The American Experience of Money

Revisiting the USA’s destiny with money

A critique of John Bloom’s *The Genius of Money*

The American Experience

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July 2022

The method I employed to conduct this critique is one I use often. It entails identifying topics as I read through the whole piece, treating these as stand-alone, and then reshuffling them, so that their original context and sequencing is broken and let go, allowing the topics as such to be treated in their own right. And then the last step, a fresh story is made out of them. It can be that the new version is not recognizable by the original author or that, as here in places, it becomes a hybrid and even close to co-authorship at some points.

The topics identified on the first trawl are those shown here:

Introduction

Rigorous Critique yields Insights

Quasi-anthroposophy

Why not an Economist

Uncertain Economic History

Misplaced Polarities

Uncertain monetary history

The Nature of Money

Philanthropy

Why not an Associative Economist

Financialisation

The Stock Corporation

The American Experience (of Money)

The Gift Economy. Not

Community-Supported Agriculture

Concerning Finance

Epistemology

Money-as-Bookkeeping

Reorganised in terms of my critique, meaning as one topic led or spoke to another until they almost self-reorganized themselves, they became as follows:

Introduction

Rigorous Critique yields Insights

Quasi-anthroposophy

Why not an Economist

Introduction

Written in three parts and more as a work of art history and social commentary than of economics, *The Genius of Money*[1] makes for a fascinating read. The first third is a valuable documentation of how money has been understood and portrayed in history. This is John Bloom in his *métier préférée* as art historian. Indeed, an entire volume in that genre would have completed a treat only just begun.

The third third comprises interviews held by Bloom with various people, but on a basis of questions that are more prompts for the ensuing responses than expositions of his own economics. Much of what the interviewees say merits discussion, but that is not the remit of this appraisal. The transcripts also amount to more of sociological commentary on money as conventionally understood (i.e. unitary and central-bank issued; so-called 'narrow' money) than how economics and general social life would be impacted were Rudolf Steiner's three main ideas about money really followed through on – namely, money is not a commodity (therefore cannot belong to a market); money-as-bookkeeping (having neither endogenous nor exogenous origin), therefore not a thing; and comprising three kinds, not just three functions.

Trenchant economic analysis, especially trenchant associative economic analysis, would begin with these ideas, every one of which amounts to a stop and start again in the evolution of economics, not a straight-line switch from one meaning to another. It is valid enough to sense that money needs to be treated differently, but this cannot be accomplished as an outgrowth of present arrangements or as a continuation of current habits of thought, albeit using a different lexicon. Rather, a wholly different understanding of money needs to come about, but from the other side of the threshold of sense-based, brain-bound thinking. This will then give rise to the experience which, once it learns to name itself, will lead to money being described differently. The lexicon itself

[1] *The Genius of Money*. John Bloom, Steinerbooks, New York 2009.

will likely not be that different. The difference will be in the nuances, or the not-before-possible juxtaposition of words and concepts.

What in fact will make the difference is the placing of the I of every human being at the center of all economic life and its processes.[2] Finance currently at the threshold becomes finance from across the threshold. It is the I that, on incarnating, uses money to separate, but once incarnate, uses it to unite. This, at any rate, is the lens through which the following critique occurs. It is this understanding of associative economics which I use to evaluate John Bloom's own ideas which are the substance of the middle third of his book.

Rigorous critique yields insights

My critique is rigorous, but that should not be taken amiss or personally. The times do not permit anything less than rigorous examination of our thinking about money because it is there, not in money itself, that both problem and solution lie. So serious and so central is the question of money today, almost the pivot of our times, that anyone not ready, willing and able to be critiqued ought not to hold forth on the topic. Least of all if, by doing so, the aim is to further Rudolf Steiner's ideas.

Even so, stringent critique of our thinking about money ought not to be thought of or undertaken as an academic or polemical exercise or to score points in support on one ideology or another (including anthroposophy as an ideology). To use an image of 'the West', the purpose of critique, especially as regards US financial history, is to break through to a new landscape, to traverse the Rockies, as it were, and look down for the first (European) time on California below. But to see there what pre-exists our perception, not to import into that landscape what should rightly remain at the Rockies' eastern foothills.

Therefore, as well as but perhaps because of some frank questioning, this critique also gives rise to various insights in regard to which I can join hands with Bloom, precisely because of identifying where I cannot join (or at least follow) him in thought. These insights will be obvious when mentioned in the context of my appraisal of the varied topics his book treats.

Quasi-anthroposophy

One of my main concerns is John Bloom's use, albeit often only by allusion, of Rudolf Steiner's ideas without directly saying so. This is a problem for two reasons. Firstly, it borders on plagiarism, hindering the reader's free and direct access to the primary ideas and their author through the universal medium of shared, clear and contested thinking. Secondly, allusions leave one hanging unless what they refer to is self-evident or their supposed meaning is made explicit.

This is one thing as a literary device in the case of allegory, for example, another when a known author is being referred to. I 'get' the weaving of ideas from Rudolf Steiner into general language, but this can be risky because spiritual scientific ideas are, as it were,

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[2] The mention of the I as central to (associative) economics is important for many reasons, but one is the role that story-telling can play 'because of its assumed authenticity, its ability to convince or engage.' (86) The story every I has to tell is above all about why it is on the earth, what it intends to do and with whom, and how much capital (in today's monetized society) that requires.

designed to be noticed. It seldom works to drop them innocently or anonymously into a discussion.

