
The Energy of Human Sovereignty by Peter Etherden & Anton Pinschof

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About the Authors

Peter Etherden is an independent scholar and investigative historian who received his formal education at *Cambridge University, Stockholm University* and the *MIT Sloan School* in USA. He has taught at the *University of East Africa* in Nairobi and at *Whealock College* in Boston, USA. From 1986 to 2006 he was a regular contributor to the political journal *Fourth World Review*. He publishes online at cesc.net/passagen/.

Anton Pinschof is a smallholder in Brittany and the co-founder in 1993 with Peter Etherden of the *Cliff's Edge Signalling Company*, an independent policy and strategy development forum which publishes the writings of discerning radicals at cesc.net; and he is the secretary of the *Intercontinental Network of Organic Farmers Organisations*. He is fluent in English, French & German.

Conference Questions

1. Why do we need an alternative monetary system?
2. Should the money be nationalized or privatized?
3. Which scale is optimal for currency: local, national, global or sectoral?
4. Is commodity backing necessary for money?
5. Is an energy unit better for economic accounting than monetary unit?
6. Global energy-backed supplementary currency: pros and contras
7. How can modern technologies enhance the efficiency of money?
8. How will the economy react to the alternative currency?
9. What are the best examples to benchmark?
10. What steps are political authorities required to take to implement the new currency model?

Abstract

The present monetary system is not fit for humanity's purpose and will destroy the world if it is not replaced. An alternative system is needed because the present system abusively accumulates monopoly capital, transmutes it overnight into monopoly of political power, and manufactures wars whenever this is profitable or beneficial to the system's cynical controllers or to their discreet beneficiaries. All wars, not least the post-Jugoslav wars, destroy societies, cities & memories, mosques, synagogues & churches, and their net effect has left us today worshipping in supermarkets.

The present privatized monetary system is very efficient at extracting profit for the benefit of a few to whose purposes we gave no consent. The needs of ordinary people and stable communities for their own mints and coinage, to create and cancel money; and exchanges to swap credit contracts, has never been properly examined. The consent of ordinary people for the present monetary system has neither been sought nor given. It evolved to serve principally the private interests of international financiers who have exploited the collapse of the doctrines of usury... which over many centuries held in check the abuse of money by giving neither moral nor legal sanction to the making of money out of money.

This paper is a sequel to one written by the same authors in November 2010 for a conference at the *University of Lyons*, discussing infrastructure renewal in the energy and currency sectors and concluding that neither tasks should be entrusted to the private sector. The principal concern of this present paper is the purpose and the moral basis of the sane, humane and ecological monetary systems that will evolve to replace the present hyper-expansionist monetary systems with an honest currency regime based on sound issue rather than on speculative debt creation.

This paper does not discuss directly the technical question of whether an energy unit is better for economic accounting than a monetary unit; nor does it discuss the pros and cons of a global energy-backed supplementary currency, but instead concludes that the evolution of a sane alternative to the present competitive, war-mongering energy and credit regimes will share a number of similar features and could usefully take place in parallel.

Such questions as the optimal scale or the optimal backing for a currency depend on what we want the currency to do; on whose economy the currency is designed to serve; and on who counts in the decision-making. Similar questions need to be asked about our energy infrastructure, wherein human energy must not be forgotten.

The task of creating new energy and currency worlds is too important to be left to technocrats. Decisions must instead emanate from the moral sovereignty of the people. Who is the issuer of a currency (the community & nation or the private monopoly)? What is the basis of issue (terrestrial reality or speculative fantasy)? Who is the agent of issue (the commonwealth or private protection racket)? Where is the source of power in the pyramid (topside or downside)? Who owns the world (peoples or gangsters)? These questions could have constitutional implications.

As new currency and energy regimes emerge in the 21st century, the principal task for parliaments will be to prevent the controllers of the old debt machinery from maintaining their privileges and deploying the present monopoly power to subvert or arrest the democratic process by means of quasi-legal or illegal military and police measures. In many cases parliaments will require national political superstructures to step aside and cede the decision making to the most subsidiary administrative infrastructures of the nations from the earliest stage of the debate.

