

The Babylonian Fail

Many arguments can be made against the political and economic institutions of man. It need not be said they are not without their problems. Usually, however, if we pay attention, the complaints focus on degrees of failure and relative failure not on the basis of a total fail.

Liberal institutions criticized from a liberal, tolerant and conciliatory position. Is this good enough?

Communism is faulted from the perspective of the opposing ideology of capitalism. Communism, it is said, fails to live up to the standards of capitalism. But what is this standard? Is capitalism without serious problems?

Communism opposes capitalism and capitalism opposes communism but who accepts either has much to offer that is dramatically different from the other?

It's a shell game, an illusion played with smoke and mirrors.

How much better is society governed by unfettered markets than by unfettered government agents? Do we unleash the market barons because we oppose the dictators of communism?

Communists are against anarchists, anarchists oppose capitalism and all the various political parties and ideologies are in constant struggle one against the other.

Who has the moral high ground?

Are we being trained to accept evil as normal?

God is not a God of confusion. The devil is a liar and the father of lies. The truth is one but lies conflict one against the other. It is not just that the right cannot be made consistent with the left and anarchy cannot be reconciled to the state none of these things can be made consistent with the Word of God.

The Word Of God stands alone. Nothing can overcome it and it needs nothing to support it. God says: I AM THAT I AM. God exists for the purpose of existing as Himself.

The edifice of Satan is a house of cards that by the very nature of its construction must come down. We call this the Babylonian Fail.

God created his first promise to Adam and Eve and their progeny. He made a specific promise to Abraham and to Noah and his family. These were specific promises to individuals. But none of these promises pertain to all individuals.

God made promises to his people in giving mankind Dominion over the earth and he made us stewards, these are general promises to believers. These promises give us a foundation and the basis of personal ownership that is the source of our life, but ultimately Dominionism only means we have authority over the rest of creation.

What is missing was a promise to us as individuals giving us freedom to act as lords of our own Domain. This is very important. Everything we see in nature was created by God for the Glory of God. We get to use it and sustain ourselves with it but to the glory of God.

We as individuals own or claim only what we ourselves create or what is specifically assigned to us by the creating agent, the author of the asset assigned into our keeping. This poses a problem no one fully appreciates which is what Satan wants.

The concepts of Dominion and Stewardship are not assignments of ownership or authority of what belongs to God, to individuals. Dominionism pertains to all men in all times and places. Neither Dominion nor stewardship can be used to justify capitalism's expropriation of what belongs to God and by extension to all persons in all times and places.

At the same time there is no justification for the claims made by the state. The claims made by the state regarding nation states and

intergovernmental institutions as to their right to govern and own and administrate are wholly fictitious and illegitimate. Indeed, these claims are so unwarranted and so diabolical in their implications that these claims and the actions that pertain thereto constitute Crimes Against Humanity. These unrighteous acts cause or seek to cause the severance of what belongs to all by a fictitious and malevolent organization.

All the claims and counter claims by all human ideologies and institutions are rendered null and void by the simple fact no agreement of assignment can be demonstrated to have emanated from the rightful owner of the universe, namely Jesus Christ our lord and saviour and the creator of all things.

This leaves pagans with two options; either they admit all ownership is based on the principle of might makes right and all laws and regulations pertaining thereto are simply expression of superior power. In such cases ownership is simply a rationalization of an end justifies the means ideology. If we subscribe to the idea that might makes right, then we have summarily invalidated all morality and ethical codes not similarly based on martial superiority.

In other words, door one leads to Machiavelli's, *The Prince*.

The other option is to admit there is no superior claim to anything. In this case the person subscribes to a doctrine of moral relativism. All claims to ownership vanish. All actions that offend or are deemed offensive are apologized for and compensated for in an orgy of self-recrimination and obsequious capitulation. This second route is that pursued by Canadian Liberals.

If we choose to pursue the first option the ultimate owner, the ultimate authority is the individual. All power becomes contained in a single pair of hands.

The culture may try to download power onto lower levels but in the end the power to give authority is the same power that enables power to be

removed. Thus, the power wielded by lower levels is always a contingent power.

Liberalism attempts to convey a sense of equality in which ownership is widely dispersed and everyone has an equal say in the allocation of our resources. In the end however this power is contingent upon the ability of the central power to retain power while keeping up the pretence of equality.

In the end someone has to retain the reins of power. In liberalism no matter how slack the reins may appear to be they are held in the hands of a dictatorial statist.

No matter how much freedom liberalism pretends to give the point is the freedom is assigned. Liberalism packages and distributes freedom and as the need arises modifies and restructures it to fit its agenda.

Once again, we are made aware that liberal freedom is an uneasy balancing act between the tyrannical leader and his followers, the masses.

But this does not only create a tension between the competing claims it creates social costs, divisions and conflict. The Babylonian Fix is an uneasy truce that satisfies no one.