An example is ‘money-self’ and spirit-self’. (xi, 7) The first reads as an invention of Bloom, insofar as he does not make clear if it is a psychological reference in general use. The second is introduced in similar mode to the first, but insofar as the book is backgrounded by anthroposophy it risks being a reference to Spirit Self. In that case, the economics or economic sophistication of Spirit Self should be made clear.[3] I do not say this as an idle comment. I say it because John Bloom is elsewhere able to articulate what that conversation would entail: ‘It is amazing and possibly unnerving to think of how the modern mind could come to know itself through bringing consciousness to bear on money – and that might begin to change the way the world works with money.’ (56) Absolutely it would!

Uncertain juxtaposition of money-self with spirit-self is an example of what one might call half- or quasi-anthroposophy. Similar is repeated with reference to ‘our economic self.’ (108) Another example is the reference to ‘Satan (or Ahriman, which is another name for the same archetype)…’ (44); but for whom is that the case except anthroposophists? Either make direct reference to Steiner’s work or leave it unmentioned. Why be shy or coy about it? Earnest-seeking souls are ill-served by this, yet it is the earnest-seeking souls in and among the less earnest that need to know of Rudolf Steiner’s ideas directly.

Another example of timid anthroposophy is the mention of ‘physical, participatory or circulatory, quality of feeling, consciousness or recognition’ (100) as four categories of monetary experience. Surely, these can be likened to or associated with the physical, etheric, astral and ego aspects of the human being (as anthroposophy has it)? Just something like this can give spiritual science traction in modern economic affairs, so why not declare it and follow it up?

Why not an economist

When I said earlier that Bloom writes more in terms of the sociology of economics than as an economist, I did so because, while he comments on the threefoldness of ‘money as a medium of expression, as a social technology, and one that also makes the invisible visible by linking together value with material goods,’ (57) he does not make clear if this is an oblique reference to the three functions of money – means of exchange, store of value and unit of account – let alone a nod to Steiner’s three kinds of money (purchase, loan and gift money). Since the latter is clearly in the background of Bloom’s book, their non-mention makes of his quoted sentence a string of three, in themselves seemingly meaningful, ideas that when taken together, however, become a statement of nothing particularly concrete.

In the same vein, in a world that conventionally has a unitary, single, monolithic image of money, to say that ‘money is both a medium of exchange … and a measure of value’ (59) is in fact to say nothing because the third function – unit of account – is left out. Likewise, it is alluring to think that the way out of the labyrinth is to travel upwards when

[3] For example, as a plausible explanation of how, in the age of the Consciousness Soul, the economic self-interest associated with our own existence becomes educated and widened out by our Spirit Self, our higher Adam, as it were*, through thoughts and forces that altruism makes reference to but does not of itself generate. * Consider lecture 6, *From Jesus to Christ*, CW 131, Karlsruhe, Germany, 10 October 1911.

one arrives at the center (that being the image behind the twin role of money that Bloom explains) – but that was not Theseus's experience.

Other examples of Bloom not writing as an economist include the following. It may be a moot point, but when he says that '[he does] not think there is any economic text that places caring in an economic framework,' (20) what is one to understand by 'welfare' or by privatization of care homes? (Or the endeavours of some Camphill institutions?) Today's concepts and practice of care may leave a lot to be desired, but do we in fact need a caring economy to balance out the uncaring one? Why not a 'careful' economy in the first place? One, for example, that does not externalise costs in any way.

What is one to make of the idea that 'we live in and by another economy, which lies outside economic discipline, namely that of caring, thinking, and relationships … which have no 'economic' value. These human processes are the essence of a gift economy…' (93) Surely, this reinforces the human being as 'noise' in economics? An I-centered economics (associative economics!) would not be conceived in this way. It would deepen the existing economy, not posit a separate one. All the things 'outside' would become 'inside' because (a) there would be no externalizing and (b) reverse valuation methods would be understood, such as when Rudolf Steinr suggests the value of art is measured by the labor it obviates.[4]

To describe water as a commodity (81) is also strange because water is not made. It exists. It is, however, distributed – but that is a service. The service may be priced per volume of water delivered but that does not make water a good. I mention this because there are things – like water and air – that even normal economics can understand as misdescriptions. And much of normal economics is the problem it is precisely because of the laziness of its nomenclature and its willingness to mis-describe phenomena by borrowing from physics rather tthan developing a purely economic vocabulary.

There are other instances one can give of economics being defective and less than useful because of its imprecision rather than any inherent inability to be precise. For example, the purpose of economic life is not just to meet our earthly needs or, even, as Bloom puts it, '[to make sure] that the physical needs of all human beings are met in order for them to be contributing members of society.' (81) This indeed, raises the spectre of individual existence becoming seconded to the community, whereas the next step in our three-phase sociological evolution according to Rudolf Steiner's 'fundamental sociological law' is 'the unrestricted development of the needs and capacities of the individual.'[5] Keynes has a similar version of economic history, human beings need to be fed and housed and well so that we may carry out what Aristotle calls 'fine actions'.[6] Neither forumulation is synonmous with 'contributing to society'.

While we are nuancing conventional economics (i.e. not yet embarking on associative economics), mention should be made of 'the concept of what is enough.' (108) Bloom introduces this late in his book but does not draw a great deal of attention to it. More's the pity, because the Aristotelian sense of enoughness is a universal self reference, a means

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[4] *Economics – the World as One Economy*, Lecture 13. Search aeBookstore.com.

