



The Riddle of the Nerves

Towards a True Understanding of Work

Impressions of the
15th Annual Economics Conference
Folkestone, 22-26 June 2016

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Compiled by Arthur Edwards



The Riddle of the Nerves Towards a True Understanding of Work

Impressions of the 15th Annual Economics Conference

"No one ... can gain a right understanding of man's relation to work who builds his concepts ... upon the misguided distinction between sensory and motor nerves."

– Rudolf Steiner, 23 April 1919: The Necessity for New Ways of Spiritual Knowledge

"I think it is futile to speak of political problems if one does not first have a certain conception of man. Any policy implies a certain idea of man, and promotes a certain type of humanity – whether one likes it or not, or is conscious of it or not. So what is the definition of man on which we can agree... We are here because we know that man is a doubly responsible being: on the one hand as concerns his own unique vocation, and on the other hand as concerns the community in which he carries out his vocation."

– Denis de Rougemont, Montreux Congress, 27th August 1947: 'The Federalist Attitude'.

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Introduction

Arthur Edwards

The 15th Annual Meeting of the Economics Conference was a memorable occasion. In the first place the unusual and challenging theme of the conference – namely, the relationship between an understanding of the nature of the human nervous system and bringing health to social life – was bound to be stimulating. Added to that the timing and location of the event felt auspicious in itself, namely during the week of the momentous EU referendum and in Folkestone, a town that in many respects has been a gateway between Britain and Continental Europe. And then finally the form of the conference itself, a constellation of individuals from around the world gathered as a community each year, encountering Folkestone in different venues. What follows is an attempt to represent some of the varied impressions that participants experienced – a more formal report based more closely on the content of the sessions, entitled



'Inner Aspects of Financial Literacy' has been produced by Meg Freeling and is available from the Economics Conference website: economics.goetheanum.org. The content was diverse and manifold but woven together by a golden thread, so too the traces bring out different colours, which, naturally enough, represent the participants' own experiences rather than an agreed position. All pictures were taken by participants at the conference.

Content and Impact

Daniel Osmer

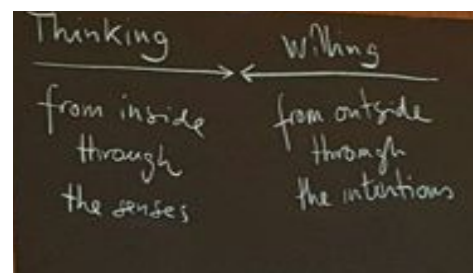
First, I want to say something about the content and impact of this year's Economics Conference. This was the most community-integrated event that I have been to in a long time. The conference itself moved and weaved through the town of Folkestone giving us the opportunity to meet the locals and experience a variety of establishments. The ample 'space' between activities allowed for important and intimate dialogue among the participants. In addition, it was beneficial to have a number of local business people join us. With the looming 'Brexit' decision in the background, there was extra weight and poignancy added to the occasion, as well as their perspectives. Much of the conference content was new and stimulating, even challenging at times. All for the good. Lastly, I want to thank the organizers for allowing time in the schedule for participants to describe their projects and initiatives.



The Nerve

Meg Freeling

To awake in wonder at the news of the night
 When the outward-facing nerves are still and
 The inward-facing nerves
 Descend into the heights
 As first responder to expansive ether realms.

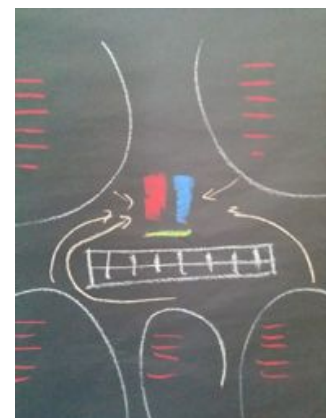


The periphery comes whooshing in
 And we are simply moving
 To where we need to go
 And what we need to do.

Then the outward-facing nerves wake up,
 See what is happening and
 Form a mental image of that moment –
 To remember who we are.

From here we can get to work.

– Meg Freeling, Columbus, OH, July 5, 2016



An Instrument of Joint Endeavour

Christopher Houghton Budd

The 2016 meeting took place against the background of Folkestone's regeneration and 'Brexit'. For this, the contributions of Marc Desaulles on money and the nerves, on economics as "the science of the laws from the other side (of the threshold) which permit no egoism," and on the challenges of a European confederation were an important foil.



Similarly, Kim Chotzen struck an important note early on when she suggested that without financial literacy the Anthroposophical Movement will become sealed off from the world. Conversely, *with* financial literacy it would be able to rise 'above the fray' and so, through its financial example, shine a light onto or out of the future.