This paper proposes a *Principle of Sovereign Localitude* as the basis for achieving several ends: (a) restoring moral sovereignty to constituent communities within society; (b) introducing democracy into the management of the means of exchange; and (c) allowing for the redistribution of the energy created safely 93 million miles away by our sun's internal nuclear processes.

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Introduction

The present monetary system is not fit for humanity's purpose and will destroy the world if not replaced. An alternative system is needed because the present system abusively accumulates monopoly capital, transmutes it overnight into monopoly of political power, and manufactures wars whenever this is profitable or beneficial to the system's cynical controllers or their discreet beneficiaries. Wars, like the post-Yugoslav wars, destroy societies, cities, memories, mosques, synagogues & churches. The net effect is to leave us worshipping in supermarkets.

The capital growth system is very efficient at extracting profit for the benefit of a few to whose purposes we gave no consent. The needs of ordinary people and stable communities for their own mints and coinage, to create and cancel money; and exchanges to swap credit contracts, has never been properly examined. The consent of ordinary people for the present monetary system has neither been sought nor given. It evolved to serve the private interests of international financiers who have exploited the collapse of the doctrines of usury...which over many centuries held in check the abuse of money by giving neither moral nor legal sanction to the making of money out of money.

Infrastructure renewal is not a makeover or an improvement to something that exists. It is something quite different. It is a qualitative change in the manner in which some function is performed or some purpose is met. It is a once or twice a century operation, not something to be done every few months.

The Monetary Idea

Money can be useful but neither money nor its sidekick, credit, is essential for the good life. This is available free at the point of use from Earth and 'universe'...only people and time are needed to 'work' the fruits of our creation.

Money is given function. It can facilitate consuming and investing. Abused, it can support speculation. It can help keep score, provide a store of value, and when rightly set in society in general or in community in particular it can assist the creation and maintenance of social justice.

Money and credit are created by man...coins are minted, credit is created out of nothing by the stroke of a pen, not as a common good but as personal (or private) accessories. Neither money nor credit is God-given. The design and architecture of monetary systems is not in the lap of the gods. Continuous creation of money and credit cannot take place without continuous cancellation of money and credit...they are two sides of the same coin. And money and credit can be either spent freely or sold into circulation.. (in this latter case, the interest is the price).

Exchanges grow up around any monetary system to swap credit or their paper and digital representation. They come in two basic flavours. Commodity exchanges originally designed for the swapping of apples and pears to clear surpluses and eliminate shortages; and time exchanges where one pound per year is swapped for twenty pounds today. Most of everything else associated with a money system, such as banks, are man-made creations designed, at worst, to expropriate resources and privileges from the commons for private or personal use, now or in the future; and at best to bring benefit to all the people all the time. Money can be used for good or for ill. Money with strings attached can enslave. Money without strings attached can liberate.

The Energy Currency Idea

There are three principal sources for the energy currency idea. The first is Buckminster Fuller who saw it as the inevitable side effect of constructing a *Global Electricity Grid*. It is now engineeringly demonstrable that there is no known way to deliver energy safely from one part of the world to another in larger quantities and in swifter manner than by high-voltage-conducted electricity. For the first half of the twentieth century the limit-distance of technically practical delivery of electricity was 350 miles. But as a consequence of the post-World War II space program's employment and advancement of the invisible metallurgical, chemical and electronics more-with-lessing technology,

sixty years ago it became technically feasible and expedient ¹ to employ ultra-high-voltage and superconductivity which can deliver electrical energy within a radius of 1500 miles from the system's dynamo generators.

Buckminster Fuller presented his integrated, world-around, high-voltage electrical energy network concept to the *World Game Seminar* of 1969. Employing the new 1500-mile transmission reach, this network made it technically feasible to span the Bering Straits to integrate the Alaskan USA and Canadian networks with Russia's grid, which had recently been extended eastward into northern Siberia and Kamchatka to harness with hydroelectric dams the several powerful northwardly flowing rivers of north-easternmost USSR. This proposed network would interlink the daytime half of the world with the night time half.

Fuller argued that electrical energy integration of the night and day regions of the Earth would bring capacity into use at all times, thus overnight doubling the generating capacity of humanity because it would integrate all the most extreme night and day peaks and valleys.