[5] See *Freedom and Society*, 1896. CW 31.

[6] *Economic possibilities for our grandchildren.* J M Keynes, Macmillan, London 1963 [1930].

of auto-regulation of economic behavior that assures that everyone has enough, especially enough capital, without anyone conditioning or defining what enough is for another. [7]

Having given examples of it, how can one characterize John Bloom's constantly falling short of economics and reaching rather a social commentary or at best a sociology of economics? For example, linking quantum physics to the soul rather than to the act of thinking (100) could be described as an inability to stay forever on the wing, unable to think of economic values unto themselves, not by reference to any other kind of value or domain of experience. Or it could be described as timid, the enumeration of phenomena rather than penetrating them with thinking. For example, referring to faith, hope and love (103) rather than faith, hope and charity; or belief, faith and knowledge (i.e. the evolution of consciousness); or 'faith' when 'trust' would make more sense – as in faith in God but trust in banks (104) – this would go with the grain of well-known idiomatic expressions. John Bloom's formulations are seemingly coherent or orienting but they do not have the impact that underpinning rather than modifying known imagery would.

The charge of not writing as an economist is a strong one, not made lightly. I have amply instanced it, therefore, in part to illustrate the yardstick by which the claim is made. Indeed, as a science economics is generally everywhere fallen short of, even within the profession itself, where much that is said to be economics is often ideology or tropes that do not bear scrutiny, or, as Steiner points out, laws born of importing juridical thinking into economics. John Bloom writes, '…a criticial part of the increased value of a gift [is its] transformation from monetary or trade value to human value.' (93) This is not economics. One either has (and can think) value or not. It is the challenge of anyone seeking to enter economics to be able to think 'value' without reference to any other doman. Failing to do so leads to the wish that economic phenomena could be more 'social'.

Considered next, associative economics suffers even more from this understandable but ill-fated and ultimately unhelpful aim. Economics will not become softer until what one might call 'the Marshallian Detachment'[8] has been worked through. We have to enter into and then out of this vehicle of materialism, not shun it or wish it were not there, or could be more 'social'. Materialism is by definition anti-social.

Why not an associative economist

Bloom also does not 'cut the mustard' as an associative economist. This claim, too, needs illustrating. He uses the term 'economic cycle', (71) and yet, Rudolf Steiner speaks of an economic *process*. Indeed, in his comments on the 1907 stock market crash, Steiner is clear that such an idea as a cycle in economic life is lifted (without analogical justification) from nature in order to clothe – he almost says cloak – the 1907 events in the idea of forces of nature or god, so as to disguise the actual very human manipulations that in fact brought it about.[9]

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[7] See *How Much is Enough? Money and the Good Life*. Robert and Edward Skidelsky. PenguinRandom 2013.

[8] Alfred Marshall is largely responsible for separating economics out from the other social sciences. For a good account of this, see Alon Kadish (2012 [1989]) *Historians, Economists, and Economic History*. London and New York: Routledge. An article about this will be in the September 2022 issue of *Associate!* (see list here).

[9] See 'The Abstract Nature of Modern Economic Life,' in *Rudolf Steiner, Economist. Articles and Essays by Rudolf Steiner, Emil Leinhas and Christopher Houghton Budd*. New Economy Publications, Canterbury 2018 [1996]. Available from aebookstore.com.

From an associative point of view, a cycle is not a fit insofar as it alludes to a loop or going round in a circle and circulation in the materialist (fatalistic) sense. 'Nature's round' is not a cycle; it comes about because the earth breathes in and out. Likewise, one can think of circulation not as the opposite of preservation only, but as the result of economic respiration. If ever there was a concept belonging to associative economics (albeit almost entirely unknown even there), respiration is it.

Similarly, Bloom mentions 'a deeply human energetic level.' (100) Once the idea of money as a thing is let go in favor of money-as-bookkeeping (discussed later), things don't stop there. Just as money qua thing is like a cataract in the eye, preventing one from seeing clearly, so money-as-bookkeeping and accounting generally are unto themselves transparent media, instruments of perception. But this only begs the question: What do we then perceive through bookkeeping? Though here is not the place to enlarge on it, my answer is the will that informs economic activity and behind that, as it were, the karma that unfolds via that will. It is of such ideas that associative economics can be seen to consist, once one has adopted its axioms and traveled beyond its foothills.

But associative economics also includes simpler concepts among its axioms, chief of them being 'true price'.[10] It is the lack of true pricing on *everyone's* part that Rudolf Steiner names as the cause of modern economic life's inequitable wealth distribution.[11] It is this, quite simply, that results in today's extreme have/have-not scenario. But where does Bloom refer to true price on the several occasions he treats of poverty? Nowhere. Not once. Why quote Bill Gates on poverty – '…we have to find a way to make the aspects of capitalism that serve wealthier people serve poorer people as well' (21) – if Gates is not an advocate of true pricing or if Microsoft's pricing policies know nothing of this? Make it on the one hand, give some of it away on the other, is clearly what the 'American Experience' of money is largely about, but one has to ask whether the revenue gathering and capital accumulation of people such as Bill Gates, Jeff Bezos, Warren Buffet or Elon Musk merit mention. Would their business models and business practices survive a switch to true pricing?

In the same vein, poverty and varying degrees of wealth may be 'enervating'(29) in their appearance, but surely such an experience impels one to go beyond this by introducing or at least advocating true pricing, establishing the principle of enoughness, and recognizing and facilitating karma?