But why Babylon? Why does it exist? By this we mean why isn't Babylon a place of peace and prosperity? Atheists certainly think that rejecting God is a meaningless act.

We see individuals acquiring great wealth in this world without considering God. We see nations acquire wealth and power who do not seem to follow the teachings of the bible. Why do we say that progress is not possible without God and that Babylon cannot reconcile the dilemma of its own contradictions?

To understand the Babylonian Fail we have to understand there is only one truth. There can be no other. Truth by definition is one option. Right away we see a problem with the liberal position, what I have alluded to

elsewhere as the Liberal Dilemma. Freedom presupposes options. Truth assumes only two. We can do what is right or not. Only if we choose to reject the truth do we find unlimited freedom. We have to be free to choose the truth, but it is not truth that gives us this freedom, that kind of freedom only comes from the system we are in.

In a biblical system there are no options but one and that is the option that provides the right solution. All other options are closed to us. But this system we are in, this Babylon, offers many choices. It promotes the idea of the free market as if the right choice was anything that the buyer and seller decides to transact.

If Babylon has so many choices, why are not the right choices made? Is not the individual the source of choices, are not all choices made by individuals? Yes, but on what basis?

No one is free in an absolute sense. We are not free to fly nor to take whatsoever we choose to have. There are always limitations placed on us. For the most part we all out of necessity accept our physical or natural limitations. There are also moral and legal limitations. Anarchists do not accept either of these. Though the issue can get muddy as Christian Anarchists will argue that they do accept the teachings of Scripture but reject the authority of the state. However, this often means they are actually libertarians and believers of the free market more than believers in Christ.

But is taking away the freedom offered by governments to substitute it for the freedom of the market a real solution? What we are doing or what Babylon does is give us two options, these are presented in different ways but the choices are to create a hierarchy of control as in governments or to allow everyone to run amok and hope it all turns out ok.

We cannot go into all the possible applications of this ideology but if we do not want governments over us resorting to a free market is not as distinct an alternative as some might think. It is the same as the contrast between

capitalism and communism, they are frequently provided as sharp contrasts, but the distinctions are largely arbitrary and illusory.

Capitalism is the champion of the free market and the rights of unfettered ownership, but ownership is a very stratified condition. The multibillionaire has by definition more rights than the man who owns only a suit of clothes and 40 years of labor to sell.

If go to the other extreme and look at a dictatorship, whether communist or monarchy the top seat has more power than the person with no official standing, however there are many intervening layers all with their various levels of authority and privilege.

So, in both cases there is a hierarchy of privilege and power. In each system the ones who succeed argue their success is more righteous than that success enjoyed in the other system but the reality is that money makes money and the progeny of the wealthy are far more likely to succeed in the system than those without, just as those children born to those with political connections are more likely to proceed up the political ladder than the children of the peasant farmer.

Exceptions do not break the rule.

But why are things like this? As people we make our choices based on our values and our wants and needs. But we see we can only do so much by ourselves, we need the cooperation of other people. Our desire for meat may conflict with the desire of someone else for open access to land and someone else's desire to plant corn. There has to be a way to reconcile these different claims. Which brings us back to the state versus the free market.

If we do not have this mechanism of arbitration, then we have anarchy in the negative sense of the word as in the absence of any order or organization.

Now these are the only options under liberalism. We get rid of government and produce chaos, or we accept the free market. If we get rid of the free market, we have chaos, or we accept the rule of the state as in communism. These are not good choices, but they are the only choices we have.

The claim that Jesus founded his church on Peter is a fail. This is a supplement to the option of the state. The Catholic option is simply absolute monarchy given a religious twist.

It is obvious from the promises he made to Peter he also made to the Apostles and in the context in which these promises were made it is to the church to whom the promise was made, this is also consistent with everything else Jesus says.

Jesus giving the church the keys to the kingdom makes far more sense than having them in the hands of a man who was soon to die.

The church is not made up of individuals, the head of the church is not an individual but Christ. The church is not a hierarchy but a kind of service that is achieved through many different parts. The promise of Christ was not made to individuals nor to governments. All claims made by the ideologies of man that some authority or institution represents Christ in some special way are summarily dismissed.

For anarchy to be a valid Christian ideology we would need to see Christ giving authority to the individual even in opposition to the church itself. The church could have no authority over the individual. This is not consistent with Scripture.

To justify governments and political parties having authority over the church or over Christians it needs to be shown that Jesus passed ownership of the earth to the worlds political authorities or the state and this is not done.

The thrust of Scripture and gist of the bible's teachings is that authority belongs to the ecclesia or church and the church is a local body of Christians who are in control of their political jurisdiction, i.e. exercising Dominion and Stewardship.

Indeed, political jurisdictions ought to reflect the property under the authority of the church members.

