

EDITORIAL by J. M. Zube

[from Peace Plans #9, slightly abridged]

The four plans in this issue are an object lesson in decentralization, in micro-economics, in free economic self-help activities of individuals, fully in accordance with free market principles. The theory and practice of free banking is the libertarian alternative to the communist system of national central banks with a monopoly for the issue of banknotes and great powers to restrict and manipulate standards of value, credit, capital transfers, clearing, internal and international trade and thereby production and employment. Monetary despotism prevails now everywhere even in countries which are nominally anticomunist and in favour of free enterprise in a free market. It is the main obstacle on the path towards a really free market though most people professing a belief in a free market have not realized this as yet.

The record shows that the centralized and monopolized banking system has failed in all its benevolent and legally declared aspirations: stable currency and a sufficient supply of exchange media and credit to permit all desired exchanges of goods and services.

Instead, it has enormously succeeded in impoverishing a large part of the population in all countries by making inflations and deflations not only possible, easy, and likely, but inevitable.

It has been an all too dangerous financial tool for dictators and other aggressive governments, to permit intelligent and enlightened citizens to tolerate its existence any longer, tacitly and inactively.

All interested in individual freedom and peace & intelligent enough to study and understand the monetary despotism of a handful of ignorant and prejudiced men (who are supposed and pretend to be "know-it-alls" or at least "practical men") over all economic affairs and even the lives of all others, should therefore combine their knowledge, references and resources towards the aim:

Full monetary clearing, value reckoning and financial freedom for all.

For this purpose I listed as many relevant publications & addresses as I could obtain so far. In PEACE PLANS 1,022 you can find an extended but still far from completed bibliography on monetary freedom. In spite of all differences in theories and proposals, all monetary reformers could combine their forces if only they agree upon and demand and fight for freedom for tolerant monetary experiments among volunteers.

Even among those who propose just another despotic monetary system (naturally, with the best intentions), like e.g., that of Silvio Gesell or that of Major Douglas, there are many who are intelligent and tolerant enough to demand no more than that their proposals may be put to the test of small scale experiments undertaken at the risk and expense of volunteers only.

Those advocating full monetary freedom could therefore and should cooperate to some extent even with the representatives of such monetary reform movements, for their mutual benefit and enlightenment, at least through the mistakes made by others.

In this spirit of tolerance for tolerant monetary experiments, and although I disagree with their theory and practice, I point out here to you the addresses of two current monetary experiments in the U.S. :

Interchange, organized by Mr. Miles T. Roberts, Rte. 2, Villisca, Iowa, and The Labour Gift Plan, # 2207, 150 Nassau St., New York City.

While the prevailing opinion is that whatever private initiative cannot do the State must do - a saying which is merely a semantic camouflage for ignorance, despotic aspirations and statist sentiments - the contrary is true: Whatever the State cannot at all or not rightfully or efficiently do - and judging by its record it has failed in all tasks it has been burdened with - private enterprise, based on the principles of natural law and without any State interference, is eminently capable to do. (I use here "free enterprise" in its widest rightful sense, including e.g. voluntary cooperative undertakings.)

Here this libertarian idea is applied in the monetary sphere. One might even go further and state: Whatever private enterprises would not do, in a truly free market, should not be generally enforced because this would be unjust and destructive. This principle, naturally, does not exclude the possibility for volunteer communities to apply internally any kind of authoritarian principles - to their own full satisfaction, as long as they can stand them.

Ulrich von Beckerath, characteristically, put his ideas forward as if they were Milhaud's. But he had developed the ideas of monetary freedom independently and in more details many years before Professor Edgard Milhaud. Milhaud, in his writings, still retained a bias in favour of government action and centralization. But he readily admitted the originality of Beckerath's ideas, e.g., in the introduction to his collection: Ending the Unemployment and Trade Crisis - "The high import of Dr. Zander's labours, as well as those of Dr. Rittershausen, to whose paper in this volume the reader is also referred, is impressively shown in Ulrich von Beckerath's substantial contribution. This contribution contains a theoretical analysis of the economic foundations of my proposals. I feel the more bound to emphasize here its masterful originality as the title to of his paper and his modesty and magnanimity mask this. Moreover, he has stressed a series of statements of great importance by expressing them in a number of formal propositions worked out in such detail that their immediate realization only depends on decisive action being taken by those in authority."

Beckerath had been thinking about monetary freedom ever since, in 1908, he had heard a top French unionist (Levine?) ask: After the revolution, what shall we use to buy our bread with? And he did not stop thinking about this subject up to his death in 1969. On his first meeting with him, in 1952, suggested by my father [Kurt Zube], he introduced me to the theory and practice of legal tender. I was 19 then and it has been on my mind ever since.

I ask you to suspend final judgment on his monetary freedom books until you have read his other two works, in PEACE PLANS Nos. 10 and 11 as well and will have easy access to all the monetary freedom ideas in these 3 books by means of a comprehensive index to be printed at the end of PEACE PLANS No. 11.