But perhaps the greatest surprise as regards Bloom's not being an associative economist is his statement that, 'we lack a source of regenerative economics to complement prevailing materialistic economic science.' (94) While he may have been meaning that associative economics is little known, let alone taken up today, Rudolf Steiner's economics course (to which Bloom owns a debt) can hardly be said not to exist, while if one word were to describe that course it might well be 'regenerative'. More than that, is it really our task to complement materialism – rather than transcend it?

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[10] 'A true price is forthcoming when a person receives, as counter-value for the product he has made, sufficient to enable him to satisfy the whole of his needs, including of course those of his dependants, until he will again have completed a like product.' *Economics*, op. cit. Lecture 6. Note: Steiner says this is a comprehensive formula despite, presumably, its bias to physical production.

[11] See discussion in *Spiritual Science and the Social Question*. A three-part essay originally published in 'Luzifer Gnosis', 1905. (GA 34) Note: Inequitable does not mean unequal. It allows for the differentiation and variations of karma, so to speak, while expecting humanity to organise against undue want through true pricing. From each according to his ability, to each according to his needs,' as Marx felicitously once put it.

Uncertain economic history

My professional background is not only in economics, I am also an economic and monetary historian. This gives rise to a number of other concerns, chief among them is John Bloom's idea that he belongs to the Templar stream (xiv) whose mission 'holds significance for our times.' (xv) Why should this be and what might that significance be? Bloom does not explain, but given his career in that field, it is a fair guess on my part that he associates Templars with banking. This I understand but also doubt. The story of the Templars is one of following and representing the evolution of money rather than banking. If anything, theirs is a task linked to accounting, of understanding money-as-bookkeeping; not of taking ownership of the funds entrusted to them, which is the mark (and problem) of banking.

A similarly axiomatic problem concerns Bloom's statements that money is a human invention (xi), 'a creation and extension of the human psyche.' (98) Or 'an unnatural system imposed on normal human activities'? (99) Where in history is this evidenced? Which historical individuality or culture invented money precisely? More to the point, what does this say about the extensive accounts, such as that of Bernard Laum,[12] of the sacred nature and origins of money, the role of temple priests and the mysteries, and the monastic settings of early accounting, not to mention the special status of those who knew how to write or keep accounts? Not a word of this appears in the course of John Bloom's unevidenced, speculative statements, such as 'it is a likely bet that money emerged as a technology of transactional agreement…'(16) This comes uncomfortably close to the materialist's explanation of money as born of transaction cost saving. One fully understands that this is a clear and classic *effect* of spirit as it takes hold of earthly existence, but it is not *why* the spirit does that, or the cause of it doing so.

Uncertain monetary history

As regards monetary history specifically, this is usually framed without reference to Rudolf Steiner's threefold image of society and, as concerns us here, the relationship of money to the three spheres of spiritual, rights and economic life. Especially, conventional history does not give the emphasis that Steiner does to the consequences post 16th century of the state becoming conflated with the economy, not to mention this being made worse when, in our time in history, we do not take full responsibility for ourselves at a time when first we can. For then the benign sense of the state, as the expression of our collectivity, soon gives way to its malign form – as so many external authorities, especially monetary authorities and chief among them the so-called central banks with their concomitants of fiat money and today's banking-based financial system.

Framed by the threefold image of society, all such phenomena look different to when normally perceived. For example, when Bloom states that fiat money has 'no real or agreed-upon objective valuation basis' (13), this suggests that the governance of the day is not representative of the electorate as a whole, as a single community, nation or a people. This may be as regards its ideological bias, but in principle, whether of left, right or centre, once in government one governs for all – and not jut any electorate, but the tax-paying population on whose funds the state depends and for whom the government is, in theory, the agent. So the lack of an 'objective valuation basis' is an adverse comment, not on fiat money but on the state in our time when operating despite the electorate.

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[12] Laum, B. (1924) *Heiliges Geld*, Tubingen, Mohr.

And yet, whose fault is that? If we all stood in our Is we would give rise to a currency that is de facto 'fiat', as it were, the more so because in a threefold order today's bi-party systems (born of the 19th century) would not exist, least of all the Republican versus Democrat shadow play of the USA. Although one needs to explore and explicate what it would mean, one can safely say that in such a world money would be created by the people for the people, just as, as Goethe claims, the eye is created by the light for the light.

But the 'lack of an objective valuation basis' also refers to something else of equal historical gravity and significance. At the moment in history when threefolding can be declared, everything we are accustomed to understanding in socio-economic history needs to be revisited *before we think about renaming or rearrangng anything*. Center-stage here is the notion, fundamental to modern economics, that the human being is a subjective, self-interested creature and for that reason not to be trusted with our commonwealth. That task we hand to the markets!

This is an example of false polarities (considered later) or oppositions – in this case between subjective and objective. But one only need say between thinking-for-oneself and thinking-for-the other and one escapes this fake dichotomy; for then it would be the case that the more we thought for the other in economic affairs, the more objective, i.e. shared and universal, would our experience of money be. Insofar as every currency belongs *de facto* to a community, whether self-aware or implied, it is a matter of ensuring one paradigm serves all and operates at all levels of community from local through national to global.

