

the new economy: initial notes

Solo

if we manage to understand the content of this document, perhaps our greatest dreams may appear very small in comparison to the world we can build. but...are we capable of believing?

abstract

it is not the author's objective to undertake a historical review of the details and circumstances surrounding the development of economics since its beginnings – plenty of work already exists in that sense – but to describe and analyze the process of *monetary virtualization*, from its most material aspects to its most immaterial. throughout history, the dynamics of successive economic systems have hinted at such a thing, allowing to glimpse the necessary *logical extrapolation* that would foster our economic evolution toward a better and more coherent monetary system. at the same time, from a radically integrative point of view, it would be impossible to try to analyze the concept of the economic system that constitutes the principal axis of this document without also considering certain spiritual, philosophical, psychological and cultural aspects intimately tied to this question; subjective aspects whose contribution leads to an organized and much more complex WHOLE (Gestalt) than its component parts can express separately. it's worth mentioning from the outset that the term virtual is used in this paper as a way of signifying *something that exists by virtue of its own power to manifest itself as real*, and not something merely fictitious or imaginary, since these last two adjectives tend to be used for referring to more inconsistent aspects of Reality.

introduction

contrary to first appearances, this is not an article about economics only, and as a result it is neither overflowing with intimidating technical economic terms, nor with the data and graphics that are the normal content of economics textbooks. this text is quite unorthodox, using the plainest and most easily understood terms possible in order to show a new economic system as a logical evolution from the current one, from a purely *cybernetic* perspective. that is, from the basis of a combination of very simple rules that, despite their seeming absurdity, may constitute a system capable of promoting a vast dynamic of actions and reactions, all leading to a series of highly enriching and complex cultural, social and political interactions. it's worth mentioning that a cybernetic system is basically a dual system that can manifest itself in different ways: it can be a psychological system, a biological system, a thermodynamic system, a mathematical system, an electronic system, a computing system, or any conjunction of action-reaction systems that respond to a dynamic that is basically dual in function. in other words, it is the product of two basic components or states of a system that can

in turn produce a large and varied number of situations and combinations as a result of their mutual interaction.

in this sense, the principal objective of a value exchange based economic system is to establish a kind of symbolic representation (monetary language) to facilitate our transactions both for the intangible energy provided by human labor – that is, the employment of time and effort – as well as for any other tangible goods that mankind might designate as such for their responsible use and public or private property. only in this way can we communicate amongst ourselves on a material level, and only in this way can we exchange every kind of goods in order to satisfy our needs and enrich our lives. the fundamental reason for this document is to try to explain how an economic system with these characteristics might be an improvement, and how it would work, in language that the greatest number of people can understand. the idea is to pave the way for a true, *totally neoliberal* economic philosophy, which is to say, one that is *totally new and totally liberal*, albeit with a meaning quite different than that suggested by certain current political parties who use this term without taking into account its etymological roots or its basic meaning. neoliberalism has come to be used solely to refer to the total deregulation of markets that is so highly sought in order to exacerbate and extend a repetitive situation that, in reality, brings neither anything new nor any kind of freedom to the current system, but rather, more of the same and a prolongation of general bondage.

from a certain point of view, this text might be considered as the conceptual basis for the elaboration of a new economic theory (post-capitalism?) as well as a draft for the development of a post-modern monetary mechanics (1), although it should also be mentioned that from a functional point of view, a perfect system is not a system without errors, or one that does not allow for variations, but a system capable of detecting and correcting its own errors in as agile a manner as possible. that is, an organic system superior to a merely mechanical system; a system that learns and evolves, not a system that simply executes pre-determined orders, because without feedback, there is no organic process, and therefore, there is no cybernetics.

some of the ideas expressed here – basically at the beginning – are already well known, but their review is essential in order to better approach the objective being developed through the proposal explained in this document.

1 the process of virtualization

the process of monetary virtualization begins with the use of an asset with an inherent natural value that allows for a certain degree of direct exchange (cattle, cereals, clothing, utensils, etc.), and continues with the use of a physical object with *agreed value* according to its natural abundance and symbolic qualities (seashells, gemstones, precious metals, etc.) as a way of representing the aforementioned natural assets. the exchange system continues with the production of coins made of precious metals and stamped with an official seal that grants them a certain legal validity within a particular territory. further on, the symbolic representation continues with paper money representing the prior physical object that has come to be the reference point (the gold standard, for instance), and culminates with the electronic representation (bits) of every kind of assets, whose operative function allows for a far greater degree of economic agility than any other kind of monetary support. this process clearly shows how a symbolic value is progressively added to a physical one; how an intangible value is attached to a tangible one. this is the natural economic dynamic that seems to lead toward a maximum symbolic value with a minimum of material support. in other words, a digital support through which the monetary system itself tends toward maximum economization of the very language of exchange.

2 from barter to the creation of money

barter: the exchange of 100 sacks of wheat for 20 heads of cattle. money does not exist and there is no symbolic method of exchange, only the agreed upon directly equivalent relationship between two or more assets.

loan: 1,000 gold coins are delivered in exchange for their equal value to be returned in a determined period of time, in order to facilitate the economic prosperity of the person soliciting the loan, who is committed to returning it, thereby strengthening the internal cohesiveness of the society that promotes and engages in this practice. the lender neither wins nor loses, but the borrower receives a temporary assistance in order to prosper, with both contributing in this way to a greater economic and social development.

interest: the delivery of 1,000 gold coins in exchange for a return of 1,200 coins. the birth of interest rate, a concept still rejected in certain cultures for moral reasons where

it was seen as criminal usury, although apparently only in cases where the interest rate was considered excessive. nevertheless, this is still not a means of creating money, but rather a scheme limited to its retention and passive accumulation, because the material backing (gold) remains a limited natural resource. for this reason, certain countries decide to invade others and colonize new unexplored territories in order to appropriate their most prized natural resources, that is, their gold.

conversion: the natural standards (gold and silver) are removed from circulation and paper money begins to be used, represented by official names (currently: yen, pound, euro, dollar, etc.). this allows for easier safekeeping and agility in transfers. the monetary system begins to economize its own means, its own internal language for value transfers, and the process of virtualization – until now, incipient and veiled – begins to become more evident.

bank debt: 1,000 dollars in exchange for 1,200 dollars. the monetary system, based on a symbolic support (paper money) without any other limit on its creation than that allowed by the stability of its own value in internal markets as well as international currency markets, can create 200 dollars as a consequence of a revaluation of assets and labor produced through the initial 1,000 dollars loan, returned to the loaning entity in the form of consolidated income, thereby leading to a certain degree of economic growth and at the same time resulting in price inflation.

