ADDRESSO'SET PUBLICATIONS

VOLUME 1, ISSUE 2

SOCIAL TOOLS NEWSLETTER

JUNE 24, 2011

The following is from an unpublished manuscript titled “Social Tools” by Franklin H. Ernst Jr., M.D.

INSIDE THIS ISSUE:

SPECIAL POINTS OF INTEREST:

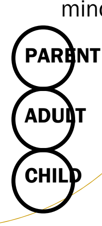
There are four types of social tools.

- **Management of Self**
- **Dealing With Others**
- **Tickets, Talents, Hellos, Education, Trades, Techniques**
- **Money**

THE THESIS OF SOCIAL TOOLS

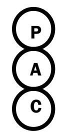
1. Social tools can be classified into: Money, Hellos, Dealing with Others, Management of Self.
2. Much of the social behavior of people can be diagrammatically represented.

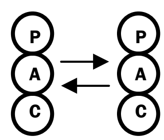
The purpose of this text is:
a) To classify the social tools used by people (individuals, clubs, governments) in their dealing with each other.
b) To present diagrams by which social behavior of humans (with each other) can be represented. For example in Management of Self (MOS) the first diagram that comes to mind is the diagram:



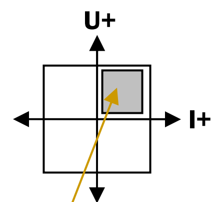
Once the person has the ability to (separate and) identify which of his three classes of behavior is active in himself (MOS) he then stands a better chance of controlling and regulating his own behaviors (Management of Self – MOS).

Again, once that self same particular individual with his own, Parent-Adult-Child (diagram), comes to recognize this, he then will see that almost everyone else he knows can also be understood to also each have a **Parent**, an **Adult**, and a **Child**. And when he draws his own “stacked circles” next to that other person’s PAC circles, certain aspects of Dealing With Others (DWO) (Class #2 of Social Tools) will become more readily understandable and almost axiomatic; as the principles of hunger in each person for (stroking) recognition is taken into account. And the strokes can be represented from one stroking event to the next stroking event by an arrow each.

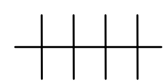




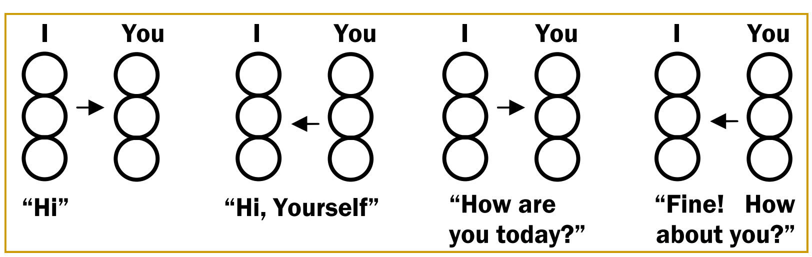
And, in this instance, this social greeting ritual event concludes with “I am OK and You are OK” the social experience between two parties, AND a Get-On-With encounter between the two of them. This is shown by the “OK Corral Grid for What’s Happening” diagram and the shaded area represents a Get-On-With conclusion for the particular social encounter of “I” and “You.”



As this text proceeds, the reader will find out that with his stroking of another person, with his own strokes, he can “GIVE” strokes, “TAKE” strokes, “ASK FOR” strokes, “WITHHOLD” strokes, and that this can be represented by the STROKING PROFILE which is diagramed, shown here.



Other diagrams, which have become standardized, starting in the 1950’s, will also be shown, especially in dealing with Class #1 of Social Tools “Management of Self” (MOS), AND in Class #2 of Social Tools “Dealing With Others” (DWO).



