

# **WORLD GOODWILL Seminar**

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## **The Spirit of Money and the Divine Circulatory Flow**



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## OPENING ADDRESS – Dominic Dibble

Good afternoon everyone, and welcome to the World Goodwill Seminar, which this year is focusing on “The Spirit of Money and the Divine Circulatory Flow.” We are holding meetings on this topic at all three of our main centres, London, Geneva and New York, which, coincidentally, are three of the most significant world centres concerning money – indeed, our New York offices are on Wall Street!

As we continue to experience the effects of the global financial crisis which began in 2007, the time seems ripe to take a closer look at one of the central components of the economy, money. From one angle at least, money may seem simple – isn’t it just the bits of paper, metal and plastic we all carry around and use to exchange for things? But when you start to think a bit harder about what money is, and what it does, then your head may start to hurt. It’s a peculiar human creation which somehow facilitates the flow of goods and services throughout the world. It can apparently both store and measure at least some kinds of values. And it can be turned into financial products of Byzantine complexity. There are so many angles from which one can approach the topic, that today we can only scratch the surface. But no matter how small our understanding of the technical side of money, we can all contribute to re-evaluating its role within our own lives, and within the wider world.

When I was thinking about how the seminar should start, I must admit to the slightly mischievous desire to begin with the famous intro to “Money”, the Pink Floyd hit. Why didn’t we do this? Well, partly because I couldn’t find out whether it was actually going to cost us any money to play it. But later on, we’ll take a brief look at some of the lyrics of “Money”, to see what they may reveal about our attitudes to money.

Before we do, let’s consider what might be meant by “The Spirit of Money”. There’s an interesting tension in this phrase, because it seems to be a fairly commonplace belief that money can have nothing to do with the world of spirit. Where does this belief come from?

There are probably a number of interconnected sources for this notion. From the grand cosmic angle, we might identify what in a number of systems of thought is a classic duality, that of Spirit and Matter, with money often being seen as essentially on the Matter side of the balance, as facilitating what we may think of negatively as “materialism”. But this is only a problem if this duality is seen as somehow irreconcilable: if you instead accept the notion that Matter is simply Spirit at its lowest point of concretion, then this duality is resolved into a unity, and money is freed from being seen as somehow negative. Instead, there is the prospect of an enlightened or spiritualised materialism, facilitated by right flows of money. This idea is one we will work with in meditation later on today, and it forms an essential back-drop to all of our discussions.

Then there are stories and sayings from some of the scriptures of the world that might lead us to think of money in a negative light. Here are two examples: first is St Paul’s remark to Timothy, usually quoted as, “The love of money is the root of all evil”. “Love” in this context is probably intended to mean “strong desire”, and this association of money and desire is something we will shortly look at. But one could interpret this remark as indicating that it is possible to imagine working with money in ways that do *not* involve desire, but rather intention, thus potentially freeing it from its association from evil. Second, there is the story of Christ driving the money-changers from the Temple. However, from His reported comments that the money-changers were turning the Temple into a “den of thieves”, it would seem that His anger was not directed against money itself, but against their predatory profit-making. So it would seem that money has received a slightly undeserved “bad press”, and that it is possible to discuss its positive use in a spiritual context, which is what we are seeking to do today.

Let’s begin by reflecting for a moment on what meaning money has in our lives – what feelings and thoughts are stirred up when we are thinking about money. One approach to this is to examine the attitudes to money present in popular culture.

So first, we'll take a look at the association of money and desire, and also fantasy, through the lens of those well-known economic thinkers, ABBA. In the song, "Money, money, money", we have a young woman bemoaning how hard it is to make money, and imagining how all her problems would be solved if she could find a "wealthy man". Then she dismisses this idea as unlikely, and decides the only other option is to win a large sum in a casino – which is of course about as likely as catching a wealthy man. So we see here two strands of the emotional nature working out – the strong desire for the easy life which money can buy, and the use of the imagination to indulge in fantasy. If we're being honest, we can probably recognise elements from our own experience here – who has not fantasised about what they would do "if they won the lottery", even if they don't play it? The key point is that the focus of the imagined character in the song is resolutely on their self. So, to be slightly harsh, we could say that it exemplifies an attitude of selfish materialism. This selfish materialism is also present, even more directly, in the Pink Floyd song, "Money". Thus one of the lyrics runs, "I'm all right Jack Keep your hands off of my stack." There is more of a sense of active mental focus too, "You get a good job with good pay and you're OK". So we could argue that we are seeing selfish materialistic desire refracted through the mental nature here – there is intention, but it is selfishly directed. Finally, a very recent song is, "I want to be a billionaire" – yes, you heard me right, *billionaire*, it's not enough to be just a millionaire any more. You might think that this song represents the pinnacle of selfish materialism, and the lyrics at first seem to support this – "I see my name in shining lights A different city every night." But then there's a surprising change, as the billionaire begins to imagine giving things away, and then says "I'd probably visit where [Hurricane] Katrina hit And... do a lot more than FEMA did". FEMA, you may recall, is the United States Government agency charged with response to major disasters. So there is a recognition of the social responsibility that having money brings, and the beginnings of a more selfless approach to the use of money. Therein lies the challenge for us all – finding ways to act responsibly and selflessly with money.

Money is said to have three main functions: a medium of exchange, a store of value, and a unit of account; and we'll look briefly at these differing functions. The first of these, a medium of exchange, evolved to solve a problem with barter – what if I want to barter something I have now, say, eggs, for something you will have later, say, apples? The answer is to have a third thing, which can stand for the amount of what I have now and the amount of what I want from you later. And this third thing, this medium of exchange, can itself be more or less anything – shells, rice, barley, or, as became most common in the past, metal coins. All that is required is that the two parties agree upon the medium. In making this agreement, they create money. It sounds so simple that you would think anyone could do it. And in fact, even today, a number of communities around the world choose to do so, creating local currencies with a number of aims, a point which Josh Ryan-Collins may enlighten us on further after tea.

Money as a store of value – when you start thinking about it, it sounds rather strange. How can you store something as intangible and abstract as value? It may be easier to see how this could be done if we go back to the time when money was itself made of something valuable – gold. For gold is valued for a number of its properties – its beauty, its rarity, its resistance to corrosion, its easy workability – it also has useful electrical properties. Yet when we reflect a bit further on these properties, it becomes clear that nearly all of them relate to how *useful* gold is – is there something which we as humans actually *value* about it, apart from its uses? I suspect most of us would identify its beauty as the main thing we actually value – and beauty is one of the most abstract Ideas or values that we can think of. Nowadays, we don't use gold in our money, so the actual values money stores relate more or less exclusively to the potential uses to which we can put things for which it can be exchanged. Beyond the basic uses of survival – food, shelter, warmth – there are now a vast array of ways in which we as humans use the things we find in nature. Surely this is one of the most telling indicators of the state of our consciousness – what we value. As individuals, and as a society, we paint a picture of what we value by the way we spend our money. So it may be worth just pausing here, and considering that thought, "what does our spending say about our values?", first, from the angle of the personal self, and then, from the angle of society. Now, think about whether there needs to be a change in values, leading to a change in spending, either personal or social.

Money is also said to be a unit of account – in other words, it is used to *measure* the value of goods and services. Many of you, like me, might glaze over at the mention of accounts. Yet it is in this form, as ordered sequences of numbers, that we can get some sense of money's continuing flow from one place to another. With a little bit of imagination, we might even be able to picture accounts as an unfolding drama, a dynamic expression of values in motion. It may be that Christopher Budd will have something more to say on this, as I understand that a reform of accountancy is one of the ideas which he is interested in.

Returning briefly to the phrase, "The Spirit of Money", another association of Spirit is with the idea of an animating, vitalising principle, which sets living things in motion. This dynamic picture links with the second part of our theme today, the Divine Circulatory Flow. As Christopher Budd may discuss in more detail, there are only three things you can do with money: Spend it, Lend it or Give it away, all of which imply motion or circulatory flow. You might ask, "well, what about saving?", but as Christopher points out in his short but profound book, *Prelude to Economics*, saving, at least in terms of giving money to a bank, is effectively lending, as the bank will immediately put the money back to work, thus returning it into the circulatory flow. In any case, the point is that the only time money is even relatively motionless is when it is in hard cash in your pocket. Imagine, for example, that every single transaction conducted by financial markets had to be done in physical cash – how much slower everything would be! And, as we know, fewer and fewer of us are carrying much cash these days, as virtually everywhere takes plastic for even small purchases. Everything is geared to making things faster and more "efficient", as if the only thing that is valuable about a transaction is how quickly it takes place. What is potentially lost is human interaction.

This is not to deny that money *should* flow, as Alice Bailey indicates in *Esoteric Healing*: "The keynote to good health, esoterically speaking, is *sharing or distribution*, just as it is the keynote to the general well-being of humanity. The economic ills of mankind closely correspond to disease in the individual. There is lack of a free flow of the necessities of life to the points of distribution; these points of distribution are idle; the direction of the distribution is faulty, and only through a sane and worldwide grasp of the New Age principle of sharing will human ills be cured..." (pp. 549-550) The key point here is that, just as in the human body, flow should follow a specific, ordered pattern to each of the 'organs', the organising centres, of the world economy.

The problem is that economists do not yet seem to have a proper grasp of the necessary global pattern – for what we see on the world stage is excessive concentration of money and goods in some places, and significant lack in others. At the same time, those involved in finance seem fixated on accelerating the *rate* of flow, as this allows them to extract maximum profit. The current trend, called "high-frequency trading", is for more and more trades to be carried out by computers extremely rapidly, taking advantage of changes in price that last no more than a millisecond. By virtually removing all human agency and judgement from the equation, there is no pondering of the long-term viability of the company or financial product being sold – only a focus on the change in price. Thus the only thing valued is rapid, purposeless motion – reminiscent of the random oscillation of atoms in a gas.

