

Intl. Philosophers For Peace Conference - Capitalism With A Human Face?

Radford University, May 2004

Synopsis: WORLD PEACE THROUGH MONETARY JUSTICE

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It's an honor to address this group and I thank Professor Glenn Martin for inviting me.

What chance do philosophers *really* have to move the world toward peace? Maybe pretty good. **You're uniquely qualified to evaluate and expose the methods of what's become a science of conflict** – a body of presumed knowledge called “Economics” encompassing many assumptions, half truths and worse that has promoted the conditions for warfare. And while some rare good viewpoints are found among economists, such as Herman Daly, and Nic Tideman, still the dominant corrupt interests assure that they rarely get aired, let alone enacted into public policy.

Therefore *economics* itself must be called onto the carpet and you Philosopher Kings, in Plato's vision, can have a crucial role in bringing this so called “science of Economics” to heel. **Your dominion is to determine what constitutes knowledge and evaluate the methods of gaining it.**

As **Guardians** of clear thought you could sound the alarm when economists don't define basic terminology on which laws affecting billions of people are based. Laws which usually bestow more privilege on wealthy predators.

As **Referees** of valid methodology you could raise bloody hell when an Austrian School economist claims his theories can't be disproved by mere facts! Or cry “**Foul**” when they smear Benjamin Franklin, arguing that he supported paper money because he would be paid for printing it! And you could shout “**Time Out**” when some economists keep repeating the same arguments that have already been decisively shot down, rising like Zombies to harass mankind.

As **Watchdogs** against intellectual propaganda you could publicize economists attempts to foist false book reviews to suppress writings critical of their favorite theories. And Philosophers should flash the pinball “**Tilt**” warning when economists engage in incestuous self congratulation, like the Swedish Riksbank with no connection to the Nobel foundation issuing the so called Nobel Prize in economics, or the Austrian School of Economyths incessant incestuous self promotions.

Not to mention the economists probable misuse of the mathematical equal sign.

In effect you philosophers alone have the standing To De-Certify Economics As A Science, pending improvements in definition, methodology, purpose and focus of study.

If you were to do this in the **philosophical realm** and the Churches joined in from the **moral sphere**; legislative reforms become possible and Capitalism might then be quickly transformed into a moral system.

Not long ago – philosophy, religion and economics – were combined in one group – the Scholastics. Church philosophers including Aquinas who were MORAL ECONOMISTS deeply concerned with USURY. **Usury was not merely taking interest.** USURY was A MISUSE OF THE MONEY SYSTEM FOR PRIVATE GAIN. Similar to the Islamic concept of Riba. Jeremy Bentham foisted the present misdefinition of Usury on us, as taking more interest than normal. The Scholastics' mentor from across the centuries was Aristotle not the bible. They drew conclusions from his Authority and from Observation; but mostly from Logic; which is appropriate for moral questions. Aristotle was the bulwark against usury:

“The most hated sort [of wealth getting], and with the greatest reason, is usury, which makes a gain out of money itself and not from the natural object of it. For money was intended to be used in exchange but not to increase at interest...Wherefore of all modes of getting wealth, this is the most unnatural.” (1258b, Politics)

That's why those promoting usury from Bacon to Bentham viciously attacked Aristotle.

A GREAT PART of the injustice wreaked by economics results from poorly defined monetary concepts. Thus the 1st step toward monetary justice is to accurately identify the nature of money. In Defining Money, Method Is Crucial: We have two basic approaches to understanding money: A theoretical method based on logic; and an empirical approach based on experience or history. *Practitioners of the two methods normally arrive at very different conclusions.* Historians normally want a much larger role for government.

Aristotle defined money 2400 years ago: “All goods must therefore be measured by some one thing...now this unit is in truth, demand, which holds all things together...but money has become by convention a sort of representative of demand; and this is why it **has the name nomisma - because it exists not by nature, but by law (which in Greek was nomos) and**

it is in our power to change it and make it useless.” So Aristotle identifies money as a creature of the law - an abstract social institution. Its essence is not tangible wealth, but a power to obtain wealth. ***This distinction between money and wealth is crucial.*** Plato agreed with Aristotle and advocated fiat money for his ***republic***:

“Then they will need a market place, and a ***money-token*** for purposes of exchange.”(*Republic*)

Significantly, the term “nomisma” is seldom found in early Greek texts. It’s in Herodotus in the 400s BC, but not again until Aristotle, over a hundred years later. This concept of money was probably suppressed in an ongoing struggle between oligarchic forces – a kind of “old Boy Network” relying on personal relations, arrayed against public money, and the developing, more democratic, ***public*** sphere of the Greek Polis, which introduced and controlled the nomisma.

The 2nd Step to justice – realize that a “PRIVATE VS. PUBLIC” battle for the control of the money power is an ongoing social battle from Aristotle to this day. This struggle determines how well a money system works. A good one functions fairly; helping the society create values for living. A bad one obstructs the creation of values; places special privileges in some hands to the disadvantage of others; promotes unfair concentrations of wealth and power, and disharmony and social strife. How money is defined determines whether the system will be publicly or privately controlled. If money is misdefined as wealth, for example gold, then the wealthy will control the monetary System. If its misdefined as credit, the bankers will control the society through what they call capitalism. I see no way to put a friendly face on that immoral process.

Just how exactly did the system get into the present mess? Largely through propaganda and constant undermining of economic thought. The “Father of Economics” himself, Adam Smith, took a giant leap backward and obliterated any concept of money in the law, by defining money this way:

“By the money price of goods it is to be observed, I understand always, the quantity of pure gold or silver for which they are sold, without any regard to denomination of the coin.”