Babylon and therefore liberalism and all our liberal institutions fail to justify their claims to their supposed authority over man. They have no right to the planet. They cannot provide rights or assign ownership. Their position is wholly illegitimate and criminal.

Babylon began the day man was driven from the Garden of Eden. It is coextensive with liberalism or a synonym for liberalism. Liberalism is any idea or system, or ideology based on freedom. Babylon then is the sum total of all those philosophies and ideologies that promote human freedom. This leaves us with only one other possibility, a system based on obedience to God.

Some people may dispute this arrangement. However, a Christian cannot dispute the fact that God divides us all into two camps, so if you do not like this division you need a more workable one.

The strength of this paradigm is that the Pacifarian designation or grouping is based on faith. Obedience to God is based on faith in God, if we do not have faith we are not going to obey his teachings. On the other hand, if we reject God what have we? There is only the law. We may dispute which law to follow and whose law we are to follow but, in the end, we are going to follow law of some kind. Even anarchy which is loosely defined as a rejection of the state and by implication statutory law becomes a system based on the law of the jungle or the law of the strong.

Faith in God does not permit either anarchy or statism. We cannot either do what we wish nor put our self under the authority of human agents.

The clarifies the dilemma atheists are in. They reject God, but this only means they must resort to some form of law.

Atheists are by necessity Babylonians. They can be anarchists or statist. They can support Capitalism and some form of the free market or be socialists in the conventional sense and support the power of the state.

In short, disbelief has consequences and the consequence is that one becomes overtly or less conspicuously, a legalist.

Now if we assume that legalisms ultimately fail we see the basis for the claim that Babylon Fails.

Babylon cannot endure nor overcome because Babylon is based on systems of law and systems of law cannot serve as a strong social foundation.

The Babylon Fail is biblical. Its either faith or law. Law fails so Babylon fails.

The problem the world has faced to date is that the world has refused to accept the biblical standard of success. So long as the individual appears to succeed, or the population appears to be prospering the assumption is that the law is working. We may have issues with it in the specifics and know it fails in application but without a real way to quantify our impressions it is easy to assume that the law is working for us.

Capitalists think because the state gives them control over a pool of assets and they get wealth that capitalism works. What sort of standard is this? Does Scripture give us any reason to assume that so long as our barns are full the system is working?

The problem is Babylon gives mankind two standards to evaluate our actions. We can be selfish and use our own best interests as our measure of right and wrong. This is the option capitalism gives us. It is why capitalism has succeeded so well. People are naturally greedy. We want the most we can get for the least pay out. Capitalism justifies this natural

desire and tells us this is actually a good way to be. So we unleash our greed upon the world.

If others do not fare well that is their fault, they were not greedy enough, they did not look after their own best interests well enough. Your duty is to yourself. If you run a business then your duty is to make as much money for your business as you can, anything less than that is to fail your responsibilities to your business. What more could anyone wish to hear. Not only is the poverty of other people not your fault to worry about them and to not exploit your power and wealth for all it is worth is to do people a disservice.

The only other option is communism. Treat everyone the same. Turn people into clones and interchangeable parts. Success is made a group thing in which the individual does not matter. The individual is sacrificed to the good of the hive.

If these options are in error and we say they are by what measure, by what standard? Why not allow people to succeed and hope their success can lead to the success of others?

We are faced with the reality that in capitalism some people succeed in getting rich. On the other hand, in communism some people succeed to great positions of power which gives them great rewards. Perhaps in the eyes of those in the other system the winners are the losers and the losers are the more deserving but the relative stalemate suggests neither has a strong case.

God gave the earth to us to care for. We do not each own the entire world and we cannot be responsible as a mass in which if some fail to live up to their responsibilities we are all held accountable. We are each responsible for what we have and use and that is all we can be held accountable for, but our total actions either add value to the planet or do not. Thus the value of the planet does provide an objective measure of our level of responsibility.

However, this is not a suitable method of guiding our personal actions. But this brings us face to face with the Babylonian Fall because if the mass of humanity is not a human scale metric then the individual is not the right level at which to define what is moral and just.

Scripture rarely discusses humans in mass or individually. Jesus especially was concerned with the church and his teachings were directed at the church. There is the fellowship of all believers but from the beginning Jesus was about associating with a small group and his teachings were directed towards the local church.

The local church or ecclesia is a social unit, a unit of society. It is not a meeting hall, it is the hub of our faith. It is the very structure that defines who is and who is not Christian.

When Jesus talks about people being saved and rejected he is talking to the local church. It is our association with our fellow believers that defines our faith. Repentance only brings us into association with the members of the church. It is our heart that determines salvation. Ultimately Christ is the judge and the one who forgives us our sins but so far as our works are done these are performed within the ecclesia.

The measure of our faith and the depth of our commitment is established in concert with fellow believers. It is the degree to which we help our local church that determines our obedience to Christ.