debt creation: the apex of debt. from a point of view that is hotly debated, this is the point where usury becomes a moral crime against the collective benefit. starting with the delivery of 1,000 dollars which were loaned in exchange for 1,200 dollars through the monetary system's creation of 200 dollars, now the system allows for the indirect creation of the initial 1,000 dollars which can also be loaned in exchange for 1,200 dollars with their real value to be consolidated at the moment when they are returned in full to the entity which loaned something it did not have and will not have until it is returned. for this reason its credit granting capacity must be limited and its conditions for doing so thoroughly analyzed, since should it be unable to recover the money created and loaned, it would end up with a negative final balance. in this way, the money created is not just 200 dollars, but 1,200 dollars which have already been consolidated through their respective repayment and which may be invested in aggressive speculative operations or put out to loan again for another 200 dollars in added value, generating 1,400 dollars and so on, until reaching a limit generally determined by excessive inflation and speculation – the two most frequent symptoms of structural economic collapse in modern societies.

as a result, the greater part (more than 90%) of the money currently deposited in all banks *has been created through the issuance of loans* (2), with governments legally protecting these private entities by granting them the right to create money “out of thin air” (we will touch on this subject later) along with the right to charge interest on that same money. this is how the large international banks give the public appearance of having unlimited liquidity at their disposal in order to loan money to all countries in need, always in return for determined “adjustments” to their internal policies in order to guarantee the capacity to repay the money loaned. at the same time they try to conceal the fact that those who are really creating the money are precisely *those who pay* that same virtual debt that has been so generously conceded. however, this is how these same banks end up determining many governmental decisions; one of the most curious contradictions of our present times. as a consequence, the divulging of such a key aspect in the economic system goes against their current interests and this is why they make every possible effort to make sure that the vast majority of the people continue to be unaware of it.

therefore, as money is created on the basis of respective debt repayment, if the monetary asset is generated as a result of the repayment of the loan issued, this means that a *positive value* is indirectly created through the issuance of a *negative value*, and it is at the moment when the monetary system allows for creating money in the form of *negative liabilities* (debt concept) that it reaches its highest possible degree of virtuality, not only through the application of interest rate but through the creation of initially indebted capital. this is the *unconcluded genetics* of the current economic system; the incomplete conceptual foundation on which its entire function is based, independently of the ideological appearances it may adopt.

next step: however, as a logical extrapolated consequence of this same process of monetary virtualization, it's at this very moment in the evolution of our economic system when, according to its own component laws, the heretofore latent possibility emerges of directly creating money in the form of positive assets (grant concept) or in other words, it becomes possible to directly create capital without need for any kind of repayment and without any other limit on its issuance besides that which is determined by its own pace of progressive assimilation in the economic system. this process would also be conditioned by stability of the markets, as well as the relationship of dynamic equilibrium between both factors – grant and debt –, that constitute this kind of dual economic system; at heart it is a basic cybernetic system with the capacity to open the way toward creative and constructive possibilities that have yet to be explored and discovered. in this way, money is no longer solely indirectly activated through the creation of negative liabilities, but can be issued directly as debt-free

positive assets. real wealth can be created, in which case a certain degree of control can be returned to democratic governments who are now shackled by the same banks they are forced to protect.

this is *the other half of the coin* that the process of economic virtualization makes possible and needs in order to evolve and perpetuate itself over time. the direct creation of positive assets, in addition to negative liabilities, allows for the incorporation in the economic system of the complementary driving force through which the economy can progressively achieve its maximum capability for covering our individual and collective needs, as well as our creative and productive capacities. this, not only in terms of more and better goods, but also in terms of greater human happiness, something all too often ignored in regular economic language, due to its unquantifiable nature. nevertheless, the granting of these positive assets appears to require the consideration of completely different factors than those considered in the issuance of negative liabilities, in order to avoid any kind of interference between both means of final wealth creation. in other words, certain technical measures of a systemic nature could be implemented, such as for example: an exclusive concession in electronic format, to be utilized only via a debit card and with limits on exchange for paper currency; possible tracking, with various degrees of privacy, of the charges on the account, with the resulting direct feedback to provide information about the general economy in order to facilitate better government work; the possible eventual expiration (electronic volatilization) of a variable proportion of the periodically created positive assets, as a method of self-regulation in order to alternatively stimulate consumption or savings, with the consequent repercussion on the inflation-deflation dynamic, thereby enabling greater control over economic cycles; supervision of international transfers between different countries, and many others. for this reason, it would be highly recommended that extremely detailed simulations be performed prior to setting in motion this kind of system, with which we are unfamiliar, due to our lack of experience. with respect to the concept of the electronic volatilization of certain amounts of money as a method of controlling the inflation-deflation dynamic, it's worth mentioning that at the moment when the economic system allows for the direct creation of money, it also allows for its destruction, but this can only be a protective recourse whose reiterated utilization would reveal a systemic instability that otherwise would be difficult to offset. in any case, it's possible that the use of this resource would only be necessary during the initial stages of its establishment. on the other hand, it is also conceivable that the temporary blocking of only a portion of the monetary shares, for later recovery, could fulfill the same objective. even so, this should only be considered a very extreme measure to be avoided if at all possible, due to its dramatic short term consequences for the collective mindset.

just as the issuance of negative liabilities creates a legal obligation for the repayment of money borrowed, the issuance of positive assets also allows for the establishment of a legal commitment to a donation in exchange for labor. if people are given a credit and, at the same time a grant to pay for it through a guaranteed work (basic income), the economic circle closes and the possibilities for human mobilization can grow exponentially. a torrent of vital, mental and physical activity would be unleashed, capable of resolving all those problems of our world that we currently consider “completely normal” and whose financing through the issuance of negative liabilities (debt) cannot generate any kind of tangible monetary retribution, and whose resolution does not produce any kind of economic benefit. at the end of the day, they have no profitable basis and therefore are of “no interest.”

we often say that science advances by following a pattern of continuous development, while the economy grows or contracts according to diverse circumstances, following either a cyclical or oscillating pattern. however, from a certain point of view, it seems possible to consider an economy that also advances as it broadens its coverage of our individual and collective needs at all levels.

