



Plan B

A Systemic Revolution for Real Transformation

by **Andreas Popp and Rico Albrecht**

Note about this English version

Please appreciate that the majority of our work is carried out in an honorary capacity without remuneration. Questions will be read and responded to by us only in German language, should time allow us to do so. We have to delete on a regular basis unread emails due to the fact that we are being flooded with inquiries. We would ask you for your understanding. Many thanks for your efforts and thoughts.

Introduction

Imagine for a moment a personal property tax. Imagine further that this personal property tax were structured in direct proportion to the size of one's assets, in such a way that somebody with €2 million worth of assets would receive more benefits from this tax than someone with only €1 million of assets. And on the other hand, everybody having no property at all would have to pay a yearly personal property tax of €10,000.

We believe that somebody who openly supported a personal property tax of this type would probably not get much support in the population, unless it were possible to implement this personal property tax with great stealth, cloaking it with other provisions that hardly anyone could understand.

We have been subjected to precisely such a mechanism for a very long time, except that we do not call it a personal property tax, but rather refer to it as the money system. Above and beyond all considerations of tax policy, the process we have just described is built into our money system. Because of the way it is constructed, the money system creates a robust and constantly growing flow of resources from the industrious to the rich. This redistribution is a consequence of a money system based on interest, and of the way in which money originates and is put into circulation.

The hidden cost of interest in our personal budget is today approximately 40% of what we spend. This estimate may seem at first glance to be too high, but even apart from the various scientific surveys which point to this magnitude, most people can easily arrive at this same figure by reflecting on their own experience. A monthly rent payment is composed almost exclusively of interest payments, and interest is also included in taxes and fees. Interest costs raise all prices, because each person who takes part in the process of creating economic value must include interest costs in the final price, which means that all products cost more.

An average household spends about €25,000 per year for the cost of living, and therefore pays about €10,000 of interest yearly, assuming that it does not enjoy any interest income. If

a household holds between half a million euros and €1 million in profitably invested assets, and then it will receive sufficient capital revenues to pay off its debt service without the need to seek employment. But if the household has no assets, then it will have to pay interest – even if it is not at all indebted.

The further below the critical capital threshold you are, the more net payments you will make into the interest system, and the question of whether you are indebted or not will merely influence the amount of these payments. But the further above the critical asset threshold you get, the more unearned interest income you get in your capacity as a net interest beneficiary. The interest payments from this financial transfer grow in direct proportion to your wealth, so that, for example, if you have €1 billion of assets, you will receive a redistribution payment equivalent to the cost of 50 residential homes per year. Others will be forced to make these payments, without deriving any benefit from them.

The claim to this unearned income is guaranteed in each country through the relevant government agencies, which impose the demands and duties of the finance system on the inhabitants, using force if necessary. In this process, the government is not the creator but only the administrator of the system. Every government employee should be aware of the task he or she is thereby fulfilling, and inquire as to what the source of government power actually is. Does government power derive from the people, according to Article 20, Paragraph 2 of the German Federal Constitution, or has it been hijacked by the inventors of this financial system?

If we calculate the total yearly capital flow which is redistributed from the industrious to the rich in the way we have described just on the territory of the German Federal Republic alone, we get a figure which is bigger than the yearly budget of the German government in Berlin. If 40 million households with an average cost of living of €25,000 per year each pay approximately €10,000 (representing the 40% of their expenditures which are taken up by interest) into the money system, then we are dealing here with an order of magnitude of €400 billion per year. This is something we ought to be able to question, instead of simply accepting it as automatic.

Suddenly it becomes clear how easy it would be if we could phase out this redistribution system, to finance any number of things, such as the abolition of all taxes while establishing an unconditionally guaranteed minimum income. Thanks to the abolition of the tax bureaucracy this would entail, we would see less useless work for all combined with greater prosperity.

But no – this theme is taboo, at least for the establishment politicians who are sponsored by the financial elite and the owners of the mass media. These politicians get the lucrative jobs which they possess today, which they would lose quicker than one can say “*systemic*” if the current interest arrangements were called into question. The issue of interest is the untouchable “*sacred cow*” which politicians and the media always take a long detour to avoid, despite the fact that this is the sole cause for all of the symptoms of the systemic financial crisis which are coming down on us.

The money system based on interest is the motor for redistribution from the industrious to the rich. But this motor is now breaking down, and this is portrayed as a “*financial and economic crisis*.” But do we really have a financial crisis? The amount of money in circulation is bigger than ever! It is impossible to speak of a lack of money! And there is no sign of an economic crisis, because more is being produced than ever before. The economy is producing a superabundance of products and services. In the meantime there are hardly enough consumers for all the products which the economy is constantly producing. Is that

supposed to be an economic crisis? No factories have been shut down, and all the shops are full to bursting! Real economic crises look very different. Some of our older readers may have experienced what we mean.

The only crisis is the one in the system which permanently redistributes financial wealth to those on top. Our money system can hardly carry out this function any more, because the upward redistribution has in the meantime reached such proportions that it can no longer be maintained with means consistent with the rule of law. The noose is pulled ever tighter around the neck of the taxpayer and constitutional government is eliminated, all to prolong for as long as possible the life of a system which is in any case condemned to collapse.

There is *“no alternative”* to all this, say those who owe their privileges to the fact that they never publicly question the system. The political actors of all the establishment parties see the only solution in more and more economic growth, in order to prop up the limitlessly growing debt with more and more real values. This is done without any consideration for the consequences to us and to our environment by all the pro-regime parties of the so-called German Federal Parliament.

Now let us imagine the short term total collapse of the system. What happens then? There is a high probability that the established elites will simply attempt to re-launch the same system from scratch, and that it will collapse once again after two to three generations. We are therefore standing at an historical crossroads. With the imminent crash, it is within our power to set a course for a real transformation.

What this real transformation could look like and what means and paths can be used to attain it provide the subject of Plan B of the Knowledge Industry.



1. The Current Situation

Before we get to Plan B, which deals with the goal we are seeking to attain and the path to this goal, we would like to briefly sum up the current situation and the cause of the symptoms we see today. This is necessary because we are not simply creating a new government on the drawing board, but have to carefully take into account existing conditions in our planning.

In the realm of so-called *“public life,”* which means the virtual reality produced by media and political actors in the form of publicized opinion, people are sometimes surprised by certain phenomena which appear as inexplicable, although individual symptoms can be recognized.

One of these phenomena is the increasing *“income divergence between rich and poor”*, which is getting wider all the time. This development would be more precisely referred to as *“a redistribution from the industrious to the rich,”* since in the end nothing can be gotten from poor people who don't work. Only the industrious have something valuable to redistribute, specifically the fruits of their labor.