Finally, why do we speak of the *Divine* Circulatory Flow – in what sense is Divinity involved? According to Alice Bailey, all aspects of creation are divine, so it's true in that very basic sense. But there is something more to the picture, and it can be related to the observation above about the danger of valuing purposeless motion. There is a strong emphasis within Alice Bailey's writings on the idea that there does exist a Divine Plan, a pattern of right relationships within all the kingdoms of nature, which is slowly but surely being worked out. Humanity has a special role to play in this process, and part of this role is in attempting to sense the faint outlines of that Plan, so that its working out can be continued. The major motivating energy of this Plan is the Will-to-Good of the whole. This Will-to-Good implements the Divine Purpose which underlies the Plan. Now it should be fairly clear that this Plan and this Purpose will involve the motion of money within the human world, as money is such a major factor in shaping the relationships between individuals, groups and nations, and in distributing the resources of the planet. So the circulatory flow of money is – or should be – as faithful a reflection of Divine Purpose as we humans can currently make it. Are we living up to this, and if not, what can we do to live up to it? Another factor of importance is that the

Will-to-Good of the whole is spoken of as *essential* Love, that energy which we most closely associate with the heart. One of the main problems that we need to grapple with as a species is that we have not yet sufficiently imbued the circulation of money with the energy of Love. Maybe we need to begin to think of financial centres as heart centres. But the analogy will only become accurate if those who are responsible for their functioning are using the energy of the Will-to-Good of the whole to direct money with right purpose and right rhythm. And in the last analysis, we are all responsible in the same way.



## **CAN FINANCE BREATHE WITH THE GODS? UNDERSTANDING THE SPIRIT IN FINANCE –**

Christopher Houghton Budd © 2010

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Good afternoon everybody. I feel I've been set up! Dominic assured me on many occasions – also just before lunch – that he knew nothing about finance, economics or accounting. He didn't tell me he was a Pink Floyd fan either. Anyway, he clearly needs no education – I'm winging this to show you how cool I am. He's built most of the wall, but he did leave me one little place to add a brick or two. But what he couldn't do, I did. I went to a Pink Floyd concert in London in 1967. But I didn't expect to speak about Pink Floyd today!

Now we plan to go to about 2.30 and then break into groups and then maybe come back for the opposite of an hors d'œuvre, a short dessert – some feedback, so I want to honour that time frame and tailor what I want to share to that time. It's always the case, in my experience, with finance that, however focussed on tries to be, it always becomes overload, so I just want to warn you that this will be very "overloading". There's something about finance which just seems to overload people. And what I want to share are certain ideas about modern finance, particularly the relationship of modern finance to so-called spiritual life. In doing so I'm putting my reputation at risk, and I hope there is no-one from the city in this room. One day I would hope to give this talk at the Bank of England, so maybe this is a trial run. But seriously, what I want to try and share with you is a particular idea about finance – that's my field – and spiritual life, and I want to do it mainly by making a lot of statements which are appeals to facts of history, your knowledge, a wide range of aspects of finance which I imagine are represented in this room. Since I don't know anybody, I don't know what's in the room. But I thought with the discussion and the dessert afterwards we could work on that a little bit, so if I say things that you really want to contest, there would be an opportunity to do that.

Now, I deliberately didn't brief myself on Alice Bailey's monetary views, though I'm aware she has quite a few. And I think it's quite unusual for a spiritual movement to have a monetary concept. So I'm a bit on edge as to what I'm going to meet this afternoon; looking forward to it, but a bit on edge. So I'm going to cast caution to the winds and just share some thoughts which may or may not sit with the Alice Bailey world. This is my way of saying, please be nice to me later! Now what we thought was, for the discussion part to end up with two things to think about. As it happened, my notes were going to be based on two propositions which I wanted to share. So maybe those two propositions could be the two things we think about in the discussion. The two propositions are quite simple. The first one is *that finance and spirituality, or things spiritual, do not occupy different universes; rather they are two sides of one coin*. This can be very disturbing for people in finance and equally disturbing for people in spirit who like to think these worlds don't co-habit. But I want to give an image, or show you that in fact I think they do.

A particular idea from Rudolf Steiner which I wanted to share, is an image which I have always found very



interesting. He asks the question, how is the economic life related to spiritual life? And his answer is, in the way that the shell is to its nut – with a time delay.<sup>1</sup> So if you make an image of the shell of a walnut. A walnut is wonderful because it's as convoluted as the brain – therefore it's a very difficult profile to copy. But my image has always been that if you look into the shell of the walnut, you can see reflected in the shell the outside skin, if you like, of the walnut without ever looking at the walnut. I don't know whether this is what Steiner meant, but this is what I do with this image. This is a very interesting phenomenon. I can look inside a phenomenon and I can see the outside of something it's the reflection of. And I think it's a very precise reflection. It's also interesting for me that he says 'with a time delay' because anyone in monetary policy knows that when you try and set the interest rate you always say there is a two-year time lag before your behaviour catches up with our suggestion. So I want to say that, because I want to underwrite Rudolf Steiner's credentials as a monetary economist.

The second proposition is *that finance, in my view, is not only spiritual in origin, but it's also spiritual in current circumstances*. So for those who like to think the spiritual world and finance are not connected, I've just made it more difficult because they are connected in the here and now, in my opinion. To give some examples of why I think that – not arguments, but literally a list of examples, of proofs almost, of what I am saying and why I say it – I've broken my talk down into four areas.

### ***The Liberal Man***

First, to touch base with neo-liberalism, the so-called current paradigm, a paradigm which thinks it's victorious in history. We'll see. But there are very interesting things about neo-liberalism. The first interesting thing is that it borrows its term from Aristotle and that is always a problem for neo-liberals, because if you study Aristotle you will find a very interesting phenomenon in Aristotle. First of all he is the founder of all Western economics. So all the thinking that we use comes from Aristotle. And he had this wonderful image (from which neo-liberalism comes): what is a liberal man? For Aristotle the liberal man was the man or the person who gives the right amount of money in the right way to the right person at the right time. And this, I think, is a bit of poetry, because if you live with this – the man or person who gives the right amount of money to the right person in the right way at the right time – if you were such a person you would 'be somewhere' while you were trying to do this. I just want to say that. There is a kind of image for me, a kind of mood in this, that if you want to be a liberal person you are going to have to go somewhere other than your normal consciousness to do this. And then there are many things I could say about Aristotle which I won't bore you with, but if you go into the details of his monetary conceptions, he was quite clear that there's a problem with finance and with money. He described it as secondary, but he doesn't necessarily mean it's a negative thing.

And one thing you could say very quickly about money is, once it becomes this proxy for real goods, for example, you have a problem. Now that it's a proxy, one can't see what it's a proxy for. And this has always been the classic problem with finance. How does the human being behave when he now has a proxy for something and the proxy prevents him seeing what it represents? This gives the human being the opportunity to tell lies or to become discrepant to reality – to be all nice and academic about it. And this has always been the problem with money. When money appears in whatever way for whatever reason it presents the human being with the ability to be discrepant to reality. And this for years and years and years, centuries even, was why money was on the one hand suspect for many people. It invited thievery, for example. But on the other hand (I'll come back to it) the people who were dealing with money were always highly trained so that they knew how to deal with this possibility of being discrepant. So that's just to give a hint. If you study Aristotle's monetary world, it's not so supportive of those who think neo-liberalism is about looking after 'number one'.

A second thing straight out of the world of neo-liberalism is such an expression as 'there is no gain without

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<sup>1</sup> *The Abstract Nature of Modern Economic Life*, in Rudolf Steiner, *Economist*. Articles and Essays by Rudolf Steiner and Christopher Houghton Budd. New Economy Publications, Canterbury 1996.

pain'. This is used to justify all financial liberalisation. Too bad if the Thai baht crashes, too bad if people jump out of skyscrapers; this is the pain which just has to be gone through for the gain of becoming a liberalised economy.

Now this could be a flippant comment, just a disregard for anything. On the other hand, if you want to develop a new consciousness, the old one is going to have to die. So I think anyone involved in evolution of consciousness discussions knows there can be no pain, there can be no new ideas, except that the previous ones die away; no new habits except that the previous ones die away. So in that sense you can say there is no gain except there's first pain. And then you can have a question: When people speak glibly in finance about no gain without pain, are they saying something in fact which is quite esoteric, or are they being merely flippant? I don't want to answer the question. It gets even more complicated when they call the financial crisis as a 'haircut'. So 2008 for many people in finance was just humanity's haircut, to use the expression. How far removed is that from the idea that it was a huge opportunity to revisit all our values worldwide! It's just a haircut.

Now, if I quote from Niall Fergusson, who is the darling of the right in finance for some people. This is a person who is very familiar with the financial markets and those who inhabit them or work with them. "Finance reflects and magnifies what we human beings are like. Financial markets are like the mirror of mankind, revealing every hour of every working day the way we value ourselves and the resources of the world around us. So that it is not the fault of the mirror if it reflects our blemishes as clearly as our beauty."<sup>2</sup> And this is a typical remark you can find in finance. It's not supposed to be there, if you are stereotypical about finance and spirit, that they don't belong together. But you would find many, many such remarks. People in finance start saying things and you wonder if they really realise what they've just said. So, to say that the financial market is a mirror of the human condition for me is a very important thing to be saying, especially at this point in time. So that's coming from the neo-liberal world, and I could give you many other examples how the neo-liberal world is not aware of the spiritual dimension right into its own vocabulary, in my view. At least, the people I know in that world don't normally talk about this kind of thing. This would spoil dinner very quickly.