At this point, a third level of meaning would then need to be addressed. Until objectivity is born of mutual understanding, we will always be pulled back to the externalized wisdom that precedes such maturity – namely, to gold. Except that this objectivity is no longer valid. However, the way beyond gold is not, as John Blooms suggests, community-supported agriculture (see later discussion) or complementary currencies, because why complement natural, fiat currencies when, per Steiner, it is a one-world currency we should be establishing based on money-as-bookkeeping. Nor do we need global denominations based on supernations (e.g. the Euro) or broad but market-based currencies.

Financialisation

Mention of the gold standard also requires consideration of two key pieces of recent (i.e. 19th century) monetary history which belong in the same breath: financialisation and the stock corporation.

When critiquing what he calls 'extraction investors', John Bloom states they they feed 'their needs in total disconnection from the original purpose and relationship between the lenders and the borrowers.' (19) It is not clear if this is in reference to Rudolf Steiner's description of post 1815 financialisation. If so, Bloom should say as much, so that those who know of this financial analysis on Steiner's part and the importance he attributes to it, and who also assume it to be in the back of Bloom's mind, are not left wondering why he is so silent about it.

I say this because when primary markets are outweighed by secondary markets[13] this is a sign that the I has moved outside its genetic matrix, resulting in life becoming operable from outside, causation becoming more and more reflexive.

Connected to this is the crucial question of whether financial intermediation (banking) belongs in such a world. When Bloom asks 'how can I transform something so abstract and potent as [today's] money,' (99) the answer from Steiner is found in his already cited 1920 essay on 'The Abstract Nature of Modern Economic Life,' where he describes abstract finance as the shell of the nut of abstract existence.[14] This Bloom must know because he straightaway answers his own question by saying that: 'Just as quantum physics can measure the effect the observer has on the field observed, my inner condition affects the social quality of the financial transactional field.' (100) This is very close to Soros's notion of reflexivity: the price you have in mind affects the prices before you. This is the insight he uses in his Quantum Fund, no less. Seen anthroposophically, however, the inner condition of soul referred to is simply the act, not even the product, of thinking.

This is why, surely, Bloom can earlier say that 'the element of change I can bring about through [today's wide-choice] transactions is nanometric, but valuable nonetheless.' (84) Not to mention eminently scalable! Especially, if one starts with the I in economics. Real economic thinking originates in the nano world, not in the coarser, outer affairs which it nevertheless conditions. Just think how modern economic life is entirely held together by an idea – the invisible hand – mentioned by Adam Smith only in passing.

The stock corporation

The 19th century, with its emancipation of money markets from goods markets (to use Steiner's image) is unthinkable without the rise of the joint-stock corporation, which is what many financial institutions, especially banks, are. Especially in the USA, the corporation has come to be seen as having rights 'equal to those of an individual.' (19) I draw attention to this because in two respects this is absolutely *not* the case and these two respects invalidate the remark as a general statement. Unlike a human person, a corporate person (in the USA at least) cannot be imprisoned or put to death. Would that they could be![15]

Epistemology

Underlying my general critique here is the assumption that, when versed in the threefold nature of social life and associative economics, one arrives at one's understanding afresh and not via the conceptual vocabulary of those who are unaware of these things. For example, John Bloom writes that 'only more recently has the acquisition of [money] become an end unto itself and a legitimate measure of worth.' (16) This presumably is a reference to the egotism that has entered into economic dealings consequent on

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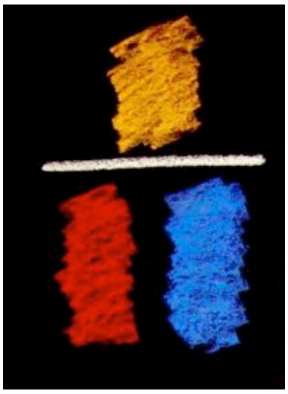
[13] See 'Transforming the Secondary Market', Mark Smith (1997), in *Second Power Economics – A reader in associative economics*, under preparation.

[14] In *Rudolf Steiner, Economist. Articles and Essays*. Op. cit.

[15] For a detailed discussion of this problem, see *The Right-On Corporation: Transforming the Corporation,* New Economy Publications, Canterbury 2004 and *Step into Another World*. Marc Desaules, Anita Grandjean, Christopher Houghton Budd and Christian Thal-Jantzen. Associative Economics Worldwide, 2019. Both available from aebookstore.com.

humanity's descent into individuation and our journey into the wilful West and which, per Steiner, now has to be 'extirpated root and branch' from economic dealings.[16] If so, it is on this kind of detail that modern monetary as also economic history can be predicated, rather than the class struggle concepts of today's capitalist-socialist, republican-democrat divides, with which we are otherwise wont to frame it. This is what the challenge of placing the I at the center of economic existence is all about. And yet nowhere does Bloom avail himself of this I-framework.

These are not moral or esoteric considerations, but simply matters of epistemology, of thinking clearly so that others may follow one's logic or train of thought. It is precisely where epistemology falters in this field that reasoning about economic affairs changes into a concern that they be kept moral or 'social'. It is here also that plausible yet doubtful ideas come about. There are several major examples of this, prevalent in the anthroposophical movement as also in John Bloom's book, which has arguably grown out of that movement. Central are what I call 'misplaced polarities.'



Misplaced polarities

'Money is both spiritual and material. Our task is to find that third place where both realities are always present and potent, and also remain integrated.' (7) This is an instance of a statement with which I fully resonate. It puts me in mind of my 'above the fray' image (adjacent), whereby I represent what I perceive is the need to reconcile two dimensions, each very different in character, by going one level up to where neither holds sway over the other. Or where one finds oneself when one enters into each of the 'lower' two according to their distinct logics.