Indebtedness, which is constantly growing at an accelerating rate, is also widely recognized as a problem. But instead of examining the causes for this, it is assumed that all the countries of the world should constantly accelerate their economic growth and collect more and more taxes, so that they will supposedly be able to do something about their debt. Endless economic growth is the only solution offered by the political and media actors, even as they obscure the basic question of the system itself. We are all living through a mad psychosis of economic growth, even though economic output is now really sufficient and there is hardly any room left available on this planet for such growth.

Focusing on the national debt as the main problem amounts to a big lie about this debt. Germany allegedly has €2 trillion of debt. To whom is this debt owed? To the USA? The USA has the equivalent of €11 trillion of debt. Japan is reported to have the equivalent of €8 trillion of debt. If we add up the national debt of all nations on this planet, we come up with a *“world debt”* in the amount of €32 trillion. But to whom is the entire planet supposedly indebted? No sooner have we added up the national debts of all countries than we see that something is wrong with what publicized opinion believes about this subject. The trick is that the constantly growing assets which really exist on this planet and which stand on the other side of the ledger from the national debts have been systematically removed from consideration. In contrast to the warnings constantly pronounced by political actors, we are not leaving future generations just debts, but also assets.

The cause of the redistribution of wealth from the industrious to the rich, of the constantly accelerating growth of debts and assets, as well as of the economic growth psychosis, namely the interest-based money system, is never made this subject of publicized opinion. This is above all the result of the existing power structure, which is dominated by a certain system. We of the Knowledge Industry have given this system the name of danistocracy, which can be crudely translated as *“The Rule of Usury.”*

Danista means usury, exorbitant growth, hypertrophy. This term applies to our current system in many ways. An exponential growth function derives from the role of interest as it is built into the existing money system. Debts and assets grow – exorbitantly – and this growth always goes faster and faster. The system itself exhibits hypertrophy, and grows insatiably. Inside the system there is also exorbitant growth, specifically in the form of usurious interest rates. By usurious interest rates we mean not just what was once legally defined as usury, but rather any rate of interest over zero, irrespective of how small it might be, because from a mathematical point of view the amount of interest charged influences only the time lapse with which the destructive economic and ethical consequences appear. Exorbitant growth occurs also inside human individuals, because we all suffer the consequences of this system, and this can lead to inner hypertrophy as well.

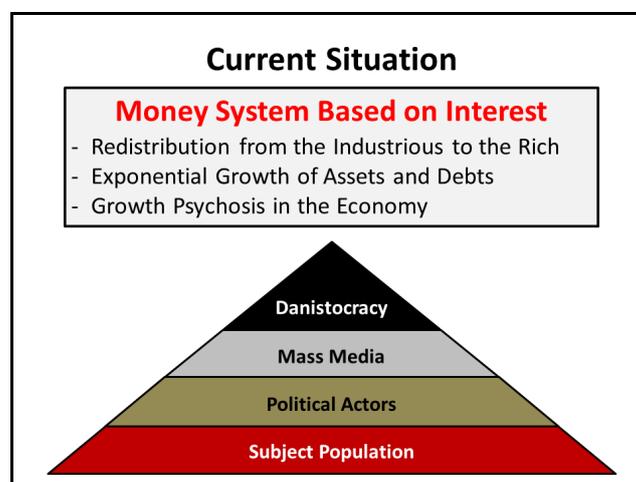
Danistocracy is expressed on the one hand as a mental attitude of insatiable striving for more and more material wealth. This striving is accompanied by a decline of culture, manners, and morality, which in turn accelerates this development. Danistocracy is on the other hand embodied in an international Money Power, to which all national states are subordinated and which constantly expands the global domination of interest.

At the top of the hierarchy thus stands a system which dominates humanity. There are all sorts of participants in this system, who – generally against their own will – play a specific role. There are however no identifiable rulers, such as could be observed in the past in the case of monarchy, for example. When we talk about danistocracy, then we are all danistocrats, all little cogs in this system.

Immediately underneath the top layer of this hierarchy, the mass media take up their position. You do not have to be an expert in economics or in communications in order to realize that the role of official interpreter of history and current reality is above all a question of money. The greater the reach of a mass medium, the more it costs. For this reason it is self evident that publicized opinion lies in the hands of those who possess the necessary billions.

A quotation: *“There is no such thing, at this date of the world’s history, in America as an independent press. You know it and I know it. There is not one of you who dares to write your honest opinions, and if you did, you know beforehand that it would never appear in print. I am paid weekly for keeping my honest opinions out of the paper I am connected with. Others of you are paid similar salaries for similar things, and any of you who would be so foolish as to write honest opinions would be out on the streets looking for another job. If I allowed my honest opinions to appear in one issue of my paper, before 24 hours my occupation would be gone. The business of the journalists is to destroy the truth; to lie outright; to pervert; to vilify; to fall at the feet of Mammon, and to sell his country and his race for his daily bread. You know it and I know it and what folly is this toasting an independent press? We are the tools and vassals of rich men behind the scenes. We are jumping jacks, they pull the strings and we dance. Our talents, our possibilities and our lives are all the property of other men. We are intellectual prostitutes.”* (John Swinton, 1829-1901, Chief of the Editorial Staff of the New York Times, upon his departure in 1880.)

We need say no more about the question of freedom of the press and of the mass media. Since this statement, which was made more than 130 years ago, practically nothing has improved. The media protagonists enjoy neither being obliged to cover up their real opinions, nor allowing themselves to be abused for obvious propaganda. And but those who have to curry favor as tools of the system for the sake of money often have no other choice. The old proverb *“He who pays the piper calls the tune,”* remains valid today. As instruments of the system, the mass media are assigned the task of defending the existing order and of manipulating the subordinate levels.



On the next lower level of the hierarchy we find the political actors, a species which one should divide not according to the various parties, but into two classes. The first group are

so harmless that they can never figure out the system which they serve, and therefore can never endanger this system. Experience shows that most elected representatives can be assigned to this group. Such figures are mainly preoccupied with hiding how little they understand about what they do all day long. They listen eagerly for word from the leadership, from those who operate behind the scenes and can provide “*smart*” advice. The second group are the top politicians, whose selection presupposes sufficient greed and cunning. They can be presumed to know that they will only keep their advantages and privileges if they serve the system loyally, and succeed in obtaining the money necessary for their careers and a positive image in public opinion.

