



# **Money is Bookkeeping**

## **A Legacy for the World?**

Report on the 17<sup>th</sup> Annual Meeting  
of the Economics Conference  
*20–24 June 2018 / Folkestone, England*

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# Money is Bookkeeping

A Legacy for the World?

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Matching what seems to be something of a statistical norm, we were again 20+ from Europe (Britain included!) and the Americas. We covered a lot of ground, both conceptual and practical, and heard from various projects whose keel is provided by accounting-based economics, making it a (if not *the*) point at which associative economics coincides with the evolution of ‘mainstream’ economic history, with the potential therefore of becoming the next mainstream.

## REMEMBERING TWO COLLEAGUES

First, we marked the passing of two colleagues, David Clark and D’Arcy Mackenzie, with a book of D’Arcy’s writings given to everyone.<sup>1</sup> David has also written on Rudolf Steiner’s challenge to compare the mortgage laws of England and Germany, but his widow does not know where this work is.

## PRESENTATIONS

There also was much to report on. Lucia Sigolo gave a Powerpoint presentation of her financial literary project in San Paulo, Brazil, while her colleague in Curitiba, Daniel Havro, sent in a report on the five associative economics meetings he has facilitated this year. Marcelo Delajara told us of his work with an NGO in Mexico City. Anita Grandjean updated us on the “Dare to be Independent course” at L’Aubier in Switzerland, now heading for its third year. Marc Desales reported on a proposed AE Foundation in Switzerland and on the work with Confoedera, leading to a third ‘Economics of Brotherliness’ conference in November 2019. And Meg Freeling shared a report on the work to date of the Economics Group of the Anthroposophical Society, based in the US. She also shared a paper entitled ‘Julius Rosenwald: a Worthy Harbinger?’, wondering if Rosenwald was an unspoken brother in associative economics.<sup>2</sup>

## LECTURES

The main lectures this year were recorded and will in due course be transcribed. Suffice it to say that, taken together, they were something of a *tour de force*, emblematic of this year’s theme: Money is bookkeeping – A legacy for the world? ‘Legacy’ should not be taken to mean, “Is it time to give up?”, but “Can we evaluate our work to date in terms of its value to the world rather than as an expression of our own undying commitment?”

Of course, inherent in achieving all this is an understanding of aging money, a topic that proved of special interest to some participants...



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<sup>1</sup> Mackenzie, D’Arcy, *Accountants’ Corner – D’Arcy’s Column*, available here:

<http://www.lulu.com/shop/darcy-mackenzie/accountants-corner/paperback/product-23803406.html>

<sup>2</sup> [http://economics.goetheanum.org/fileadmin/economics/Articles\\_and\\_Papers/Julius\\_Rosenwald\\_MF.pdf](http://economics.goetheanum.org/fileadmin/economics/Articles_and_Papers/Julius_Rosenwald_MF.pdf)

## ALLURING ALGEBRA

As regards substance, in one of the working sessions, after years of hoping and an earlier false start, we at last got to see Marc Desaulles interfacing directly with a representative of central banking economics – our new colleague, Marcelo Delajara from Mexico (but born in Argentina).

The meeting focussed on two algebraic discussions.

- 1) Does  $M = m.B$  make sense, where  $M$  is the amount of money,  $m$  is the money multiplier, and  $B$  is the monetary base (cash and reserves at the Central Bank)?
- 2) Likewise, do the expressions on the left below have the same meaning as those on the right?

$$\begin{array}{ccc} \text{PY} & \text{Y} & \text{LwV Commodity} \\ \text{---} = \text{V} & \text{---} = \text{---} & \text{-----} = \text{-----} = \text{Economic Health} \\ \text{M} & \text{M} & \text{WiV Money} \end{array}$$

Though not everyone's cup of tea, this is the nature of the discussions that take place in financial policy and academic circles with which we need to be familiar and able to take part in. Accordingly, a crucial methodological and epistemological discussion ensued concerning whether Rudolf Steiner and therefore associative economics uses algebra as an instrument for calibrating economic life or as a metaphor for describing it. For example, when 'money' is shown as the divisor, does this mean one can divide a number or does it mean a common element (e.g. the division of labour)? (A formal paper on the first question is being developed by Christopher and Marcelo in the first instance.)

## ADMIN, WEBSITE, PUBLICATIONS

Kim Chotzen and Christopher Houghton Budd reported on their work administering the Economics Conference and developing the website, in part in the image of a 'think tank', a professional resource for encouraging, 'showcasing' and disseminating the research being developed in accordance with published funding and editorial criteria (the so-called Protocols). We also had a walk-through of Jesse Osmer's proposed rewording of the website in line with his image of how the new Goetheanum website could be revamped.