### ***Day-to-Day Terms***

A second set of statements or thoughts I want to share concern the origin, the spiritual origins, of finance, of modern finance. The first thing is, if you imagine yourself buying a loaf of bread, or any kind of transaction but one which is very normal, or a newspaper. If you observe it carefully, something's got to happen. The money you are about to exchange for the loaf of bread or the newspaper is going to cross the counter to the person who has got the loaf of bread or the newspaper and his 'good' is going to come to you. Now, you can test this at any point. Who moves first? If you go to a café in England, first you pay for your coffee then you get it. If you go to a civilised place like the Continent, first you get your coffee and then you are asked to pay for it later. Is this not right? But there's a little story in there. You can test it any time. Who moves first? Does the money go from me or does the 'good' come? And you will find actually that there's a point of mutual trust where it's just accepted that both will get to the other side of the counter before anybody leaves. I am saying this because you can find in that example on a daily basis throughout time, backwards and forwards, from the most menial or the most trivial to the highest financial dealing, this little sacred moment between human beings. Without it there could be no exchange whatsoever. And I think this is such an important thing to notice. I think it's just a fact.

Secondly, you will find markets in their original form – the classic market, I don't mean 'the market' as a concept – they were always to be found beside temples. Today you can go and visit any Greek temple, any Roman temple, and you will find the market place right beside the temple. There's a story behind this. I just want to draw attention to the fact. You have scriptural images, and the "Money Changers" is the one I had noted. But there are many references to money in the Bible, and I don't think they are all necessarily

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<sup>2</sup>See *The Ascent of Money*. Niall Ferguson, Allen Lane 2008.

negative. There's a baby in the bathwater in all these things. So it wasn't money so much, but the discrepancy towards reality of the money changers, or something like this.

If you come to such a thing as a 1Q report, a first quarter report; what is a first quarter report, when you avariciously wait and see if your capital has grown by 25% in the last three months? A first quarter report comes on the 25<sup>th</sup> of March, namely, it comes at Easter. And so, even in the first quarter reporting, your quarterly return to capital, you have the four Christian festivals still present. Even if you go to Cambridge, you're still going to have to start in the Michaelmas term, I'm afraid. So quarterly reporting is still a remnant of Christian festivals. They in turn are often superimposed, you might say, over pre-Christian spirituality. But I'm just talking about quarterly returns.

If you look at something like accounting, double-entry bookkeeping, always it comes out from monastic settings as far as the West is concerned. And it's important to have a certain sense that it's only in recent times that the average person can come anywhere near being responsible for money. If you go back, you will find that those responsible for money had to have a kind of monastic training or the equivalent. They were usually monks and they were subject to a moral training so that they could deal with this problem that money brings. And I could give many examples, but the person who first described double-entry bookkeeping, Luca Pacioli in 1494, is one such example.

But many early Western economists were also clerics in the first place – Adam Smith was an ardent Presbyterian, Malthus took Holy Orders, Ricardo was Jewish but became a Unitarian. Newton was also a Unitarian and therefore, while he could become a fellow of Trinity College, he could not become its Master, which he should have been.<sup>3</sup>

So it's very important to have also a sense that modern western economics is grounded in the first place in spiritual or moral considerations. Before Adam Smith wrote the "Wealth of Nations" he wrote a book called "The Theory of Moral Sentiments" in which he describes how an impartial observer oversees human conduct. It's a kind of Deism pretending not to be Deism, because Deism is so 'yesterday' for people like Adam Smith. But what is the invisible hand, except it's not that. It's more like that (makes gesture of handless sleeve). It appeals to Deist philosophy, there's some unseen thing holding everything together.

Debt forgiveness – a very modern expression we think; it's used in the G8 to get through the conference and then forgotten about at the end of it – if you ask not Pink Floyd but U2 and Bono and other people of Irish descent, the modern rock stars. But what is debt forgiveness? This comes from Hebrew culture. The word describes itself. You forgive people their debt – at least that is what you are supposed to do. And in Hebrew culture you have the jubilee which was a very specific economic, moral concept. After 40 or 50 years, a certain period of time, the indebtedness of people was written off. And this is a very important fact of history. All economic life knows that it creates excesses, surpluses and in the end they have to be written off. But today we don't do this, because we are so self-centred. But you can find throughout history many examples of how economic life just engenders surpluses which in the end have to be written off. And one such thing is jubilee. We even forget what jubilee means but that was its origin. You can also look at the socio-economics of cathedral building and as a modern economic historian you would just say what a fantastic way to absorb an incredible amount of money – for what purpose? Just to employ masons and, God knows, thousands and thousands of people to build buildings. What was that all about? And if you just want to be rude about the spirituality behind those people, you can just see a colossal amount of money being spent; for what purpose? Just to employ people. But there was a huge expense of capital implicit in the building of cathedrals.

If we were clued up, we would talk about bringing on regular, systemic market corrections. Because, what is a market correction, except the loss of all that money you were hoping to stash in your favour. But in the

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<sup>3</sup> See lecture *Newton the Man*, by John Maynard Keynes, delivered post-humously by his brother Geoffrey in June 1946.

process of doing this, you are making the economy unstable. You are trying to avoid it becoming wrecked. But unfortunately there are things we call market corrections, and market corrections are like jubilee; they simply wipe out the surplus capital of the world at any point in time. So we ought to be bringing this on with a modern form of jubilee, of debt forgiveness.

These are all examples – interest, *inter esse*, the interest in one another. This is a word in finance, the basis of finance – at least of store of value finance – is interest in one another. The word says so.

Thomas Aquinas – his whole struggle as an economist was to come up with a just price, a price which was fair, equitable between people, but not conditioned by ecclesiastical law any longer, which was the case until then. So the whole struggle that Aquinas had as an economist was to come free of the ecclesiastical, canon law and yet find a basis for economic life for price which was fair between two human beings – just price. Shylock and Antonio, what was that all about? It's the same kind of thing. How do we come to a free understanding of things that were previously given to us by some moral edict or other?

In today's world I wanted to give two examples. The movement, Christians for Economic Justice (or something to that effect, excuse me if anyone's in the room), this is, I think, a very important thing. In today's world a lot of people think there should be economic justice. And by this they mean, something should be fair about modern economic life. So just justice, just price, this has a mood about it. It actually has its origin in Aristotle's mean. Aristotle had this idea that the human being could find what the right thing to do is, because it's a kind of faculty you have – to know the difference between being excessive and too modest, being very clever and calling yourself stupid. Always being able to find the balance between two extremes was a very Aristotelian idea. This is a mean upon which we today place complete reliance, I would say also, for what is just.

And then I want to give just one example from Rudolf Steiner which is his idea of true price, because his main theory in economics is you just need to pay the true price for something. So if it has cost somebody £100 to produce the thing which you need, and not because he is fleecing you but because all his mortgage costs, all his dependents cost a hundred, then you should pay him the hundred. Not say 'ninety for cash', or 'thank you, I am just going down the pub to find someone who will do it for less.' Once you start doing this, you might be in your rights, but you have just denied this person income. And don't be surprised if after a hundred years of not paying true price, there isn't enough income in the world. Rudolf Steiner's analysis is, if you are concerned about the level of indebtedness in the world, it's simply a consequence of not paying enough when you pay prices – everyone is then impoverished by this amount. And anyone knows who's living on the edge, if you don't get as income what you need, you get the rest from your visa card. You can't not do without the income. You just get it in two forms – the actual cash you need and the rest you had to borrow from the banking system. It's a very simple thesis. But what's important about Rudolf Steiner's idea there for me is that it's an appeal to truth rather than religiosity.

### ***Alice Bailey's Ideas***

Now I want to tread on very thin ice, and beg your indulgence. I am going to match Alice Bailey's terms<sup>4</sup>, or some of them – which I don't have the right to quote but never mind – with their possible equivalents in modern finance as used today in current policy and business circles. Here goes. The idea of *each country having a specific contribution to make* is equivalent to comparative advantage in economics. The idea of every country having its own peculiar note to sound – if I'm getting it right – is consistent with Milton Friedman's 1966 'Own Lights' dictum.<sup>5</sup> For those who don't know what that is, it is that every country

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<sup>4</sup> Taken from the general literature I was given.

<sup>5</sup> "...flexible exchange rates are a means of combining interdependence among countries through trade with a maximum of internal monetary independence; they are a means of permitting each country to seek for monetary stability according to its own lights, without either imposing its mistakes on its neighbours or having their mistakes imposed on it. If all countries succeeded, the result would be a system of reasonably stable exchange rates; the substance of effective harmonisation would be attained without the risks of formal but ineffective harmonisation."

should follow the monetary policy of its own choosing, because thereby it will not inflict its inflation on others or import their inflation onto itself. And he says, if we follow this path, every country, by pursuing its own light, will respect the lights of all the others, we will *harmonise the nations of the world*. So for me it is about right human relations. I would add to Milton Friedman, right human relations will come about in economic terms when we have consistent monetary policy and universally floating exchange rates. I'm being very concrete. In today's world, which is seriously impacted by what we call central bank independence, by the push for price stability, no inflation, this has a huge consequence in the world. It only works if all the currencies of the countries are floating against each other. And if you push for central bank independence, price stability, and you don't have floating exchange rates you will end up in 2008. Whereas if you were to follow Milton Friedman, you would push for your own monetary policy and you would have freely floating exchange rates. Only nobody can profit from the difference between these exchange rates. I'm not going into the details, I just want to make clear this is a concrete thing that I am talking about in modern finance.