Our deliberations also took place against the background of a remarkable lecture on the double nervous system given by James Dyson. Here is not the place, and I am certainly not the person, to recap what was there said, or rather, done. But one thing struck me: It will be a long time before doctors understand the nervous system.

At the end of our meeting I could not resist the thought that if one wishes to understand the epistemology of the nervous system one way to do so is through that associated with accounting. On reflection, this is not such a strange thought. Does Rudolf Steiner not begin his lecture on economics by showing that we do not think with our brain but with "that which flies away from the earth"?

To experience this, we need an instrument of joint endeavour. This is what I believe the Economics Conference Fund can become – shared work that is at the same time linked to the Accounting Process/Exercise, which again became the focus of our research.

Indeed, I see this work as something that can take us to the heart of today's economic life in general – from which the financial affairs of the Anthroposophical Movement cannot be separated. Conversely, if we can act from the other side in what we do, we will not leave modern economic life unaffected. Indeed, one can argue that it is the lack of 'other side economics' on our part that is at the root of today's problems. In that sense, working on the EC Fund is a meta event; it prefigures what can happen outwardly.

Furthermore, when at the 2016 GAS AGM Marc called on the Vorstand to recognise only the one condition for membership of the School, he created a new situation – one that needs to find its echo in the financial deeds of the Economic Conference in particular. In other words, as Stephen Vallus recently put it so felicitously, we need to build the EC Fund "for the sake of the Being of Anthroposophia" – 'sake' being a more poignant rendering of the German "Sache".



Spanning from concept to practicalities, such a thing as the EC Fund touches on many topics. Insofar as it is an endeavour to bring onto this side of the threshold a reality that has its roots on the other, it can be said to entail Rosicrucian finance. By that, I mean a number of things. Firstly, that it should be done because it can be done; not because others should do likewise. Secondly, that it should be done as completely as circumstances allow and that it should be documented, so that we know that it is in, even if it is not of, the world.

These are all matters of moral technique, meaning they can be apprehended but not necessarily comprehended by 'normal' consciousness and therefore serve to refute materialism while leaving one free. On the other hand, the EC Fund should not entail or require anything that the 'normal' mind cannot grasp. There should be no imperative to follow on with the corresponding deeds or will activity – for that is one's freedom. The point is to act in such a way that no-one can say it cannot be done.

That said, one needs to proceed on the meta level, on the other side of the threshold, aware that thoughts conceived there can then be incarnated by being clothed in the appropriate values, then as "crystallised feelings" expressed via laws grounded in equity. This is a level above the choice of 'body' or entity one uses to give such thoughts earthly existence.

Further the 'laws' of accounting are also meta-legal. The 'law of the land' can only give accounting's laws expression; it cannot modify them. By this I mean that accounting, not banking, the process Single Entry → Double Entry → Closing Entry → Balance Sheet – is the Templar technology of today. Spreadsheets and associative financial literacy are today's tools for the right conduct of economic life.



The meta-legal existence of accounting is evident also in the fact that a world currency impliedly exists where all national currencies strike off. In terms of today's national economic modality, accounting is supra-national. That means three things:

1. It is above numbers
2. It is above taxation (national jurisdictions)
3. It is above foreign exchange

The first of these refers to the structure of accounting. The second is achieved if the EC Fund takes place within not-for-profit entities. The third can be achieved by the device of the Hibernia currency (HIB) initially placed on a par (1:1) with the CHF (thereby giving the GAS a world currency).

The next level concerns the principle that the user, rather than the provider of capital governs its use – in order to circulate capital per competence rather than preserve it.

To give this effect needs a 3-step designation. In addition to the existing direction of funds by donors or agents, a new category is needed – recipient directed donations.

None of these things are complicated to do. It is a matter of finding the will to do them. Cohered will, moreover. This will take time and patience, but we have made great strides in this respect. The numbers may be small, but the karmic coherence has been significant.

Finally, inasmuch as our gathering handled such serious and far-reaching themes in the setting of a 'live' urban economic regeneration project, this is perhaps testament to the nature of section work as regards economics. By definition, economics is a science of the invisible and concerns every human being. It cannot be that it takes place outside the retort, away from the world or in the ivory towers of academia.

Traces of Folkestone

Kim Chotzen

Kim Chotzen produced a report that endeavours to show how the big pictures working in the background of the evolution of the human being, such as the changing nature of mystery knowledge, can be linked very directly to the apparently mundane technical methods by which human activity is accounted and therefore made conscious.