3 four problems, one solution

without the systemic complementation that the direct creation of positive assets (grant) signifies, it is completely impossible to solve the four most urgent problems we currently face: universal healthcare, free education, ecosystem protection and citizen security; because raising the necessary taxes would seriously affect economic prosperity, to the detriment of the very productive system, thereby aggravating the same problems that a most intense fiscal policy would be trying to resolve. it is precisely by using both factors in play, through the dual creation of positive assets and negative liabilities, grant and debt, that a determined energy flow can be established, toward a *total mobilization* in which many of the serious problems that terribly afflict our world today would become meaningless over time. it seems incredible that we have reached the point in which we must protect ourselves from our own voracity, but this is the current situation.

universal healthcare: if no marine would ever abandon a brother in arms badly wounded by bullets or shrapnel in the middle of the battlefield, why does the current economic system abandon those who struggle to survive life’s endless calamities and

for whatever reason, have lost their battle? probably because the current economic system cannot generate any feeling of loyalty; it is a senseless system that by its nature is totally incapable of justifying its arbitrary decisions if they don't produce an immediate economic profit. from the noble captain who saved his passengers first, reserving the very last spot for himself before abandoning the sinking ship, we have arrived at the captain who leaps first to the lifeboat, leaving his passengers to go down with the ship.

meanwhile, the meager sums that certain tycoons donate to humanitarian causes are as anecdotal as they are insufficient, revealing a double situation: their wish to help others but their inability to do much without assuming serious economic losses. something totally comprehensible, since an act of generosity cannot amount to economic suicide on behalf of the person doing the giving. solution: issue grants to finance a health system with maximum coverage.

free education: this might seem to be a right, but it is truly a necessity and is also the best investment in the future that a civilized society can make in the interest of its own development. unfortunately, many people with great creative potential and personal initiative are finding their entire talent wasted for lack of economic resources necessary to gain access to a high quality education. although this might seem characteristic of a discriminatory system that excludes those without resources, in reality it is the result of a seriously inefficient system that is closed to new opportunities and which prevents people with great creative capacity from developing their innate talent due to personal economic circumstances. both these creative individuals and the society to which they belong suffer as they are denied the fruits of the labor that could be performed, given the opportunity. solution: issue grants to finance the highest quality educational system.

ecosystem protection: trying to resolve the serious damage that our industrial and production activities are causing the natural ecosystem by raising the necessary taxes is a vain chimera that can only patch a few of the pinholes in a system plagued with poisonous leaks. however, through the creation of a flow of well directed and well managed grants, much more can be done, in fact, *all means necessary could be created to resolve these serious problems.* solution: issue grants to fund the maximum protection of the natural ecosystem.

citizen security: current police forces, who so often tend to behave with an exaggerated attitude of vigilance and repression in order to exercise the policies of control that in turn blindly obey their funding sources, or who treat the working class

as though they were criminals, imposing fines and sanctions of all kinds as a self-financing mechanism, could progressively develop a greater sense of citizen protection. in other words, they might develop their true reason for being, to support a societal coexistence where the sense of diversity that most enriches us is foremost. in other words, preventing anyone from attacking the rights and assets of others, to the detriment of their general safety and wellbeing. meanwhile, through the creation of grants, the technical equipment of security forces could be greatly improved. in addition, this could also aid judicial branches currently overwhelmed by cases of petty crime. solution: issue grants to finance a maximally efficient system of citizen security.

from a counter-cultural perspective, an increasing number of people are denouncing the creation of money as an absurdity and are tending to adopt the not unreasonable attitude that a complete “break” is needed from the current economic system, pronouncing themselves in favor of its abolition. but the laws that constitute this system are not absurd laws; rather they are very simple ones that greatly affect our lives. nevertheless, according to the argument outlined in this text, they are also incomplete, taking into account their limitations in regard to their capacity for generating wealth. what this means is that the current system can be broadened and complemented through the laws which *according to the same creative logic* that underlies the current system of debt issuance, activate a far greater creative potential through the issuance of a complementary monetary grant. the aim is a balance that benefits the general economic system, individual and collective wellbeing, and an ever-improving civilization, through which we can project ourselves toward the future at all levels and progressively leave behind the current barbarism of total dehumanization and de-personalization that produces continual ideological confrontations over “what is to be done.” these are confrontations that lead us to forget the real human capital that is the fundamental basis of the community of women and men who have inherited the world that others built and are today building the world that others will inherit. what is to be done is something very simple, something that does not correspond to any ideology, that does not require tedious books with hundreds of pages and which can be summarized in two words: resolve problems. as far as how this should be done, legislators in their parliaments can continue that debate. after all, that’s why they’re paid !

to a certain extent, what’s troubling is not the existence of an international elite consisting of a few people whose decisions profoundly affect the lives of the vast majority of people in many different countries, but what they think, and above all, what the people who make up that same elite feel, since the arbitrary decisions that

they make frequently tend to provoke attitudes that are excessively concentrated on a break with the system as a result of an overwhelming frustration and the sense that “something is not right.” these are quite reasonable attitudes that usually lead to continual failures when their attempts to resolve our problems only end up further consolidating the previous situation and reinforcing the same system they tried to oppose.

4 possibilities

this section deals with what may be done at the outset with a dual finance system of grant and debt; in other words, the dual creation of positive assets and negative liabilities, as previously explained. from a pragmatic point of view, the governments that are quicker to adopt this dual concept will be those who have the great opportunity to be actively involved in the general implementation and regulation of a dual monetary system such as that suggested here.

taxes: complete progressive suppression. taxes of all kinds currently being collected by governments to finance the activities of their public institutions working for social welfare in the general sense, could be suppressed and progressively replaced by a constant and measured flow of monetary grants, leaving behind the thorny subject that has provoked so many debates about economic redistribution as a means of compensation for social inequalities. that is, governments would be able to finance their own public services without depending on debt artificially created by the banks, and without the need to issue, for example, public bonds in order to obtain liquidity, as currently occurs.

in fact, even in a debt-based monetary system like the present one, any governmental tax greater than 10% of the reference value can be considered a flagrant abuse that furthermore, reveals a tremendous administrative inefficiency that is totally unjustifiable regardless of the policy argument. also, the fact that some governments tend to raise taxes precisely when it is least convenient – for instance, when unemployment is rising and economic development prospects are notably decreasing (crisis) – shows a blindly confrontational approach to the problem that is difficult to justify and completely incapable of resolving the increasing problems associated with these dramatic and absurd situations where there is so much work to be done and so little money to finance it.

in relation to business activities, determined rates of contribution could be established in the form of provisioned funds to finance the infrastructures required by those same businesses. that is, a contribution could be set up for a fund created on behalf of local businesses in a particular industrial zone so that they might have financing for the infrastructures they require and need to function well. as such, it would be a financing mechanism solely applicable to said enterprises and in benefit of their economic activity, or might even be a joint fund financed partially by the companies and partly by the creation of government grants. currently, both citizens and businesses are paying ever increasing tax rates that tend to end up diluted in a gigantic bureaucratic mechanism that no-one understands or knows completely and which rarely guarantees the services and infrastructures required by those paying into it. as a result, the services and infrastructures are often delivered late and are of questionable quality.

tax shelters: as a consequence of the progressive suppression of taxes, tax shelters would become senseless. the entire system would enjoy the same tax privileges, in other words, tax-free territories would multiply, allowing for the maximum freedom of economic movement between countries adopting the system of grants in order to underwrite activities that were previously financed through governmental taxes. any roadblocks to economic fluidity would be completely removed.