*From grabbing to sharing* – nations doing this as opposed to doing this (gestures). I would draw your attention to John Maynard Keynes's lifelong endeavour to move from the imperialism of the British Empire to worldwide partnership among all the peoples of the world, and especially his international clearing union ideas of the early 1940s. That I want to mention because so much of the problems of our time that Alice Bailey is referring to had their origin in what happened after Versailles in 1919. And the most important person in that regard is always going to be, from my point of view, John Maynard Keynes. Not because of his so-called Keynesianism – that's not really Keynes – but because of his constant endeavour to invite all the countries of the world to sit round the table, constantly thwarted by America saying 'Aha' whenever he tried to do this. 'So you mean you are weak, Britain, OK.' But that's the background theme even today, also for the United States. It is now faced by the question 'Oh dear. So we are now where Britain was and China is now where America was.' And the sooner America says, let's create a table that we all sit round, the better it will be.

*Unity and beauty of rhythm of the earth's peoples*. I call this, in a book I am just about to have published about modern finance<sup>6</sup>, the need for a 'choir of cultures'. If there's to be a kind of monetary policy that Friedman had in mind, every culture has to be able to say what is it bringing uniquely to humanity's table. And it's not an answer to say 'Coca Cola cheaper than the Chinese can produce'. Anyone can say that. But that would take us into China-trap.<sup>7</sup> In a real world you would have to say, "I'm Brazilian, and that means we bring the samba to the table", and figure out what that means in economic terms. The IMF will then go... Well I don't know what – they'll glaze over. They'll go back into their five star hotel, if in fact you met them outside, and they won't know what you're talking about. But if you go to Brazil, you can go behind any garage all year round; the minute Carnival finishes, it begins again. There's a huge Brazil-wide industry going on behind every garage door in every slum creating the next carnival, it just goes on forever. This is black market, but as an economist, you just see 'samba' is what Brazil is all about. The people that dance, is what I called it at their central bank.

So, I'm serious; if every culture was to say what is it we are bringing to humanity's table, and what is its economic meaning? I don't mean we make everything cheaper than each other. We really have to consider what is it that we can bring that somebody else doesn't bring. And then one thing I would say about that also is that if you want to hear your particular note, it's best heard if you do an exercise (which I'm not going to recommend right now) that you stand in a room and everybody sounds their note. As they are listening for the note of everybody in the room – and you can do this as a musical exercise – you will hear also the note of humanity and they're not the same things. And this is an important image to have in finance. If I do it in Pauline terms, it's not I but Christ in me. It's not my own note that's so important, but

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Friedman, M. (1966 [1953]) *Essays in Positive Economics*. Chicago: Phoenix.

<sup>6</sup> *Finance at the Threshold, rethinking the real and financial economies*. Gower (forthcoming).

<sup>7</sup> A reference to the chapter on 'China Trap' in *Rare Albion, A Monetary Allegory*. Christopher Houghton Budd. New Economy Publications, Centre for Associative Economics, Canterbury 2005.

my ability to hear the note of humanity, which I won't hear unless I sing my own note. That's supposed to be an image.

Now I'd like to come very dangerously close to the topic of *divine circulation*. Finance is littered with references to circulation, so we have circulating capital to begin with, working capital. We have liquidity. We have currency. We have cash flow. I would say practically everything on which modern finance rests conceptually and technically has to do with circulation. That's just an interesting fact. But I would like now to move from facts to certain interpretations of them, which are my interpretations, to give the genesis of them. When we talk about a return to capital, for example, which most people talk about and yearn for if not depend upon, how can you have a return to capital if you have circulation? If you watch how a river works. The rain fell. It found its way to the river. The river finds its way to the ocean. The sun shines. The water evaporates. It goes into clouds and it falls as rain again. There's no way that the river passing you is going to back up. So if you make it as an analogy to how capital works, there's no way, technically no way, that the capital that you just sent down the river is going to come back to you. All that can happen is you just have to trust to the flow of capital, and then when you need capital it will come to you. If you think about a return to capital, if you practise returning capital to yourself, in my view you are to one side of circulation. You are not an example of it.

For me it's more of a problem because if you look technically at how finance works, and how accounting works in particular, you will find it works by circulation. It does not work by returning anything. If you put your money in a bank, it's an illusion if you think your money is put in a drawer marked with your name ready for you to come back. You couldn't be sitting in this room if that money wasn't lent out thirty-three-fold. And all the bank says is. 'We owe you fifty pounds; let's hope we've got fifty pounds when you appear. And we'll take it out of the drawer you saw us putting it in so it confirms your illusion about where it came from.' It's important to have a certain sense that this is not the reality. Nothing is stuck in a drawer when it comes to money; it's all in flow. In fact it just disappears in front of you, and comes back hopefully in time for when you need it. And that, you will find, technically is the basis of all finance. The rest of it is very, very 'iffy' conceptually.

On a balance sheet for example, you may have a pension, an amount on your balance sheet, an entitlement. But the entitlement doesn't mean the pension fund can perform on its entitlement. And so you will find even on the balance sheet you need to distinguish between the amount of money they are supposed to pay you and their ability to pay it. And the entitlement proves nothing. It guarantees nothing. So there is already something about the balance sheet of having two characters going on there: a kind of more economic one and a more relationship one.

If we don't have a return to capital it means we can't possess it, so we are going to have to talk about stewardship of capital. This is a very, very ancient concept and I don't need to repeat that here. Anyone who looks clearly at capital ought to say, possession of capital in the sense that 'it's mine' is an illusion of our times, is an illusion of our self-centredness. It is not the reality; it never has been, and never will be, and currently isn't either.

And now a slight change of tack. If you look at how the heart works, it works in relationship to the lungs. If you take your pulse, this is telling you the relationship of your heart to your lungs. So what you see in the pulse is the circulation in terms of the heart function – you might call it a liquid or blood circulation – but respiration in terms of the lungs. I'm not going to expand on it, but I think if you look carefully at circulation you will start to perceive it's not so much like a central heating system, it's more a kind of breathing in and out, in fact. And I know that if you watch the blood leaving from the heart and going to the finger tips I know that there it gets all very capilliaric, and I know it hops around the end and comes back in to become re-oxygenated. But for me it's a moot point whether it nips over the end of my fingers or rays out beyond my fingers to be met by an incoming stream of blood. To me it's not totally clear. But as an image, if it was just breathing out and breathing in, this could give rise to the phenomenon of circulation also, but in fact as an expression of respiration.

I'm saying that partly because I feel it's the case, partly because it links to where my theme came from. If this is the case, then it matters very much whether we are considering respiration or just circulation. And then we can point to something which is very important for our times. The human being's respiratory and circulatory system is emancipated from the universe. So that much depends on whether we synchronise our respiration and circulation with the universe in which we've become emancipated. Are we breathing with the Gods, or just breathing on our own? And I think if you go into the very technical nature of finance, you will come to this problem. It's not just circulation we have to understand, but the basis of circulation is respiration.

### ***Accounting for Goodwill***

Now I want to end in the two minutes left to me by touching on the last theme of all which is accounting. And just to draw attention to its importance. First of all, for Rudolf Steiner, there is an interesting phenomenon of our times, when you come to the time of the First World War, what is called money and what is called accounting have become the same thing. This is a very important historical observation. I'm not going to go into it, but to know that money and accounting are synonyms is very, very important. So if you think you are bartering, it doesn't mean there is no money. Any barter system today will be run with a set of accounts. So '*money equals accounting: accounting equals money*' is a very important thought to have.

Secondly, if you want to harmonise the nations of the world today you are going to have to find a language which none of them can possess. And it cannot be English, because with English we imperialised the world. And in my view, *that worldwide language today is accounting*. It exists above all languages. Even in China they do their accounts the way we do them here.

It's not for nothing that we have an international accounting standards board which is trying to create a global set of accounts. This will have huge consequences for the ability of nations to work together, so long as it doesn't have hidden inside it a little bias in favour of the Anglo-Saxons, which it currently has. And this little bias is stubbing its toe on a very interesting problem which in finance is called 'world goodwill'. This isn't meant as a pun, it's meant to be a kind of question. I'm going to end by saying the international accounting standards project has a little problem inside it. It's more or less completed its work to create a universal set of accounts. It comes down to how do you account for goodwill. The Americans would like goodwill to be an objective item on the balance sheet, to be bought and sold and valued. The British say 'well maybe. It's in the eye of the beholder. Maybe it's on the balance sheet and maybe I agree with it, maybe, I don't know'. But it's a very interesting difference of mind-set going on here. If they are going to resolve it, which I think they'll have to, they will then stumble on a very interesting problem. When you harmonise different accounting systems, different cultures, different economies, at the beginning of the process it sounds very simple – we're going to call apples 'apples', liquidity is 'liquidity'. Liquidity is going to go down the balance sheet in this country and in other countries. It all sounds very simple. The more you harmonise, the more you make them the same, the less can you see the differences. And eventually down that path you will collapse all the separate balance sheets of the separate entities into one. And then you will have a very real problem on your hands, and I mean it's a technical problem. You will have something which is on the one hand priceless, on the other hand you are going to rely on it. There is something about *world goodwill* – not just goodwill – world goodwill takes you into a kind of world. I thought I knew exactly where I stood in terms of finance. It's an item on a balance sheet. It's just a question of how we account for it.