The church is a small group, what some call a house church. It has as Jesus modeled on average 12 persons.

This is not a group of individuals. A church is not just numbers. This is why forming a church and building up membership to 10,000 persons is not really what Christianity is about. Its more about quality than quantity.

The church does not just grow in size it is more important for it to grow in its relationships. To do this it must grow in peace. The world seeks freedom. The church seeks peace. Peace only comes when we have

justice. This is why we need to forgive, it is why we need to turn the other cheek, it is why we need to look at our own faults before we spend our energies focused on the faults of others.

The instructions of the bible are a handbook for creating peace. Not only does it tell us about how to reconcile with God it tells us how to create and maintain peace between the church members.

To bring about peace we need to understand what harms peace. The only thing mankind wants more than peace is justice, because justice is the key to peace and injustice the force that destroys peace.

Satan contrived the first sense of injustice in Eve and thus produced the first real injustice.

Without justice there is no peace. But what is injustice, what brings it about, what is the central feature that defines all injustice?

All injustice is about free loading. All injustice is about offenses against the sanctity of ownership. Until we understand and respect the rights of ownership there will be no peace.

We have already established that God owns the natural world and mankind is entitled to what he or she creates. This is the basic right of ownership. We can derive from this the right of everyone to not have to pay costs created by others, if we have a right to what we create it stands to reason we ought to have the right to not use what we own to subsidize the actions of someone else.

So now we have to ascertain how to separate the various ownership claims. A man who chips out an arrowhead owns the creative work, but the rock is owned by its Creator. If the arrowhead is used by the one who fashioned it there is no conflict. By the laws of stewardship we each are entitled to what we assume responsibility for. But if a state assigns the ownership of a quarry to a person and this person sells rock to others by what right has the state to assign ownership to the capitalist and by what

right does the capitalist profit from what he or she did not create? It is at the point of commercial activity that the issue of ownership becomes confused.

This world has confused private ownership with personal ownership and indeed for the most part equated one with the other. There is no justification for this.

Another problem is the fact ownership of what God gives is personal at the level of the individual but at the commercial level the proper scale is the church or social network.

The congregation ought to own the place it inhabits. The church is not its people it is a social unit. Think of it as a unit of community. The church owns its members commercial assets. This can also be considered a political jurisdiction. A village is not composed of individuals owning personal and commercial assets it is a church holding all things in common. Our personal assets are held as a steward using what God has given for his glory. We live to glorify God. Our home and other assets are held by us in trust. But we do not use them for our own glory and benefit but to help the church fulfill its role as the evidence of God on earth. The church is the visible God or the physical manifestation of God on earth. He works through us to make His presence known to the world.

We may open our homes to the wayfarer. We may lend our car to he who needs it or drive those who cannot drive to where they want to go. We use our tools to assist a neighbor fix their homes or do renovations for those whose domicile has been damaged.

This is what is already done by the church. This is treating personal property as assets held in trust by us to the Glory of God. But when it comes to commercial assets we still treat these things as personal property, this is wrong. We are told to sell all we own and give it to the poor or to bring it to the church for distribution.

We do not own our personal goods, but we try to own our commercial assets. We cannot claim to hold these in trust because we use them for our own glory and benefit.

It is commercial goods that need to be dealt with differently in keeping with the teachings of Scripture.

It is the church, called an Exchange to clarify we are talking about the biblical church not the Constantinian model, that owns commercial property. The church is the main vehicle through which God works in this world.

There are two churches. There are two different models or organizations that are called churches. The conventional church model is the Constantinian model, it is the church as meeting house at the local level and the fellowship of all believers and the global or spiritual level. However, the Constantinian church is not the biblical church. The biblical church we call the Pacifarian Church. The Pacifarian Church is also spoke of as the Pacifarian Society because there is in God's eyes no distinction between society and church.

The fellowship of all believers is the society that encompasses all believers, a civilization based on faith. At the local level the Pacifarian church is a community or even business unit. A society is not just individuals it is the way we work together and help one another. It is people and the market in which they buy and sell and exchange goods and services.

So, a local Pacifarian church is a local economy or market unit. We have no comparable institution and so it is difficult to envision at first. If we think of a small group of persons who make a living together as a specialized function that is a good start.

The Constantinian church must be and is part of the fallen world. The Pacifarian church is separate and self-contained. The Pacifarian church systematically separates itself from the fallen world, this is why the

Pacifarian church is biblical and the Constantinian church is part of the Babylonian world system.

We are not part of God's church if we are not part of God's society. As Christians we need to do works. We do works through the church. We cannot build the church through the Constantinian model. Why? The church is not members. The church is not a building. The church is a social system. The only way one can build a social system is by living in it and improving upon it.

We cannot do works because we cannot build the society of God unless we are in and promote the Pacifarian church.