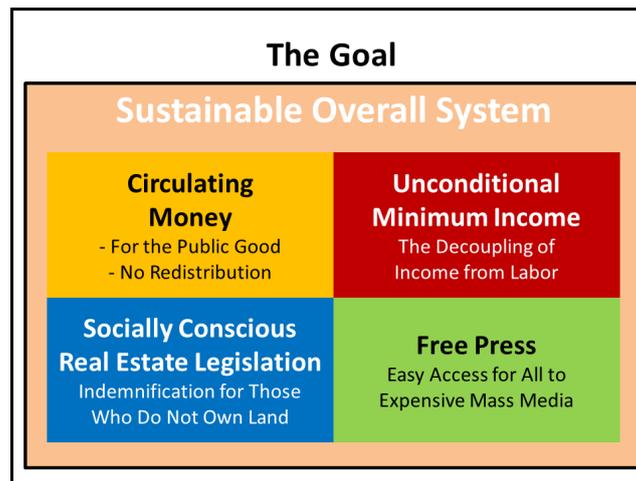
We of the Knowledge Industry are always asked why we do not create a new party. The answer is simple. We do not want to serve this system as a party; we want rather to change the system itself. Many new parties dream about all the things that they will be able to do, and then wait for their good ideas to focus “*public attention*” on them. But the shaping of publicized opinion is an instrument of power, which aims exclusively at maintaining the system. Many good people who have attempted to gain traction through new parties have either failed, or else have later understood the mechanism that makes such efforts futile, and then given up. Others are destined to learn this painful lesson in the future.

Still lower on the scale we then find the subject population of the system and that is what we all are, whether we are industrious or rich. From a purely material point of view, we can distinguish between winners and losers in the danistocratic system. But those who might be considered as winners based on a superficial materialistic scrutiny are generally not happy, even if they try to hide this under a layer of decadence.

2. The Goal

When we present a new overall concept today, the response is often initially one of skepticism from many people in the educated part of the population, even if they would personally benefit from our proposal. This is partly understandable, since few people into our “*hectic time*” have the leisure to think through a comprehensive solution to current problems. People today are accustomed, because of the mass media, to disregard everything which cannot be explained in two sentences on a talk show and then used to beat one’s opponent over the head.

Anyone who wants to understand an actual transformation requires first of all an exceptional power of imagination, because it is necessary to free oneself from the limits of the current system and from the commonly resulting mental straitjacket associated with it. The transformation which will now be described rests on four pillars which are unfortunately much too often conceptualized within the framework of existing institutions. If the four pillars were to be incorporated individually into the current financial and economic system, it would be correct to designate them as “*unfeasible*.” But, if we can free our thinking from these limitations and take a networked approach, we will understand that a meaningful combination of these individual elements in an actual transformation is more than just feasible. It can lead us to a higher stage in the evolution of our entire social order – above and beyond the maximization of profit and the psychosis of economic growth.



The goal of Plan B is to define a sustainable overall system and then to actually establish this system. It is composed of pillars we can call circulating money, a socially conscious real estate legislation, and guaranteed minimum income, and a free press. Plan B is composed of these four elementary pillars, none of which could function alone in our current system, but which, taken together, would produce an actual transformation.

It is of course impossible to explain the deeper complexities in a few sentences to a talk show host or to someone playing the part of a Chancellor, which is why we do not appear on talk shows, despite various invitations. A certain level of constructive dialogue, along with a readiness to deal with comprehensive arguments, are basic preconditions for serious discussion. In addition, it gets us nowhere to appeal to the “*representatives*” of the old system, while those who actually have the power of decision do not even take part in the debate.

When we first began to talk about Plan B, many people first wanted to know what Plan A might be. Plan A is current reality, to which, according to the political actors and to public opinion, there is “*no alternative*”. Plan A includes everything that is happening today, and which is destined to fail. This is a mathematical certitude, and comes directly from an understanding of exponential functions and their role in our current financial system. Anyone who can not only calculate this exponential function, but who can also understand its consequences by applying the resulting insights to his or her daily observations, must realize that an economic system which contains an exponential function cannot go on indefinitely.

From a purely technical point of view, Plan A failed long ago. The prolongation of Plan A, in which we currently find ourselves, has been made possible through the attrition of constitutional government and the rule of law. And the longer things go on in this way, the more the illegalities and repressive measures will be escalated – indeed, they will also grow exponentially. Any further continuation of Plan A leads inevitably and automatically into a phase of fascism, which can be defined as the oppression of the people by a combination of banks, corporations, mass media, and politicians.

Plan B is the alternative which can today be activated immediately, in order to replace the old system with a new one in a peaceful and orderly manner. But it can only be implemented when the existing system has failed after the phase of fascism. The earlier the changeover is made, the sooner the conditions of life for all victims of the existing system will be radically improved.

We hope that things will not go so far, that police and soldiers will open fire on their fellow citizens, although the preconditions for this have already been included in the Lisbon Treaty of the European Union. Let us do everything possible to avoid such futile slaughter!

2.1 Circulating Money

Since we are already familiar enough with the mechanism of redistribution from the industrious to the rich which above and beyond all considerations of tax policy operates automatically through the money system, we would like to describe our recommended solutions for a just monetary order. We call our recommendation "*circulating money*." This money system is first of all designed for the common good, and has no redistributive effect. This is accomplished by replacing interest payments with a different guarantee of circulation in the form of a circulation fee. The proceeds from the functioning of the system go to benefit the general public, providing tax relief and additionally making possible a guaranteed minimum income, which we will describe in chapter 2.3 in greater detail.

The privatization of the right to coin money, together with the burden of interest which is borne by the entire circulating monetary mass, is the central cause of our current situation. The incredible privilege that allows private institutions to create money on their own and then lend it out at interest, will be terminated through circulating money. The monopoly on the issuance of currency will be socialized, and the existing monetary mass will be freed from the burden of interest. In order to do this, a central bank under popular control and operating as a public utility will exercise monetary sovereignty.

The opponents of this right of a public institution to issue currency frequently advance the objection that it would cause inflation if "*governments*" were suddenly to get control of the printing presses, since everyone knows that "*the government*" can't manage money. At this point we must reply: "Don't we already have inflation today in a system of private banking?" We are also not talking about putting monetary sovereignty into the hands of the people who play the roles of political actors today. For this responsible task we need new people, and specifically not those who have been promoted by political parties because of their incompetence, but rather those who understand something about this field and who possess certain strengths of character which cannot be detected in the top politicians because of the way in which they have been selected.

An important precondition for dealing with the theme of circulating money is therefore to define all concepts with care, aiming at a precise terminology that will avoid any ambiguities. The power of money cannot be placed in private hands, but it also cannot be given to governments. The power of money must be exclusively in the hands of the people, and must therefore belong to the entire nation, which cannot be confused with the government. The German Bundesbank can be used as a model for this, even if, because of the reserve currency status of the dollar, it is unable to act with real freedom. It would also be wrong to assert that the government is fundamentally unable to manage money. It is more accurate to say that the political actors who are installed in power under current conditions do not understand the money system, even as they force the government into excessive indebtedness.