But this resonance soon dissipates when the epistemology becomes dualistic, as when Bloom speaks of being 'between the poles of quantity and quality…' (13) This is too easy a statement and it sets up many other problems. Indeed, much of the anthroposophical movement loses its way when quantity and quality are opposed rather than contrasted. For it is not long then before a non-economy is posited alongside the actual economy and one begins to look for a social world elsewhere than by expanding today's reductionist or narrow modality into a broader one. One seeks remedies outside the economy rather than within.

This is not where Rudolf Steiner's thinking leads, however. His economics course makes much of a twin theory of value: V1 born of labor expended on nature to produce goods and V2 born of intelligence organizing labor to achieve that end more effectively, and in doing so, realizing itself as or giving rise to money. More than that, when (see Footnote 4) Rudolf Steiner asks how is art valued other than by the labor it saves, obviates, or renders unnecessary, he is saying, in effect that V1 = V2, the amount of labor required by physical existence equals the amount of labor saved by its organization.

This means that one should not oppose quality and quantity, nor prefer it. One needs instead to measure both the labor used *and* the labor obviated. Both can be covered by productivity. When Volvo invested in 'serious' art in its canteen it did so because, *ceteris paribus*, it could measure the increased afternoon productivity that it put down to the

[16] 'In other words, with the rise of modern division of labor, the economic life as such depends on egoism being extirpated, root and branch.' *Economics* – op. cit. Lecture 3.

work force's uplifting lunch setting. Or if, of two schools, one has police on campus because the students are bored into violence, and the other does not because they are engaged in life – does one fund the policed school but keep the same amount back from the unpoliced school? Or does one give both the same amount? (In Steiner's economics course, this is the story of two doctors.) We need only to learn 'reverse' measurement. But we could also trace out the wealth created by the well-educated (all the more effectively because, for example, they typically lack prison costs) compared to the wealth creation foregone by the ill-educated (whose lives often do entail the costs of imprisonment.)

As a rule, in economics it can be more fruitful to speak of contrasts rather than polarities, for then one does not need to think in such terms as 'intangibles [falling] outside the quantifiable world.' (72) Such an idea is bound to lead to a misreading of today's financial story and, at its center, the nature of money.

The nature of money

If there is one thing economists agree on, it is that there is no agreed understanding of money – other, that is, than it is unitary. But precisely because they collectively regard money as one thing, they can argue forever as to its nature because unless it is seen to be manifold, each different perspective on money has to become *the* perspective. The meaning of money is made various because it is captured to suit a range of ideologies. Essentially, today, this comes down to the state or markets as the main contenders, with the complementary field occupied by 'community' money with a typically local, small in scale and often farming-oriented focus.

In order to capture money to their purposes, most people need it to be something, so they can possess it in order to determine and control its value in their specific favor. In practical terms, few people arrive at John Bloom's observation that money is something 'we can neither really own (we have only a right of use) nor control the value of.' (16) However, this raises the question of what is the role of money. Bloom avers that 'its role [is to be] a means toward local and sustainable community.' (79) And yet, whereas sustainable and community are terms that can scale and hold true from local to global, the 'local' qualifier only makes sense if one has a 'folksy' bias – more at home with community-supported agriculture than airplane production, for example. The essential role of money cannot be predicated on small-scale economic cases; however, it needs to be conceived much more penetratingly and much more broadly.

Community-supported agriculture

Bloom's comments on community-supported agriculture (77) are interesting because they entail a bias, as it were, to local, small-scale farming – as if the whole of agriculture can be conceived in that way. And yet, large scale is not synonymous with agro-industry; consider bio-dynamic wheat production in Australia. Not only that, when seen beyond 'folksy' descriptions, community-supported agriculture amounts to small-scale localized future markets, which is its chief *economic* role. People are *not* investing, but pre-buying – with the price of food received in exchange not known until the end of the year. But this money is not lent, it is not due back. Nor do prepayments touch the fundamental question of land prices. Community-supported agriculture operates in the purchase money realm, hopefully inspired by 'true pricing.' But one should not over-emphasize them as an economic model unless one says they express a generic concept – localized futures markets – and so lead one to ask how other aspects of modern economic life could be similarly 'befriended' by consumers.[17]

Money-as-bookkeeping

On various occasions, Rudolf Steiner elaborated the idea of money-as-bookkeeping.[18] Indeed, it is this idea that, perhaps more than any other, allows associative economics to get traction in our times. One might assume that it is to this idea that John Bloom refers when he mentions 'the brilliant accounting system we call money.' (80) But it seems not. At least, he does not refer directly to Steiner's concept of money-as-bookkeeping, even though this is central to his (Steiner's) monetary conception, which stands behind Bloom's extensive career with the Rudolf Steiner Foundation (renamed RSF Social Finance) and is, presumably, the source and reference for all that organization stands for.

Likewise, 'how we work with money in purchasing, investing and philanthropy.' (81) What is this but a disguised version of purchase, loan and gift money? The allusion is not the problem; its silence is. But also, 'purchasing, investing and philanthropy' simply does not have the punch that 'purchase, loan and gift money' does. The world knows only unitary money, so the very notion or iteration of three kinds passes no-one by. No one educated in monetary economics, at any rate.