"The view from the harbor in Folkestone, England, outwardly looking over the sites and sounds of what one century ago were of war, reaches to the East – all the way to Russia and beyond – and to the South and West, out to the Atlantic and the edge of Atlantis, where once the great being Skythianos inspired the mysteries of Hibernia for the sake of humanity's continuing evolution.¹

From this vantage point, participants of the 15th Annual Meeting of the Economics Conference considered great questions of our times, almost too great to put into words, beneath the beacon of a lighthouse flashing in code the message 'Earth Peace'² eastwards across the English Channel. In the shadow of the superficial yet highly symptomatic referendum decision that Britain took to leave the European Union, on the third day of our meeting, St. John's Day, we spoke of Europe³ as a confederation⁴ of autonomous cultures, not a supranational state, receiving this idea as into a chalice of protection for the forces of an economics worthy of the future of humanity.



What traces remain of this event? What are the steps that can and must be taken? In the words of Daniel Dunlop, what is the impossible that alone is worth doing?



Taking from Rudolf Steiner's symptomological characterization of world history, Sergei Prokofieff describes how in the 12th century, a crisis in Europe was evaded such that Western civilization – and indeed all of world evolution – was saved from destruction through a sacrifice that the East Slavic people took on themselves by enduring two centuries of cruel hardship under the oppression of the Mongols. In Prokofieff's work, one learns that what lived in the souls of the East Slavic people of those times – namely the impulse of cosmic Christianity that had found its way to that part of the world from Ancient Hibernia – and what the Grail Mysteries in the West of Europe had instilled in human souls – were sufficient to invoke the help of spiritual beings who interceded to prevent the complete ruination of earth evolution at that time.⁵ During the crisis in Europe leading up to WWI, Rudolf Steiner exhorted people to understand the spiritual reality of beings behind nations, as opposed to the notion of nation states that loomed as a materialist spectre from the West. When

¹ Prokofieff, Sergei O. *The Spiritual Origins of the Eastern Europe and the Future Mysteries of The Holy Grail*. Temple Lodge Publishing. 1993.

² Art installation by Yoko Ono, Folkestone Triennial, 2014

³ A reference to Maria Schindler's *Europe, A Cosmic Picture*, [redacted], in which Europe is described as a vessel of 12 main folk souls.

⁴ On the day after the 'Brexit' vote, Marc Desales read the 6 principles of a federation from Denis de Rougemont's *The Federalist Attitude*, an address given at the Montreux congress of the Union of European Federalists, August 27, 1947.

⁵ *The Spiritual Origins of the Eastern Europe and the Future Mysteries of The Holy Grail*. Op cit.



Steiner's warnings went unheeded, he urged people to take up the ideas of the threefold social order at the end of WWI, which still they were not able to do. He then placed the emphasis on a free cultural life, the higher aim of the subsequent Waldorf schools and *The Coming Day*.⁶ Then, in 1922, he presented a new language⁷ necessary for the preservation of humanity in the form of the economics course, followed the next year by the Refounding of the Anthroposophical Society during the Christmas Conference of 1923/24, a Deed that gave practical expression to economics for the future.

How can all this be comprehended in 'modern' terms? How does the intention of the Christmas Conference, *that good may become from what we from our hearts would found, what we from our heads would direct in conscious willing*⁸, come near to being a true possibility on earth? And how will we, using true Rosicrucian methodology, know that it is so?

One of the conference themes addressed Rudolf Steiner's challenge that until we understand the riddle of the nervous system, we will not have the right thinking to transform social life. Modern science wants us to believe that an impulse from the brain causes movement in the limbs. Anthroposophical physician, Dr. James Dyson, presented profound anthroposophical research on the nervous system. He explained that the movement of the limbs is that which allows the *perception* on earth of an ideal inspired from within. In other words, the so-called motor nerves exist to render human intentions visible.

As Marc Desaulles so clearly reminded us, similarly, in social life, we need a tool, a way to recognize ourselves in our doing. When we embark on activity in the world, we are met with darkness, there is no map. Nothing of this world will give us a reflection to help us recognize ourselves. Rudolf Steiner describes the economic scientist as one 'in the retort'⁹ who is therefore unable to observe his activity from outside. Accounting is the tool in economics that creates an image of that activity, making it possible for the 'doer' to observe the process of unfolding intentions through deeds and to measure whether the two are in alignment. Money is the outcome of activity, of myriad human intentions, the last trace of the activity, as the ashes are a trace of a fire.