But in fact I think you will find the more that discussion is resolved you will come into this phenomenon that if you want to identify goodwill in real terms, it's all the kind of money which is coagulating on someone's balance sheet which belongs to the rest of humanity in fact. I'm not saying it's like that, but for me that would be a very good way of explaining 2008 to oneself. We got to a situation – it was called excess liquidity – the excess liquidity in the world was so enormous that it crashed the markets. And what happens when markets crash is that the money we could have just shared out among ourselves now

evaporates in front of our eyes, so we're all worse off. If we had just waited before the markets crashed and crashed them ourselves, we would have had a fund of enormous goodwill to share out from our private balance sheets. All the excess: 'here it all is'.

So I'm going to end there. I hope this has been understandable, because I don't feel it's a pun; it's a little mystery that's going on in the world today. Thank you.



## SECOND SESSION

Before we broke for tea, we practised a money meditation to attract money for Hierarchical purposes. We've asked two co-workers, who had initially different attitudes and approaches to using this meditation, to give their impressions of working with it.

It's interesting that they both happen to be doctors. Lee Blackburn was trained as an osteopath and worked as one for several years before recently taking the bold step to complete his medical training and he is now a qualified medical doctor. Lee has also recently started a monthly meditation meeting in Huddersfield and is a long time supporter of World Goodwill. Our first speaker is Shideh Pouria. Shideh qualified as a consultant in renal medicine at Guy's Hospital before setting up her own clinic in environmental and nutritional medicine. The clinic adopts a holistic approach with a particular focus on the interaction between environmental factors and patients' health.

Dr. Shideh Pouria

***Reactions to Meditating on the attraction of money for Hierarchical purposes: From repugnance to furthering the flow.***

As a student in the Arcane school when I was first assigned the meditation on the Attraction of money for Hierarchical purposes, my initial reaction was one of shock and repulsion. How could one meditate for money? How could one mix one's pursuit of the life of spirit with the symbol of materialism? How could one overcome the association with evil, consumerism, and selfishness in one's mind?

Even as a young girl, I was only too acutely aware of the gulf in the lives of the rich and the poor in my native Iran. And as a teenager immersed in the Iranian revolution, marching with my comrades in arms in the streets of Tehran, I dreamt of abolishing money off the face of the earth! And later when I arrived in London in the peak of Thatcherite Britain, I found the excesses of the prevalent yuppie culture repulsive.

I therefore faced a challenge to reconcile meditation with the acquisition of money for spiritual ends when, to borrow the aphorism I saw 'the love of money as the root of all evil'. As I examined my personal attitude towards money, I realised that I had regarded it purely in material terms. I had unwittingly focussed on its negative attributes. That derision had also led to a mistrust of those who attracted money either for the satisfaction of personal and material desires or even those who claimed to be channelling it for charitable work. And then there was the ever-growing group of spiritually oriented people who sought abundance from 'the universe' on their path of personal development. The latter group, although wrapped in an air of spirituality still smacked of materialism. I could not trust either group. How did I know if the work of the charitable groups was truly of significance and that there was not wastage or misuse of the hard earned money of generous donors? I recognised that this negative attitude had restricted my own willingness to give money towards the causes that I believed in and likewise, restricted the flow of money into my daily life. There was truly a block where the flux of money was concerned.

As I meditated on and discussed the nature of this crisis with other co-workers I became increasingly aware of the more subtle aspects of money. As with any other phenomenon on the physical plane, I saw that there 'lies hid a soul' within money. And I became aware of money as a concretised form of energy on the



physical plane. Given that energy is neither good nor bad in its own right, it is our attitude and the way and the motive with which we wield it that makes it good or bad. And as all energy has divine roots therefore it follows that money may be regarded as divine energy too.

Those of you, who have followed the BBC radio programme on *the History of the World in 100 objects*, may have heard that the first paper money was invented during the reign of the Ming Dynasty in China. Here a piece of paper made of mulberry bark became a symbol of the number of copper coins that was printed on it. In essence this was the first step on the path of return for concretised money from solid gold, silver, or copper coins to a more symbolic object which has no intrinsic value in its own right. The banknote through a process of trust and belief became a symbol of value and power. This process has continued over the centuries as paper money itself is being transformed now into increasingly intangible forms in the shape of electronic and digital signals. As such I began to appreciate that perhaps money too is on a similar evolutionary cycle and that the time to elevate money as a symbol of material wealth and power into a more spiritual phenomenon is approaching.

This much my emotional reactions and mental scepticism could accept! However conquering my mistrust of attracting money for spiritual work was a bigger obstacle to overcome. I encountered a certain diffidence in discussing money in this context. Why did the Hierarchical work require money? Why, to paraphrase my son, couldn't we just magic the energy and by-pass money and the entanglements it creates?

It wasn't until this summer's Arcane School Conference that another block to my understanding of the spiritual value of money was dissolved. It was through the response of one of the speakers to the following question that I experienced another AHA moment: Why does the Hierarchy and the Christ need money to restore the Plan? And the answer was THEY don't need the money but the work does! How is one to raise the level of awareness in humanity when people are ravaged by hunger and disease? How can we expect people with no access to the basic needs of their lives to contact the more subtle matters of a spiritual nature?

It is all very well to live close to the spiritual ideals but to forget the importance of redemptive work on the physical plane represents spiritual tunnel vision. There is huge need in the world and this need in part may be relieved by the flow of money where it is most needed. It is discerning between asking for this material demonstration of the spiritual will selflessly and asking for the separated self or a separative group that marks the difference between money as a tool for good or evil. I learnt that vast sums of money will not only help hasten the well being of many people who are caught in the circle of poverty, but will also educate the many children, men, and women in skills which will help them provide for themselves and their community, to live creatively, and to express the light and love and power which is the essence of every human being.

And how does each one of us go about this work of attracting money? Again, the initial reaction was one of awkwardness in relation to working with money. I imagined a presidential style campaign to raise money and felt embarrassed at being associated with a similar approach to that of some materialistic religious and spiritual groups. But soon I realised that what was needed was courage and the selfless work and focus of the many men and women of goodwill to channel the energy of money into the work of raising the consciousness of humanity through education.

And how would one choose where to channel the flow of money where there is so much need? I guess that choice is coloured to some extent by our personal and group karmic associations. For me the most pressing need appears to be one of education, education, and education. And when one looks above the fog of glamour and greed that besets us all, one can see everywhere lighted groups, working selflessly and with sustained effort to light the lantern of awareness in the minds and hearts of mankind.

I believe now that each and every one of us can contribute to the great work of steering humanity through to the next step of its evolution each in our own individual and specific ways. Simple choices in our daily living can make the difference between advancing or obstructing the work of the Hierarchy. A life of simplicity, selflessness, and harmlessness can channel the flow of money in the direction of the forces of light. A simple choice of how we spend our money and which businesses we seek to support can be important.

Over the past few months the shift in attitude towards money has resulted in an openness towards working with redirecting the flow of money both in the arena of my daily work as well as the work of those who are tirelessly striving towards the restoration of the Plan of Light and Love and Power for Humanity on Earth. There are still many more questions as one treads on this path and the immediate one facing us all in the moment of crisis is to find the route to a true financial trustee-ship which will lead to a generous free flowing river of golden energy that saturates and nourishes the parched areas of human life in a manner that honours the true essence of money as an agent of the divine spirit within a loving, enlightened and purposeful humanity.



Dr. Lee Blackburn

***An experience with money***

Good afternoon everyone. It is a real privilege to be able to speak to you today in connection with such an important and timely subject – The Spirit of Money and the Divine Circulatory Flow.

I have been asked to say a few words this afternoon about my own personal experiences with money. I sincerely hope, however, that you will be able to penetrate through my story, as if through a magical looking glass, to the ever present Universal, the greater possibility if you like, towards which this personal experience has never failed to point. I am certain that my experience is not unique, and that similar lessons have been learned by countless others.

And so, many months ago, deeply committed to the ideals and service initiatives of the Lucis Trust, I felt an overwhelming desire to give more, financially, towards the upkeep and sustenance of this wonderful organisation. I had, up until that time, given a monthly contribution which I thought was probably the upper limit of what I could realistically afford. I had also used, for some time, the Sunday “Money Meditation.” This, as many of you will know, is a service activity focussed upon attracting money – through the power of thought – for the helping of those causes which seek to serve humanity. My attitude towards money had begun to change. It became clear to me that I had made a pretty good job of repelling money throughout my life. I now tried consciously to attract it through intention and desire – but not for personal benefit. I was particularly drawn to a well known spiritual statement contained within the pre-amble to the Money Meditation:

*‘To those that give shall be given, so that they can give again.’*

A bold statement I reasoned – obviously very worthy in its sentiment, but equally obviously crazy, even absurd, in its practical implications – yet it also struck me that it was very well suited to experimental testing. To test it I soon realised that I would have to raise enough courage to move beyond my comfort zone, to the point even of sacrifice. This, it seems, is the Law when it comes to testing and proving spiritual truths. We have to make the running. We have to put ourselves on the line. We have to dare to fail. To test spiritual principles we must become an integral part of the experiment itself – something which modern exact science would tend to frown upon.

Of course, in the interests of science, and the advancement of knowledge, I sold all of my worldly goods and gave everything I owned to the Lucis Trust, thus placing my fate in the hands of a great spiritual truth. Ok, that is not entirely true! Alas, I was not able on this occasion to emulate the Old Woman who, in the parable of Christ, gave all she had. Ever cautious, I actually decided to increase my contribution each month by a predetermined yet significant amount, thus ramping up the experiment slowly in a way that might tempt the Powers of Beneficence to aid me in my quest – and build up my confidence – whilst not risking immediate financial ruin! I resolved to increase my contribution each month until such time as I could no longer sustain the experiment through lack of funds – thus, eventually, proving the ideal impractical.