## EC FUND / GOETHEANUM FUND

One whole session was given over to the Economics Conference Fund and the Goetheanum Fund as examples of how section activity can be funded by money freely given for that purpose and administered by those who use it – all in line with worldwide taxation and exchange rate considerations. (A formal paper on this as a means whereby capital can be brought to circulate between human beings – rather than via the state or at the behest of 'the market' – is being devised by Christopher Houghton Budd, Stephen Vallus, Lorene Allen and others.)

## TASKS

As if all this activity and its implied workload and policy changes were not enough, Patrick O'Meara and Marc Desaulles challenged us to become more strategic with a list of possible tasks that reiterated previous suggestions:

- devise an accounting/bookkeeping standard matched to three kinds of money.
- establish a True Price Watch organization.
- encourage direct lending groups.
- promote the idea of spend-out foundations.<sup>3</sup>
- start youth bond initiatives<sup>4</sup>
- create an 'MBA Not' program based on associative economics.<sup>5</sup>
- further the creation of associations.<sup>6</sup>
- create a 'gift watch' to track how surplus is flowing.<sup>7</sup>

These, it is worth noting, are in addition to other earlier practical policy statements as in those of the ae-mark.com<sup>8</sup> and the policy threesome of monetary policy based on true price instead of price stability, the outlawing (!) of collateralised lending, and the promotion of spend-out/down foundations originally proposed in the spring of 2012 in the context of several research meetings held at the Goetheanum attended by a small group of invited colleagues.

## SINGING AND SOME FUN!

A special thanks is due to Stefanie Bracher Guyot and Kim for leading us in singing, but also in the rhythmical stepping of verses linked to some of the key suggestions mentioned above:

Purchase Money	True Pricing	<i>"Pay True Price–Do it now!"</i>
Loan Money	Uncollateralised lending	<i>"Lend without collateral."</i>
Gift Money	Spend-down foundations	<i>"Give without constraint."</i>

As if not to be outdone, this year the planned AE Cabaret was displaced by an inspired and very enjoyable nod to the convenor's 70<sup>th</sup> birthday, meant to depict signposts on his journey with the 'metamorphosis of capitalism', and highlighted by these words from Che Guevara read out by Susan Gravelle: *La guía del revolucionario es un gran sentimiento de amor. (The true revolutionary is guided by a great feeling of love.)* Translation by Marcelo Delajara.



<sup>3</sup> Of which the EC Fund and Goetheanum Fund are possible examples.

<sup>4</sup> See Youthbonds.com.

<sup>5</sup> Many EC members are already involved in such schemes, albeit modest in scale.

<sup>6</sup> See *The Proceedings of the Christmas Conference*. Anthroposophic Press, New York 1990.

<sup>7</sup> Based in Washington, DC, Patrick O'Meara has long been faithful to this topic.

<sup>8</sup> See ae-mark.com.

## **NEXT YEAR / NEXT STEPS**

As our work strengthens, various ‘nodal points’ have come about, examples of which are shown below:

*Mercedes, Argentina – October 2018*

Prospects for Associative Economics in Latin America.

*Karlsruhe, Germany – 16-18 November 2018*

Continued case-study in financial literacy.

*Neuchatel, Switzerland – 22-24 February 2019*

Land, Labour and Capital: What do we understand when we say these are not commodities and how do we then treat them in modern accounting?

*Vancouver, Canada – 22-24 March 2019*

A Second Chance for the World? Seeing beyond the falsehoods of modern history through the lens of associative economics

## **A SECTION IN ALL BUT NAME**

As the preceding paragraphs indicate, these ‘nodal points’ of activity may well be the expressions of an important phenomenon – the appearance *in the periphery* of section work in the field of economics. Such a development, the fruit of seventeen years focussed and shared endeavour, is surely a welcome step.

## **2019 ANNUAL MEETING AND THEME**

Given that these activities and events share a common ground but also imply logistical and financial consequences, it was decided to hold next year’s *Annual Meeting* once again in Folkestone. The dates will be 19-23 June 2019. Accommodation in the Grand has been reserved. The theme has yet to be decided, but one possibility concerns the Hierarchies and economics. Another could be Reparations, given that June 2019 will mark 100 years since the Treaty of Versailles.



## **ORGANISATION**

This was the third Folkestone meeting, under the capable and devoted behind-the-scenes management of Tessa Houghton Budd, for which many expressed their gratitude

## **THE PARTICIPANTS**

Mainly from Europe and the Western hemisphere, our merry band included economists, financial analysts, engineers, shopkeepers, bookkeepers, and architects – all, however, entrepreneurs and mindful of the importance of bookkeeping for maintaining one’s sovereignty in a world that no longer gives us our true bearings.