Concerning finance

It is with those versed in mainstream modern finance (and so the teachers of everyone when it comes to money today) that we need to enter into dialogue. And probably, to begin with, on terms with which they are familiar – although their eventual meanings may change. It does not help, for example, to refer to 'social finance', (73) because this suggests finance as such is not already social. It would be better to identify finance when caught by egotism as 'anti-social finance.' That would draw attention directly to Rudolf Steiner's fundamental argument that our problems are not with money or finance as such but with the egotism to which we harness them.

And why continue currency of 'risk/reward' language (75) when that means risk of not being able to preserve one's capital (i.e. get it back) and reward for those who outsmart this risk? How different, for example, if one thought, instead, of the risk of young people losing their way in life for wont of capital being freely placed at their disposition? And reward for those who do so? This would in fact make sense of Bloom's search for 'an argument in favor of circulation rather than accumulation, of direct rather that indirect transactions…,' (76) an argument made notwithstanding a career linked to lending. On the subject of loans and lending one can also raise questions: Is interest 'the cost of the use of the money'? (101) I know every textbook says so, but is it true? Is that not just an excuse, while the true meaning is linked to the Latin word *interesse*?

Are loans subject to contracts but purchase not? (101) I think not. A loan typically has an explicit, documented contract; a purchase is a contract *de jure,* implied. Likewise, is it

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[17] Without gainsaying it in any way, it would be interesting to ask, also, how community-supported agriculture scales up and, therefore, what its role could be in agriculture as a whole. What percentage of 'Demeter' farms rely on this for example?

[18] See *Perspectives in Finance – Contemplating double-entry bookkeeping.* Fionn Meier and Christopher Houghton Budd. Available from aebookstore.com.

true to say ‘a loan … is driven by a physical need’? (101) While that is true of means of production, it is not if one is borrowing to do a doctorate. Similarly, does a loan ‘refer to an event in the past’? (101). It is more likely focused on an event in the future – the realization of the thing the loan is intended to make possible.

And then, what of ‘[an investment represents] a dynamic tension between community interest and self-interest’? (102) This is another false polarity in that both borrower and lender are likely to be initially self-interested (the one to have use of the money, the other to get it back); but they may also be community-interested insofar as they together probably think that the community will be the beneficiary of the borrower’s use of the loan and the lender’s advance of it.

All these are nuances, not nit-pickings. It is by such finessing of our thinking that dualism is avoided and the stage set to rethink today’s reductionism in favor of a more considered and therefore more precise understanding of finance. Without this, the anti-social dimension of modern finance will remain unaffected. One has always to remember that insofar as it is facilitated by banks or bank-like entities, much ‘social finance’ is subject to the same criticisms as finance in general – capital preservation, funds collateralized to land, risk aversion, fake money creation, and so on.

Many in finance are aware that they are at the edges of their consciousness. They know, too, therefore, that at that place the talk is not about alternatives or complementarity. It is about, having evolved, it is time to involve, and then to create out of nothingness.[19] 2008 was one such moment, at which it is meanings, not words, that change.

The gift economy. Not

Perhaps, in terms of the substance of *The Genius of Money,* the most important terminology to appraise concerns Steiner’s idea of ‘gift money’. As meant by Steiner, this is a quality of money, the ‘color’ it takes on when in that stage of the economic process it is a proxy for the financing of human capacities. In a general word, spiritual life; but with financial and economic sharpness, capitalizing the initiatives of individuals. It is ‘gift money’ that operates when, at the closing entries, excess capital is identified and transferred from the sphere of loan money into that of purchase money. (For to transfer money from one entity to another merely for it to be put back in a bank does not alter its type or location. Only when one person’s excess loan money (unused, unneeded or unallocated reserves, for example) is transferred and spent away by another can ‘gift money’ be said to be operational.

This means that a donation is not *de facto* a form or expression of ‘gift money’. That depends on what the recipient does with it. There is no synonymity. And it is in this sense that this critique focuses on Bloom’s ideas about ‘gift economy’. (But not only his; he articulates some very widely-held views in the anthroposophical movement. And bear in mind that it is in that movement, nowhere else, that ‘gift money’ is a concept, part of the triptych of purchase, loan and gift.)

Bloom states ‘without charitable gifts there would be no economic activity at all.’ (71) This is unclear in that a charitable gift presupposes that the amount given away has first been accumulated – i.e. is the result of prior economic activity and, therefore, profit

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[19] Alluding to Rudolf Steiner lecture cycle *Evolution, Involution and Creation out of Nothingness*. Berlin 1909, CW 107.

generation. Similarly, he says that 'gifting processes … preceded' modern economic life. (71) But surely, if money has three kinds, the question is how did 'gift money' look in pre-monetized societies, how have the three qualities manifested all along the human journey?

As already commented on, John Bloom imagines a 'gift economy' or 'care economy', a key purpose of which is to 'renew the human spirit.' (71) But is this really a role of donations to cultural life? Is the human spirit not best renewed (better put, enlivened) by being capitalized for the initiative one wants to take, while the economic role of culture, education, etc. is better described as pure consumption?

Part of the confusion here, is the assumption (spoken or not) that Rudolf Steiner's concept of 'gift money' is a synonym for donation in the sense the Internal Revenue Service would understand things. To my mind, there is no such synonymity. As if to make my case, Bloom cites 'the standard [IRS] acknowledgement line … which states that you have received no goods or services in return.' (106) The corollary of this is that 'taxation [is] a form of monetary gifts.' (72) But this one could also describe as 'forced profit sharing'. Donations belong to a tax concept whereby excess capital in one entity is transferred without tax charge to another. As noted earlier, however, this can mean the funds remain stocked on a balance sheet and not expended – i.e. loan money and not gift money.

