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Magdalena Grau Figueras**

**Essay on  
currency,  
market and  
society**



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**CENTRE D'ESTUDIS  
JOAN BARDINA**



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**Agustí Chalaux de Subirà.**

**Foreword by Lluís Maria Xirinacs.**

## **INDEX**

Foreword first edition .....	4
Foreword second edition .....	5
Presentation .....	6
Part I. Towards a rational monetary system.....	10
Introduction.....	10
Chapter 1. The monetary systems .....	12
Chapter 2. Monetary reality through history .....	16
Chapter 3. Features of a «scientific» monetary system .....	24
Chapter 4. The cheque-invoice.....	28
Chapter 5. Telematics.....	31
Part II. Immediate possibilities of the monetary reform .....	35
Introduction.....	35
Chapter 6. The justicial organ.....	36
Chapter 7. Taxation .....	38
Chapter 8. All-accountancy .....	40
Chapter 9. Mercometrics and mercologics.....	43
Part III. Foundations of a new, libertarian, social order.....	44
Introduction.....	44
Chapter 10. Total society and its composition .....	47
Chapter 11. The social rule or archy .....	50
Chapter 12. Monetary legislation .....	54
Chapter 13. Imperialization of the telematic monetary network .....	59
Chapter 14. Sharing out of communal wealth.....	62
Chapter 15. The productive-utilitarian society .....	69
Chapter 16. The liberal society .....	77
Chapter 17. The consumer-utilitarian society .....	83
Chapter 18. The libertarian utopia.....	86
Chapter 19. The transcendent society.....	90
Part IV. A working hypothesis on the market .....	92
Introduction.....	92
Chapter 20. Wording of the hypothesis .....	93
Chapter 21. Background and empirical confirmations .....	95
Chapter 22. Statement of the hypothesis .....	97
Chapter 23. Possibilities in the case of hypothesis confirmation.....	101

## **Foreword first edition.**

This essay is meant especially for all those social researchers, who are after alternative analytic ways in the study of the present national and international scene.

Being an essay, it summarizes densely, perhaps even in excess so, a whole set of suggestions in the different fields of the economic, political and social life. It is not then neither a vulgarization book, nor a complete treatise. It is simply a minimally technical and systematic exposition, written to excite criticism and co-operation. The ideas we submit give rise to multiple questions, both from a theoretical point of view and from their practical application in the political, social, national, individual, economic, ecologic... life. In fact, the research of the wording of these questions, and the possible co-operation from specialists, individually and in group, is one of the aims of this essay.

The Joan Bardina Studies Center has been working -with very meagre means- on the most obvious and worrying social phenomena, looking for actual suggestions which, within a new reference framework, may become feasible, without any need for discontinuous social changes.

We shall be grateful for all the suggestions and all the critique you may wish to send to us. Our gratefulness will be as great as the extent of the objective rigour of your criticism.

*1st edition. Barcelona, May 1984.*

## Foreword second edition.



The inspiration, the encouragement, the spirit was Horace Finaly, a Hungarian Jew émigré to France, who became the president of the Banque de Paris et des Pays Bas, a great financier, scholar, humanist, philosopher, reader of the Greek classics in their original language, a repository of old and wise Platonic traditions. He gives the name to the School which publishes this book.

The clairvoyance, the rigour, the structure, the two or three brilliant intuitions, and the hundreds of resourceful solutions and suggestions added to them, as the bodywork to a Mercedes motor, all his life (over three quarters of a century) dedicated to give shape to a general economic, social and political system, in the field of phenomena, and an unshakable faith in the field of transcendence: this is the work of Agustí Chalaux.

The loving, capable, orderly, exact editing task of this work, belongs to Magda Grau. I met her when she was still a child among other children, in a meeting at the Helping Capuchins, in the Ciutat Vella district of Barcelona. Every week those teenagers met freely to listen awkwardly to the teacher's living voice, that of Agustí Chalaux. She persevered. She studied economics. And shaped as a book, this book, what Agustí explained, that others of us listened to and tried to put down in more imperfect editions.

In these brief first lines I cannot resist the temptation to put on paper the three fundamental (in my opinion) intuitions of Finaly-Chalaux:

1. Currency, besides being a title of right of possession of some goods of a given value, is the necessary information to be able to demand all the pertinent, social responsibilities, if the currency is explanatory of what has been bought and sold with it.
2. This responsible currency allows a general accounting of a given geopolitical community and will point out, except in the case of disastrous exceptions, an unsuspected overvalue of a social kind, independent from the private overvalue generated by the companies.
3. This overvalue, now hidden, is stolen by individuals, and it is necessary for it to be managed by the democratic state, in the name of the above-mentioned community, in order to finance the life, the social security and all the vocational professions (teachers, doctors, priests, politicians, judges, artists...) and to show the purchase of all the useful production surpluses useful to an improved production.

Let us meditate on this!

**Lluís Maria Xirinacs.**

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Founder of Estudi General.

He has studied in depth new socio-economic models.