MONEY

MONEY

When people hear that money is a "social tool" often their first response is "Yeah, I don't have enough of it. "I wasn't born with enough of it. The (tool) handle for what I have is too short." They are talking about money to spend. It is true money is used to keep the wolf away from the door, for toys and goodies, to purchase items that will stimulate the envy of special "friends," make a person "feel secure," etc. Many see money as a tool enabling them to gain possession of more goods and/ or physical structures that represent status, power and prestige.

Money is also for "investing", for loaning, for gambling with, speculating with, for insuring with, for burying, as "leverage", for use when in legal or medical or other difficulty, to provide a wider range of health options, for bringing to life a dream or an invention, for building a business that may or not provide a living and way of life (including wages for others). Money as a tool can be used to gain power, control and influence over others.

Money can be used to purchase businesses, real estate, stocks and bonds and other investments. These investments are usually for a sense of financial "security" for "later life", "for a rainy day", or "to leave something for the children."

There are two old "saws" on Wall Street. One is "buy low, sell high." The other is "Greed and fear are the downfall of most" (investors).

An accumulation of money has become essential in running for political office and hold political power. Money can be used to further lustful proclivities.

Shopping for a best buy may be an act of using MONEY as a tool, ie getting (more) goods and services for the dollar "Shopping (around) is an activity of using the personal dollar in pocket as a lever.

Possession of a lot of monetary and physical assets is one definition of wealth. Wealth is and results from the way a person uses the full range of his social tools, in planning his longer range AND shorter range goals. Developing facility with the use of all of these social tools provides for the ability to plan ahead for the rainy AND the sunny day (of opportunity). It wasn't raining while Noah was building the Ark.

WHAT IS MONEY ?

"Money is anything that is accepted as a medium of exchange." ("The Creature from Jekyll Island," G. Edward Griffin, 1994, published by American Media, P O Box 4646, Westlake Village, California 91369). In the memory of many this has included gold and silver coins, chocolate bars and cigarettes besides paper certificates and base metal coins.

OTTO SCOTT

Otto Scott has written "Money is inextricably entwined with individual rights. It means … the right to buy whatever one can pay for, to move wherever one likes, to change jobs, to travel … ." "Cromwell converted Britain from a nation in misery to a rich and prosperous land in large part by restoring honest money and ending the arbitrary confiscations of the King Charles I … ." In the west, money has been the traditional means of rewarding merit, of extending charity, of assisting the poor and needy, and worthy, of improving the standards of society, creating schools, hospitals and businesses and churches, and of enabling the private sector to achieve for itself, and individuals for themselves" ("Chalcedon Report," #229, August 1984, Vallecito, California, 95251).

Scott contrasted the west to the previous Soviet and to present day China where it

"Money is inextricably entwined with individual rights. It means … the right to buy whatever one can pay for, to move wherever one likes, to change jobs, to travel … ."

takes a special Party Card besides money to purchase certain goods.

HISTORY OF MONEY

Money has been around and used by societies since ancient times. The Babylonians, Assyrians, Egyptians, Sumerians, ancient Chinese, etc., all had a currency to facilitate commerce both within their societies and in the international commerce carried out by their merchants and traders. From ancient times silver and gold (coin) was the "honest money" medium for exchange of value most often used. For millennia gold was the universal commodity of exchange for international trade.

ROME

Romans began to use a bronze coin about 750 BC (copper, tin and lead). This separation of the currency value of a metal coin from its commodity value is attributed to be partially the reason for the spread of the Roman Empire. Rome continued to allow the use of the gold and silver coin but in the marketplace the value of gold and silver coin was the commercial value of the coin's weight and purity, not any value printed on it. (S. Zarlenga, "The Barnes Review", 2/97). After five hundred years or so some of Rome's elitists cornered that "money market," inflated the cost of goods by over supplying the amount of coin currency in circulation.

A friend showed writer some coins from Carthage, dating back to about 500 BC. He said they too were made of base metals, copper and tin.