We do not own commercial goods, the church does. We must as Christians donate what we have to the church that is not specifically for personal needs. Our personal goods are goods we use to the glory of God. These are things we are personally responsible for and personally answerable for. Commercial goods do not fall under the same license.

A carrot grown for personal use is consumed or used to feed one's family or guests.

A stone turned into an arrowhead used to kill food for ones family and tribe is a tool for personal use. We are justified in owning what we need for personal use. This is not the issue here, it never was. What we are dealing with is the acres of carrots grown for sale or the arrowhead made for sale. These are commercial products and these kinds of operations are not personal ownership, they do not fall under the same heading as goods used for personal consumption.

Commercial goods are often referred to as private property which is not really accurate. They are commercial property. The fact that a worker is worthy of his hire and the fact the laborer must be paid is not the same as saying that the owner of a forest can exploit this resource any way he wishes to make as much money as he can in keeping with his private property rights.

Everything not personally owned is owned by the church. Indeed, everything that is personally owned is own by the church also but held in trust by the individual member.

The assets held as personal property is administrated by the individual believer, but this is not so for what we call commercial property.

Only the bible understands ownership. Mankind's corruption of the idea and understanding of ownership as happened in Eden has percolated though history and led amongst other things to the conflict between capitalism and communism, right and left politics, our understanding of private and personal ownership and indeed necessitated the introduction of the state and led to the marginalization of the church. The error even led to the introduction of the Double Entry Bookkeeping system and an erroneous idea about money. All ownership belongs to the church. Administration is either personal or corporate.

What we are proposing here is the end of ownership, at least as we know it and the introduction of Biblical Ownership or the stewardship of all resources by the church.

We are not owners, we are the caretakers of earth. We care for what we need personally but the rest is administrated corporately in and through the church. So now we need to look at the way to do this.

Everything we have needs to be given to the church. Perhaps goods can be given simply as a change of attitude, we just see what we have as existing for the Glory of God, we open our homes to the homeless or wayfarer and we feed the hungry at our table.

But we need a more formal transfer when it comes to commercial property. This is especially true within the legal framework of the present Babylonianism.

We need to see this as a kind of grassroots ecumenicalism. Ownership is the single most divisive factor.

By donating our goods to the church, we begin the process of reconciling the faithful one to another.

Donations can be direct in which case there is no corresponding transaction. The donation is given without any conditions.

Donations can also be given in a conventional way. Conventional donations receive a tax receipt which can be used tax time to receive a reduction in ones payable taxes.

The third option is to donate as a capital commitment. Capital donations serve to capitalize an Exchange, they correspond to an investment.

Capital Donations are compensated for with an issue of Preferred Shares.

Preferred Shares are issued on equity. When we donate assets to the Exchange this creates the wealth available to it. Preferred Share monetize the equity. If \$3000.00 of assets are invested, then the Exchange has increased in value to the degree it is able to issue 3000 Preferred Share units.

Preferred Shares serve as the currency of the Exchange.

The person who receives Preferred Shares is able to purchase any product or service offered by the Exchange.

Lets observe how this might work in practice.

The Bakery

Jill makes good bread. Her skill is an asset that creates value for the shareholders of an Exchange. The skill and labor that goes into making bread are the property of Jill, but the tools and equipment have been invested into an Exchange. The activity of making and distributing bread to shareholders creates value that generates equity for the Exchange community. Jill's talent applied to making bread creates value or equity in the Exchange. Jill's value to the Exchange serves as the basis on which

shares are issued. These shares represent the equity of the Exchange. Shares are produced based on the value of Jill's work as a skilled baker. These shares are used as money in the Exchange.

John is a mechanic. If John is the only mechanic in the group, it does not make sense for him to sell his mechanic tools to the Exchange. He would be the only customer to rent these tools. However, if the group were larger and there were several mechanics involved then it would make sense for the individual mechanics to pool resources and create a single Exchange to administrate their business activity. This would help to lower costs and risk.

If John sold his tools to an Exchange specializing in fixing vehicles he would give other mechanics, the tools they need to work as mechanics. John would be reimbursed for contributing these assets and be given equity equal to the equity created by the value represented by the tools. If the tools were worth \$3000.00 then he would get 3000 Preferred Shares as compensation for the donation of tools.

Ownership is not about personal power and control. Ownership is about administration of our assets. The way assets are organized and allocated has more to do with creating specialization than wealth for an individual. Ownership is not a legal position but an economic one vis-à-vis an asset in an economy. Ownership is about linking responsibility with authority. An entrepreneur is a specialist. Entrepreneurism is about finding ways to do things in a specialized way within an economy and community.

Ultimately ownership is a faulty concept. We are stewards not owners.

John is a mechanic so it makes sense for him to have and control the tools required for his trade. It also means if he needs additional equipment to do the work the community needs doing it makes sense for the community, through an Exchange to provide John with additional tools and equipment. Why would those who will benefit from his expanded line of services refuse to make it possible for John to perform these other jobs? Having someone to fix members cars increases the equity of the community Exchange.