This is especially important to note when one recalls that from a strict accounting logic point of view, whether an entity is a for-profit or a not-for-profit; both make a profit (internally generate capital). The difference is that the not-for-profit is not allowed to distribute its profit to private parties, hence its income tax exemption. In an associative economy, however, capital transfers would be done directly between agents, obviating the need for the state to do this. Taxation would simply be a charge on *all* activities levied to cover the state's legitimate revenue requirements in threefold terms – i.e. without costs associated with state involvement in spiritual or economic affairs, since such involvement would not obtain.[20]

Further confusion arises when Bloom says; 'a gift increases in value when it is received.' (86) From an accounting point of view, if one is talking about a donation this is not what happens. The value to the giver goes to zero; in the hands of the recipient new value arises, depending on what the recipient does. Nor does the value of a donation 'increase for the benefit of culture and humanity…,' (93) except in the most general of senses and by way of effect. Practically, the beneficiary is the recipient and s/he will likely be taxed on it unless s/he can show the benefit was passed on in some way. The Red Cross, for example, may be exempt from tax on its income, but not so its employees.

The American experience (of money)

If, as I set out to do, I have largely demolished the concept of 'gift economy' as a surrogate for 'gift money', I have done so in order that a clearer perception of what is involved may be had. As regards the USA in particular, the technical meanings of the IRS are important because they are functional and without moral or conceptual baggage. Notwithstanding that, as already noted, accounting disproves this notion, they are also what frame the habit of making money on a commercial (albeit often egotistical) basis,

[20] Per Steiner, this would also not be levied as income taxation!

and then identifying excess, which is transferred via rights legislation to be used in projects that are thought unable to generate value of themselves – i.e. the tradition of creating private foundations.

This systematized habit of making money in one part of economic life then giving it away in another is what Bloom seems to be calling 'the American experience of money'. (64) It is this idea that my entire critique is designed to culminate in and draw attention to, but also to take to a new place.

Although I may be thought to make more of the idea than John Bloom either does or intended, 'the American experience' is my main take-away from his entire book. It is this that could really be the mark of money's genius! Quite what John Bloom means by the idea or whether it is an idea of his own devising is not wholly clear, but it strikes me as one of those ideas, not unlike 'the invisible hand', that have a certain ring to them and take on a life of their own.

In Bloom's account, the American Experience emerges from when 'the desire for money as a tool of culture was implanted into American consciousness early in its history.' (63) This sentence is freighted with important potential on four counts at least. First, the idea of money, not for exchange, but 'as a tool of culture'. Second, the suggestion that it was implanted, that it did not arise out of events. Third, it is presumably European in origin and genesis, rather than born of the peoples inhabiting pre-colonial America. Lastly, 'early in its history' indicates that we need to go back to the beginning of the USA in order to revisit its financial history as something intended and 'man-made' rather than a 'natural' development. As we do so, we ought also to ask if the American experience is unique to the USA, what its uniqueness consists of, and whether, even so, it is capable of worldwide adoption and replication. (Answering these questions would enable one to answer many others, such as to what degree does the USD as a world reserve currency lie with the grain of history, since and until when?)

This is not a topic to be gone into in any depth here. But (at least as concerns this critique) it needs to be taken up for three main reasons. Firstly, an associative economic history might very well see Jefferson and Hamilton, as indeed Lincoln and Emerson, in a new light. Secondly, insofar as US financial history and the American experience involve property rights, the I-centered society that threefold society and a single global associative economy both presuppose and pre-require, means that the reason for property rights of all kinds is not for the sake of property itself or its possession, but in order that in the fullness of time *every* I-being may take hold of and become responsible for earthly existence through the medium of fulfilling his or her own task(s) in life.

Thirdly, to think in this way is to pass from quasi or timid anthroposophy to direct and courageous expression of it, as one can illustrate by saying, for example, that property rights are an instrument of Spirit Self, not of one's private self.

Philanthropy

The word philanthropy hints at this. Its modern financial meaning is discussed below, but it is useful to remember that the word has two parts – *philo* and *anthropos*, for the love of man or one's fellow human beings. That one expresses this love by transferring capital or giving money says a great deal, of course. As the Consciousness Soul age matures, it is bound to be that Spirit Self become more 'operational' and more generally so.

That means that with the fullness of time every human being, not just a few who are thereby made famous, will be able to identify wealth that is surplus in circumstantial fact and it will become the norm to shed oneself of such surplus in favor of others, pro rata of one's circumstances, and on a matter-of-fact basis.

John Bloom states that 'philanthropy is made possible through an extractive and accumulative process,' (93) but this is not necessarily and not always the case. It, of course, presupposes excess capital on the part of the philanthropist, but this excess can be of a wide range or scale (the widow's mite included), as well as benign and deliberate in origin. It can also become an embedded technique, part of everyone's closing entries activity, provided that at that point every entity or person ensures, for example, that all prices paid are 'true' – the very opposite of today's socializing losses and privatizing gains culture. Bearing in mind that much of today's capital accumulation is thanks to this culture, one can reasonably state that the generalization of philanthropy will increase in ratio to the decrease of the current narrow and privileged version linked to today's economic egotism. This is what one might call I-philanthropy. If this is what the American experience of money can become, then the entire financial history of the USA merits urgent revisiting, as also the financial behavior of all those who belong to it.