A public central bank managed in the public interest must defend the interests of the national population, and no longer follow the interests of a privileged private banking system.

The guarantee that money will circulate means that money will be constantly kept in circulation, even without interest. The circulation fee can be easily avoided if money is kept

in circulation, meaning that it is lent out. This fee is like a parking fee, and is only collected when someone slows down the circulation of money by depriving the real economy of large sums. The replacement of interest with a circulation fee is the decisive basis of all sustainable financial systems – independently of how other details are shaped, since we are here freeing the economy from the disastrous exponential function which results from the monetization of interest-bearing debt. As soon as the proceeds from the functioning of the money system flow to the general population, the abolition of the private money monopoly opens up possibilities for the financing of public projects which today are virtually impossible to imagine.

The question of how anyone will lend money without getting interest payments in return can be easily answered. The compensation for lending out money is capital preservation. A completely new banking system is the consequence, one which no longer produces money, but which makes existing capital available as credit in the framework of a new financial service. Instead of paying higher interest rates, the borrowers must only pay the circulation fees of the creditors, be it in whole or in part. Under these preconditions, borrowers and creditors meet on a level playing field, since now both sides have a real interest in arranging a loan. With this, an incredibly large number of meaningful innovations suddenly become feasible, instead of failing for lack of credit as they often do under the current system.

Among the specific innovations which can enhance the prosperity of a society, the government can now grant loans to innovative entrepreneurs by creating the money necessary for this. The objection of inflation can be easily refuted here as well, since inflation exists already under the existing system, since the banks create new “*money*” when they issue loans. But today the society receives no compensation for the purchasing power that is lost. But if the government takes this privilege into its own hands, we then attain the decisive advantage that the population is no longer required to pay taxes to allow the government (meaning all of us) to invest in projects which advance the public good.

In the system as it currently exists, the government has to constantly borrow freshly produced monetary credit from the banks, paying more and more interest for this. This occurs when the government wants to invest in research, education, and infrastructure. These additional interest costs can be simply dispensed with. A small, calculable inflation, not higher than the current rate of inflation, can be seen as the price for this achievement, and can be “*collected*” in place of taxes. Creditors will be glad to pay this type of tax because, in contrast to the current situation, it will not mean a redistribution of resources from the industrious to the rich, but will rather increase the level of prosperity for all.

A further by-product of a system of circulating money will be to make efficient labor-saving inventions possible – inventions which are widely feared under the current system. We will say more about this in our chapter concerning the guaranteed minimum income, which is only possible and indeed necessary in combination with this monetary system.

A public central bank possessing a monopoly on the creation of money would transform the institutional framework so completely that many economists and bankers of today cannot understand our concept. They have been thinking within the limits of the dominant system for too long. Most bankers do not even know that their corporations can use as little as €2,000 in a savings account as the basis for issuing €100,000 in credit. The interest on the money thus created in the form of debt flows to the danistocrat -creditors and has to be made up through the labor of the debtors. With circulating money, by contrast, these interest payments are avoided, which frees up so much capital for the population that, in addition to paying for the guaranteed minimum income it will even be possible to abolish all taxes.

Other objections and pretexts are advanced against interest-free money, but they all defeat themselves, as soon as we attempt to mobilize the necessary power of imagination to understand the new system in a spirit of good will.

Let us consider for example the fear that all market participants might flee into gold in order to avoid the circulation fee. There will be no problem if they do this, since the market price for such commodities plays no role in the functioning of the monetary system as part of the economic infrastructure. What is decisive is that money as a legal institution in the form of public tender always remains in circulation, and keeps moving constantly.

It is also easy to answer the question, *“Who will lend money to the government, if no interest payments are offered?”* The answer is nobody, and that is the point! The government will incur no new debts, and therefore this question simply does not arise.

The only remaining danger is that massive sums of capital might go into speculative real estate investments, putting the price of this limited resource out of the reach of most people, even though land should benefit everyone equally. If we were to institute a system of circulating money by itself within the current institutional context, then this danger would be very real. But at this point we need to stress once again that our real transformation rests on four pillars, which are mutually coordinated. The solution of the real estate problem will be found in the simultaneous institution of socially conscious real estate legislation.

2.2 Socially Conscious Real Estate Legislation

The complete transformation of the existing laws governing real estate, which are based on Roman law, is a very thorny issue, since many people immediately assume that their *“property”* rights are being called into question. It is important to realize that there is no such thing as debt-free land or real estate under the current system, even though this fact is usually covered up. If someone does not pay real estate tax over an extended period, then the moment will inevitably arrive in which the property will be confiscated by the government. We can only conclude that this type of real estate tax is viewed by many as having been *“decreed by God”*.

The new, socially conscious real estate legislation should include a basic real estate tax. But this tax could not be redistributed upwards by means of the interest-based monetary system, but should be paid as an indemnity to those people who have no landed property.

Every piece of land has a productive value, which can be calculated. But if the land is not used, it is worthless. Those beneficiaries of the current financial system, to whom each year so much money flows in the form of interest payments, strain to spend so much income. They like to invest these ongoing profits in real property, and so they buy pieces of land, even if these are simply allowed to lie fallow. These people then like to show up in the guise of *“farmers”* in order to collect the fees for not planting anything on their land which are offered by that notorious lobbying firm, the *“European Commission.”* These treacherous games will automatically come to an end in the framework of our integrated overall solution.

In the book *“Currency Countdown”* by Andreas Popp, these problems are convincingly explained and worked out in a way which is understandable to all. Special attention is given to the solution within the existing system, since a land ownership fee as indemnity for the other inhabitants of a certain region would appear at first glance to create the danger of injustice. Many so-called landowners have already paid off their mortgages in whole or in part through hard work or through inheritances, so that they will hardly be ready to start paying fees to those who own no land, especially since the latter have done nothing to earn this and do not have any legal claim. For this reason is important that these landowners

remain free from any land ownership fees until the value of their property has been offset by land ownership fees. Let us assume that someone owns a “*debt-free*” piece of land with a certain value. This value is then treated as a kind of asset, which is slowly reduced as the yearly land ownership fees are subtracted. On the other side of the ledger, such a landowner is already receiving payments from other landowners who were not debt-free.

Our concern is to rule out any reckless injustices, such as those that are still left over from the so-called forced confiscations in the former territory of the ex-German Democratic Republic at the expense of unchallenged legal landowners in the years between 1946 and 1949. It is also essential that the new, socially conscious real estate legislation not be confused with a lease, which might run out after 100 years and then would have to be renegotiated. Everybody wants predictability in their planning, and this will be provided.

If we understand the most basic features of a new system of real estate law within the context of a real transformation, we will see that nobody will lose anything in this process. This is true for the “*rich*” as well as for the “*poor*”. A system based on circulating money will only stop a further redistribution from the industrious to the rich, and thus accomplish a notable enhancement in the quality of life for all participants in the economy.