GOLD AND SILVER

Episodic efforts have been made by nations to "monetize" gold and silver, to make gold and silver coins and "certificates of deposit" paper certificates for these metals to be the official money for exchange of goods and services. The (additional) freedom and trust in the money provided to the particular nation's individuals when this has occurred has been almost routine. These efforts to monetize gold and silver have lasted for varying periods of time, but usually have succumbed to the machinations of the money-changers to gain control of the money system and supply.

R. E. SEARCH

In 1935 Search wrote about the controls of the international moneychangers (bankers) over the supply of money in the USA since its earliest days. He described several nationwide economic depressions since the country's founding and proved how the depressions in the U.S. society were directly related to the withdrawal of currency from use by the public and applying restrictions (squeezes) on credit by the coordinated moneychangers. This was both before and after the Civil War. (See "Lincoln - Money Martyred" by R.E. Search, 1935)

ENTER THE MONEY-CHANGERS

The moneychangers are there on hand when a person "needs" to sign a promissory note (mortgage) to buy a house. They don't tell you that they can turn around and multiply the value (to them of your signature to pay them back) on your promissory note (IOU) by 10 fold for further loans by the bank. See below "Fractional Reserve Banking."

These money changers extend (and restrict) "credit to businesses." Very few family farms which used to depend on bank loans to tide them over, eg from planting to harvest time have survived. The "friendly" banker would enlarge or reduce the amount of loaning or stop it. This has led to the bankruptcy of many family farms. Thus much of the produce in this country now comes from "agri-business" (elitist?) corporations.

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FORMS OF MONEY

There are two forms of money in circulation in the USA. These two are the coin and the paper money we use.

The coinage of the country is made by the US government It is "**public money for private use.**"

Our paper money, however, is issued by a private corporation, which corporation is owned by foreigners. That money is **"private money for public use."** Like with the "Bank of England" founded there in the late 1600s by foreign moneychangers, so too, in the early 1900s in the USA a group of foreigners gained a monopoly control over the money supply here in the USA. These foreigners named this private super bank corporation the **"Federal Reserve System."** It is not owned by the federal government of the U.S.A.

HETEROTELIC

"The Bank Of England" is a heterotelic name.. It would be an autotelic name if it were a bank owned and operated by the English government. So too, the name "The Federal Reserve System" is a heterotelic name. It is not owned by or run for the benefit of the U.S. Federal government or its people. It is the name the private corporation adopted by which to call itself.

PRESIDENT LINCOLN

In fact during the Civil War President Lincoln did have the U.S. government Department of the Treasury issue the first government "greenbacks." He had learned how such currency would have the confidence of the people. He paid soldiers of the north in the latter stages of that war with that currency. Was his gaining the knowledge of how paper money works and acting on that knowledge a factor in his assassination? ("Lincoln - Money Martyred," R.E. Search)

PRESIDENT KENNEDY

In 1963 President John F Kennedy, like Lincoln, caused the U.S. Department of the Treasury to issue a few hundred million dollars of "U.S. Treasury Notes." In the cases of both Lincoln and Kennedy the U.S. had some autotelic money in circulation (public money for private use, money by the people, for the people, and of the people). Neither president lived more than a limited number of months after these presidential acts.

FINANCIAL INSTRUMENTS

There are financial instruments which legally carry the named equivalent dollar value written on them. These include money orders, promissory notes, drafts and "Pay To The Order Of" checks. Money orders are written by the U.S. Mail Service and some banks. "Drafts" are financial instruments used by insurance companies and banks and are tied to an account number.

Promissory notes are the basis of home loans and business loans. Credit card accounts are based on promissory notes signed by holder of record.

"Pay to the Order" checks and checking came into fashionable use during the 1800s. The amount of money "created" by checking accounts is included in one of the Federal Reserve Bank measures of circulating money. (See Bulletin of the Federal Reserve Bank of St Louis.)