revenue control obtained through commerce and labor: taxing agencies would shift from being tax collectors to supervisors of all kinds of economic activity, with the principal objective of documenting and visualizing these same activities with the greatest possible agility in order to facilitate better governance. it might even be contemplated that the agents supervising the economy might evolve progressively in order to even advise the autonomous and small to medium enterprises that request such advice, with the objective of optimizing their work, thereby contributing to the general welfare.

underground economy: to the extent that citizens perceive and understand the changes produced in the relationship between governments and undeclared economic activities, these could flourish progressively without fear of sanctions of any kind. this would result in benefits that would make their money more secure and facilitate the government's work to the extent that it would be better able to visualize all previously concealed movements within the general economy dynamic.

electronic currency: the flourishing of previously undeclared money would increase the amount of positive assets deposited in the banks, which would allow for and

require the implementation of digital technology of the highest security, in order to use it as a means of payment.

suppression of all labor costs: through grant financing, the system could assume these costs without generating any imbalance. social security services could be covered by positive assets (grant), maintaining net salaries relative to private self-financed initiatives or those financed through the usual negative liabilities. in the framework of industrial competition and production, this would paradoxically allow for a downward adjustment in prices and, from a still more audacious point of view business-wise, might even generate the possibility of a notable increase in product quality while maintaining or even slightly decreasing prices, without negatively affecting the companies' final balance. the question is: what would happen if we were to suppress all labor costs that companies are paying to the social security system, with governments assuming these same costs via the issuance of monetary grants? the resulting sum of money in circulation would be exactly the same, and paradoxically, the reduction in the final prices of products might even allow for a certain degree of deflation.

subsidies: as currently occurs, governments deliver a set amount of money to a determined group of private entities, without any repayment obligation, so that they can carry out certain activities considered of public interest and in which the beneficiaries – having met the legal conditions – have a right to receive the subsidy. in return they are obliged to carry out the activity according to the terms previously described. in this way, the subsidy continues to create a legal relationship that links the governments and the beneficiaries of the grants. meanwhile, the governments that commit to delivering the agreed-upon funds may reserve the right to inspect the activities being financed, the right to revoke the subsidy should the beneficiaries fail to meet their obligations, and the right to demand a certain discipline, with the ability to impose determined economic sanctions against the beneficiaries developing the subsidized activity. given that this kind of administrative intervention pertains to a joint combination of instruments specific to the activity being encouraged, a progressive broadening of the stimulation of various basic sectors could be contemplated.

all of this may generate many questions: would it be possible to directly issue a certain calculated periodic quantity of positive assets (grant) in such a way that would not drastically increase buying power, affecting supply and demand and thereby intensifying inflation? how would the periodic issuance of positive assets affect market fluctuations? would it be possible to regulate these fluctuations increasing or

decreasing the amount of issued assets? is it possible to carry out prior economic simulations? the most likely method to create a grant under the current system might be creating a debt and later forgiving its repayment, but this would negatively affect the issuer's final balance of payments in the form of economic losses. nevertheless, the same thing can be accomplished in a much more direct way, creating positive assets without generating any kind of negative balance, although it is likely that there is no banking software in existence that would allow for the creation of a grant pressing the *enter key*. therefore, anyone interested in this idea would also have to carry out some adjustments to their IT system.

5 analogies

as an analogy, if we establish a kind of comparison between a monetary system and a circulatory system, a comparison often used in common economic language when reference is made, for example, to the injection of liquidity in the markets, we can easily show that the money that we use in our daily lives is like the blood flow that oxygenates and energizes our world, understanding it as a vast and complex socio-economic organism. however, at the same time, and following the same comparative logic, we can also easily observe a state of coagulation that is driving us inevitably toward a diagnosis of serious systemic thrombosis. a situation in which money, whose natural function is to flow like blood through our bodies, or like water in the rivers as part of the natural cycle of the even greater ecological system in which we live and to which we belong – even though all too often we forget that – is tending to generate serious energetic retentions. in other words, stagnation and excessive accumulation at some points in the system, negatively affecting the vitality of the rest of the body.

meanwhile, the concept of an injection of liquidity as a means of reviving markets seems to have as its source a mentality that is excessively focused on the modern concept of consumption. although not necessarily as unnatural a concept as some often claim, this appears to distract attention from the concept that is the real support for the entire economic system. that is, the concept of labor, the concept of generation of value. the indiscriminate injection of money as a way of stimulating consumption would only destabilize the economic system, thereby stigmatizing the concept of a specific and well-aimed grant. in other words, one that is directed at covering all human needs that do not produce any kind of immediate economic retribution when financed via bank debt; non-lucrative activities that the current monetary system cannot even conceive of resolving.

the concept of “printing money” as a way of indiscriminately promoting commercial activities so that people can spend liberally at a shopping center or take a week’s vacation a thousand miles away, reveals a kind of marketplace blindness that completely ignores the meaning of the market as a tool and tends to view it as an end in itself upon which everything else must depend. this despite its incapacity to respond to basic philosophical principles that ought to be the basis for good government action; that is, the generation of harmony and increasing well-being at all levels.

supply and demand would seem to behave as a fluid dynamic where any excessive input on either side tends to produce a serious systemic imbalance. nevertheless, the economic paradigm seems to consist of a light asymmetric dynamic as an oscillating form that sometimes favors supply and other times favors demand, within the margins of a balance generated by the economic system itself, and not as a result of the application of countless external restrictive controls that are progressively incapable of regulating the same oscillations they are trying to remedy. even so, the debate about whether to regulate or deregulate markets is ongoing, with the validity of opposing opinions appearing to depend on the measures adopted and the circumstances determined by the general effect of events in a very broad sense. after all, perhaps it is not so much a question of whether or not to regulate as a question of when to do it and when not to do it, just like the question about fairly applying certain regulations without generating economic harm when the regulation is too restrictive, or social harm when regulation is too lax. although it may not appear this way, both extreme states are cybernetically interconnected; in other words, if each part sees only itself and does not see what is happening in other parts of the system, no-one can know what is happening in the WHOLE.

likewise, grant and debt would seem to be part of a simple system of communicating vessels where, as we increase the grants, the capacity to respond to debts is increased and therefore, tends to increase – rather, some committee decides to increase – the interest applied due to action in the laws of supply and demand. when we decrease the grants, debts also tends to decrease as a result of the same market laws. apparently both factors can provide indefinite mutual feedback, fostering a great diversity of situations and a great multiplicity of interactions. meanwhile, it seems that in this way, the gigantic swings of economic cycles can better be alleviated.

the following question might appear overly bold when taking into account the still embryonic form of the suggestions presented here but...is it possible to think of a

balance point between grant and debt? the concept of a *break-even* (where income and spending meet) does not appear to be applicable to the concept of grant in isolation, given that this term is often used in relation to a determined neutral balance of costs and incomes in a productive dynamic, on which basis a company might begin to see net benefits. but perhaps it is a concept that allows for a broader reading if we apply it to a much larger and more complex dynamic having to do with a dynamic balance between grant and debt, capable of leading to progressively increasing grants. however, it is not particularly helpful to confuse the terms and consider the possibility of reducing the concept of debt to a minimum, as this could provoke a serious systemic imbalance to the contrary, in which honestly lucrative initiatives might suffer serious financing constrictions, with a consequent loss of creative and productive potential. theoretically speaking, should financing via grant be the only existent method while debt financing were to be totally suppressed, an oppressive situation might be generated in which no entrepreneur would be able to develop any kind of lucrative enterprise. in other words, no-one would be able to bet on their own projects and on their own creative and productive initiatives, and this would also work to the detriment of the general welfare, that is, it might generate an economic tyranny. nor would it necessarily be a good idea to consider total economic virtualization since it might be quite useful to continue with a minimal portion of physical currency in circulation, not only for its ease of use but as a possible operative reserve in case of an eventual failure in the digital payment channels.

