

The Permaculture Community

BY BILL MOLLISON

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This is the thirteenth in a series of 15 pamphlets based on the 1981 Permaculture Design Course given by Bill Mollison at The Rural Education Center, Wilton, New Hampshire, USA. Elizabeth Beyor, without compensation, undertook the transcription of tape recordings of the course and subsequent editing of the transcripts into 15 pamphlets. Later, Thelma Snell produced the typescript for all pamphlets and produced the drawings for these three pamphlets, again without compensation. Lisa Barnes laid out and made mechanicals of the original editions. More recently, Meara Culligan entered all 15 pamphlets onto computer disk. From time to time, I have added some further light editing to increase the readability of the pamphlets. In deference to the monumental task of love represented by Bill's assembly of the Permaculture Design Course, and by the subsequent volunteer efforts leading to these pamphlets, Yankee Permaculture has placed them in the public domain. Their reproduction is free to all and highly encouraged. The pamphlets are now available on computer disk, individually or as a set. Send a SASE or 2 international return mail coupons with an address label for details.

We have some pamphlets translated into Spanish, French and German. Volunteers are now needed to complete these translations and to translate these pamphlets into other languages. Yankee Permaculture continues to depend on volunteers for all of our publications. To help, contact us at the address on the cover.

For Mother Earth

Dan Hemenway, Sparr, Florida, August, 2001.

Fifth edition

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The subject we want to go into now is not just permaculture 1 as it applies to integrating elements within ecosystems in beneficial ways. It also applies to the whole question of funding and cooperation between community, government and business. Using the same methods that integrate the elements of a garden system, we can attain surprisingly similar benefits accruing to the whole social system. We design a maximum number of functional connections with a minimal amount of legal complexity. This model works. It is working in Australia, and it will work for America; it will work for Britain. There are legal details that differ from country to country, but, basically this model works everywhere outside the Communist world.

First of all, we have a group of people that can be defined as a community. It can be a community of designers, a community of people living in one house, or a community scattered over the face of the Earth. All they have to do is to agree to a set of principles and ethics that guide them. These ethics are Earth care, people care, and a final one of non-profiteering, of not accumulating wealth beyond one's needs.

We will now go to a description of the legal structure.

This community forms a company. This is a perfectly ordinary company such as it exists in all nations. Part of the function of all companies is to act as a trustee. That is all that this company does. It does not trade, nor does it take any cash flow in or out. It issues shares of one dollar to each member. All members can be directors of the company. Now this part of the structure is just the same as that which many people have: a land trust, or a land bank, or a research institute. There are many of them being formed.

The Permaculture Institute, which is the name of this company, exists to work in areas of health, education, and agriculture. That gives the company a total broad spectrum basis of acting. Then, under trust drawn up according to the laws of your country, it would be normal to add, "for the good of all Americans."

This is a publicly oriented trust. It confers advantages, not all of them applicable in all countries. Generally this trust offers these advantages:

- This Institute usually has immunity from land taxes and rates and local council and local government charges.
- It has all sorts of potential links with other institutes. For instance, in agriculture, it is automatically a member of the World Free Seed Exchange, and can get seed from anywhere in the world at no cost. The whole of the World Seed is open to that. That includes 4,600 institutes and some 680 botanical gardens.
- It can make links and do joint research with any other institute of its kind, with joint funding, or funding staff arrangements and so on.
- It is also in an insulated situation. If this fails, so do all schools, churches, and most other important public institutions and offices. For they, likewise, cannot afford to pay those sorts of costs. It is uncommon, almost unheard of, for this to be raided by government or anybody else. It is also the way the rich structure their own money flow systems. They always have this as an outlet. The Ford Foundation is an example.

Critical, and often missing from structures of this sort, is a second trust, not connected with the Institute Trust, although under the company's trusteeship. This second trust is a non-profit trading corporation. It occupies structures loaned to it by the Institute at no cost, because it funds the Institute. It is staffed free of charge by members of the community. So this is one company that owns no buildings, and employs no staff. It borrows from a political party, or a small external society, all its moveable fixtures, furnishings, and usable objects – tractors, vehicles, typewriters, desks, chairs. So it also has no chattels.

Political parties enjoy some unique privileges in Australia. They need not declare their income, nor their membership, nor do they pay traffic fines. Because they are not corporate, they pay no income tax.