If the required tools and equipment are present in the Exchange, meaning if other members have the equipment needed transferring these assets to John does not alter the asset mix of the Exchange, but it increases their value and thus the equity of the economy and the equity owned and operated by the people who make up the community. The assets are simply transferred from the account of one entrepreneur to another account. These transfers occur because the transfer creates value for the community and indeed the world. The transfer increases the economic activity of the Exchange. Tools that may have been idle are turned into wealth-creating assets for they allow John to expand his line of services.

When one acquires a stake in a Pacifarian Exchange one is no longer dependent on what bankers think of your character or business sense if one wishes to start a business or acquire some asset. This is something the church decides, namely the members of your congregation.

Gladys has few resources. She is a single mother of two small children and is willing to baby-sit and do housecleaning. None of the members in the local community are well off and under normal circumstances would find it difficult to hire and pay Gladys a reasonable income. However, there is no real benefit to the community to have Gladys live on welfare. Therefore, the congregation or members of an Exchange believe it is to their benefit to hire Gladys so long as they can use her services. Exchanges pay all workers according to the same scale so even though the world considers her work unskilled labour, Gladys gets paid the same rate for her work as other members get paid for theirs. All services are compensated at the same flat rate. Exceptions are made if there is a need to compensate a worker at a higher rate of pay due to specific circumstances. A professional may have put more unpaid time into their education than the next person. Overtime these special circumstances are compensated for and done away with, in the short time different pay-scales may need to be maintained to some degree. Over time wage disparities will fade away. A lawyer may require a higher rate of compensation than other service providers over the short term due to competition from the private sector. These issues are

resolved as they arise on a case by case basis. Over-time as the system evolves and more people are born into the program wages will settle towards a common level.

Bill is a handyman and does odd jobs. Gladys needs some plumbing work done. Gladys does not need units of the domestic currency to have Bill fix her plumbing problems. She does not need fiat currency nor bank debt, which is good. Under normal circumstances Gladys would not be able to afford Bills regular rate. Gladys pays Bill using Preferred Shares (prares). The Exchange credits Bill's account with the amount he earned by working for Gladys. The Exchange debits Gladys's account for the same amount that Bill's account is credited. The amounts are denominated in prares. Prares are a unit of account. Prares are created, as needed to reflect changes in equity. Bill's work creates equity and Prares are issued according to the amount of equity created by Bill's services.

If a paper currency created by the Exchange and issued as Preferred Shares, is provided the accounts of each shareholder are credited with the amount of prares provided. Paper money allows the economy to function on a kind of Petty Cash accounting.

Gladys can buy bread, get her home and car fixed based on the equity she represents to the Exchange (as given by her cash on hand). She as a human being is valuable to the Exchange. The equity she represents allows her to obtain what she needs. The Exchange works to help her realize her full potential because she is an asset to the Exchange.

Gladys does not purchase services from the shareholders of the Exchange based on her credit worthiness. Gladys may be unemployed and broke when she joins. She purchases goods and services on the credit worthiness of the Exchange itself. Sellers are willing to sell to Gladys not because they trust Gladys. There is no need to trust Gladys or know Gladys or be aware of her credit worthiness. The Exchange pays the seller so the seller only needs to know the community is creditworthy.

It is important that we take all the time needed to understand how Exchanges decentralize the economy. Exchanges bring people together but not under the central authority of a hierarchy. Centralized hierarchies create division and with division comes risk. Liability accounts encapsulate or monetize risk, but liabilities also are a source of risk, liabilities create risk. It has been taught that with opportunity comes risk. Some say the greater the opportunity the greater the risk but certainly the opposite is not true. If one does not understand that the purpose of an Exchange is to unite the right and eliminate liberalism the casual observer will look to where the risk is and question if the benefits compensate for the risk.

If there was any risk the Exchange could not function as an agent for decentralization.

Risk comes from division and with division there is no ecumenicalism. Exchanges are a grassroots way to bring people and their institutions together into a risk free social system or civilization.

Bill does not need to badger Gladys for payment nor get paid up front. No matter what the financial situation of Gladys is the seller knows he or she will be paid. The community guarantees payment. The Exchange credits the sellers account so the seller is able to engage in economic activity. What this means for Bill and others is that Bill can buy goods and services on the strength of the credits he earned working for Gladys.

The Exchange pays Bill using shares issued based on the equity created by the job Bill just completed. All economic activity creates value and all value can be expressed as equity. Equity quantified in multiples of it self and issued in the form of shares are issued as a currency.