6 problems

the greatest problem would be the incompatibility between distinct isolated monetary systems, since the existence of multiple dual economic systems issuing both grant and debt simultaneously, in different currencies and between distinct monetary authorities would imply a huge risk, not only of instability but of economic destruction.

from a technical point of view, if there were an attempt to establish a dual monetary system in a world where there is no single monetary authority, serious economic effects would be produced in the distinct monetary systems as a result of transactions between countries with distinct currencies. with some countries issuing grants within their own territories, a serious conflict would occur due to the continual interaction and exchange in international transfers. this would inevitably generate wild inflation with terrible consequences for the entire socio-economic system in general. a situation

with these characteristics would be very difficult or even impossible to control due to the two basic components of the dual economic system, grant and debt, being governed by their own rules of dynamic equilibrium, just like those of supply and demand, the basic laws of the market. in this sense, grant and debt, just like supply and demand or inflation and deflation are governed by unwritten laws that might be compared to natural laws. in other words, laws inherent to the economic system itself that determine the interactive (cybernetic) behavior for pairs of distinct and complementary factors, whose possibilities for artificial regulation are certainly relative and limited.

for this reason, a dual economic system would only be possible if a single, commonly shared monetary language were to exist. in other words, a single official currency valid in all countries, with a single international monetary authority composed of all the countries using it. otherwise it would be as impossible as a planetary system without a central sun; a collision of gigantic national ambitions continually refusing to orbit around a common reference point, erratic movements on the verge of failure due to their constant attempt to occupy a central role that only corresponds to a single official currency with equal legitimacy in all countries, without exceptions for ideological, political, and cultural reasons, much less for religious ones. just as the air that we all breathe, the fire that offers us all its heat and light, just like the water we all drink and the earth whose fruits we enjoy, a dual economic system and a single international currency can only be viable if they have the same value for everyone. in the final analysis, money is an impersonal power comparable to a natural element; whether it is good or bad depends solely on how and for what we use it.

taking into account our current situation, it's worth asking whether a single currency regulated by a single authority of an international economic government might temporarily co-exist with the distinct national currencies already in use (yen, pound, euro, dollar, etc.). there does not appear to be any need at all for such a compatibility, but perhaps it should be contemplated as a way of facilitating the transition toward a single monetary language. on the other hand, however, this condition would add many more technical obstacles to a project (the dual economic system) that is difficult enough to achieve on its own. for this reason, perhaps it would be much better to make every effort to avoid it. furthermore, a single currency would also minimize the risk of instability provoked by the continual devaluations and revaluations of any currency in respect to others as a consequence of inflation and deflation occurring in particular internal markets.

however, from a pragmatic point of view, just as a broadly shared international language (English) exists along with other languages limited to specific territories, it's possible that we might have to temporarily accept a world with a single common monetary language at the international level, at a meta-level, along with distinct national currencies, and along with multiple local languages like, for example, the multiple systems of complementary currencies or LETS (Local Exchange Trade Systems). also known as social currencies, these are being developed on the margins of the dominant banking system and promote a greater cooperation and reciprocity by working with micro-credits payable through products and services, while encouraging development and solidarity in local self-managed communities, in addition to other interesting characteristics. however, if any of these local currencies were to begin issuing grants without any kind of control or legal supervision, a serious economic instability might result, due to its convertibility to an official currency with international validity. on the other hand, adopting the drastic attitude of prohibiting all kinds of local currencies would not only be foolish but probably impractical. it all appears to depend on how to achieve the transition from multiple local systems to a single international monetary system, without harming any of them or generating uncontrollable economic fluctuations. the objective is not to suppress the existence of complementary currencies but to find a way of guaranteeing the balance and sustainability of our economic system, taking into account the possible existence of other currencies alongside a single official currency valid in all countries. it's estimated that there are approximately 5,000 local currencies in existence worldwide, and that countries like the United Kingdom, France and Germany are gaining experience in this sense, presenting a much more complex scenario that may end up demanding our maximum capacities for problem solving.

in any case, the essential and fundamental requirement is that the grant can only be issued by the single governmental entity controlling the single currency, whose perspective on the general dynamics of the economy would be much broader than that of any local governing authority. at least initially, this is how it should be, in order to avoid a disaster of colossal proportions. to the extent that the dual economic system becomes generalized, perhaps other circumstances may present themselves that would allow for broadening the potential areas for grant issuance, but we would need to acquire a great deal of experience in the application of this new system before trying to extend it to monetary systems in particular territories. yet even this appears to be unnecessary, as it would add a degree of complication that would cause a great loss of operative agility in detriment to the economic system itself. after all, in the same way in which we utilize the same international operative language at the mathematic level,

we could also use the same monetary language to operate at the economic level without that meaning that we have renounced our particular cultural identities. in fact, both languages have an equally numerical basis and have developed according to the same rules.

in order for this to be possible, a new layer of economic government must be created; a higher level through which to establish a new international context capable of observing all of our problems and also granted the power to take determined decisions with respect to those. but who and where are the women and men who would carry out such work? people with a high degree of international influence at various levels currently hold informal and non-official meetings where they make decisions with serious economic repercussions, totally outside government institutions and the communications media – it has always been this way – but in order to carry out a project with these characteristics, it would be necessary to begin to establish a new structure of international governance, publicly formalized to a certain degree. in this sense, the governments that most quickly move in this direction might be allowed more participation in the establishment of the basic structures of the new economic system, but for the moment this is a condition that doesn't appear likely to be easily produced.

if we can do it, we should do it, but...do we want to do it? it's probably very difficult, because those who can do it already have their own agenda of international economic planning and think that it is fine as it is, and any alternative would be asking for trouble. but this is the ostrich strategy: hiding one's head in the sand to avoid seeing any danger while leaving the body completely exposed, since extremely serious problems of all kinds are growing daily without the current economic system being able to so much as suggest a way of resolving them through the creation of debt, as they are not considered profitable. not even the main communications media pay them much attention, revealing an intentional concealment so that no-one can complain about what they don't see, and thereby establishing the idea in the collective mentality that "nothing can be done."

the natural Law of the evolving Consciousness determines that new life forms can only be equal or better to whatever existed previously, otherwise nothing would evolve and life would be nothing more than a process of adaptation to an entire series of changing circumstances determined by the environment. for this reason, it is these same life forms that must always take on the greatest risk and confront the greatest dangers in the Grand Adventure of evolution. the same occurs with a dual economic system: if it manages to demonstrate its viability, it can last and continue evolving. if it does not

manage this, there are more than enough reasons to fear the worst possible outcome, since there are countless adverse agents who are especially interested in making sure that this new economic system never comes about, as they put their personal interests before the interests of the entire human race and all life forms on our planet.