We must of course concede that there will be some giant firms who will choose to sell the landed property they have acquired, because this land will no longer be a suitable object for speculation. But we find that this price is worth paying, especially since those concerned are not flesh and blood individuals, but only juridical persons such as corporations or other entities which have been founded, but have never been born. To those who raise the objection that selling large amounts of land on the market could cause land prices to fall sharply, we answer that declining real estate prices will mean lower rents for everyone. Over many centuries, landowners have benefited from rising prices in the form of unearned speculative income, and for this reason they should be able to tolerate a certain decline in the market price of land. That will be an understandable contribution to reducing the redistribution from the industrious to the rich, since declining prices for real estate as a factor in production will lead to declining commodity prices and to more prosperity for the entire society.

In the book *Currency Countdown* a more specific timetable for the likely duration of these processes is given, showing how they will be administered by the real estate planning authorities and the county registrars of deeds. Since the workings of town and city governments are easier to understand, restructuring measures will be relatively easy to implement, provided that people have understood the overall concept.

2.3 An Unconditional Minimum Income

“Something has social importance if it creates jobs.” These or similar words are used by parties to trap us with their vulgar election posters. The assumption behind statements like these is that working the livelong day is the greatest happiness we can know on earth. This slogan is based on the dogma which has been inculcated in us since our earliest childhood: *“If you want to earn money, you have to work!”* but it is time to ask ourselves why there are people who do nothing except drudge all their lives and never get anything for it, while there are other people who have never worked and are nevertheless living high on the hog.

Work and income are always inseparably and wrongly linked in publicized opinion. The heirs of rich families notoriously have enormously better chances to live a carefree life than do the children of those families who have for generations had to toil to make ends meet. Recognizing this fact in no way represents an accusation against such heirs, who in the

current system have every right to live their lives without working. But at the same time, it is appropriate to evaluate the economic justice of the system itself. To consume existing wealth is a legitimate activity. But it is something quite different when we see a permanent flow of wealth from the laboring population to these *“rich unemployed,”* a flow which the current system creates, and which is becoming larger all the time. This kind of a transfer leads inexorably to the conditions we see in Sao Paulo, Brazil. There we have slums on the one side, while in the other side we see gated neighborhoods for the rich, protected by uniformed security. If we think through the development of such a system, then even a *“rich”* person should realize that his own quality of life must be classified as insufficient.

“Success” comes from the verb *“to succeed,”* meaning that one thing leads to another. Through mental and physical efforts, prosperity results, and at some time the point is reached where human needs are largely satisfied. The *“problem”* with this success is of course that many workers are then no longer required. And while the fruits of this labor flow to the leaders (or mis-leaders) of the danistocracy, the laboring producers fall through the gaps in the system when their task has been fulfilled. People and machines produce profits. But the profits are assigned exclusively to the capitalists, who invest these profits in technical progress, in order to then throw the workers — who have made this progress possible in the first place — out on the street. This injustice is plain and easy to understand, even if it violates our preconceived notions.

People really don't want jobs, they want an income. Because of the fear of unemployment, a large number of superfluous jobs have been created, which make no economic sense. Destructive jobs can simply be abolished in the new system because the right of the workers involved to participate in the prosperity of the society remains valid, even if their labor is not required. We need only to consider the numerous people in the Internal Revenue Service, the regulatory agencies, the financial services industry, etc., who really do nothing more than senselessly dirty up pieces of paper. We should also mention the sickness industry, whose main goal must always be to keep people sick as long as possible, in order to maintain demand for its services. We could extend this list indefinitely.

With a little imagination we can quickly see that even with significantly less labor for all, more prosperity can be attained at the same time.

Our real transformation includes an unconditional minimum income, which should not be considered as a social program. It is rather a collective claim on wealth, which has been produced by previous generations and in which all persons have a share.

The goal of economic activity should be liberation from work!

We naturally now encounter the objection that an unconditional minimum income cannot be paid for. Certainly it cannot be financed in euros, but it can be paid for in another, very different, monetary order! Our current monetary system has the task of massively transferring wealth from the industrious to the rich, a process which occurs permanently above and beyond all changes in tax policy. It is obvious that under this system, there is no room whatsoever for an unconditional minimum income. We said at the outset that a household which has no significant property is forced to pay about €10,000 each year into this interest system. The abolition of this redistribution would drastically reduce the size of the unconditional minimum income required, since every household will automatically throw off the burden of this permanent and onerous payment. The remaining resources to pay for an unconditional minimum income can then be easily procured through the new opportunities created by circulating money.

A further objection is that, if an unconditional basic income is provided, nobody will be willing to work. Let us point out that we are not talking about an unconditional luxury income! It is called a minimum income for a reason, and the amount will be regulated so that in the future no one will be forced to work. People who have psychologically quit their jobs, can now do so physically as well. Especially mothers, who may have the most important task in a society, can then if they wish remain with their children, for which they should in our opinion receive an additional allowance. Mothers in our society deserve the highest level of recognition which can be received by anyone. But let's get back to the objection that no one will want to work if a minimum income is provided. Humans are ambitious by nature and will always strive to improve themselves, even if they are not forced to do so. Public opinion polls confirm that most people would continue working. Human creativity would also be powerfully enhanced, since the current fear of destitution would disappear.

We can also easily answer the question of who will do the really heavy labor. These jobs will be highly paid then, and thus they will receive the prestige which they merit. There is no good reason why a nurse or an engineer should earn less and enjoy less prestige than someone who sits in a glass skyscraper and gets rich by deceiving and despoiling other humans.

Things that may sound idealistic in our current institutional framework can become reality in the context of a real transformation. We need only abandon the current well-traveled road to nowhere, and refrain from considering the pillars of a new and sustainable overall system in isolation as if they were part of the current institutional framework. A significant power of imagination is required in order to grasp all of these relationships fully.

2.4 A Free Press

The creation of an independent press might seem at first glance to have little to do with a sustainable system of economics and finance. But a free press is an indispensable basis for such a system. If sovereign control over public opinion remains in the hands of those who possess the most capital, then it is inevitable that their demand for a flow of unearned wealth will reassert itself. To permanently guarantee an interest-free money system, a **separation of powers between media and capital** is significantly more important than the separation of powers in government.

Our society has failed over a period of centuries to create anything like an independent press. The power over media, and thus of sovereign control of public opinion, is concentrated in those few hands who have the necessary billions at their disposal.

The prima facie interest of capitalists is naturally to impose a money system based on interest, which will allow very few people unearned opulence thanks to colossal interest proceeds. The inevitable consequence of this demand is that the income disparity between the industrious and the rich will grow ever larger, while populations are repeatedly lead into wars, and the built-in psychosis of economic growth causes an unbridled exploitation of our planet.