EXCHANGING VALUE FOR VALUE

Prior to money, bartering was the principal method of exchanging value for value of a service and/or commodity. An example would be for two parties to agree to trade 10 sheep and five cattle of one party for six months of servitude of a man-servant of the other party.

BARTERING

Bartering is both a special case AND an illustration of the more general principle of this particular social tool. Each person has the

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ability, by the use of other classes of his social tools to estimate the personal value to him of a possession he has and to estimate the exchange value of what he wants, what he is shopping for. This in fact is how the "market value" of goods is determined.

In the narrower sense bartering is the exchange of goods without the intervention of the conventional unit of value as part of the exchange activity.

In the strictest sense, skill in bartering is the best measure of the skill in the use of your social tool of money, possessions and property. Money can be considered private property. While exchanging "equal-for-equal" is defined as a non-taxable event, bartering is frowned on by taxing agencies. *[Verify this in an environment of constantly changing tax laws.]*

In bartering, the two parties (by mutual agreement) have abandoned the assignment of money units of value to what each possesses to trade with the other. Instead each is weighing his desire for and the personal value to him of what the other person has to offer against how much he personally values what he would have to give up, what he is willing to give up in exchange for what he desires to get in return.

FORMS OF MONEY

Money can be understood to occur in one of four forms:

COMMODITY MONEY
RECEIPT MONEY
FIAT MONEY
FRACTIONAL MONEY

COMMODITY MONEY is a substance or good with a storehouse of value and with general acceptance of value among members of the society. The reason gold and silver came to be preferred is because they could be verified as to weight and purity and, as metals, did not deteriorate, "get over ripe," change over time.

RECEIPT MONEY is a warehouse receipt, for example, for gold held by the signatory of the receipt. These could be issued in different denominations by the warehouse owner to add up to the total he held. Such receipts could be endorsed over to another party or might have been issued as "bearer receipts", like bearer bonds, to be paid on demand of the bearer.

FIAT MONEY is money, paper certificates, without any basis of value backing their stated monetary value. "Fiat" money is "money created out of nothing." During the 1800s there were numerous instances of banks issuing double the amount or more in currency of their total assets. Starting with the Massachusetts Bay Colony in 1690, the "colonies" periodically would resort to the issuance of fiat money or fractional reserve money. Each occasion ended in financial disaster (G Edward Griffin, 1994).

In fact, in the 20th century USA fiat money is actually money created out of debt owed to the "Federal Reserve Bank" by the U.S. government. Bonds are printed by the U S federal government to sell to the private Federal Reserve Banks in order to borrow (credit) money from the privately owned Federal Reserve Bank. The US government has to pay the Federal Reserve Bank interest on this borrowed credit (money). This is the same thing corporations do to raise money to finance their operations, i.e. they also sell bonds.

Next, the Federal Reserve Bank then issues credits to the U.S. federal government so the federal government can make deposits into banks to pay its bills. Some of this credit is used to print paper currency. These paper currency certificates, called "money," are named Federal Reserve Notes because they are based on the credit extended to the federal government by the super elitist moneychangers and owed to these super elitists. The Federal Reserve Bank "sells off" a lot of the U.S. bonds (debt) to other banks in and out of this country. Private individuals may also purchase these bonds from the Federal Reserve Bank and earn the inter-

FIAT MONEY is money, paper certificates, without any basis of value backing their stated monetary value.
"Fiat" money is "money created out of nothing."

[*Some believe in the fiction that it is backed by debt.*]

est on them. Private individuals usually pay for the bonds with a "Pay to the Order of" check.

FRACTIONAL RESERVE MONEY is paper currency or banking assets only partially covered by substance of corresponding value.