7 grant and debt: complementary notes

7.1 psychological notes

from a certain point of view, the process of monetary virtualization seems to be an external symbolic expression of our own evolution, an externalization of the evolutionary process by which our own consciousness becomes progressively virtualized, from its most material aspect – our physical body, passing through its energetic aspect, our vitality – to a much more subtle aspect: our thought. something that, despite all our current knowledge, continues to be a mystery.

however, if someone can give something they do not have (grant) or call for the repayment of something they have not given (debt), what is happening? the two ideas, grant and debt, appear to be a dual expression: positive and negative, active and passive, of the same creative energy. but if these ideas really exist, they can only be basic mental representations of a far broader and deeper Reality that precedes and makes them possible, taking into account that creativity consists precisely of the capacity to make the implicit explicit. in fact, this appears to be the natural dynamic of every evolutionary process and therefore, is also the evolutionary dynamic of our own consciousness, understood as something that has developed on its own over time.

on the other hand, the concept of *fiat money* does not appear with the abandonment of the gold standard and the monetary system's support on the basis of electronic currency with a minimal percentage of paper currency in circulation, but rather, the *faith* that sustains the agreed upon symbolic exchange value in the collective mentality makes its appearance at the dawn of the proto-economy. certainly, it is much more fully realized the more it is virtualized, moving from an initial condition of material support that requires a great physical effort to guard and transport, toward a state of self-regulation and permanent self-sustainability that is extremely agile and rapidly exchangeable.

but...what is faith? no religion has a particular monopoly on it. it's something very simple, a universal phenomenon. it's possible to find many intelligent people who are also atheists but it is very difficult to find even one person who believes in nothing, for the simple reason that our believing in something is a totally natural need of our consciousness. in the field of the arts as well as the sciences, or any other field of activity, anyone who looks to resolve a problem *believes* in the possibility of a resolution while it is still unknown, and perseveres in seeking it until it is found. our believing is the only way to create what we truly need in order to resolve our problems, since this is how we can face life's uncertainties; faith is *the torch* we all need to open paths of liberation through the most obscure darkness.

7.2 philosophical notes

the mechanics of the current monetary system seem to lead to a dynamic of simulation that tends to generate a state of hyper-reality, a non-state, in which the symbolic instruments (monetary language) used to represent the assets being exchanged come to be worth more than the assets themselves whose value they try to represent. in other words, they come to *supplant* their real value as they try to substitute it for an unreal or simply hyper-real value; something "more real than the real." but as can be observed throughout history, every simulation dynamic inevitably tends toward its own collapse, even in the absence of external factors that try to provoke it, due to the inherent falsehood in which it is based. no-one eats, drinks or breathes money, nor warms themselves by burning it, etc. nevertheless, all of the goods necessary for all of these activities can be acquired with money, forgetting – ah, here's the error – that it is not money that produces those goods, but the wise combination of *knowledge, work and natural resources*. according to the market's blind laws, those which base the price of a product on supply and demand, a liter of olive oil could come to cost as much as 300 euros, but all the money in the world cannot create an olive tree "out of thin air". what might this mean?

it's worth asking if this is a tendency consistent with all forms of representation or simply a transitory stage toward a representational dynamic with a much greater degree of virtualization, much more effective at the operative level. in any case, this seems to be the result of an unusual exacerbation that is totally distorted by a serious lack of discrimination, and is produced when something is not worth its real value, but its apparent value, and that can generate an absurd situation in which something can be

really worth very little and yet appear to be worth quite a lot, or be worth a lot and appear to be worth very little. it is a system that orbits around a void, a circular movement without a central reference; something that has become senseless. when the means for reaching an objective acquires more value than the objective to be reached, the path is transformed into a trajectory to nowhere, the staircase in a structure without purpose and the bridge in a herculean construction, in order to keep separate the two distinct shores of reality; a non-system, a permanent non-place, desperately trying to support something that doesn't exist. it makes the contradictory attempt to affirm a negation of being, with the main objective of concealing a simple truth: there's nothing in nothingness, only on the basis of something can anything emerge.

7.3 spiritual notes

the idea of the creation of money “out of thin air,” whether in the form of grant or debt, seems to produce plenty of disorientation, since it is the part of the history of the monetary system that transcends the limitations of our normal economic language. for this reason, in order to better understand this concept, it appears necessary to deal with it from a much broader perspective. throughout our extensive history, distinct spiritual disciplines have existed as *practical philosophies* that have given rise to various approximations of the Mystery of Creation, which in turn have brought about distinct philosophical suggestions that nevertheless seem to share very similar conclusions.

according to the Book of Tao (3), attributed to Lao Zi, the ancient Chinese *master teacher* perceived this question in all its dimensions and dealt with it precisely, in very few words:

*the movement of Tao
is the transformation of opposites (fan).
Tao is made manifest
in weakness.
the world's objects are come from being (you),
being comes from non-being (wu).*

the idea of being that comes from non-being is clearly expressed. nevertheless, due to differences between the ancient and current context, and without attempting to question its truth, perhaps it might be refined. in accordance with the yogic

philosophy concept of *sachchidananda* (the triune existence, consciousness and delight), according to which *being and consciousness are closely linked*, the final lines of the Taoist conclusion can be added to and provisionally broadened in the following way:

the conscious being comes from the non-conscious being. or better yet,
the conscious being comes from the unconscious being [and vice versa].
therefore, there is *only one Being* capable of enjoying various degrees
of consciousness. light and darkness are his two extreme conditions.

nothing comes from nothing. therefore everything comes from the WHOLE. *ex nihilo nihil fit*. this is the Latin expression with which certain Roman philosophers reached the same conclusion as a number of Greek philosophers when they deduced that objects could not disappear into thin air; therefore they could not appear from thin air either. they could only be transformed into other things that, on the other hand, might be something totally unknown to us. currently this idea can be seen in the scientific field, where according to the laws of energy conservation, there is neither creation nor destruction, only transformation.

but it is in the Bhagavad Gita (4), the ancient yogic holy text, where we can find one of the most concise explanations of this question that the yogis managed intuitively to discern and expressed with great clarity and precision:

that which really is, cannot cease to exist, just as that which is non-existent cannot come into being. the end of this opposition of 'is' and 'is not' has been perceived by the seers of essential truths.