When Gladys hires Bill she is not creating debt in the way debt is understood by banks. Bill working for Gladys creates value. If Gladys has a house and Bill works on the house his work increases the value of the house, this increased value is expressed as an increase in the equity of the asset as well as an increase in the assets of the community and world. If

Bills work is valued at \$800.00 then the house has increased in value by \$800.00. The Exchange can now credit Bill with the equity his work created. He can now transfer this equity to someone else and in exchange obtain goods and services from others.

The goods and services available to Bill provide Bill the security he needs to sell his services to any shareholder in the Exchange.

Bill never needs to hesitate when selling his skills. Exchanges always guarantee payment and always has the means to make its payments because it is the claim on its assets that gives the Exchange the equity needed to pay its bills. This shares all risk that would exist in the free enterprise system. Risk is absorbed by the Exchange because when there is no division the society is able to eliminate economic risk.

Conventional businesses that have large capital flows in the upward or downward stream may choose to create an Exchange as a kind of Trust Fund equal to the value of goods and services that flow between buyers and sellers. A business that risks \$5000.00 selling goods to its customers may find it convenient to create an Exchange for facilitating exchanges between it and its customers.

The supplier and its customers set up an Exchange capitalizing it with \$5000.00 held in trust. All purchases and sales are done by and through the Exchange. Buyers and sellers are represented by accounts with the Exchange. Single Entry Bookkeeping as used by an Exchange eliminates the need to transfer funds back and forth or up and down the product stream. The Exchange turns separate businesses each representing a specific risk into a single pool of assets. Exchanges absorb risk because the risk is contained in the Exchange. A buyer cannot default because everything bought and sold and all debits and credits are contained in the same pool of assets.

The entire product stream is contained within the parameters of the Exchange, so all the economic activity is part of the same market.

Exchanges create a closed system. A farmer who grows crops and feeds his family and livestock and breeds his livestock and saves the seeds from his crops cannot lose money within this process anymore than could a group on an island. Bankruptcy and business losses are a result of dividing a production stream into individual components. Competition divides and compartmentalizes risk and thus increases risk.

Instead of a glassmaker selling bottles to a bottler as a unique economic unit the glassmaker transfers assets to another component of the production process and is credited the value of the transfer. Those who need bottles get bottles as a simple transfer of assets in exchange for equity. All shareholders represent equity to the Exchange that is all shareholders represent value to the rest of the shareholders. Each shareholder can acquire assets by giving up equity.

The bottler takes possession of bottles and obtains debits. This means the bottler has given up equity. The glassmaker gives up bottles and accepts shares in the Exchange as payment as credits. This means the glassmaker has acquired equity. If conventional currencies are obtained, they are traded for shares in the Exchange. The secret to eliminating risk is to share it. All shareholders of the Exchange share the risk by exchanging their exposure for equity in the Exchange.

Conventional money obtained by the Exchange is used to pay down the conventional debt of shareholders. The Exchange takes over shareholder debt, debiting shareholder accounts with the value of the debt and uses cash on hand to pay off shareholder debt.

Instead of the bottler trying to squeeze concessions out of the distributor and so on, the distributor and retailer share in a combined effort to reduce overall costs.

The bottle maker attempts to supply bottles in a timelier fashion and in a manner that fits with the usage needs of the bottler because both the glassmaker and the bottler are shareholders in the Exchange and benefit

as the Exchange equity increases. This is the same as saying businesses prosper as the community prospers. There is more to be gained from paring down costs for the whole chain than there is to be gained by one part exploiting the rest. Whatever profits are made are shared so it pays the entire chain to work towards the lowest over-all costs. Exchanges create a closed loop where inputs equal outputs. Exchanges work as the early depictions of the economy as presented in textbooks say an economy ought to work. Exchanges are free markets in the ideal sense and co-existent with a local economy.

It pays the Exchange to keep commercial operations going. If a business is not producing goods and services that are needed its assets are re-assigned to other uses. An exit strategy is always in place.

Supporting a business when its closure will cascade costs throughout the community may require extraordinary steps be taken. If it costs more to close a business than to keep it open the community is better off if it continues to support the business.

Maintaining the operational services of a struggling retailer who is the sole supplier to a small satellite community may require another retail account to serve as a sub-station or drop off point where the distributor can leave extra product for the smaller store to pick up as needed. This enables the small store to get re-supplied at more frequent intervals than the distribution company can provide. What is important is the value created in the Exchange not the value of a single account. The entire production and distribution and consumption system is a single system. All open loops and waste are eliminated, and the system made as efficient as possible.

The market would see the struggling retailer as a liability and shut it down.

Canada Post and other nationalized services are constantly under attack by private interests who wish to take over the profitable routes whilst leaving the outlying areas to the national service or without any service at all. This makes sense according to the market but not to the community or the

nation it is in. People have to get their mail and it does not serve the interests of the nation to deny services to people because the cost of delivery is higher to them than elsewhere. The profits made delivering to dense populations helps offset the cost of delivery to the outlying regions. The service is provided because the people and the nation need it. Finding ways to do this in the overall lowest cost per unit is the goal of decentralizing services. Servicing the fewest customers for the highest profit gives us Globalism.