As modern human beings, our main challenge is to know on which side we are of the threshold that lies between the material and spiritual worlds. The modern initiate does not need to develop access to the spiritual worlds. He is already there, even if unconsciously, and needs a way of orienting to that modern reality. As such, the modern mystery school is one in which thinking (idea) and willing (enactment) are two poles, between which every human being is situated. The initiate chooses to become conscious of this fact, taking full responsibility for the outcome – the ash – and thereby stands before a final judgment of sorts with



⁶ Rudolf Steiner, Christopher Houghton Budd, *Rudolf Steiner Economist*, New Economy Publications, 1996, Appendix - A Brief History of Der Kommende Tag.

⁷ Rudolf Steiner, *World Economy*, Rudolf Steiner Press, 1972, p 16.

⁸ Christmas Conference Proceedings, Foundation Stone Meditation.

⁹ World Economy, op. cit.

each consideration of the trace left of his earthly deeds – which he can plainly see in the accounting of the activity.

Could it be that if this modern mystery path were to live in enough human souls, the great beings who work on behalf of humanity might be invoked to rescue earth evolution once again? As dry and 'lifeless' as figures in a financial statement are – reminiscent of the dead ends of our nerves – behind them nevertheless stands a huge cosmic reality: In accounting we can read the truth of our intentions. Do we, though, have the courage to look into that mirror and follow its promptings?

Conventional and Associative Foundations for Accounting

D'Arcy MacKenzie

	Land	Labour	Capital
	↓	↓	↓
Conventional accounting - as expense	Rent expense Based on lease/contract	Wages/salary employment contract union rules	Interest on loan terms of loan
- as other (note 1)		Profit sharing/ bonus Stock options (a)	Dividends based on "profit" assuming land, labour treated as expense
	↓	↓	↓
Gift – closing entries (note 2)	Rent based on success of business, entity (a)	Profit sharing?? payment to labour based on true price Pre-funding labour – pay people in advance so they can do the work they need to do	The needs of the one providing capital (b) Inquiry into depletion of natural and or social capital (c)

Under the heading **conventional accounting**, I give basic examples of how payments for land, labour and capital are treated. There is often an associated legal agreement (lease, employment contract) or legal requirement such as minimum wage. Under heading **Gift – closing entries**, I have attempted to replicate what Marc showed on the last morning in Folkestone.

Here decisions are not based on contracts or convention but on conversations or dialogue. In other words, decisions flowing from the needs of the other and the whole, not on leverage and contract. This is illustrated by Dennis Klocek's distinction between Discussion, Conversation and Dialogue:



- Discussion has the quality of water, in that it flows one way or the other. This can be thought of as the argument, persuasion. Me trying to convince you.
- Conversation has the quality of air. Con Verse – making poetry or pictures together. It is about hearing the other.
- Dialogue has the quality of fire – burning away of old assumptions and mental picture. Dia Logos – my I Being to your I Being.

Notes:

1. There are two examples where payments to labour and capital could be said to be of the nature of gift. The first is profit sharing paid to employees. These are after based on contract or formulas based on "performance" as understood usually in a materialist sense – no consideration of true price. Dividends paid to stockholders can be seen in the same light: based on formulas, no distinction between the holders of the capital, whether hedge funds, pension funds, elderly investors, etc.

a) Stock options have a unique quality which creates further confusion because it has elements of labour and elements of capital. They are a vehicle of egoism – managers manipulating outcomes to boost/maintain stock market price.

2. The key under gift money is that payments are not decided based on contract or narrow notions of performance. Contracts of agreements might be used as a guide. A proper formulation of true price would be a better approach.

a) It is quite common to have rental payments based on sales or profit. The key is that the rent be based on the underlying success of the entity, not on the market price based on high real estate values (capital getting clogged in land). Inflated real estate is a destabilizing force as through "market rents" businesses close or relocate, bringing in new "higher end" businesses.

b) If the provider of capital is, say, an elderly man or woman who relies on income from their capital, it might be right to allocate a larger portion of the surplus to the provider of capital

c) This refers to issues of natural and social capital which are very real but not reflected in accounting. To use the example of oil: it develops over millions of years, and we use it up in a few generations, and in Anglo-American countries, we give the surplus mostly to investors, rather than setting it aside for entrepreneurs and research who can help us move into a world without oil.

A Quote from Steiner

"And we do not foresee, when someone who is an industrialist possesses money, from whatever source which has been wrongly transformed from loan money to gift money and pays his workmen with it, that the result will be quite different from what it would be if he paid them, say, out of pure purchase money... In effect, the more someone is obliged to pay his workers with pure purchase money, the less will he be able to give them – that is to say the cheaper they will have to deliver their products."