The second source of the energy currency idea came with the publication of *The Ecology of Money* by Richard Douthwaite. He argued that 'an international currency should be based on the global resource whose use it is highly desirable to minimize'. Douthwaite then picks up the old *Limits to Growth* argument from thirty years ago. Economic growth needs piped energy; piped energy and economic growth produce pollution and pollution brings economic growth to a shuddering halt. The structure of Jay Forrester's *System Dynamics* model for his *World Dynamics* modelling ensured that collapses were suitably dramatic...good visual effects.

This is where *Global Warming* enters the argument. Enter the *Global Commons Institute* and their *Contraction & Convergence* agenda. *We the World* can stop *Global Warming* dead in its tracks, they claim, by reducing global carbon dioxide emissions. Think ration books in the *Hitler-Churchill War* and coupons for *Carbon Dioxide Emissions*. Hey presto! You've got yourself a scarce resource. And a scarce resource is just what is needed allegedly for an international currency. Hold on to your hats. We are nearing the currency link.

In New York seven years ago a book was published entitled *Kingpins of Carbon: How Fossil Fuel Producers Contribute to Global Warming*. It included the interesting fact that 80% of the fossil carbon that ends up as man-made carbon dioxide in the earth's atmosphere comes from only 122 producers of carbon-based fuels. So the idea is that someone somewhere guesstimates how much *Carbon Dioxide* we can permit to be emptied into the atmosphere each year and expresses these annual emissions as *Ration Book Coupons*.

What then happens to these coupons? The *Competent Receivers* of these *Carbon Emission Coupons* sell them to the *Gang of 122* who receive them in addition to cash from big users such as the electricity companies and the oil and coal merchants. This forces the wicked polluters to pay an arm and a leg for all the foul fumes they spew out into the atmosphere. This leads to shareholder profits plummeting and so they pull their money out and invest in profitable new carbon-free technologies like the 600-year old *Windmill Business* and the 60-year old *Nuclear Fission Steam Kettle Industry*.

So far so good. Who does what to whom? Who hands out these coupons to whom? The current ideas doing the rounds talk about half of them going to ordinary people as *Domestic Tradable Quotas (DTQs)* so we can pay our energy bills with them instead of paying in cash. Someone has already designed the credit cards. The other half get auctioned off like the 3G licenses for mobile phone companies. Economists from the *University of Chicago* have proved that auctions are an efficient way to allocate scarce resources. So that's all right then.

You were there before me again. Who decides? And what happens to the money? The *Global Commons Institute* has worked out how to put the *International Monetary Fund* in charge. The *IMF* would assign *Special Emission Rights (SERs)* to national governments every month, issue the energy backed currency units (ebcus) and fix their value relative to the *SERs*. Then *The Great and The Good* would spend the money on noble causes like renewable energy development and energy conservation.

By now you may be feeling a little sceptical about the whole scheme. But now is the time to start getting really nervous. There is a third game afoot with three prongs to its trident. On both *The Left* and *The Right* the gloves are off and the new *Great Game* is on, to replace our world of nation-states running on a mix of *Common Law* and *Roman Law* with a one-world state running on international law.

The Left have given the *UN* environmental agencies an aggressive...though scientifically flawed... climate change agenda for the job. ² *The Right*...with a motley crew of libertarians and 'genocidists'...have outsourced the job to *NATO* and corporate private contractors. ³ *Climate Exchanges* are the mechanism of choice for *The Left*. Debt swapping and rationing is the preferred method of *The Right*...who have now learnt to deploy their plans through the 'useful idiots' on the left.

¹ In a private conversation in January 2011, a *Cambridge University* economics professor remarked that transmission losses have now been reduced to below three percent.

² See *The Strange Life of Maurice Strong* by William Shepherd.

³ See *Lugano Report* by Susan George and *Shock Doctrine* by Naomi Klein.

In cahoots with both sets of players will be the vested interests of the component makers and energy suppliers growing fat on the declining supply and rising prices of the old dying fossil energy infrastructure and the large-scale pipe and cable structure of last century's electricity infrastructure.

Future Social Mix

Globalization has transformed society leaving few corners of the planet untouched. But the Earth is the limit. Globalization can reach no further. From here on we must restructure where we have come within the constraints of our global reach on the one hand and of the human reach on the other hand. For the next great leap in the adventure of civilization, the free choice of right scale for purpose and function will be crucial.

