

The Rigor of Research and Fundamental Monetary Change
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American Monetary Institution Conference, October 1, 2010, Chicago, Illinois

Today is not simply the first full day of this conference. It's also, October 1, the first full day of our nation's fiscal year. Our country begins today with a fresh budget, a clean slate, a new plan that seeks to match our fiscal blueprint with our social and economic needs. At least that's what's supposed to happen. Many years, including this one, there is no federal budget that Congress and President have agreed to by October 1.

Nevertheless, today is as good a day as any to (re)commit ourselves to view our government and economy with fresh eyes and an inquisitive mind. When it comes to economic matters, this includes not simply looking differently at our federal budget policies and federal tax policies but also our federal monetary policies.

For probably everyone in this room, this makes absolutely perfect sense. Budget, tax and monetary issues go hand in hand. Understanding our nation's politics and economy are directly linked. Seeing the connections between wars and the power, or lack thereof, to directly create or control money by *We the People* are a given.

But that's not true for the majority of people in this country. Monetary issues are foreign, alien, cosmic – on the same level of familiarity as understanding the nebulas of the universe. What exactly is money? How is it created? What purposes does it serve? Who controls the monetary spigot? And how does it profoundly impact virtually every other element of our economy, nation and world?

If aware of monetary issues at all, these are questions people ask.

That's how it was for me. I'm relatively new to this field. I never learned about monetary issues in school, never heard or read about it in the "mainstream" news, never debated whether or how to organize around it in activist organizations over the 25 years of social change organizing.

But then I discovered it. I read. And read some more – including the *Lost Science of Money* -- twice. I organized others to study and discuss. I helped organize Steve Zarlenga to come to Cleveland to conduct a workshop. We organized delegations to meet with aides to our two US Senators and three area US Representatives – encouraging them to read, study and co-sponsor the American Monetary Act. We've shown and continue to show the film *Money as Debt*. But it's only the beginning. We're all only at the start of what needs to happen to bring fundamental change – to democratize our society, including democratizing our money. This is our quest – part of what needs to be our life's work.

It all begins at the beginning – with study and research – rigorous study. The *Lost Science of Money* is the single best example produced on monetary issues. And other presenters this weekend who analyze, criticize and synthesize monetary related issues.

Rigor is the operative word. It means taking the time to widely, deeply, exactly and precisely examine a topic. It's what I learned from those who launched the Program on Corporations, Law and Democracy (POCLAD), which nearly 20 years ago began as a group of frustrated activists who were tired of constantly reacting and responding to one corporate assault at a time and decided to step back and examine the state of social change organizing. POCLAD instigates democratic conversations and actions that contest the authority of corporations to govern. Their analysis evolves through historical and legal research, writing, public speaking and working with organization to develop new strategies that assert people's rights over property interests.

POCLAD began focused on historical and legal research and study on the nature of the corporate form. I became involved a few years after its start.

POCLAD was the first organized group to deeply examine the issue of corporate rights. What they discovered was the American Revolution was waged against not simply against the King of England and his Army, but also his Crown Corporations – the Massachusetts Bay Co, the Carolina Co, the Plymouth Co, the Virginia Co and others. Corporations were originally subordinate to the public and their elected representatives. Corporate charters were democratic instruments used to define, not regulate, corporate actions. Legislatures and courts controlled by Democrats and Republicans dissolved corporations that acted in ways not defined in their charters, or licenses. The ability of corporations today to do what they want, where they want, when they want was never intended by our nation's founders. Corporate behavior not a given. It's not like gravity or some other law of physics. It can be changed.

POCLAD injected the concept of “corporate personhood” into our culture. They cautioned against the distractions of spending too much time reacting to this or that boycott, pleading with corporate executives to sign voluntary codes of conduct, or working legislatively to slightly reduce the amount of poison permitted in our air or water. Changing constitutional and legal governing rules was more important than changing political faces, political parties, or laws regulating corporate harm. The right to decide and the right to rule by human persons were paramount. The Bill of Rights were intended for people, not corporations -- which are no more than a bunch of legal documents.

As it dug deeper and reflected on what it learned, POCLAD realized the core issue was not corporate power, but our lack of power – our disempowerment. It was about overcoming the “colonialization of our own minds” – that is, that our history and culture limited what was considered possible, practical, and achievable. Gaining and retaining real self-governance should be our ultimate quest. Finally, POCLAD believed that rigorous study and research on this issue was the single most important “action” that needed to be taken -- given the lack of understanding of these issues, including among social change activists. Helping activists reframe strategies and campaigns to address core causes could only happen if corporate constitutional rights was first dissected.

POCLAD produced a definitive work, *Defying Corporations, Defining Democracy* (an equivalent of sorts to the *Lost Science of Money* on corporate rights) and other books; a newsletter, *By What Authority*; and held “Rethinking the Corporation, Rethinking Democracy” workshops across the country.

These messages and lessons from my involvement with POCLAD over the last dozen years is the lens I look through when reflecting on the importance of rigorous study and research today on monetary issues as the essential first step of real social change.

Why begin with rigorous research and study? Six reasons.