– *Economics* (pp. 150-151)

DNA and LLC: Trimming the Tab

Meg Freeling

A trim tab, as used by author R. Buckminster Fuller, is a small tab on the rudder of a ship that can turn the ship in a new direction more quickly than the rudder itself can. Thus, what turns society toward a new way of doing things. In an article on economics appearing on the Swiss website for an ongoing project called *Fonds Goetheanum*, Marc Desaules identifies three aspects of the human being that need to be given attention if individuals are going to be able to thrive in the world that is unfolding today (www.fondsgoetheanum/economics.ch). He says,

"Each human being comes into relationship with other human beings in three very different ways: through his needs, his dignity and his abilities. In order to satisfy his needs, he requires the products of others. Dignity he derives from the way he is treated and appreciated in his social environment. This is something very different to the satisfaction of needs. The third aspect, his abilities, he experiences perforce of being an individual. And yet he owes the development of his abilities almost entirely to his fellow human beings. For each and every person, needs, dignity and abilities are



doorways into separate and different worlds of experience. If today's individual human being is to develop and live in a healthy relationship with his community, the social space needs to be consciously designed and ordered to that end."

DNA

Dignity, Needs, and Abilities become a more all-encompassing DNA that distinguishes the lives of individuals today. Marc relates these to three socio-economic structures and then to three distinct qualities of money that align with the three

ways of relating to each other. 'D' refers to **Dignity**. "The rights life of today's many states should ensure dignified relationships between their peoples and uphold the dignity of the individual." 'N' refers to **Needs**. "Meeting everyone's needs is the task of the economy as a whole – comprising the wide universe of production, trade and consumption." 'A' refers to individual **Abilities**. "With its different approaches to education and training, modern cultural diversity serves the development of individual abilities. In this way, human beings become free, but they also become bearers of conscious responsibility."

This is linked to the different qualities of three kinds of money:

In light of the three kinds of money that can be used as a means for fine-tuning the economic life – which is now seen as a vital but integrated part of the larger social organism – the new DNA can serve as a trim-tab for this fine tuning. As one becomes conscious of the desire to live in a space of **Dignity** with each other, one discovers the importance of *loan money*, because it requires mutual trust between individuals over a period of time. As (through accurate financial accounts) one becomes more conscious of one's own specific **Needs**, and then of the specific needs of others with whom one exchanges goods and services, one discovers that *purchase money* is the way to make sure that the prices paid are true to the needs that must be met by each. And as one becomes conscious of the individual **Abilities** that want to come to expression in both oneself and others, one recognizes that *gift money* is the most practical medium to set free the unique talents that each individual can responsibly give to the world.

LLC

In our legal understanding of business entities in the United States, LLC is used to mean a Limited Liability Company. It is recommended as the business structure to use for most sole proprietorships and some small partnerships because it protects the owner/s when they invest their own capital into the enterprise. It limits their liability if they are sued for infringements on the rights of others. As commonly understood, it makes it less risky to go into business for oneself.

In contrast to the above LLC, a different meaning of LLC is emerging that brings a lively new dynamic into one's economic conversations. As fundamental elements in economics (and their reflections in accounting), LLC has long stood for **Land, Labor and Capital**. Recent thinking in economics (see *Associate!* www.cfae.biz) sees these three as providing the essential context for all business transactions. This means that, instead of allowing them to be "buried" in the expense or equity accounts of standard financial statements, these LLC elements can now be brought into full consciousness, re-connected with the human beings who



stand behind them, and become part of contractual conversations with those who enable the profitability of the enterprise. Practically speaking, Land shows up in rents, Labor shows up in remuneration (wages and salaries), and Capital shows up in interest transfers. So the new LLC is a company based on conceiving the 'compensation' of Land, Labor and Capital in a new way, albeit still reported within a regular accounting framework, so that all participants in the next production cycle help to set the stage for its success. (See Chapters 4-5, in Rudolf Steiner, *Economics: The World as One Economy* (1922, 1996))

The two 'trim tabs' presented here are offered to help speed up the turn toward certain changes that need to happen if modern economic and social life are to avoid collapse. When we start using 'DNA' to mean the "Dignity, Needs and Abilities" of every human being, and when we use 'LLC' to mean that "Land, Labor and Capital" rather than being commodities, are actually the contexts of production that enable a wider success when approached through mutual respect and collaborative effort, we can trim-tab both the economy and the social organism it is meant to serve – and thereby, re-direct our course.