The fact is however that I never did prove the ideal wrong or impractical. In truth, I entered into a rather magical experience, one wherein money began to acquire new meaning. I found myself giving a substantial amount of money each month, and not only to the Trust, and yet I was somehow better off financially. Frankly, I did not want for money – a whole new experience for me. I was paying my bills with ease, and my old student loans, which I had struggled to pay off for years, were showing a rather healthy decline. It was all very odd. Now, I don't want you to think that I am, or was, in any way vague about money; I am not. I have always kept a tight grip on my financial affairs – perhaps this was part of the problem – but now, somehow, despite giving much, much more, I had fewer personal money worries. Literally, as I began to give money, money began to flow through me.

Incidentally, I was a full-time student at this time, studying for a professional degree, which makes this whole scenario even more bizarre and scary! My weekend paid work had however begun to thrive, and I even enjoyed it! My whole life had changed to accommodate my resolve to give financially. The more I gave, the more I received. I did not want or need it for myself – in truth, the ability to give was reward enough.

You are probably all wondering by now what the outcome of this experiment was. You probably want to know if my philanthropy has already exceeded that of Gates and Buffett combined! Alas not! I failed the experiment; the experiment did not fail me. I blinked first! Let me explain. As my examinations loomed near, I gave up paid work to concentrate on studying. Seeing the amount I was giving each month, and faced with no income for a while, I bottled out. I scaled back my giving slightly and introduced a cap until I was again in employment. A point to note however is that during this whole experiment I did not once encounter scarcity, only abundance.

Having passed my exams, and with the opportunity once again to earn an 'honest crust,' I have recently revived the experiment, as I knew I would. I have entered once again into the magical work.

As a result of my experiences, I am left in no doubt that spiritual principles are amenable to scientific scrutiny. Yet by their very nature, these principles demand courage in their testing. Furthermore, I am convinced that money is not what it seems. It is, first and foremost, energy, and, as humanity was forced to note when the atom bomb was unleashed in the middle of the last century, energy has a potential which is boundless and awesome when the key to its release is discovered. In a sense I exploded a small atom bomb of my own, thus laying waste to my old ideas, and releasing energy – hitherto imprisoned and unsuspected – into and through my life.

I asked you at the start of my talk to bear in mind the higher correspondence to my personal journey. On a higher turn of the spiral I am convinced that a similar experiment can and will work itself out on an international scale, such that the Laws of Spirit and of Abundance will finally come to dominate the Laws of matter.

Recognising that the fate and welfare of all nations are, and will remain, inextricably linked, can we envisage a future when great economies such as the United Kingdom and the United States will voluntarily offer up a fair and meaningful percentage of Gross Domestic Product (GDP) to the community of nations, in the same way that, even now, members of certain religious groups tithe 10% of income towards the upkeep and welfare of their own communities. What a difference such nations could make to the world, not to mention to their own living experience, if they too would pluck up the courage to engage in a similar magical experiment.

Many will of course ridicule such a seemingly impractical idea, but perhaps they have not yet recognised the Great Magician at His work, and thus fail to perceive the power which is inherent in His Divine Circulatory Flow.

Thank you.



### **RECONNECTING ECONOMIES – PUTTING PEOPLE FIRST – Josh Ryan-Collins**

*Josh joined the New Economics Foundation (Nef) in 2006 and is a researcher working in the Business, Finance and Economics team where he is leading research on monetary reform and research into alternative and complementary currencies, including timebanking, local paper currencies, mutual exchange schemes, commercial barter and interest-free credit models. Josh is also developing a programme of work on creating a more sustainable housing system in the UK and also on wider reforms to the financial system and a new macro-economic model to enable the transition to a low-growth economy.*

*Contact: [www.neweconomics.org](http://www.neweconomics.org)*

I work for the new economics foundation, and I'm going to talk to you a little bit about that, and then talk a bit more about the Brixton Pound, which is an example of alternative money, money that has been designed to create social and environmental benefit within our community. I'm one of the people who founded the Brixton Pound, and now I'm a director of the charity that we formed around it. In my talk, there's going to be a little bit of economics, but I'm going to try and keep it simple but the broad message should be interesting for you.

So, the New Economics Foundation was created in 1987, after what was called 'The Other Economic Summit'. It happened when the G8 (then the G7) were getting together to discuss how to organise world politics and economics and there were a group of people determined to change the political and the economic system to help developing countries more, to reduce inequality, and to focus more strongly on environmental sustainability. Nef's strapline is economics as if people and the planet mattered, which seems an obvious thing because clearly people and the planet do matter. Unfortunately, we currently have an economics system and an economics profession which pretends that they don't really matter. There is an assumption within mainstream orthodox economics that we have infinite resources, that the planet can carry on growing, that there is enough oil for all of us to drive big cars for ever more. There is also a complete neglect of the way in which policies create distributional effects; and money, I think, is probably the most important instrument which is driving the kind of inequalities and injustices that we see today. So that is my main area of interest.

Nef is very much focused on the holistic idea of an economics that speaks to ecology and social justice, and we have a strong programme on well-being which you might be interested to look at, where we actually have built up quite a lot of evidence to show that once a country reaches a certain level of income – it's probably around twenty five to thirty thousand pounds in the UK – an increase in income beyond that point has very little effect on your well-being. So a system, an economics system that brings greater and greater returns to people over that level is highly inefficient. It would be much more efficient to distribute

additional money to poorer people so from a very boring, practical economics perspective you could say that our current system is highly inefficient as well as being inequitable. It's fairly obvious really that a pound for someone who is very poor makes a much bigger difference to their life than a pound for a banker who is earning eighty thousand pounds. We have demonstrated that with our well-being work.

As was mentioned, we have just launched two weeks ago a campaign and a whole programme of work called the great transition which is really about how we collectively in the UK and globally move towards a new kind of economics system which is environmentally sustainable but also creates social justice and increases well-being; and that is really the most important question we have today as a human species. How do we bring down, how do we in west anyway actually degrow, how do we reduce our material throughput going through the economy without creating massive unemployment and other politically unacceptable outcomes? And it's possible to do that: there's a variety of ways that you can do that. One of them is to shorten the amount of time that we work, and spend more time with our families, spend more time with our friends, spend more time volunteering doing civic work. We can't do that with the present financial system, it's not going to be possible. So I'm going to talk a little bit now about that. But just to make very clear when I talk about how we in the West need to reduce our consumption, reduce our production, degrow our economy, this is what needs to happen in the UK between now and 2050 when the UK government has agreed to a target of an eighty percent reduction in greenhouse gas emissions. That would mean that we are consuming our fair share of the planet's resources, of the planet's greenhouse gasses. That would still allow developing countries, where income is much, much lower to grow a little bit. That's the kind of reduction we need. That's the equivalent to a twenty-five percent fall in GDP which is basically reducing our income to £14,250 from the current per capita average of £22,360. Twenty two thousand might sound like quite a low average income, but that is the case in this country, that is the average income. There is a lot of people earning a lot, lot more at the top but the average is twenty two thousand. Anyway that is a big, highly ambitious goal and at the moment, with our current financial system, it's not going to happen.

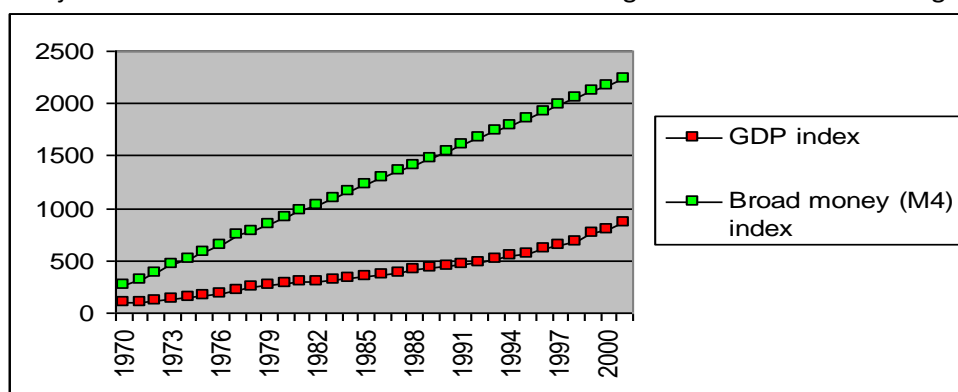
Essentially the way that money is created today is fundamentally incompatible with an economy that needs to slow down, because the current system, the way that banks create money, is a growth pusher. Here is a famous ecological economist, somebody who, unlike most economists, believes we have finite resources, we don't have endless amounts of water and oil and greenhouse gas capacity, Professor Herman Daly from the University of California. And you can see this quote which I think sums up the problem very nicely and very simply "Money created by fractional reserve banking is not neutral with respect to growth – it is a growth pusher. For all those loans to be paid back with interest the borrower must make the money grow by a rate at least as high as the rate of interest... *The result is that economic growth is required just to keep the money supply from shrinking as old loans are repaid.*" Every time a bank makes a loan which is how money is brought into circulation, someone has to repay that loan, the principal, that's called, and they have to repay the interest and they have to grow their business and that is just not sustainable with an economy where we're trying to reduce output and this is a very recent quote from the governor of the bank of England, Mervyn King speaking in New York just a couple of weeks ago who basically came out and admitted that the current system is completely bonkers. He said "Of all the many ways of organising banking, the worst is the one we have today." For me that's a big breakthrough: I think that I will use that quote on a regular basis.