Reconciliation between the human scale and the planetary scale will be the new challenge. From here on, structure will determine behaviour; and our structures will need to be different: networks & nodes, nested systems, 'large and small' not 'large or small', pilot plants and theories of scale (to permit the correct scaling up and scaling down). Neither the *Little Individual* nor *Planet Earth* should continue to be used as a guinea pig for the latest fashionable idea emanating from Chicago or London.

Peter Drucker was one of the first social scientists to discriminate between the hand worker and the mind worker. Governments everywhere stress the importance of education in delivering mind workers to meet the needs of the global economy. Governments have also embraced, often unwittingly, Buckminster Fuller's idea of energy slaves. This is the notion that every industrial worker in the modern world can call on some hundred and fifty energy slaves to do his or her bidding. With better use of energy it will be possible to reduce this to perhaps fifty or less, but returning to shovels and pedal power is not a route many of us wish to go down.

But the brute force of regiments of energy slaves is not the way to go either. Ivan Illich was one of the first to recognise the need for intelligent tools. To harness energy to meet real human needs, our tools have to be smart. We do not just need transmission grids for our electrical power, we need them to be smart grids. Illich takes this one stage further by suggesting that intelligent tools are not enough. Society also needs *Convivial Tools*.

Future Energy Mix

We need energy for three things: heating space, running gadgets, and rushing ourselves and our stuff about. Space seldom needs to be warmer than twenty five degrees Celsius...so a supercharged kettle that heats water to four times this...and then throws three quarters of the heat into the surrounding ocean...makes very little engineering sense.

Besides, electricity demands will be coming down over the next few decades as the world gets smarter at doing more with less. Nicholas Negroponte's \$100 wind-up lap-top computer may or may not have been sabotaged by *Intel* but, it is a sign of what is possible.

There are dire warnings about the planet running out of fossil fuels. A while ago the British coal miners were assuring us that there were hundreds of years of coal. Since then untold billions of cubic feet of shale gas have been found. Warnings of scarcities do wonders for oil prices so a little scepticism is in order regarding peak oil and dwindling fuel supplies.

Ten years ago Jeremy Rifkin wrote a book entitled *The Hydrogen Economy*. It sank without trace but ten years on it seems fitting to revive it. Most of Rifkin's book is about the end of the fossil-fuel era and the certainty that 'business as usual' would not take the energy sector much further than the middle of the present century. In the middle of the book there is an interesting essay entitled *The Dawn of the Hydrogen Age*. Rifkin's message is 'accelerate the shift from carbon to hydrogen...and do it now'. However, Rifkin, like the peak oil doomsayers, overstates his case...and his survey of the scene is inadequate.

The truth is that *Planet Earth* has been blessed with an abundance of energy. We have only ourselves to blame if we can't get the right amount to the right place at the right time and make sure it goes to the right people. Energy, like air and water is a 'commons' so why have we allowed it to become enclosed? The right to a warm room of your own in winter should be a basic human right. Fuel poverty, like debtors prisons, should be a thing of the past.

Over the past hundred years several of the world's most illustrious inventor-scientists have become intrigued by the idea of free energy⁴ and the internet is awash with thousands of free energy designs. One particularly enterprising researcher has devoted a lifetime to gathering them all together and making the details freely available. Should we give credence to their claims?

Earlier on in the century, before gasoline and electricity established their present hegemony in the face of competition from the supposedly too-cheap-to-meter nuclear power, ordinary people were aware of the alternatives on a day to day basis.

⁴ Nikola Tesla, Wilhelm Reich and Viktor Schauberger, for example.

But as the fossil-fuel option has become a global monopoly, with distribution of fossil-fuel electricity coming under the control of undemocratic centralizing corporations operating within a 'radical monopoly'⁵ so the research and development of environmentally- and people-friendly energy options all but dried up...until the elites who were running most of the industrialized countries of the world noticed that energy had developed a geopolitical component...and one not at all to their liking. *OPEC* was a wake-up call. But their response was predictably inept.

Caught with all their cables and pipelines lacing our *One-World Island* and their tanker fleets prowling the seven oceans, they panicked...several times...starting wars with each other, then with creeds and races they failed to understand, and finally with their own children. We live in the aftermath of a century of panicky overreaction. Unfortunately the *Left-Wing* response has been every bit as inept. Instead of checking their premises, they bought into *The Right's* energy paradigms.