National governments look at is what is best for the nation. It may make economic sense to move everyone into a single city (economies of scale could be captured) but from another perspective to empty the nation of people to make things efficient is not really a rational strategy. Efficiency is good but it is not the reason the economy exists.

The best-case scenario from the perspective of a Capitalist is for a private company to service the densely spaced accounts and leave the public to fund the widely spaced accounts.

When a business is shut down the costs of running the operation are ended for the owner. The workers who lose their job are a cost, but they are a social cost not a business cost and they are not a cost that is recorded anywhere. The unemployed do not have an account. Indeed, the company recorded them as a liability and having divested itself of employees the company lowers its liabilities. Yet the cost of living has not really changed substantially for these men and woman. Yet, if they do not sign on with some government program they effectively disappear off the national books.

What Exchanges do is to keep unemployment costs on the books. To do otherwise is not rational. The Law makes such actions appear rational and as a consequence creates a division in society. Some think the business owner has the right to shut down a failing business others think this is unfair on the workers. Thus, our energies are spent in fighting over who is entitled to what instead of dealing with the real issue which is why does

this division exist in the first place. Society does not escape the cost of unemployment by closing down a business. If the community needs the product and the jobs it may be cheaper to keep the factory running at a loss than absorbing the costs of closing the business down. It may make more sense to close it down in stages as assets are shifted elsewhere and consumer needs are met using alternative sources.

It is unrealistic to put the entire cost encountered from closing down a business onto an individual when the business has to be profitable to stay afloat. The profitability of a company is really the responsibility of a community and the costs of failure is a cost borne by the community. An unprofitable company cannot by definition, live up to what might be considered its moral obligation to the community and its workers.

A business by itself cannot eliminate risk. No business owner has the authority to make the decisions that would eliminate risk. A business is privately owned in a legal sense and yet no individual can alone maintain business solvency. Why ought the business owner face the responsibility represented by the costs of bankruptcy? Businesses are subject to all kinds of risk not all of them foreseeable or insured against. The more costs the business must absorb the more likely it will collapse. If society must bear the cost of business failure, then it also has the right to expect a share in the management of the company to ensure it does not fail. Governments create programs that both help businesses and workers, but government programs invariably increase costs and therefore risk. Business owners are aware of this, but the only other solution was to not help, and this was never a realistic option.

Unemployment insurance is a liability for businesses and an expense for the nation, but the situation is like Canada Post delivering letters to the far North. It does not make economic sense to deliver letters to such remote locations, but it does not make sense not to either. If the nation is dependent on the minerals extracted by Northern Communities, then ensuring they receive mail is simply a cost of doing business that is borne

by the nation. It may cost more to deliver mail to far north communities, but it is just a cost of doing the business called Canada.

Canada Post does not exist to make money. In one sense it exists to increase the equity that is Canada. Canada Post is just a department in the national business. Brought up in a culture that sees ownership as a property of economic entities it is hard to think of ownership as a conditional relationship. The idea that profits are immaterial in the present business environment is difficult to accept. Canada Post exists as a service to Canadians to make the country work better and to make the nation profitable not any one part or sector. When an accountant sees that it costs 50 times more to deliver a letter to a remote community than what the customer pays it appears that the resident of the far north is being subsidized. The far North is viewed as a liability that ought to be removed.

Governments record liabilities and yet are required to subsidize various sectors of the economy. Government tax cuts serve to keep struggling sectors going by taxing solvent businesses. To an accountant or hard-nosed businessman every business ought to pay its own way. Many see government funding as akin to communism. To some extent State assistance does follow the Communist adage: "From each according to his ability to each according to need." Any assistance beyond preventing an untimely death is considered by many to constitute a statist agenda. Ayn Rand became a cult figure by promoting a philosophy of rugged individualism a position reminiscent of Niccolò Machiavelli's "The Prince".

Niccolò Machiavelli (1469-1527), Italian statesman and writer, whose work The Prince (1532) advises that acquiring and exercising power may require unethical methods.

The reality is, a community needs all of its members. A community that helps Bill rob Gladys is robbing Peter to pay Paul, the over all impact is not even neutral because when a community creates division and conflict the costs spread beyond the actual funds or value transferred.

When capitalism sides with the wealthy against those who have no property or socialists side with the poor against those who have

accumulated assets Peter is having what he owns taken from him to aid Paul and this is never right, it always exacerbates social division. This is the root and branch of the Babylonian Fail. Capitalism and communism both create social costs and social costs create social division and social division create more social costs. These systems can try and repair the ruptures, but they only make things worse.

Babylon cannot win. It can only continue to create more and different kinds of social division until its final collapse.