So what we have is the community, the company, and two trusts, maybe supported by one or two other external factors.

At the Trading Trust, there is nobody and nothing at home. Within the Trading Trust no risk is incurred. This also is precisely the structure of some merchant banks throughout the world. There is no one at home. So they incur no risk whatsoever. Although it is a legal structure, it is not a corporate entity.

This Trading Trust registers several businesses in which it cares to deal. Good businesses are:

- Travel agencies, because a lot of people we know need to travel, and those who act as agents may get 15% discount, free tickets, or perhaps free flights around the world.
- A publishing company, because information is vital. It is something on which we live.
- A consultancy, as another means of transmitting information on a global scale - information transmitted by people.
- A real estate operation is often appropriate.
- And, in our case, a seed company, which is owned by the Trading Trust.

Now the Trading Trust can also enter into business-sharing arrangements. It can hold shares in, and take part in other operations, such as consumer co-ops, workers' co-ops, and unemployment co-ops; and it can hold residential shares in other seed companies, or seed growing operations; it can hold shares internationally; it can participate on an international basis in trading cooperation. Therefore the Trading Trust has a very broad potential for joining in cooperative money flow, just as the Institute has a very broad potential for joining in cooperative research flow, and informational flow.

These two trusts are not only tax immune, but donations to them are often tax deductible. That has to be established, however. The money can route through any other institute within the country that has tax deductibility. The usual charge for that is a 2-4% handling charge that remains in that trust. As an example, if you want to give something to the Permaculture Institute to give to the Threshold Foundation, we would keep 2% just to cover the cost of handling the transfers. So it is a tax deductible operation – not taxed, because nobody profits.

Money can come into the Trading Trust. Most of it came in by virtue of its own efforts, by businesses run by the Trading Trust itself. It comes in dribs, drabs, oddities, and occasionally, big lump sums. Money can come into the Trading Trust from government, and substantial amounts do. It comes in as normal business aids.

I will give you an example. Australia has a law that says that all businesses engaged in exporting are automatically remitted certain portions of all fares of exporters traveling overseas. The government regards consultancy and knowledge as an export. The reason the government provides these benefits is that isolated countries have to maintain a net inward cash flow for good balance of trade, and they offer a tremendous number of incentives to industries within that country likely to earn overseas dollars. If, year by year, our exports go up, then the amount to which they recompense us increases to a level of nearly 90%.

That is very nice for Australian exporters. If it costs us \$8,000 to go overseas on business related to consultancy, or educational exportation of permaculture, they will give us \$6,000 back.

Now if you are also a travel agent, you may receive from the plane company an additional discount on air fares, or, perhaps, a remission of the entire fare. In such a case, you may very well make a couple of thousand dollars on a world trip, just by traveling.

The exporter may also appoint agents in any country, to any number, to operate on its behalf; and the same thing applies for these agents. The agents of this exporter, in any country, flying into and from Australia, or from country to country, on behalf of this exporter, also get remission of those fares, plus

something the Australians don't get, a full remission of accommodation costs. 2

If I appoint you as my agent on the East coast of America, and I want you to fly to Australia, or I want you to fly to Japan, in connection with an export item such as a book, some seeds, some knowledge, or a consultancy job, I can then, having appointed you as an agent, pay your fares initially. Seventy-five percent of those fares will be returned to me, plus all the costs for accommodation and other normal associated costs. The law of one country, such as Australia, enables any individual within that country to assist individuals in other countries. That is now common.

So there is a fantastic amount of potential in that alone for shifting people around the face of the Earth at very little cost.

Every June, an accountant makes up the accounts, puts in a report to the Department of Trade and Industry, which issues our refund in November. When we are away, we just send all our tickets home in June. We have to show how much income we brought to Australia from our trips abroad, as a part of normal accounting. We submit these trading accounts to the department of Trade and Industry.

Money comes in largely from trading efforts, but also from government and these business aids.

There are other business aids. The Australian government funds and fully refunds on the development of any invention or device that might be salable. The whole cost of development, productivity development of any salable invention is fully refunded by the government. Now these are not things that you must apply for; they are free, automatic, government business aids. You don't have to be under any bureaucrat, you don't have to fill out any forms to clients, you just get it. These are normal channels, with a capital flow from government to business.