"Fractional reserve banking" refers to depositor funds against which only a fractional part is required to be retained on deposit by the bank. In the case of a $100,000 loan to you by the bank, i.e. a mortgage to buy a home, the bank declares your promissory note to the bank with your signature on it (the amount of the debt you owe the bank) to be a bank "asset" which it now holds. Your promise to pay (back) is a bank asset. Under the Federal Reserve Bank "fractional reserve" system of banking, your local moneychanger can now loan out to someone else an allowable "fraction" of that $100,000 (debt) "asset" you signed. The balance above, in excess of that (say 10%) "fraction" required to be held in "reserve" (on deposit in the bank) according to the Federal Reserve Bank rules is called "excess reserve." The fractional reserve a bank is required to hold has been 10% since before 1991. (Federal Reserve Board Annual Statistical Digest, 1991. Federal Reserve Bulletins of 12/93, 12/94,12/95, 12/96, 12/97, 12/98, 12/99, 03/00, 03/01.)

PROMISSORY NOTES AS BANK ASSETS

When you sign a promissory note for a loan to purchase your new home, say for $100,000, your signature on that note is the bank's basis for "creating the $100,000 of new money" and for declaring your debt to be its "asset." You are required to pay interest on that $100,000.

By Federal Reserve System fractional reserve banking rules your local bank now has an "excess reserve" of $90,000 in regard to your **promissory note** (note asset value of $100,000 minus the required 10% fraction [$10,000] to be retained). This bank is now able to turn around and "loan" out to a second party this "excess reserve" of $90,000 from your **promissory note** and only retain $10,000 of the note value (of your note) as the fraction it is required to retain.

On this second occasion the bank can again declare the $90,000 value of the **second person's promissory note** signature and the debt to the bank of the second person to be another asset it now possesses, a $90,000 asset.

This new $90,000 asset now can be the basis for another loan to a third party when the **third party** has put his signature on his **promissory note** to the bank. This <u>third note can be for $81,000</u>. 10% of the second note, $9,000, is to be retained as the bank's required **fractional reserve** against the second note.

Similarly, **the third promissory note** for $81,000 is now a new asset of the bank. That asset of the $81,000 promissory note has a loan value of its 90% value, ie $72,900.

This 10% fractional reserve of a promissory note's value process can be repeated time after time. Each promissory note signer with the bank, however, will still be required to pay the bank full interest on his own particular promissory note.

By the 10th step of this promissory "asset" note (loaning process) with the fractional reserve retention of such "assets" the bank has "loaned" out and is collecting interest on more than $650,000. By the 21st step it has loans out totaling over $900,000 and is collecting interest on each of them. By the 40th step the total loaned out by this system of banking is just shy of $1,000,000 ($994,710) based on the initial "asset" value of the first $100,000 promissory note (loan). But you are still required by your bank to pay the full amount of interest due according to your promissory note. Interest paid on $100,000 at 7% is $7,000, but on $1,000,000 at 7% it is

The fractional reserve wrinkle.

FRACTIONAL RESERVE MONEY is paper currency or banking assets only partially covered by substance of corresponding value.

"Fractional reserve banking" refers to depositor funds against which only a fractional part is required to be retained on deposit by the bank.

$70,000 for a year, somewhat over 2/3rd the value of the initial "loan" to you. Fractional reserve banking would seem to be a pyramid scheme for growing money on the bank's money tree.

CERTIFICATES OF PARTICIPATION

One way city and county governments participate in "creating" new money is to sell "certificates of participation" (COPs) through an apparently complicated set of procedures with bankers and other bond buyers. The explanation given by these government spokesmen about the financial security for the bond holder is "The bonds have the full faith and credit of the (particular) government" behind the bonds sold. Reading the prospectus for a COP the reader will find listed the assessed valuation of all private properties within that government's geographic limits. Does this mean that particular government has borrowed money against these private properties without a vote by these property owners? The same government also has the ability to levy (more) taxes on those property owners. Is this contrary to the provisions in the State Constitution, at least in California?

PERSONAL USE OF MONEY

Money is the medium of exchange between both friends and strangers for goods (possessions) and services (the time of the hired hand) with <u>specialized skills</u>, i.e. the #3 set of Social Tools of the hired hand. <u>Money</u> is a very powerful social tool. It is as essential for commerce as breathing is for life. But it is not the only set of tools in the social tool box.