THE FAILURE OF DEFINITION among economists is legendary (and Marx did little better!). Malthus’ 1827 book *Definitions In Political Economy* pointed out that “It is quite astonishing that political economists of reputation should be inclined to resort to any kind of illustration however clumsy and inapplicable, rather than refer to money.”

And then a definition of money is conspicuously absent when Malthus offers better definitions for 60 terms!

Today there is a high level campaign to actually remove the concept of money from the English language and substitute it with the concept of credit. Then it won’t be possible to reform money or even intelligently discuss it!

The current attack on government - on society’s one organizational form capable of standing up against the plutocracy - began with Adam Smith’s vicious attack on England, in his efforts to keep the monetary power within the Bank of England. Smith glorified the Bank and obscured its private ownership likening it to “a great engine of state.” He harshly attacked English government issued money:

“A revenue of this kind has even by some people been thought not below the attention of so great an Empire as that of Great Britain...But whether such a Government as that of England - which, whatever may be its virtues, has never been famous for good economy; which, in time of peace, has generally conducted itself with the slothful and negligent profusion that is perhaps natural to monarchies; and in time of war has constantly acted with all the thoughtless extravagance that democracies are apt to fall into - could be safely trusted with the management of such a project, must at least be a good deal more doubtful.” (Adam Smith, *Wealth of Nations*; p.358 – in the Great Books coll.)

Smith’s insulting attacks mark the modern beginning of a relentless attack on society - the belittling and smearing of its organizational form - government. ***The single organization potentially able to block plutocracy’s encroachments. Smith also inadvertently illuminates the major purpose of this attack: - to keep the money power in private hands.***

Every day in America we see examples of how this disease has reached epidemic proportions. It has spread from Hayek and Ayn Rand to their intellectual heir Rush Limbaugh and his propaganda radio. It’s not entertainment. It has even gone beyond politics and into treason. Good people rarely listen to that stuff, so are unaware of this attack on America.

HERE ARE THE INDICATED AMERICAN REFORMS:

A) Nationalize the Federal Reserve System as the Bank of England was nationalized in 1946. Reconstitute the Fed within the US Treasury, to evolve into a fourth branch of government. Only the government would create money.

B) Remove the awesome privilege which banks now have to create money and convert the credit money they have already created into real US money by bringing reserves up to 100%, not by calling in loans and wrecking the economy, but by borrowing freshly printed money from the government, with the banks paying interest on it to our government.

C) Provide for automatic, constitutionally determined government money creation, starting with the 2 trillion \$ which that American Society of Civil Engineers tells us is needed to bring our infrastructure up to acceptable levels. From there we go forward carefully determining how to best run the monetary system, and thoughtfully use Aristotle's method, ***we learn by doing.*** **Thank you for your attention.**

For Question Period: The attack on government is serious enough, but it becomes really obnoxious when combined with THE ATTACK ON HUMANITY, as seen in ADAM SMITH'S SELFISHNESS "ERROR"

Following Buckles lead, Henry George identified the false axiom on which Smith's *Wealth of Nations* is based:

"Buckles understanding of Political Economy was that it eliminated every other feeling than selfishness." Wherein Smith 'generalizes the laws of wealth, not from the phenomena of wealth, nor from statistical statements, but from the phenomena of selfishness; thus making a deductive application of one set of mental principles to the whole set of economical facts. He everywhere assumes that the great moving power of all men, all interests and all classes, in all ages and in all countries is selfishness...indeed Adam Smith will hardly admit common humanity into his theory of motives.'" SPE, 89,90

Consider the negative impact on humanity of Smith's selfishness assumption: Supporters of his doctrine argue that it is merely in harmony with human nature. But clearly, if Man is defined in such a base manner and systems of laws with their rewards and punishments are enforced along those lines, then over time, they will tend to create a form of humanity in "harmony" with their false conception of an economic mankind.

This de-evolutionary process, encouraging a lower form of humanity has been ongoing especially in the English speaking world for well over 2 centuries. The work of great English novelists such as Charles Dickens or great philosophers like Bishop George Berkeley may have slowed it, but didn't stop it. Listen carefully to Dickens movie script. Henry George saw *exactly* where it would lead:

"Nor can we abstract from man all but selfish qualities in order to make as the object of our thought...what has been called 'economic man', without getting *what is really a monster, not a man.*" (SPE, 99)Ecco Homo - circa 2000!

George substituted a different concept for Smith's destructive error:

"The fundamental principle of human action...is that men seek to gratify their desires with the least exertion."(P&P)

Then taking a giant step, Henry George poetically described the essence of humanity-

THE "FORCE OF FORCES":

"It is not selfishness that enriches the annals of every people with heroes and saints... that on every page of the world's history bursts out in sudden splendor...that turned Gautama's back to his royal home or bade the Maid of Orleans lift the sword from the altar; that held the Three Hundred in the Pass of Thermopylae, or gathered into Winkelreid's bosom the sheaf of spears...Call it religion, patriotism, or the love of God - give it what name you will; there is yet a force which overcomes and drives out selfishness; a force which is the electricity of the moral universe; a force beside which all others are weak...I call this force destiny toward human nature - a higher, nobler nature than we generally manifest...And this *force of forces* - that now goes to waste or assumes perverted forms - we may use for the strengthening, and building up, and ennobling of society, if we but will..."(P&P, 463)