The enormous abuses caused by the fact that the gigantic power apparatus of the mass media is controlled by capitalists clearly fulfill the necessary preconditions to invoke Article 14, Paragraph 2 of the Constitution of the German Federal Republic, which specifies that: *"Property creates responsibility. Its use must simultaneously benefit the common good."* Paragraph 3 of this Article also establishes that expropriation is permitted, if it is required for

the common good. In this case an adequate compensation is prescribed, which is to be determined through a just consideration of the interests of the collectivity and of the owner.

In order to create a free press it is indispensable that we activate these provisions of the German Federal Constitution and encroach for the sake of the common good on the property rights of the media power which shapes public opinion. This can be brought about by making the machinery of public opinion accessible for alternative media – in much the same way in which the Deutsche Telekom firm is required to provide space for other Internet service providers, or the electricity grid and the railroad system have been opened for other providers.

These necessary measures can be implemented through a kind of *“media burden sharing,”* under which the media which shape public opinion would be obliged to make available a certain part of their broadcast time, bandwidths or column inches for alternative media, which otherwise would be kept out by the insuperable capital requirements. We would thus for the first time in history have a situation in which opinions not controlled by capitalists could be propagated through the press, television, and radio.

The determination of the percentage of resources which would have to be freed up needs to be handled in such a way that it derives automatically from the size of the audience of each branch of the media. A publicly established, transparent formula should determine this automatically, starting from the popularity ratings of each branch.

The special advantage of this mathematically determined, automatic sharing mechanism lies in its transparency for all concerned. This process will also exclude party influence and the abuses of power, in contrast to other proposals like a central media oversight board.

Those who will be obliged to make their infrastructure available for this procedure should naturally be compensated. The compensation of private media owners will be carried out with public funds, which will be distributed by a public central bank. The introduction of a free press thus goes hand in hand with the other prerequisites for a real transformation, and can only be financed in that context. Just like the other pillars of a real transformation, the creation of a free press can be understood neither in isolation nor in the institutional context which obtains today.

Government operated television and radio will constitute an exception in this reorganization, since their task is already supposed to be that of providing the population with politically neutral information. In the future, the careers of politicians will look much different than they do today, and the typical politician, who is today influenced by capital and by the private mass media, will go out of style. In this way, the control of government operated television and radio will tend to revert to more objective managers.

A Sustainable Overall System As a Real Transformation

The combination of these four pillars will create a real transformation, which will permit the abolition of all taxes, an unconditional minimum income, and a considerable reduction in labor time.

These goals may today seem to be overly ambitious, or perhaps hopelessly idealistic. But if we keep in mind that a present-day household which holds no considerable property must pay €10,000 in redistribution payments into the interest system, it quickly becomes clear what an enormous potential can be freed up, as soon as we put a stop to this flow of capital from the industrious to the rich.

It is obvious that it will continue to be possible to collect certain taxes, if they are justified to promote the attainment of certain goals. The German word for “*taxation*” is also the word for “*steering*”. The original goal of taxation was not expropriation, but rather steering or dirigism, meaning that certain forms of conduct are promoted if they benefit society and nature, while at the same time destructive modes of conduct are discouraged through taxation.

If someone now wants to object that the abolition of all taxes will create a large number of unemployed tax advisers, accountants, and IRS officials, such persons should please consider carefully once again the four pillars of our sustainable overall system, in particular the unconditional minimum income. We will be able to afford to continue to support at minimally the current level all those tax advisers and IRS officials, along with all other persons who are today forced to engage in the meaningless administration of an unnecessary system of taxation. Even if we were to send all these people into a permanent paid vacation, the amount of goods and services produced by our economy would not decline, but would rather increase, because the productive part of the labor force will no longer bear the burden of unnecessary paperwork and will thus be liberated to do actual work.

Even today, the productively employed workers already provide the unproductive categories (who also work hard) with goods and services. And those who are forced to do meaningless paperwork all day long generally do not enjoy their useless labor. If they are convinced that they need a job, they can engage in productive work during their leisure time, thus helping out productive workers who in the new institutional context will be glad to see someone else taking on part of their labor.

The real transformation will redefine unemployment for the first time in history not as a catastrophe, but rather as an achievement that will be sought by all. Less labor for more prosperity, the abolition of the economic growth psychosis and life in harmony with our fellow humans and with our limited planet – these are the realistic alternatives for the post-capitalist age, which under conditions of real transformation will merit the name of an age of humanism.

3. The Path to the Goal

3.1 The Basics

Countless plans for a sustainable economic and financial system can be found in the literature and on the Internet. Every day people come to us to present new and innovative ideas. So we have no lack of sustainable models for the future. We do have a lack of concrete possibilities for action to make these models a reality. There are already enough theories gathering dust in libraries, and we do not consider it is our task to fill the archives any further.

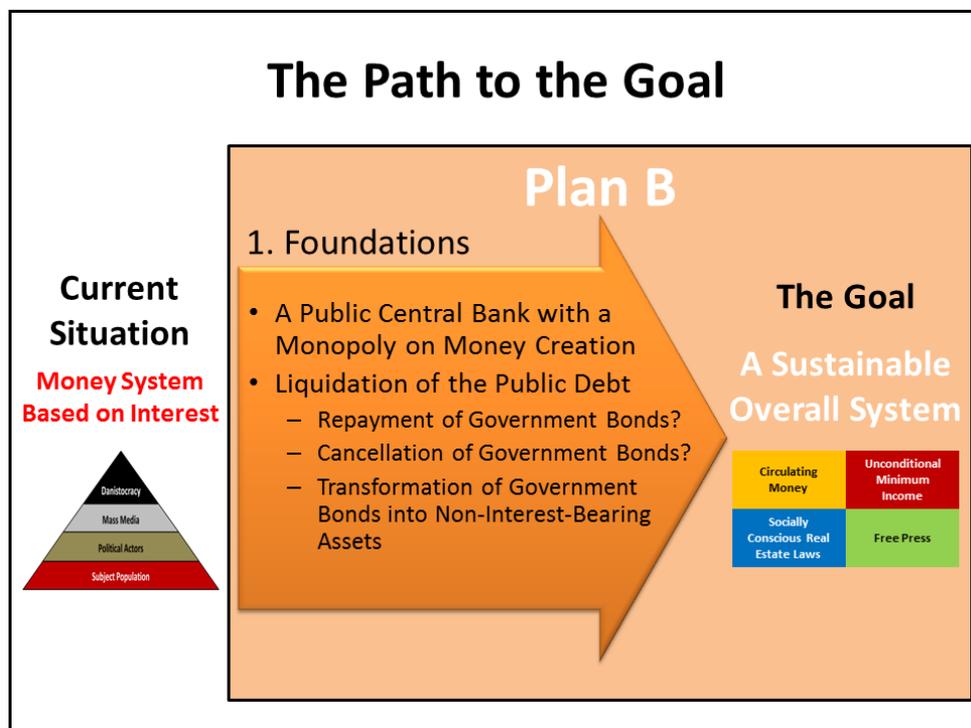
It is now the time for action. We need a realistic path which can lead from the current situation to the desired goal. The window of opportunity of the imminent collapse of the current financial system is a narrow one, and the grave danger exists that after the collapse the existing power structure will simply impose a new false start based on the principles of the current system, in which case the exploitation of humanity and the earth would continue for additional generations.