"Cash money" can be used in many business transactions to avoid the need to identify ones person.

Possessions or money can be exchanged for services. Then you have exchanged your money social tool for the use of the other person's use of his trade, talent or ticket social tool. This is the exchange use of one social tool in one person for the use of another tool of the other person.

POSSESSIONS WITH EXCHANGE VALUE, "Money" at your disposal.

Paper money, silver and gold, cigarettes, candy bars, stocks and bonds, private property, etc. The key element is the exchangeableness, the "barter" value of these, the "value for value", the "equal for equal" consideration.

"Money isn't the most important thing in life - Until you don't have any!"

ADVERTISING

Money advertising is directed to several areas of <u>management of self</u> (Social Tool #1) and/or <u>dealing with others</u> (Social Tool #2) including: 1) People overly indebted and looking for some form of relief such as "debt consolidation" to reduce particular monthly payments, 2) Those looking for a source of more credit (borrowing), and 3) Sale of another Credit Card.

Notice the television advertisements? Look in the telephone book yellow pages. And too, television, radio, print media and mailers contain an abundance of inducements to spend more money, such as rebates, postponed payments you are given several months to forget about for now, lower interest rates so you can expand your total indebtedness, and other ways to "save", be it on groceries, furniture, automobiles, etc.

PERSONAL EMERGENCY SPENDING

There is a portion of those on "welfare", i.e. Aid to Families with Dependent Children (AFDC) and on Social Security for the Disabled (SSI) who spend their first-of-the-month "check" as if the spending of it were an emergency. After watching a few do this and

"Money isn't the most important thing in life - until you don't have any!"

JUNE 24, 2011

VOLUME 1, ISSUE 2

Mastery of the Universe is Proportional to the Symbols Man Has by Which to Represent His Universe.

ADDRESSO'SET PUBLICATIONS

Social Tools Newsletter
Franklin "Harry" Ernst III, Editor
P.O. Box 3009
Vallejo, California, 94590 USA

Phone: 707/643-5100
Tele/Fax: 707/644-6358
E-mail: harryernst@ao3news.cnc.net

We're on the Web.
www.ListeningActivity.com
www.ErnstOKCorral.com

talking to them, it became evident this had to do with paying all monthly bills, debts and buying their "necessities" for the coming month and any goodies with the funds left over until it was all gone.

They were able to and did "provide for their own food clothing and shelter," therefore, were by definition mentally competent. If they were "broke" for the rest of the month "no one can borrow from me. I don't have any money, if somebody asks me." They were the same ones who would episodically try to borrow from friends at the end of the month if they saw a goodie they "needed." They were skilled at pleading such a "need" to a friend they thought still had some money at the end of the month and, on the reverse side of the situation, helpless in resisting such a plea from a "friend" in a similar plight if they themselves still had some funds. BUT if they too were broke, then nobody could get any money from them because they didn't have any. No friend could get anywhere with them or any money from them. Thus they would not feel guilty for refusing a friend in dire "need."

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Editor's Note:

While looking over a newsletter highlighted by FH Ernst Jr., I found the following in The "Light", Vol. V, Issue 49, Right Way L.A.W. A discussion of "Quantum Meruit" (vague, implied contracts) is the opener: "the presumption is both parties 'got what they deserve'." "… . It could be argued that the instrument received in exchange for labor has value in the market place to purchase things. But, there is a difference in the legal meaning of the terms substance and value. **Substance** is defined by Black's Law Dictionary 4th as Essence: the material or essential part of a thing; while **value** is defined as worth consisting in the power of purchasing other objects. …. Value can only be perceived in the mind. **Substance is real**. There is some consideration of value in labor when Federal Reserve Notes are exchanged, but no substance. …"