When reading these texts, please, remember that a writer under Hitler's rule had to express himself guardedly.

(These writings did lead to a visit by the Gestapo. He was lucky in that, with their mentality, they did not take them seriously. If the decision-makers in the still somewhat free countries had been open-minded, then they might have introduced monetary freedom, and with it could have so rapidly introduced full employment and prosperity and in such a contrast to the two totalitarian regimes, Hitler's and Stalin's, that these tyrants would have lost most of their supporters. Refugees and deserters would have been welcomed with open arms, also fully employed, international trade would have rapidly expanded, without frictions, and WW II might not have happened at all. The then unshackled "free enterprise capitalism" would have gained adherents everywhere. Hitler and Stalin might have been overthrown and a much more rapid and successful development would have taken place in Germany than the one described after WW II as its "economic wonder". Alas, so far in history, the best choices are made only rarely, if ever. Full experimental freedom is still everywhere interdicted by territorial States. Thus the

solutions cannot be demonstrated by those who understand them. PIOT, J.Z., 20.11.01.)

DeWitt Warner's article [The Currency Famine of 1893, published in 1895] received one of the highest compliments possible ("Plagiarism is the sincerest form of flattery!") by being quoted almost verbatim in a volume by an American professor concerning the history, theory and practice of clearing houses - without mentioning DeWitt Warner and his article at all!

Concerning Zander's two articles on railway money, a news report in DER TAGESSPIEGEL, Berlin, 7/55, is relevant: The army of Ecuador had then taken over railway services as the railway workers had gone on strike after the government owed them wages for 10 weeks. The government's excuse was that it would not have the money to pay the wages. Beckerath commented on this clipping: "Neither the government of Ecuador nor the railway workers know the technique of railway money. What fools!"

Dr. Zander seems to underestimate, though, the importance of the over-regulation and excessive taxation of American private railways as hindrances for their optimal economic effectiveness, in the same way as those who realize the latter faults fail to recognize the importance of monetary independence for railways.

Dr. Zander, in the last plan, A Way out of the Monetary Chaos, which is, perhaps, the most comprehensive, clear and concise article on monetary freedom which exists so far, is e.g., very helpful in teaching the adherents of the classical gold standard the important lesson which they need to learn most of all, in spite of their otherwise strong belief in a free market, namely, that the metallic redemption of banknotes can and should be transferred from the banks of issue to the market place, here the free gold market.

These four proposals, contain actually only a single one: the proposal to establish monetary freedom. The importance of this project (all too widely considered as quite irrelevant!) outweighs that of dozens of other plans.

The monetary freedom here proposed in detail is directly or indirectly related to every other economic, social or political problem; even to military problems, whether you realize this as yet or not. It shows e.g. a way to prevent the financing of unjust wars and how to finance just uprisings against despotic regimes which endanger world peace. Furthermore, its full realization would make it very difficult for any new dictatorship to be set up. There would not be enough impoverished or expropriated people around to support it!

Dear reader, you are one of the at most 500 people on Earth to whom I have with this booklet entrusted a number of highly important ideas and proposals. Will you be receptive and capable and willing to understand and spread them, will you be fertile soil or barren ground for these seeds?

I do hope that you will at least treat this booklet with the respect due to its rarity value which, with small impressions like this one, does not require generations to develop and that you will, therefore, if you are not sufficiently interested yourself, undertake the slight effort to pass it on to somebody who is or might be interested. You might even succeed in thus delivering it into the hands of the energetic individual who will appreciate and realize these proposals to your and my own benefit.

Ulrich von Beckerath has said repeatedly that the first mutual bank could even be established in a small village in an underdeveloped country and from this tiny example the principles and practices of monetary freedom could spread all over the world. J. M. Zube editor of PEACE PLANS Wilshire St., Berrima, N.S.W., Australia.

P.S.: 2001 I still hope to get around to develop further the monetary revolution ideas hinted at in PEACE PLANS 8, to compile a more comprehensive free banking bibliography, an alphabetical handbook on monetary freedom, a tabulation of exchange media characteristics, sound as well as flawed ones, with hints to their advocates, and a tabulation of value standard proposals, a listing and discussion on the various ways in which full monetary freedom might be initiated from the smallest beginnings, a directory to monetary freedom addresses and to somewhat complete my collection of monetary freedom writings either on microfiche or on CD-ROMs. Very desirable would also be a collection of abstracts and reviews of such writings, and a comprehensive alphabetical index to all such writings in new editions. I still plan to write essays on tax foundation and Gresham's Law. But the most urgent task appears to be to finally get all the writings of Ulrich von Beckerath that are in my possession onto microfiche or CD-ROMs, together with a detailed index to them. Another large task consists in transcribing the 5th and still incomplete version of Prof. Rittershausen's MONETARY THEORY manuscript. - Altogether there is simply too much work in this field for one person. Some international division of labour is needed in this sphere as well. - J.Z.