In composing Plan B, we were especially focused on including the decisive aspect of implementation. Plan B therefore includes, in addition to guidelines for a sustainable overall

system, the concrete measures which can provide a path to the goal. We will now go a decisive step further and began with the concrete realization of Plan B. In doing so we are naturally not appealing to the political actors, and are not trying to gain their approval, even though we have to carry out this attempt as a first step towards respecting the provisions of the German Federal Constitution.

The two most basic factors necessary to take this sustainable overall system out of the realm of theory and to make it the basis of an actual transformation are the creation of a public central bank with a monopoly on money creation, and the freeing of the government from the so-called public debt. We will now initiate the measures necessary to attain both of these points.

In the framework of circulating money, the monopoly on money creation must be assigned to this public central bank. The creation of money in the form of credit by commercial banks can then no longer occur, so that the functions of banking will once again be focused on the coordination of supply and demand in capital markets. The accelerating increase in the public debt — which results from the interbank money creation which is practiced today — will thus be terminated.



In this process, the long overdue liquidation of the public debt will be carried out. For this we have three main possibilities.

The method which has always been advocated by the political actors is the re-payment of the public debt. But it is hard to imagine what means the government could use to extract €2 trillion from the taxpayers, to then transfer this wealth to banks and the wealthy, whose claims are largely based on an immoral system of interest. But, even apart from this, this method must be excluded because it is impossible both mathematically and from a technical-financial point of view. Because all the money which has originated within the current system has done so in the form of debt, the attempt to pay back this debt would cause a sharp reduction in the money supply. The economy would be brought to a halt because of a lack of liquidity, and unnecessary suffering would result.

Since repayment cannot be considered, the question of a repudiation of the public debt arises, meaning national bankruptcy. National bankruptcy is nowhere near as tragic as it is

portrayed to be today. The main question is how it is to be organized. All nations which have gone bankrupt in the course of history – sometimes more than once – can still be found on the map. The repudiation of the public debt only creates dislocations and suffering when it is approached in the wrong way. Abundant goods and services are available. The physical economy is not impacted in any way by national bankruptcy, provided that the correct method is employed.

The repayment of the public debt is thus impossible and its repudiation by means of the wrong methods would lead to an unnecessary threat to public order and to our prosperity. The question is therefore posed as to the correct method, which can be used to safeguard the interests of all concerned parties, while maintaining both law and order and the viability of the physical economy.

The method required for a controlled and orderly liquidation of the public debt, which will also reduce private debt while avoiding expropriation, will be to convert government bonds into non-interest-bearing legal tender. In other words, someone who has invested his savings in government bonds does not end up owning nothing, as he would in the case of an uncontrolled national bankruptcy, but receives in exchange a sum of money equal to the value of the bonds. Currency equal in value to the government bonds is thus created.

At this point we can expect trained spokesmen for the system to issue a knee-jerk warning about inflation. But it is mathematically inevitable that the continuation of the current money system would have higher inflation as a result. At the present time, the money supply and the public debt are growing exponentially. They must necessarily leave real economic production farther and farther behind, since the latter is incapable of growing exponentially. An exchange of government bonds for cash would indeed expand the money supply. But this would be a one time event, while the inflation inherent in the present day financial system is theoretically infinite.

The inflationary consequences will subsequently be much less over the longer run, compared to a continuation of the current system. There is also the question of the short-term impact on consumer prices. Here we should note that money invested in government bonds, even if it is converted into cash, will not suddenly lead to an explosion of consumer demand in the market. This wealth represents savings, which is not earmarked for short-term consumer purchases, but is rather intended for longer-term uses.

We should also point out that the entire public debt will not be converted into cash in this way, but only the part which represents actual investment and savings. Public debts which result exclusively from interbank money creation by commercial banks were never intended to be repaid, but were designed from the very beginning to extract money from the pockets of taxpayers for interest payments. This part of the public debt, which does not correspond to any real foundation, can be repudiated with no compensation without causing any ill effects from the population or for the real economy.

At this point we should give honorable mention to the inventor of this method for liquidating the public debt. This is Gottfried Feder (1883-1941), who already in 1919 published this idea in his *"Manifesto for Freedom from the Interest Slavery."* This great economic theorist is unfortunately associated today with National Socialism, although he played no role from 1933 on, while from that point on his critique of interest was simultaneously opposed by capitalists, communists, and National Socialists.

The creation of a public central bank with a monopoly on money creation and the liquidation of the public debt are the central prerequisites to begin the real transformation. Now we

should discuss the concrete measures to establish this foundation and set up the four components of a sustainable overall system.

3.2 The Transition

We are not making demands on the political actors. It would be foolish to ask an actor playing the role of a doctor in a television series to carry out a real heart transplant, even if the actor might well accept this offer. If someone habitually confuses an actor with the part he plays, he might address Angela Merkel as Madame Federal Chancellor, and expect her to get the ship of state off the rocks. This is something she cannot do, and which is also not even her task. Mrs. Merkel, like all other political actors, lacks any competence to do this, meaning that she does not possess both the technical ability and the authority needed to make such decisions.

We are not asking any of the current puppets of the danistocracy to do anything. We propose to do it ourselves. However, in order to meet the specifications of the German Federal Constitution, we will take a preliminary step to force the political actors to make a decision which will show if our analysis is correct. It is of course possible that we are mistaken. Perhaps we have no danistocracy at all, but a well functioning *“democracy”* in which the members of Parliament are only waiting for a concept like ours to come along so that they can pass it into law as fast as they did with that bailout of some years ago, which supposedly had *“no alternative”* and which was paid for by working people.

According to Article 20, Paragraph 2 of the Constitution of the German Federal Republic, state power must derive from the people. In contrast to that, we have today a finance system from which almost the entire population gets no benefit whatsoever. When bailouts to which there is allegedly *“no alternative”* are extorted from the people, then we can conclude that state power no longer derives from the popular will. The specifications of the German Federal Constitution are already violated by this.