So I'm just going to try to go through this sometimes complex information in a simple way. Essentially many people have the perception that it's a central bank that creates money in our economic system in the UK, or perhaps people think that businesses create money by producing things that we need, you know, productive business; but that's just not the case, I'm afraid. In our current economic system, banks create money and they essentially do it in a kind of magical way, they simply create it by you going to the bank and asking for a loan and then typing something in to a computer saying, you owe them this amount of

money and that money is then put into another bank and that bank can use that deposit to issue even more loans; and it multiplies around the economy which is why it's such a growth pusher. The banking system and economists don't like talking about this and you won't get taught it if you do economics at A level and some universities as well. It's not part of the way orthodox economic models work. Money is seen to be completely neutral, it's just the thing that enables supply to meet demand and the price is where supply meets demand – it's this kind of neutral veil lying over the economy. But money is not neutral and is not a magical thing that arrives from everyday exchange. It is a social and political construction, we make it and that's a really important point to understand – if money is created as a debt it means it's a social relationship and it means we can shape how it works and the ends that it achieves. Currently, the system that we have has been designed in such a way that it creates a system that is fundamentally unjust and ecologically unsustainable. And, as we have just seen over the last three years, financially unstable, systemically unstable. It is not going to get better unless we make systemic changes to the system of monetary production and the banking system, and I can't emphasise that enough.

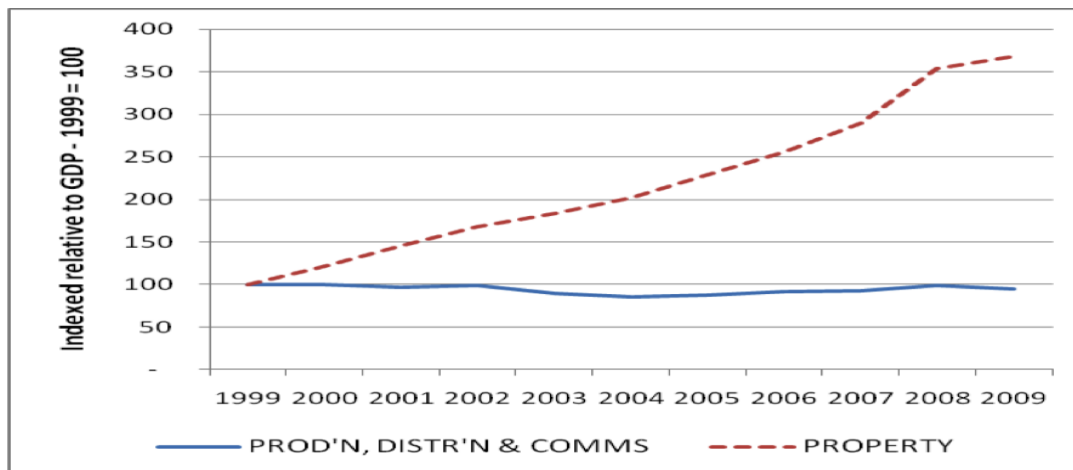
This is a campaign which I encourage all of you to have a look at and join if you so wish because it's the most exciting campaign I've come across in this area – nef is supporting Positive Money, they are fundamentally challenging the current monetary system, saying the things that I have just been saying to you just now about how the system doesn't work and we're working with them to put a submission to the independent commission on banking to change this monetary system. So [positivemoney.org](http://positivemoney.org) is the website if you want to have a look at the work they're doing.

I just want to illustrate this argument I'm making with some facts.



This graph shows GDP which is essentially a standard measure of output of our economy, the things that we're creating. Unfortunately it also includes bad things like spending on stopping pollution and crime, so it's a very imperfect way of measuring what we create, what we produce, but it is the system that is used in every country in the world at the moment. The green line and the numbers here from 1970 to 2000, the green line shows the money supply created by the banks and you can see something rather strange happens in 1970 because before they were roughly similar from about 1950 to 1970 there was a kind of "we seem to have got it right" for those twenty years after the war, we seem to have controlled the financial system so that most of the money being created was going into productive activity. But then something went very, very wrong from 1970 onwards, and banks essentially started creating money not to put into productive activity, not so much to lend to businesses but essentially they started putting it into speculative activity. In the UK, 40% of the money supply now is just mortgage debt, so that the banks are creating money to enable us to build up enormous debts to own houses. It's a completely absurd system now, rather than giving money to small businesses that are creating new things and creating jobs, they're putting it into mortgages. That system has to change. What happened in 2008 is essentially that green line just came crashing right down, back to underneath GDP and that is why the government is printing money with this quantitative easing and throwing it into the banks to try and get them lending again, because they crashed because of this enormous bubble that got even worse actually up to about 2007. In 2007 they suddenly realised that all of that speculative money had nothing lying underneath it: actually, a lot of it was

based upon poor people in the USA who couldn't really afford to repay what are called "sub-prime mortgages" and the whole system came collapsing down. And this just illustrates the argument I was making about investment into mortgages in the UK. This is 1999 to 2009, the red line shows investment by the banks into property and the blue line shows investment by the banks into GDP, productions, distribution, communications, the things we actually need to make the economy run, and it's just flat, and it dipped in fact. So the banking system needs massive reform.



The other point I want to make about money is that it's not just who creates it and who allocates it which is important (and that needs to be brought back into some sort of more democratic control) but it's what happens to that money once it has been put into the economy. At the new economics foundation we use some very simple illustrations here: we think about a local economy, a local community, as a bucket, and every local area has a lot of money coming into it – there's tourists that come, there's money from the government for welfare benefits, for example, there's businesses investing, there's export earnings from the businesses that export to other parts of the UK or overseas. But a lot of that money doesn't stay within that community, it actually leaks out, and in poorer areas it tends to leak out much faster and in areas where you have businesses that make profits and do not reinvest those profits within the area it also leaks out very fast. So if you do your shopping in a big supermarket or a big chain, only about 10p of every pound you spend is likely to circulate within your local area – the rest is going to shareholders in the city, it's going to their international supply chains, it's going to their national lawyers and accountants and some of it will go to the staff who obviously live locally, but 90% of it is leaking out, compared to an independent grocer, for example, which is much closer to sort of 50%. So the way you spend money can have a really big impact on your local economy and how that money circulates around. They've done some studies in the USA that show a 10% of redirection of spending from chains to local independent businesses will result in 192 million in additional economic activity, and 1,300 new jobs.

So it's not always about getting more and more money into an area by attracting big supermarkets and big development schemes. It's about how you use that money once you're in the area. So if you're a local authority and you're a big spending local authority, think about trying to invest that money with small local businesses, not bringing in the big consultants all the time. What this results in, as we've seen in the UK, is the gradual homogenisation of our high streets, as the big chains get bigger and bigger and bigger, sucking up more and more money, smaller businesses can't compete anymore, and they close down and we end up with the situation where 40% of our small towns and villages no longer have a shop of any kind, everybody's getting in their car and driving to the big out-of-town supermarket and we lose the diversity of our high streets. That has lots of implications, social implications, particularly for older people and the unemployed, being able to go down to the local shop and have a conversation, that's a really important part of their well-being that's not possible. In addition, pubs are closing, and post offices are closing, and the ironic thing is that it's actually small businesses that create the majority of jobs in our country, they are

making that same amount of money work much harder and much less of it is being sucked up into share holders and investors in the city, so again it's an absurd situation that we have.

What I'm going to talk to you about is an example of trying to fight back against this kind of effect. I'm going to talk about local currencies, because local currencies are a way of trying to stop this kind of clone town Britain effect but they're also a fundamental way of communities saying "no, we don't accept this way of saying that money is this kind of neutral thing that is just done to us by the banking system, by the government, it is something that we can own, and that we can construct for ourselves, for our own benefits." These are very, very small organisations, they are not having a very big economic impact. But what they are doing, is making people just think about how money works, and about how it could work differently. That then leads them to think about the system that we have and to start questioning that and then you are getting a whole different kind of change in the way people think and eventually government will have to start listening and the economists will have to start listening. So I'm going to talk to you about these transition currencies and specifically the Brixton pound, which I'm one of the founders of. These currencies are limited to specific areas so the first one was in Totnes which is in Devon in the south west of England so we had the Totnes pound and the next one was in Lewes so we had the Lewes pound launched September 2009, Lewes is in Sussex, we have the Stroud pound that's Laurie Lea on the front cover of the Stroud pound; and my very own Brixton pound with Olive Morris, black civil rights campaigner on the front. The way that these currencies work, they can only be spent with independent businesses in those areas, so what it does, it creates that multiplier effect, it encourages people to shop in independent businesses, not at the big Tescos and that creates greater demand within the local economy. We buy them into circulation with sterling, they're backed one to one against sterling and you can buy them at a number of issuing points around the town; and the businesses can if they want, swap them back into sterling, but the idea is that they respond them so you encourage more local consumption and local production and you encourage local food consumption and by encouraging businesses, small businesses to link up with other small businesses to see if they can supply stuff from each other, you're trying to create more resilient local economy. It's not about replacing sterling, it's about complementing sterling and saying we also care about our local community, we also care what our high street looks like, we don't want it to be full of the same big chains, we want it to be distinctive, we want it to have a feeling of diversity.

In the USA and Germany we have even more successful models of these kinds of currencies: there are the BerkShares in Massachusetts, there's two million of those in circulation. In the USA they've still got local and regional banks, banks that actually have relationships with local businesses: we've lost them in this country, they've all gone, they've been sucked up by the big banks and we have an incredibly concentrated system of banking where five banks control something like 80% of the economy. In the USA they still have local banks. Then there is the German Chiemgauer which is still a successful model with 400,000 euros in circulation. This is a graph that just shows the effect of these currencies.