But I find in our case, by far the largest and most significant flow, is the flow from what people earn.

This Trading Trust is a non-profit corporation. It has to distribute all profits. It distributes them in four ways:

1. It gives by far the greater amount to the Research Institute, thus getting a double tax exemption, because for one thing, it isn't taxable, and in the second place, it is a tax deduction.

2. It also gives to public charity, or any charity of its choice, which is another tax deduction. That can be aboriginal ethnic groups, which we fund.

3. There is a minor flow to a political party as donations, that exactly equals the cost of typewriters, desks, vehicles and tractors. The political party chooses to spend the gifts it receives on these things.

4. Lastly – and this is a thin miserable stream – it gives some of its money to these people who work within the Trading Trust and their dependents. At present, for Tagari – I won't advise you to imitate this – it is \$21 per week. So last year, in a very large trading turnover, a sum of \$20,000 might have been taken out for perhaps 40 volunteer workers living in the community. Every man, woman and child in Tagari receives the same amount. We don't differentiate between sexes or ages. If that person is one year old or ninety, male or female, he gets \$21 a week, and that's it. From this amount these volunteer workers must buy their clothes and incidentals. Clothing is mostly from Vinnys Boutique (at Vincent de Paul Society), in Tagari – clothes for the poor. We just don't have any expenses. We are all working in the Trading Trust full time. It provides transport to and from the situation. It used to provide bulk food; now it doesn't. It provides free seeds. These people live below the minimum income level, so they do not pay tax.

Let me tell you, this group, of all the people in the whole of Australia, is the most heavily self-taxed group. All their money goes to the public. We pay the highest to the public tax of any group within Australia, because all our money, except a tiny amount, goes to the public. Once it crosses that boundary, we

can no longer use it or profit from it in any way. The Research Institute carries out work in health, education, and agriculture for the good of Australians. It can't employ anybody. No one can benefit personally from it.

The institute can sometimes help to people who wish to achieve something in line with our principles and ethics. There was a person who gave money to the Institute for the establishment of a child-birth center. We set up the Childbirth Institute in Queensland. She supplies an excellent staff that runs the childbirth center. They run it for the institute as part of its health program. It is for the public benefit. It would be fantastic if in this way we could set up many children's schools and child-birth centers!

Just occasionally, members of the public give substantial amounts of money to the Trading Trust. The largest sum we received was toward the seed company. There are certain trading operations you can enter into that are acts of defiance. Well-off people will often fund such acts of defiance, even when it is not tax deductible. The sum that we received allowed salaries to be paid to workers in the seed company. Some of those workers were members of the public; others were members of the Tagari community. These last (who are complete nuts!) only took \$21 a week as their pay and put the rest back into the Trading Trust.

But they may not be complete nuts. This group could have kept all the money and paid taxes on it, if it exceeded taxability. As I pointed out, they have hardly any need for money.

It is possible to set up trading operations that are totally non-capitalized. In the publishing trade, it is normal to ask for pre-orders, and invite large publishers, who give printing money before the book is printed. There are other industries of this sort that don't require capital. You don't need capital to start up a travel agency, a consultancy, or a real estate business. All you need is people qualified and willing to do it.

Let us consider another subject now – land. This is important to the function of the whole network and therefore has to be heavily insulated. Trading operations are not important. They can come and go. They are a nuisance.

The Institute, the public trust, will not take risks. All land donations go to the Trading Trust, not the Institute. The Trading Trust first pays all transfer costs. All part-owned properties lie in the risk area. Only fully owned property, and often those with some financing attached to them, pass into the Institute. Such land must also be heavily insulated from any claims against it from the outside, for the Institute cannot take risks, and will not accept properties that have any attachments on them.

Now within this area lie all real properties. Real property includes buildings, land, equipment, and rights. That is real property.

Property comes in through the trading departments in the form of copyrights and other things. Occasionally, the trading operation puts deposits on property such as land and houses; and when the property is fully paid off, passes it into the Institute, as a gift. Often a cooperative or community will give us a share in an enterprise, perhaps for a thousand dollars and a contour design job. That remains in the Trading Trust.

Land can come in from the public. It can come in from the government. Land can come from local government, land the local government does not want. Local government can launch city farms through this Institute. All this land comes in through the Trading Trust.