as a matter of fact, the boldest glimpse of the question of being and non-being also comes from integral yogic philosophy when it suggests that after having been immersed in the unconscious trance of inert Matter, Consciousness awakens and progressively emerges via distinct evolutionary stages (body, life, mind...) and adopts thousands of different life forms until it re-establishes contact with its original Reality, passing through limited but progressively broader and more comprehensive worlds toward the unlimited WHOLE from which it comes: the Universe.

the Sepher Yetzirah (5), a brief Cabalistic text from the most ancient traditions of Judaic mysticism, whose origins and author still have not been precisely determined, describes the Creation as something that appears to have come from nothing or from a voidness, albeit without delving further into this crucial question, thereby observing

the divine commandment of silence in that regard. nevertheless, something that it does make very clear is the relation of the *number ten* to all creation. it must be said that due to the differences between the four translations cited here, in addition to the author of this article's unfamiliarity with the Hebrew language, it would be extremely difficult to try to clarify this point without it being a vain or presumptuous attempt. perhaps a better option would be for anyone reading the complete text referenced here to try to understand it as much as possible on its own, and observe the same rule of silence.

version a

1.1 *He created His world with three Sepharim. with Sfor, Sapher and Sippur. ten Sephiroth in the voidness.*

1.2 *ten Sephiroth in the voidness...*

1.3 ; 1.4; 1.5; etc. the same words.

version b

1.2 *the decade that comes from nothing...*

1.3 *ten are the numbers that come from nothing...*

1.4 *the decade that comes from nothing*

1.5 *the appearance of the ten spheres that come from nothing...*

1.6 *the decade that comes from nothing...*

1.7; 1.8; etc. the same words.

version c

1.2. *ten Sephiroth from nothing...*

1.3; 1.4; 1.5; etc. the same words.

version d

1.2 *ten numbers and nothing more...*

1.3; 1.4; 1.5; etc. the same words.

from this point of view, Creation is the process of transformation through which something non-manifest is made manifest. therefore, the false idea that something comes "from nothing" is probably the result of a perception that is excessively conditioned by our ordinary senses, to the extent that we ignore the way in which something transfers itself from a non-manifest condition to one that is manifest, from the intangible to the tangible, from the invisible to the visible. similarly to someone who knows nothing of architecture being completely unaware of how a project is

transformed from its mental conception to its physical realization. this last comparison, one that is highly cultivated within traditional Freemasonry, appears to be substantially correct, taking into account the complex dynamic of the creative process in which *something shifts to another plane of existence* thanks to the ever-astonishing universal designs of the invisible Great Architect of our destiny.

nevertheless, these spiritual notes would be totally incomplete without mention of the Bible, a reference book that differs notably from the others in the sense that, apart from mystical and theological considerations, it contains thousands of years of memory accumulated in written form and faithfully transmitted from generation to generation throughout our entire history, from ancestral times. furthermore, it uses a very synthetic and convincing language that endows it with a particular beauty, giving Christianity considerable strength and respectability.

in a world with a collective subconscious that is strongly conditioned by Judeo-Christian culture, the concept of the indirect creation of a positive asset through the creation of a negative liability – that is, through the creation of monetary debt – is the maximal expression of the concept of *moral debt*, generated in order to subject human beings to a duty imposed on their innate creative character, thereby blocking their still undiscovered and undeveloped great evolutionary potential.

in this manner, the concept of *guilt* came about as a negative liability, the dynamic of psychological debt established in order to force Humanity to suffer so as to pay a moral debt, artificially contracted through an archaic act of dubious disobedience, an inflationary dynamic where, based on “original sin,” one must carry out painful acts of penitence in order to pay that debt. labor that generates still more sin, that sin requiring still more work, and so on and so forth, throughout a degenerative spiral until the entire dynamic explodes in a systemic collapse where there is not enough time to pay for all the sins supposedly contracted, as penitence cannot suppress the tendency to sin again. in this sense, the current bank debt, in addition to being quasi-virtual, is the enormous culmination a moral debt initially generated over time immemorial, as a way of justifying the institutional violence that forces the majority of the people to work in conditions of severe slavery.

following the thread of biblical language, a very characteristic mythic-poetic language that shares certain of its metaphors with those found in the most ancient holy texts of other peoples, we might say that guilt (moral debt) is the psychological instrument through which we have been sentenced to a Hell of pain and suffering. however, despite our current limitations in the exercise of our personal agency, we are not

criminals for having been born human, even though some still seem to show a particular interest in continuing to promulgate this falsehood in order to make that same infernal debt a perpetual one. in reality we were born to develop our essential calling to know and love, to work, to better ourselves and evolve toward an ever better condition, to unfold our capacity for Happiness at all levels, and to continually renew our spiritual alliance with the Creator, rebuilding the World that was torn away from us, recovering the Paradise from which we were expelled and undertaking the very difficult endeavor to reconquer our Innocence.

only if we manage to close the circle once again, can the Great Ourobros (an ancient alchemic-poetic symbol of continuous regeneration) return to *nourish upon itself* (feedback) with a view to its own revitalization. currently the natural circle is broken and the tendency of the economic system of indebtedness is to insatiably devour everything in its path, without the capacity of discerning its motives nor attending to its consequences. in this sense, the advent of the grant concept as the other half of the vital cycle, as a complement to the current monetary system, is both a logical consequence and a real necessity.

money is power, with two well differentiated and complementary aspects, a coin with two sides. its face is the privilege of being able to realize certain constructive projects and its reverse is the responsibility that we must assume in order to carry them out. the result...perhaps does not depend as much on us as we think.

7.4 lyrical notes

this final section deals with a subject that is not often granted much importance, but from the author's point of view is deserving of great respect, as it responds to the desire to offer an *integral approach* in regard to every facet of a new economic system in which none of its aspects remain unconsidered, no matter how irrelevant or insignificant they may appear.

throughout history, our coins have been given a multiplicity of varied names (pounds, marks, crowns, ducats, etc.), but it seems that lately they have begun to lose a certain degree of lyricism that adds the emotional charge to the merely functional aspect of the coins we are accustomed to using. seemingly, the latter is all that matters to us. however, if we want to choose a name to designate the single coin with equal

international validity, perhaps we ought to contemplate the possibility of adjusting ourselves to certain linguistic questions with the aim of avoiding the negligent intervention of our own personal caprices to the detriment of the value and meaning of the word we might use.