What they're doing is increasing the velocity of money, they're making money move around faster, as more transactions, before the money comes out of the economy. So this blue line shows the German mark from 1975 to 2007 and then the introduction of this local currency in 2002 creates this huge increase in the velocity of money (another of the tenets of orthodox economics is that the velocity of money never varies). This is just not true, when there is a recession people stop spending money, they save it, so the whole thing slows down and that helps to create a recession. With these local currencies you can't save them, you can't put them in the bank in the same way, you spend them into circulation and create demand within the economy, so that money is a medium of exchange. This is what most people think what money is for, and it's not, unfortunately, it's used as a way of concentrating wealth and it's also used increasingly by our banking system as a means of speculating on things that don't create jobs and don't improve our society but make it worse.

That's where the currencies are, as I said and that's how they work. As a shopkeeper, when you receive your Lewes pound, for example you can pay your local supplies, you can pay your employees, you can get it back in change, you can use it to buy presents for yourself. The Brixton pound of which I'm one of the founders and directors, we have 30,000 in circulation. Brixton's a great place, it has quite a reputation for crime and these kind of things but it is also an incredibly diverse community, people from all over the world live in Brixton and it's always very politically active, it's always been pushing the boundaries. Of everywhere in London where this kind of scheme was going to work, it was going to be in Brixton. So we have one third of the businesses which will offer you a discount if you use the Brixton pound and for a lot of these businesses it's a form of marketing that they've never had before because a lot of them don't have a website. We've put them all on a map that shows where those businesses are, and we have a thousand people who are a member of our loyalty club. And the scheme has been supported by the local council, by the new economics foundation and by some local businesses. The council estimated that the scheme created £100,000 worth of positive media coverage for Brixton and the town centre director was saying that it was the best thing that happened since the lighting of Electric Avenue, which was great. There's a £1 note, and on the £5 note is James Lovelock who created the Gaia theory that the earth is in this kind of steady state and we must be very careful with it that human activity does not disturb it, he was a resident for eight years from 1925 to 1933. C.L.R James a Trinidadian journalist, historian, socialist thinker and anti-colonialist, is on the £10. And on the £20 is Vincent Van Gogh, looking very young. He was in Brixton in his twenties and it was where he first discovered poverty and it really inspired his painting and there's a windmill behind him. There is actually a windmill in Brixton as well which the residents are trying to get working. On the back of the notes are different scenes from Brixton, the market, Afghani market traders, some hair dressers, some wigs, we've got a lot of very good wig shops in Brixton.

As for the press, we got an editorial in the Times which was great and it created a huge buzz and what I was interested in was the way people started to realise that actually money is something we can own and we can do stuff with that we can make work for ourselves. There was also coverage from the Guardian and the Daily Mirror. So we've got pubs, we've got hairdressers, we've got grocers, we've got a firm of solicitors and you can go and get your affidavit stamped and pay with five Brixton pounds, we've got architects involved in the scheme, so basically anything you want you can get with Brixton pounds you just need to know where to go.

And that's what I wanted to say really about the Brixton pound and just broadening it out really to conclude, the future of money I think is not the system we have today – fortunately, because that system is not working, it's actually going to destroy the planet, it's creating systemic instability, and it's concentrating wealth, it's a usurious system, it practices usury, there's no getting around that, that is the system that we have. So it's fundamentally unjust; but I think the internet and the kind of developments like the local currencies I've been talking about offer us a way not necessarily to fight off the existing system and kill the

bankers – the bankers aren't to blame, it's not the bankers themselves because the bankers are just part of a system which incentivises them in the wrong way – it's the system that we have to change. So all this stuff about bankers bonuses being disgusting – OK they are disgusting, but the reason that they get those bonuses is because the model is wrong, they're not individually to blame. So I think that the internet will enable us to move to a new model of money: a model where we can exchange with anyone in the world for anything we want using online payment systems that have nothing at all to do with these big banks and with this government bank stranglehold that currently exists on the economy. And already it's happening. Already businesses all over the world, when they can't sell their products and services on the open market because there's a recession and there's a scarcity of these dollars or these pounds, they have created things called trade credits which are just created between those businesses. They are mutual credit you could say and they trade their excess capacity or their excess goods and services with each other; this is a multi-billion pound global business, and people think it's not about ecologically saving the planet or it's not about social justice but it is in the sense that it's actually a much more sustainable monetary system because it doesn't involve interest. It doesn't involve making a loan and charging interest and forcing growth, it's just, trade credits are just a way of exchanging things with each other and we need to create those kind of systems for ourselves as individuals, as consumers as well as supporting businesses in doing that and the internet makes this much more possible.

And there's a huge amount of innovation going on, open source innovation and software. In Kenya the entire farming system was transformed by the creation of a payment system on mobile phones called M-Pesa where farmers could send payment right across the country rather than having to sit in a bus for ten or twelve hours with a big wodge of cash in their pocket, it totally transformed the farming system. And I'm working on a project at the new economics foundation with the transition town network to create a similar kind of system for these transition currencies that I've been talking about, so you'll be able to use a mobile phone, you'll be able to have an online banking system, bank account and you'll be able to trade with other transition areas for products and services and there's a number of other schemes going on that are trying to do this, particularly in South America where there's an NGO called the social trade organisation who are actually working with South American governments, particularly there's a scheme in Uruguay. Funnily enough, in South America the politicians seem to realise that there's something a bit wrong with this financial system, that there's something wrong with the financial system where the banks create all the money in circulation. So I think that's where it could happen first. And if any of you are interested in the things that I've been talking about, these are some websites that I can recommend. If you are interested in the Brixton pound it's just [brixtonpound.org](http://brixtonpound.org) . If you're interested in this idea I was talking about of local economies and money leaking out and coming back, there's a website called [pluggingtheleaks.org](http://pluggingtheleaks.org) which nef has built. Nef is at [neweconomics.org](http://neweconomics.org) and [positivemoney.org](http://positivemoney.org) is the other one that I would recommend and that's it. Thanks very much for listening.



#### **CLOSING ADDRESS – *Christine Morgan***

In closing, I'd like to thank all our speakers for the clarity of their thinking and the insights they have given us on the spiritual potential of money and its role as a medium of expression of the divine circulatory flow. There can hardly be a person, group or nation in the world today that isn't directly affected by the monetary crisis. It affects us as individuals and therefore we are called upon as individuals to accept responsibility for how we use the energy of money personally. The universal nature of the financial crisis is an opportunity for a reorientation of values and new, innovative ways of understanding and working with money; an opportunity to see it less as a means of acquiring an excess of things for oneself which blocks its circulatory flow, and more as a vehicle for enriching the lifeblood of humanity. It would seem that Humanity as a species needs to be shaken to the roots to awaken it to a new way of living through the creative sharing that is so much more important than mere acquisition.

Creative sharing is the true path to happiness and fulfilment. It is the motive power of progressive relationships, and that is, after all, essentially what life is all about. A massive change in our conscious understanding of money is therefore desperately needed, and it seems that a correspondingly massive world crisis is required to initiate it – perhaps even greater than the current one; crises bring opportunity for change and redirection, and the greater the blockages they encounter in the circulatory flow, the more dramatic is their dissolution.

I was reading a book by C.S. Lewis on the meaning of pain recently, and he referred to “the fellowship of sharing in the Christ’s suffering”. It struck me, when thinking about the economic crisis, how we, as individuals, so often do whatever we can to avoid suffering rather than seeking to understand it and see it as a chance to redeem something which is out of alignment with a higher principle and calls us to a more simple way of living. Because there are so many obstructions to the circulation of money, the simple remedy of loving inclusiveness may seem naïve and almost too simple to mention, and yet it is the only true cure as it goes to the heart and the root of the problem. From a spiritual perspective sharing and distribution are as vital for the health and well-being of humanity as the circulation of the blood is for the human organism.

Fortunately, we are seeing a gradual awakening of the sense of relationship; there is much charity and aid work, philanthropy is growing, Ngo’s are proliferating, and governments send overseas aid. However, we are talking not just about meeting physical needs but about invoking, calling forth with purposeful intention, that which is needed to help infuse human consciousness with the energy of love and goodwill. This will turn us around to what is Real, and True and Good and anchor us in a recognition of the value of the individual and of the One Humanity. Once this unity is sensed, then the steps towards its realisation will flow automatically, and we will see a new economic order with a sharing of the world’s resources.

Alice Bailey predicts that the creative work of world finance will in the future be done by those who deal with money as the means whereby divine purpose can be carried out. We are used to seeing the tangible world, as a means of satisfying our desires, but we will increasingly shift our focus, thinking in line with a higher purpose and the greater good, to create a world which is line with this vision of unity. It is envisioned too that this group of workers “will handle money as the agency through which the building forces of the universe can carry forward the work needed; and (herein lies the clue) those building forces will be increasingly occupied with the building of the subjective Temple of the Lord rather than with the materialising of that which meets mans desire.”

Building a subjective temple or attractive mental environment in which various world conferences take place is an important project of World Goodwill’s and it seems fitting that our work in meditation and visualisation will continue after this Seminar. The Cycle of Conferences project is focusing on the G20 taking place in Seoul on 11/12 November and you are welcome to join us in this e-project by holding some of the underlying principles of right use and distribution in mind both prior and during this conference.

We know need is an attractive factor when it comes to working with money, but what drives the creation of this new dispensation is a growing “will” to initiate change, to integrate our forces to express true values and reflect the inner verities. The will to good is the driving force behind those who are bringing this vision down into human consciousness to present a new reality understandable to the public. One of World Goodwill’s aims is to support the work of these people and strengthen their hands. So let us end the Seminar now with a meditation to empower their work.



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