily business without the bank, middle-man, having inserted itself into the process, our business, the sanctity of our transactions — without such a debt-based monetary system?

If not, why not?

If so, how so?

Economist Christopher Hollis offers us a perspective on this question:

“Indeed the historian has to record that in almost every age there was some superstition or other of utter unreason which strangely occupied the minds of men, otherwise of activity and vigor. We are sometimes ready to congratulate ourselves that our age has outgrown all superstitions. But the historian of the future will, I fancy, reckon in the same class the strange superstition that, whenever money [our common wealth] is invented, a percentage must be paid forever afterwards as a propitiation [favor or appeasement] to a banker.”

Hollis is giving voice to the monetary system of, by, and for the People — the 99 + 1% — envisioned in the preamble to the United States Constitution, as well as in the concluding vision of the invitation to the presidential candidates, and in the exchange with Frank Morris, former President of the Boston Federal Reserve Bank, noted in the following background piece.

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II. Background to The Bretton Woods ~ Concord Resolution:

^ **The Bretton Woods ~ Concord Resolution** has been forged with the input of a broad cross-section of American society.

Contributions and inspiration for the resolution have come from leading monetary and financial experts, including *Frank Morris, Neel Kashkari, and Narayana Kocherlakota former Presidents of the Boston and Minneapolis Federal Reserve Banks, leading economists including John Kenneth Galbraith, Hazel Henderson, Evsey Domar, Bernard Lietaer, and Nobel laureate Franco Modigliani, as well as academics, scholars, historians, bankers, business leaders, city and town officials, and dedicated citizens from across the country and overseas.*

Over the last 7 years, many have gathered in ongoing conferences and working sessions in Concord, Massachusetts and at Bretton Woods, New Hampshire. As noted in the following account, the meeting with Frank Morris, President of the Boston Federal Reserve Bank, focused the issue.

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 an unexpected and noteworthy statement by the host, Mr. Morris. That statement set the stage for the discussion: "Most people don't understand how money is made," Mr. Morris said and continued: "When I built this bank, I simply wrote a check out of thin air."

Moved by the candor of the President of Boston's Federal Reserve Bank, the individual who organized the meeting responded: "Thank you, Mr. Morris. That's precisely our point. With all respects due, if you can create money 'out of thin air' (in fact, on the basis of our, the people's 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? National credit is, after all, 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 not only listened attentively but 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 ~ Concord Resolution**.

The fortunes, future of the **The Bretton Woods ~ Concord Resolution** is in the hands of those who recognize its merits, your resolve. One approach follows. We welcome others. An opportunity to become a part of the long-awaited solution, as opposed to party to the ongoing problem?

III. A Sample Approach for the Adaptation and Adoption of The Bretton Woods ~ Concord Resolution by Fellow Citizens & Officials.

1) Keep the name “Bretton Woods” and replace the name and reference to “Concord” with your own city’s or community’s name and any description you’re moved to include.

2) Invite your fellow citizens to sign their own *individual* names to your community’s/ city’s resolution, through whatever ways you are inspired to reach out. We’re glad to both hear and to share our thoughts with respect to such out-reach. The initial number of signatures need not be multitudes to *start* the process, which is the goal. Once the idea is *clearly* grasped by a critical mass, the circle of fellow citizens and officials will grow.

3) Call your regional Federal Reserve Bank and speak to, or leave a message for, its community liaison officer. Both are easily googled. Titles include: “*Community Development & Engagement*” (in Minneapolis), “*Community Affairs*” (in Boston). The message should be as simple, concise, and good-willed.

E.G. My name is _____. I’m calling to say that I am sending a resolution, signed by fellow citizens, that I believe will both be of interest and of support for the bank’s efforts in these challenging financial times. I would be grateful for a confirmation that the resolution has arrived and that it has been forwarded to those noted. I thank you.

4) Send your resolution, with its signatures, on to the individual with whom you left the message. Ask him/her to forward the resolution to the president of the bank, as well as to your fellow citizens, who are members of the FED’s regional advisory boards. *And (note), ask the individual you are addressing to copy you on the forwarding.*

5) Finally request a meeting, ideally in person, with the community liaison officer. As with all such initiatives, the human connection is key. Presented with clarity and good will, the value of such a resolution will be recognized by those at the FED, who understand that, if we want to address our monetary/financial misfortunes, we need to know what we are actually talking about, beginning with a clear understanding of what money itself is — *properly defined/specified* — in a healthy and prosperous society for all. Such officials will, we trust, be moved to lift their gazes above the “bottom-line” alone to the longer term and larger picture that benefits ALL. Thus the process begins.

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