of the 49 original characters in the ancient Sanskrit language, the letter *h* represents the fundamental breath of life that is unarticulated linguistically; in other words, it is the primeval breath that precedes and serves as support for the pronunciation of all other articulated sounds, whether vowels or consonants. in states of deep consciousness, the ancient *rishis* (very experienced yogis) identified the subliminal relation between each sound and its meaning, and later established a determined form for each letter in order to synthesize and symbolize that same relation, thereby leading to the creation of a very coherent alphabet and a great array of basic symbols that, once combined with others under certain rules to which only they were privy, allowed them to build an enormous combination of words as a result. in other words, a very enriching language (6). for example, the sound *ka* is naturally hard, a symbol of fire, while the sound *la* is intrinsically soft, a symbol of water. but these are analogical and subjective considerations that the currently dominant objective mentality tends to dismiss, adopting a self-defensive skepticism that denies any possibility of proving these kinds of premises. just as it also avoids recognizing the impossibility of demonstrating its own contrarian negation, something that reveals its feigned worship of the two-headed god of doubt, the bastion of ignorance.

in the same way, the ancient Hebrew mystics considered the existence of three letters or fundamental sounds (*shin*, *aleph*, *mem*) to constitute the basis of their entire symbolic and linguistic system, not understood solely as a communicative tool, but as an authentic creative power. meanwhile, both the Hindu yogis and Jewish cabalists agreed in the observation that the relation of sounds that make up the pronunciation of each word greatly determine their force and natural meaning.

just as the written word is not in itself the idea but rather, our way of symbolically representing an idea in order to communicate and remember it, as we've done ever since we began to speak and write thousands of years ago, money is not energy itself but its symbolic support for material exchange. but...of what energy are we speaking?

if money *represents* power, we need a word that clearly signifies *power* in its broadest sense. in the sphere of physical energy, for example, for some time the word *horsepower* has been used to represent a power unit. as previously explained in respect to the formation of words, if we need a sound with sufficient power to

designate the name with which to promote and sustain a new economic system with a single international monetary language, the letter H (as in Hamlet) that represents the fundamental breath of life, and allows for the pronunciation of all other letters, could be one of the best initial supports for the word we need. curiously, in Sanskrit, the word **Haya** means *horse*, the ancient Vedic symbol for the life force (*prana*) in continuous movement, the double power of transference between the mental and material plane. in other words, the capacity to realize a creative work. and this is the name that the author of this proposal suggests as such. for this reason, from a purely symbolic point of view, the sign that we might use to represent the coin of this new economic system might be the following:

H

provisional poetic interpretations: the two Pillars (grant and debt) of a dual economic system; the two Columns of the same virtual Temple; the Sum of two complementary Forces; two twin Horses united by the Cross, the Plus sign, the Symbol of universal Light, the Yoke of eternal Freedom; and probably many more.

one might ask, why Mother India? well, perhaps because a name is needed and because the person proposing this name for a unique international monetary system is not from that country – otherwise it would be quite arrogant – rather, someone who simply recognizes as best he can the most profound bases of an extremely ancient culture, whose mystics and thinkers have known how to practice the most rigorous austerities and overcome the most difficult spiritual tests. it is they who have had *the wisdom to preserve* their vast knowledge, their magnificent traditions and their written memory over thousands of years, without at any time renouncing their creative spirit or failing to constantly struggle to open new paths of liberation to benefit the entire human race, without distinguishing by creed or nationality.

final note

for personal reasons, the content of this article may have very serious consequences for its author. but who can stop the flow of creativity when it seems to produce an interesting result? any attempt to repress it can produce great suffering, and trying to channel it in an intelligible manner can mean serious risk to the integrity of the person who performs this work, due to the general rejection it may provoke. however, sometimes it seems there is no other choice.

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footnotes:

1 – in relation to the text that supposedly summarizes and serves as technical basis for the current economic system: Modern Money Mechanics, Federal Reserve Bank of Chicago. in reality, the concept of a fractional reserve has come to be practically obsolete, with the current economic system being sustained on the basis of the concept of indirect *creation* of capital in the form of virtual bank debt. no longer is it a consequence of a simple loan tied to monetary assets deposited in the banks, as we shall see further on (see also Note 2).

2 – Prime - Policy Research in Macroeconomics. Ann Pettifor (three articles).

Out of thin air - Why banks must be allowed to create money.

<http://www.primeeconomics.org/articles/out-of-thin-air-why-banks-must-be-allowed-to-create-money>

Central Banking, State Capitalism, and the Future of the Monetary System.

<http://www.primeeconomics.org/articles/central-banking-state-capitalism-and-the-future-of-the-monetary-system>

New Publication on Islamic Finance

<http://www.primeeconomics.org/articles/new-publication-on-islamic-finance?rq=islamic%20finance>

Money Creation in Modern Economy, Quarterly Bulletin, 2014 Q1.

Bank of England.

<http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/2014/qb14q1prereleasemoneycreation.pdf>

commercial banks create money, in the form of bank deposits, by making new loans. when a bank makes a loan, for example to someone taking out a mortgage to buy a house, it does not typically do so by giving them thousands of pounds worth of banknotes. Instead, it credits their bank account with a bank deposit of the size of the mortgage. at that moment, new money is created. for this reason, some economists have referred to bank deposits as 'fountain pen money', created at 'the stroke of bankers' pens when they approve loans. page 3.

conclusion:

this article has discussed how money is created in the modern economy. most of the money in circulation is created, not by the printing presses of the Bank of England, but by the commercial banks themselves: banks create money whenever they lend to someone in the economy or buy an asset from consumers. and in contrast to descriptions found in some textbooks, the Bank of England does not directly control the quantity of either base or broad money. the Bank of England is nevertheless still able to influence the amount of money in the economy. it does so in normal times by setting monetary policy — through the interest rate that it pays on reserves held by commercial banks with the Bank of England. more recently, though, with Bank Rate constrained by the effective lower bound, the Bank of England's asset purchase programme has sought to raise the quantity of broad money in circulation. this in turn affects the prices and quantities of a range of assets in the economy, including money. page 12.

3 – Lao Zi. The Book of Tao. Juan Ignacio Preciado. Alfaguara 1994.
Chapter IV (XL), page 9.

4 – Bhagavad Gita. Sri Aurobindo Divine Life Trust 1998. Chapter 2.16, page 26.

5 – Sepher Yetzirah. The Book of Creation. four consulted versions:
version a: Miriam Eisenfeld. Obelisco 1992
version b. Isidor Kalisch. Edaf 1993
version c: Aryeh Kaplan. Mirach 1994
version d: Manuel Forcano. Fragmenta 2012

6 – Hymns to the Mystic Fire. Sri Aurobindo Ashram Trust 1995 (5th impression).
The First Rik of the Rig-Veda. Riks of Madhuchchhandas. Word-Formation.

7 – I wish also to express my most sincere, heartfelt thanks to the entire online community that works voluntarily to maintain the ambitious international Wikipedia project, still under construction, in which over time I have been able to find such a great deal of exceptionally diverse information that otherwise I might not have been able to access, and without which this work would not have been possible. thank you all. this is for you.