1. **To know history.** We must know what's worked and what hasn't; who are our past heroes and sheroes; and what lessons can be applied today. We must know what Aristotle said about money existing not by nature but by law. We must know that *We the People* actually issued our own money (Continental and Greenbacks) – and that they were effective. We must know how the moneymaking powers became privatized or corporatized in our nation and across the world. And we must know how money backed by precious metals in the past have caused recessions/depressions and placed monetary authority in the hands of bankers and those outside our nation.
2. **To understand how monetary issues are connected to other issues.** The privatization/corporatization of money is not an abstract issue. It's connected to our national debt and deficit through the interest incurred from having to borrow money that could be publicly created. It's associated with taxes, as borrowed money must be paid back with interest. It's linked to wars and occupations as financial interests have encouraged nations to borrow money to wage wars which create economic dependency. It's related to the environmental crisis, as natural resources must be exploited to generate the income to pay for the exponential debt that corporatized debt money creates. And it's connected to jobs, education, health care and infrastructure as government issued democratic money could be issued debt and inflation free if spent on meeting real social and economic needs. This is especially timely since tomorrow hundreds of thousands of people will be rallying in DC calling for jobs and education. Nowhere in the list of One Nation Coming Together demands is there a call for the issuance of debt and inflation free government issued democratic money.
3. **To learn what's happening elsewhere.** The corporatization of money has caused economic havoc in nations the world over – from Latvia to Brazil to Iceland to Greece to dozens of others. This has resulted in resistance and alternatives – including resistance to the IMF/World Bank in many nations and the recent alliance of Latin American Countries (ALBA), which launched earlier this year a regional electronic currency - the Sucre. Exciting positive developments are occurring in the US as well -- a case in point being the national Green Party's Monetary Reform Plank.
4. **To avoid becoming distracted by “reforms” which fail to address the core problem.** Why Lake Erie, a few miles from where I live, is the most dangerous of the Great Lakes because of its shallowness. Lack of depth on any issue makes one highly susceptible to the latest diversionary “reform” winds that can easy lead one off course. The entire debate around congressional banking reform siphoned off tremendous energy for what in the end turned out to be nathetic legislation that will further consolidate financial institutions and permits the

continuation of derivatives and other form of casino financial speculation. Critically important campaigns connected to the effects of corporatization of money, such as working to extending unemployment insurance, placing a moratorium on home foreclosures and addressing the climate crisis, are nevertheless campaigns that focus on saving those who are drowning downstream rather than preventing people from being thrown into the water upstream. Those who promote other forms of financial reform, such as auditing the Federal Reserve, state owned banks and local financial alternatives are also diversionary. There, of course, there are elections, the greatest sinkhole of activist time, energy and resources, where changing faces is often presented as the surest approach to changing fundamental structures and rules.

5. **To know how to respond to arguments.** Any widespread call to democratize money will result in a plutocratic pushback of epic proportions. Arguments against fiat money have gone on for centuries and have been well chronicled in the *Lost Science of Money*. Only those who are well grounded from research and study will be inoculated to withstand the intellectual germs from those who claim:

- Government is incompetent, corrupt, inefficient, can't be trusted, all of the above
- There no historical successes of democratic money
- The Federal Reserve is a government institution
- Banks know what they're doing – let them be in charge
- The only honest money is money backed by gold or silver
- Let the economists and the invisible hand of market take solve our financial problems.

6. **To develop a reservoir of knowledge needed to intelligently create campaigns, strategies and tactics.** While research and study are a beginning, they aren't the ends. Our eye on the prize is the democratization of money and by extension the democratization of our society. That can only happen after we have a firm foundation of the theories, experiences, issues and practitioners. When well grounded, we can then be in a better position to explore how one-at-a-time issues, like the current jobs crisis or climate change or the home foreclosure epidemic can be used as stepping stones to build our cause for fundamental change. We can also better consider how efforts to audit the Fed and local currencies might be complementary rather than competitive strategies in the quest to pass the American Monetary Act. Ultimately, we must popularize this issue if it's ever going to go viral. This can't happen unless we develop culturally appropriate educational tools and connect what seems to be an abstract issue to everyday problems.

These are then the main reasons why study and action of monetary issues is critical.

In conclusion, when and where social change movements throughout history have been successful have been when and where at last two characteristics have been present. The first is where people engage in what can be called a deliberate "action-reflection" process – where people in community reflect on their condition, where they've come from, who they are, who they want to be, what they want to do. This reflection drives their actions, which, in turn, provides experiences to circle back to reflect on what worked and what needs to be tried next. This action-reflection-action-reflection process never stops. The Christian base communities of Central and South America are maybe the

most familiar examples to us that led to a number of revolutionary social and political liberation movements.

The second characteristic of successful social movements is the dual strategies of social change and social service organized by the same people and groups. Gandhians understand this concept well. It means to work on changing macro structures, laws, rules and institutions at the same time as working on creating local or parallel structures that show what can be done if people were in charge. Argentines call this "horizontalism." These local or parallel structures serve important meeting social needs, recruitment, publicity, and experimentation purposes. Calling for fundamental structural changes gains credibility and constituents if we're working to address short term needs through grassroots and democratic monetary projects and groups.

I raise these two characteristics because I feel the drive for profound monetary change, for the democratization of money, has plenty of constructive room for macro action strategies and for micro complementary monetary projects that when added together will create a social movement for real change.

Henry David Thoreau wrote: "There are a thousand hacking at the branches of evil to every one striking at the root."

May our collective work on monetary issues during this new fiscal year and beyond -- of rigorous study and research, of action, of macro and micro, be focused not on branches, but on roots.