Now land accumulates, and can accumulate with extraordinary rapidity. There is absolutely no problem in 12 months in getting hold of several million dollars worth of land, no problem whatsoever in that. I mean hundreds of square miles of land. The problem is this: There is a lot of time and money involved in just passing that land in. What we really need is a volunteer group in the public to handle that. We have been offered large areas of land within Great Britain and France, and areas of Afri-

ca, and islands, and areas in Australia, in all its states- I mean 3 huge areas. There is absolutely no problem in getting all the land anybody is wanting, providing you have a group set up to deal with it. They can't because it costs time. They have to go look at the land, and all sorts of things are involved. Sometimes it costs this group \$4,000 or \$5,000 just to get the land in here. So it has given up taking any land that is not paying its own way in. They don't want your land unless you are doing the whole problem bit of putting it in here. Then, there is also the matter of finding somebody who wants it. That can happen. If nobody wants to live on it, we cannot handle it.

The sort of properties that come in may be warehouses, office buildings, inner urban, suburban, or rural areas, for preservation or for development. These properties can be distributed amongst the activities sponsored by the Trading Trust, or used for purposes of health, or as retreats, or given to schools for educational purposes. There are many reasons why lands come into the Institute.

All this land then goes out to the public, to communities, cooperatives, or little groups that form to administer it; or it may in some cases be a single individual. We can give these people either limited tenancy, life tenancy, life tenancy inheritable, or transferable and inheritable tenancy. Or they may simply occupy it as public land, land open to the public.

Also, the Institute's funding returns to the public in its activities for health, education and agriculture.

Houses, not paid off, that are in the Trading Trust, are rented out to members of the community. The rent is remitted if these people work within the Trading Trust. But if they leave it, then the rent is directly incurred, even though they may have donated the house. If rent is paid, it may, however, be returned to the householder for repairs, etc. Houses are either owned by the Institute and given to community members on life lease, inheritable, or transferable; or these houses may be held by the Trading Trust and occupied by community members under temporary lease until such time as all costs are paid off.

When you think about a community, you ask, What is it that the community really wants to do? It probably wants to make enough money to support itself. More important, it probably wants to do good works, because people who enter into a community often do so for the purpose of doing good works. It usually wants to cooperate with other communities who have similar goals. But how infrequently do these communities set up a legal structure that enables them to do any of these things, and to achieve them efficiently in a very short time?

A proper legal structure gives a community a wonderful opportunity to unite with other groups at all levels, to put out tendrils joints from trading operations, trade to trade, even to an individual isolated on a hillside, who can be appointed as an agent. It can deal with an individual isolate; it can deal with him so that both benefit. It can house, look after, and work with either an individual, a farm, a community, or another cooperative, and so on.

We have extraordinary close links at this level with an urban group who are discussing subsuming a similar structure. They don't need to go through the legal hassle to set it all up. They just join us as partners, or traders, or Institute people who serve as directors for their local area. This is a marvelous way to delegate responsibility to bioregions. It is also marvelous for an international set-up. It closely follows the merchant banking systems, that are themselves international, and it was designed and is advised by merchant bankers in Australia.

Incidentally, all its legal advice is free. The Australian legal profession makes no charge to public interest groups. In Australia, we have excellent international lawyers, and the lawyer association will send them free on our business. All legal offices in all capital cities are ours to use, free of cost. That gives us typist, offices, duplicating equipment, anywhere we like.

Much of our medical work and dental work is done at very

low charge, or no cost, by people who understand our position, who respect what we are doing.

In summary, we are a group of friends who agree to a set of principles and ethics. As people, we can have no power over any other person, over any capital or indeed over any material goods. So what we have divested ourselves of is power, only power. However, we have access to libraries, and to international travel, when it serves a useful purpose. We enjoy the best of foods, great company. We do right well, but only because people like us. We cannot, as individuals, force anyone to do anything, because we don't have any power over anybody. As a group, we exist only if people like us. Otherwise, we are broke, dead, unloved.



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Many of us are painfully aware of the severity of catastrophic ecological decline worldwide. *The International Permaculture Solutions Journal* delivers information, ideas and discussion to provide Earth-healing tools or to promote their development. Information that is practical, detailed and hard to find elsewhere often turns up on "TIPS" pages.

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