A century ago, Halford Mackinder remarked that politics really came down to the struggle between locality and interests...which, in our age of compressed time and extended distance, means outside interests. As far as energy is concerned, the gods have placed it very firmly on the side of locality. Energy is everywhere. The sun does not discriminate...except by degree.

The sun shines all over the planet and will continue to do so for millions of years. It probably takes the sun no more than forty-five minutes to furnish us with enough energy to keep ten billion of us going for a year. Sensible harvesting and husbanding of this abundance would cut this down to ten minutes. Forty years ago in *Soft Energy Paths*, Amory Lovins explained how to go about it. Very little has changed...except that the need to reframe 'the energy problem' has become even more urgent. In his championing of the cause of hydrogen, Rifkin unwittingly sketches out one of several 'free energy' options from which *The Left* can choose.

Talk of *left* and *right* has rather gone out of fashion. Thomas Jefferson believed that there will always be two political factions: one that believes in decentralizing power...to the point of dissolving it completely to limit the damage caused by its accumulation...through *We The People* governing ourselves (the 99%); and the other faction, which pays lip service to the same ideals but believes in monopolizing power to the benefit of a privileged elite (the 1%). Bombing Serbia, Afghanistan and the Middle East into the stone age from forty thousand feet in the name of *Democracy* gives you the scope and flavour of the deceit.

Jefferson did not delude himself that 'the common people' were competent to run a country. But he was quite clear that the remedy was not to outsource the job to the mis-educated...ignorant of their own ignorance...but to educate the 99% who were uneducated...or a sufficient number of them...to ensure they could have a decent shot at running the show on behalf of all the people most of the time rather than for a very few of the people all of the time.

The fuel to drive our intelligent tools and power our energy slaves comes in three categories: sun fuel, earth fuel and free fuel. *Earth Fuel* includes the carbon-based coal and oil and natural and shale gas, and the non-carbon fuels such as hydro- and geothermal-harnessed earth energies; *Sun Fuel* includes the fuel-stuff derived from the complex array of the sun's emissions. These include the harnessing of primary derivatives by solar-voltaic cells; of secondary derivatives such as wind, wave and tide; and of tertiary derivatives by biofuel plantations. *Free Fuel* is perhaps the most interesting of all.

Free Fuel comes in a number of strange flavours but may also exist as 'known' and 'unknown unknowns'. At the leading edge of theoretical physics there is much consternation at present because nothing adds up. The cosmic arithmetic is off by factors of ten or hundreds...perhaps more. Very little of the energy in the universe is properly accounted for. We live in exciting times. But ever since Albert Einstein's discovery of the $E=mc^2$ equation it has become apparent that sticking with the 'knowns' is a fool's game: there is free fuel in abundance locked up in atomic forces...and dissident scientists like Tesla and Reich were convinced that this represented just the tip of the iceberg.

Future Electricity Mix

Much has been written about the *War of the Currents* (AC vs DC) at the turn of the 19th and 20th centuries. But any realistic survey of that era reveals that the conflict was a public relations dispute between competing systems and had little impact on engineering decisions, which were based allegedly on practicality and economics.

In New York major advances were made by a little-known electric utility, the *United Electric Power and Light Company* (*United*), a former *Westinghouse* holding. George Westinghouse purchased *United*, a company that resulted from the reorganization of several arc light companies to obtain a foothold in the New York City electricity market.

United's initial 1889 installation of alternating current in lower Manhattan was less than a success as transformer losses were high. Technology advanced substantially during the following seven years. *Westinghouse* had purchased the polyphase system patents of Nikola Tesla, which he then used to develop the comprehensive power system that was installed at Niagara Falls.

⁵ *Radical Monopoly* is a term coined by Ivan Illich in his long essay on the *Disabling Professions*.

One factor that was not taken into consideration at the time was health. The electricity ring mains on alternating current could turn out to be, for us, what lead water-supply piping was to the Romans. A *Special Issue* of Marilyn Ferguson's *Brain-Mind Bulletin* in 1981 on bioelectricity included some worrying research by Robert Becker on the high sensitivity of human cells to the 60 Hz frequency adopted for domestic electricity 'on economic grounds'.