The question now arises as to what would happen if a bill establishing a new financial system which demonstrably served the people were to be brought into the German Parliament. This exercise may well prove futile, but the later phases of our campaign require us to have attempted it.

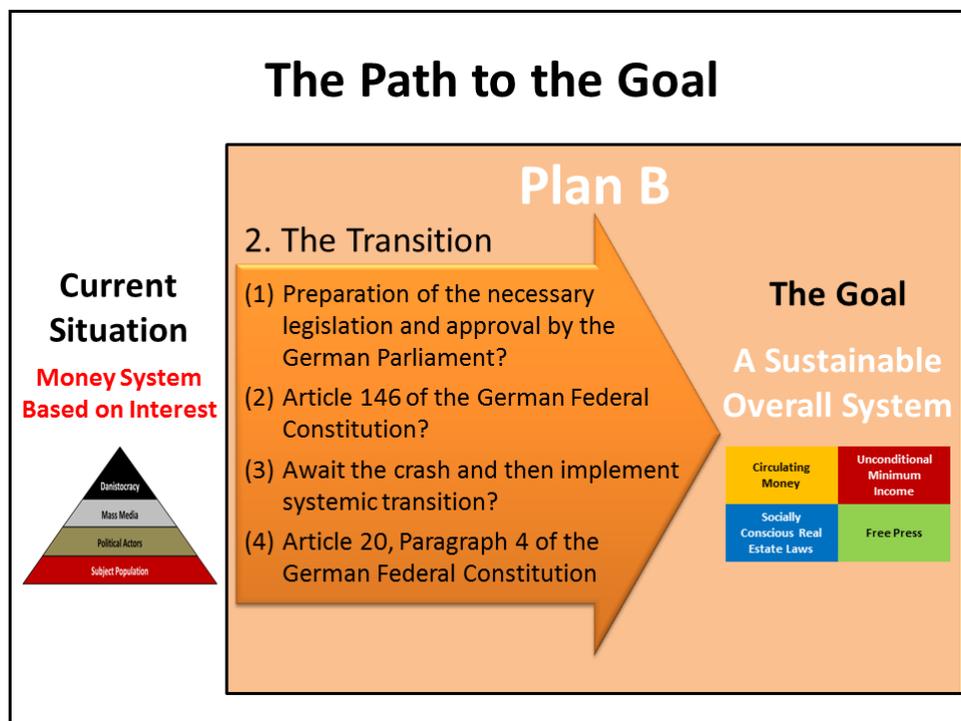
We are in fact presently engaged in translating into legislation the foundations and measures necessary to create a real transformation. This legislation will then be introduced into the German Federal Parliament, just as the lobbyists for the financial system constantly do with their own bills. Our institute does not lack the contacts with members of Parliament necessary to do this. We will take on the role of lobbyists. The difference between us and the usual lobbyists of the finance system is naturally to be found in the fact that we will be fully entitled to call ourselves a people's lobby, since when the real transformation is carried out, all persons will benefit from it.

A people's lobby? Nothing like that has existed up to now in the entire history of the German Federal Republic. But we should already reduce our expectations. The idea that the Parliament could decide to support the people is something we consider an illusion. We have no confidence that the persons who today play the role of government could ever carry out such a transfer of power. We therefore do not seriously expect that our bills will be rammed through the Parliament as were those submitted by the financial powers for the expropriation of the German people. If we turn out to be wrong, then we have made a happy mistake in this connection. That will not bother us in the least. Quite the contrary: our

goal could then be attained faster than we had thought, without the need for any further efforts.

After the failure of this good-faith effort, the ideological fronts will probably get harder, and our proposals will be more aggressive. According to Article 146 of the German Federal Constitution, *“This Constitution [...] loses its validity on the day when a new constitution comes into force which has been approved through the free choice of the German people.”* The legal machinery to carry out such a free choice does not exist at the present time, but we are working to create both it as well as the necessary draft constitution.

If these efforts also fail, as we must assume they will because of the nonexistent separation of powers among capital, media, and politicians, and then the remaining option would be to passively observe the collapse of the existing system. The interest system would escalate its destructive consequences to the maximum. Exponentially growing interest and tax payments can theoretically be distorted up to the point that they exceed the linear growth of the Gross Domestic Product, as it is mathematically guaranteed that debt interest payments must do. This would represent the last possible moment for the inevitable end of this system.



Before this endpoint is reached, a constantly growing apparatus of power including banks, corporations, mass media, politicians, and government officials will be obliged to execute stronger and stronger repressive measures against the people. The Lisbon Treaty gives us reason to fear the worst. We call this phase the time of fascism. It is accompanied by the abolition of constitutional government, which will be carried out faster than ever before. In regard to this inevitable process, we appeal to the intelligence community and to all other government officials to serve the real government in the form of all the people, not this failed financial system and its values. Such government officials have the duty to prevent the dismantling of constitutional government, which at the moment is being conducted by Brussels, Berlin, and the German Constitutional Court in Karlsruhe.

We hope that it will be possible to avoid the phase of fascism. But, based on our factual analysis, our prognosis is unfortunately that there will indeed be such a phase. For this reason we have already prepared the necessary measures for this phase as well.

According to the German Federal Constitution, Article 20 Paragraph 4: *“All Germans have the right to resistance against anyone who attempts to overthrow this [constitutional] order, if no other remedies are possible.”*

We have already described these *“other remedies.”* We have already begun to implement them. If these measures should fail, then the only remaining question is whether the revolution of all the people against the system which oppresses them will be conducted peacefully or with violent means.

The Knowledge Industry obviously supports the peaceful option. The method of resistance must in any case be carefully thought through and must reflect the fact that it is an illusion to think that majorities can be assembled without the support of the media. We thus require a path which can succeed even if only 5% to 10% of the population join in. If a free press were in existence, we could then found a party and attempt to make meaningful changes through elections, but this path is unfortunately precluded.

At this point the question of course arises as to what each individual person can do concretely today. This theme is discussed in detail in an article by Rico Albrecht (available online at www.wissensmanufaktur.net/steuerboykott) which provides a sober discussion of the methods of active and passive resistance in plain language.

The Perspective

An exponential function can also have a positive effect – if more and more people understand these relationships and mobilize for a transformation. We still have relatively few people who are in the process of slowly waking up, but they are growing more numerous and this process has nowhere to go but up. If we now in this critical time are able to not let ourselves be divided and not become fragmented according to the details of the various model solutions, then we have a good chance to prevent the current system from being re-launched at this historical crossroads. It is up to us, the danistocrats. Let us join together and cooperate to stop this insanity! During the imminent crash, it will be within our power to set the process in motion towards a real transformation.

Our posterity will thank us for it.

Andreas Popp and Rico Albrecht, November 2011