Conjectural history has long been a favourite literary sport. To quote Walter Bagehot in *Lombard Street*: "Upon grounds of probability a fictitious sketch is made of the possible origin of things existing. But such history is rarely of any value. The basis of it is false. It assumes that what works most easily when established is that which it would be the most easy to establish, and that what seems simplest when familiar would be most easily appreciated by the mind though unfamiliar. But exactly the contrary is true."

The truth is that the existing electricity infrastructure has grown like topsy, driven by private greed and financial engineering rather than by electrical engineering and the consent of the user. Electricity, like the deposit banking Bagehot was describing, seems simple and appears to work well when firmly established, but would be well nigh impossible to establish among new people, and not very easy to explain to them. Vested interests not intelligent design is the hallmark of the electricity business. It makes little sense to hook a new currency to this old architecture.

Purpose of Currency

The purpose and the moral basis of the monetary systems that will evolve to replace the hyper-expansionist monetary systems of the past four centuries will be an honest currency regime based on sound public issue rather than on speculative debt creation. The evolution of a sane alternative to the present competitive, war-mongering energy and credit regimes will share a number of similar features and could usefully take place in parallel.⁶

Today the issuance of money and credit has become the private right of vampire speculators, who are using it to squeeze the lifeblood out of local, regional and national economies. This right of issue needs to be reclaimed by sovereign governments. Credit should be a public utility, dispensed, and managed for the benefit of the people.

The optimal scale or the optimal backing for a currency depend on what we want the currency to do, on whose economy the currency is designed to serve, and on who counts in the decision-making. Similar questions need to be asked about our energy infrastructures. Who is the issuer of money (the community and nation or the private monopoly)? What is the basis of issue (terrestrial reality or speculative fantasy)? Who is the agent of issue (the commonwealth or private protection racket)? Where is the source of power in the pyramid (topside or downside)? Who owns the world (peoples or gangsters)? These questions have constitutional implications.

As new currency and energy regimes emerge, the principal task for parliaments will be to prevent the controllers of the old debt machinery maintaining their privileges by deploying the present monopoly power to subvert or arrest the democratic process by means of quasi-legal or illegal military and police measures. In many cases parliaments will require national political authorities to step aside and cede the decision making to the most subsidiary administrative infrastructure of the nations from the earliest stage of the debate.

Sovereign Localitude

We propose a *Principle of Sovereign Localitude* (or self-determination), which has the potential to underpin, constitutionally, the means for achieving several ends: (a) restoring moral sovereignty to constituent communities, wherein diverse peoples cohabiting common territory seek consensus on questions of policy, administration and technology; (b) introducing democracy into the management of the means of exchange; (c) allowing for the distribution of the energy created safely 93 million miles away by our sun's internal nuclear processes.

What does this mean? Instead of the *Principle of Interests*, the heretical religion of money-theism which puts *Kapital* in command of the human spirit, we prefer to establish a *Principle of Localitude*,⁷ implying that technological choices be made by the people, not by their lords and masters. The political model for this could be the Swiss confederation arising from the original revolt of 1291 against the German Empire, or the constitutions proposed by the *Peasants Revolts* all over Europe in the 16th Century⁸ or the Yugoslav constitution of 1974. The emerging Icelandic constitution would also seem promising.

In the context of energy systems *Sovereign Localitude* means that transmission grids will be just one of an array of options. When the self-determination of the regions and micro-nations is paramount, this will allow for the subsidiary administrative territories to come to their own appreciation of resources and policy.

The *Subsidiarity Principle*, as formulated originally by Pope Leo XIII in *Encyclical Rerum Novarum* in 1891 did not make it clear who decided what was feasible at what level of administration...a matter that the *Founding Fathers* of the United States of America made much clearer. This priority can now be established, severely limiting the topside

⁶ See *The Sane Alternative* by James Robertson for a fuller discussion of the HE and SHE alternatives.

⁷ See *Democratic Ideals and Reality* by Halford Mackinder, (1919).

⁸ The constitutional writings of Michael Gaismair (1490-1532) became the manifesto for the Austrian Peasants & Workers Revolt (1525-1532) which only died out with the killing of their major Swiss supporter, Ulrich Zwingli, in 1531.

decisions of technocrats while empowering the people to remember that they embody the sovereignty of the human spirit and can decide within each territorial assembly what they can and cannot do.

The nations that started negotiating the Peace of Westphalia in 1644 (concluding in 1648) established peaceful co-existence rather than competition as a governing principle for nation states. But, since the *Bretton Woods Conference*⁹ of 1944, these nation states as redefined 300 years before have lost their economic sovereignty and unbridled competition has gone on a final rampage.

Summary & Conclusions

Energy is deeply political and ‘solutions to the energy problem’ run along party lines. Decentralized energy, like silver coins, is the property of *The Left* (the 99%). Centralized energy, like the gold standard, central banks, debt and scarcity are the weapons of *The Right* (the 1%). *Energy Wars* are part of the *Class War* rightly identified by Karl Marx as the driving force of history. The result, however, is not inevitably pre-determined.

Infrastructure renewal should not be entrusted to the private sector. Public and private sectors represent a false dichotomy. Good constitutions should ensure that the custodians of the common wealth of a village, county or nation have the right to command personal and private sectors to take on the task of infrastructure renewal...and specify the terms and conditions of the process. Stringent rules against sabotage of the public purpose are needed. The original US legislation against insider trading and the anti-competitive behaviour of trusts are sound models.

Europeans, as Ellen Brown has suggested, would be better advised to “reverse article 123 of the Lisbon treaty”, as any sovereign state is entitled to do. She goes on to propose that the *European Central Bank* issue credit directly to its member governments,¹⁰ or, as an alternative, *Eurozone* governments re-establish their economic sovereignty by reviving their publicly owned central banks and using them to issue the credit of the nation for the benefit of the nation, effectively interest-free.¹¹

This is not a new idea, it has been used historically to good effect, e.g. in Australia through the *Commonwealth Bank of Australia* and in Canada through the *Bank of Canada*. The *Deutsche Bundesbank*...a confederation of *Länder Banks*...also operates along similar lines, as does the *Bank of North Dakota*...a good working model for US public state banks operating at the *State* rather than the *Federal* level. The *US Federal Reserve*...a central bank for the USA...is quite different, prompting Ellen Brown to refer to it as “a monstrous deception”. In like manner, the *Bank of England* was designed to deceive.¹² These two should also be reconstituted along Australian and Canadian lines.

Our conviction is that *Free Land & Free Money* are the *sine qua non* for the good life. The *Principle of Localitude*, working in harness with the *Doctrine of Usury*,¹³ can ensure the right of everyone to pursue happiness in their own way without restraint from illegitimate outside interests or powers that are *ultra vires* to *Common Law* and do not themselves respect the slightest obligation to society. The means cannot be separated from the ends.¹⁴ Money with strings attached enslaves. Money without strings liberates.

⁹ The *Keynes Proposal* was defeated and the proposition from Dexter White, the leader of the US delegation, adopted instead.

¹⁰ The authors would draw attention to the coordinated campaign, currently gathering momentum in many countries, demanding and indeed doing *Audits of Public Debt*, distinguishing legitimate from illegitimate debt. Such auditing has to precede any repudiation of bondage to private monopoly capital such as that which *Article 123* of the *Lisbon Treaty* pretends to legitimate. See recent meeting of citizens of 12 countries: <http://www.cadtm.org/Des-efforts-coordonnes-en-Europe>.

¹¹ In a private email dated 11th December 2008, one of the principal founders of the *New Economics Foundation*, James Robertson, made the following comments relating to Article 123: "My assumption has always been that the Bank of England should decide how much new money to create to be put into circulation by the government to satisfy monetary needs. The Bank should then give it to the government to use, along with all the other public revenue, as decided by the normal democratic parliamentary budgetary procedures for controlling public spending."

¹² See *The 1690s Bank Wars* by William Franklin which includes the accounts by Thomas Macaulay and Walter Bagehot.

¹³ On *Societal Inversion* see *Letter from Oberndorf* and on the *Doctrine of Usury* see *Sing-a-Song-of-Sixpence*, both by William Shepherd and available online. For a discussion of constitutional issues see *England's Constitution History* by William Hall.

¹⁴ See *Ends & Means* by Aldous Huxley commissioned by the *Peace Pledge Union* in 1934.

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