*2nd edition, Barcelona, 19th July 1997.*

## Presentation.

Our visual universe, in any of the facts which, in our society, take place by means of currency, is very limited, and is quite below what at present would be allowed by the technologies grouped under the joint name of telematics.

With respect to any monetary phenomenon, nobody -neither politicians, nor judges... nor businessmen, nor the persons in charge of a liberal institution... nor economists, nor sociologists... nor any modest citizen- can at present know anything exact or definite concerning the classical questions: who? when? how? why?

As far as the judge's action is concerned, it is clear that, as long as these questions cannot be answered - mainly the «who» question-, our civilization will be no more than a culture medium for irresponsible people.

As far as the daily running of the market and of the whole society is concerned, generally speaking they will not be in a position to know a real and full development until they have an effective medium to overcome the situation of complete lack of information we are immersed in.

Likewise, as far as the theoretical and practical knowledge of the market and of society is concerned, we can say that it will make no progress, nor will it be able to become experimental, as long as we lack a rational system of measurement and documentation of every elemental phenomenon.

At present, information is one of the basic elements in any human pursuit, perhaps even the most basic: starting with the layouts of some present-day biologists, who state «life is information» (the information contained in the genes), and ending with the modern data-processing technologies, for the artificial handling of rigorously codified information, without a suitable information no activity can be developed with a minimum effectiveness.

The idea of currency as circulating information, and of the monetary system as an information system is not new, but we can affirm that little attention has been given to it, and that the consequences of this layout have not been driven to the end. Keeping in mind the great importance of information in our present time, we think that this omission is very serious: we need then check this matter in-depth. This will be the aim of this essay.

In our days, monetary circulation takes on two main forms: the bank notes, bearer bonds which flow without leaving any trace, and that for this reason we may call **anonymous-impersonal circulation**; and scriptural money, or bank money, that is the bank current accounts and other similar forms, which are personalized, and for this reason we shall call them **personal-documented circulation**.

Because of the system itself, the anonymous-impersonal circulation is the cause of the present lack of information about the monetary phenomena; as far as the personal-documented circulation is concerned, even if it offers a greatest assurance of information, this assurance vanishes when this sort of circulation may become, if it so suits the interested party, a circulation of the first description -since, in fact, it is simply an auxiliary and secondary circulation derived from the first one-.

We therefore find that the present monetary system is not an information system, but on the contrary a disinformative system.

In order to overcome this situation we suggest the substitution of these two present circulations, by the circulation of a single monetary instrument, which we shall call **cheque-invoice**. The cheque-invoice will be fully personalized, and will be used for one single elementary monetary act; besides, it will lean on the modern telematic technology (or distance data-processing), so that it will become a very flexible and easy instrument. With these main features, the monetary system may become an information system, (through the automatic and continuous grasping of monetary magnitudes) of the actual underlying phenomena.

A geopolitical community<sup>1</sup> which put into practice a monetary system as the one we suggest, would have the following threefold possibilities:

On a justicial level, to have available exact antejusticial documentation, which would allow to judge quickly, effectively and objectively personal responsibilities in any crime or offence committed for money.

On a market and total society level, to reach a harmonious and full development, thanks to the interpretation and information contributed by dynamic and continuous statistics and analytics of all the monetary activity - however, without letting know strictly personal information to anybody outside Justice, and keeping in mind that this would only be able to use it with justification.

On a mercologics level, to finally have available a metric-accounting system for the objective measurement of all the elemental market phenomena, which implies being able to transform the market study in a truly experimental-quantitative discipline.

Even if we shall start with the study and analysis of the monetary systems, in order to submit an important reform, finally the most interesting to us are the social realities which may accrue from this reform. Our interest then is not so much based on mercologics as on sociology, and, still more, on political art.

The monetary reform we submit is, in itself and by itself, **ethically neutral**, meaning that it is neither good nor bad, but, as any other technology -we should not forget that the monetary system is a technical-auxiliary instrument invented by man- its possible good or evil depends exclusively from the use to which it will be put.

Man constructs many instruments, completely inert things which help him in his tasks. But then they can be used in multiple ways, depending on very dissimilar social interests and goals; only these social uses can be defined good or evil, but not the instruments themselves.

Beyond this fundamental verification, we can make a clarifying distinction between **selfpolitics** and **antipolitics**.

**Self-** (auto- in Greek) means «on itself..., spontaneously and expansively»; **Anti-** (a Greek prefix) means «against», but here we shall give it the specific meaning of «the opposite, deliberately carried out (of the term it qualifies)». In face of the same linguistic element, as in the case of «politics», «self» and «anti» will express the two social sides of the concept expressed by such an element.

The monetary system we suggest will be a very potent information instrument. And we all know that, who has the information, the knowledge, the wisdom, has also the **power**, the ability to act, to direct, to prepare strategies (trade, social, political... strategies).

It is necessary to foresee very well, then, how this instrument will be used. Will it be used antipolitically by a few, in their own interest and against the interest of the majority, transforming the power over things into an illegitimate power on people? Or will it be used selfpolitically, to the advantage of all the members of the geopolitical community, with an effective power on things, dedicated exclusively to the people's service?

Will the information be reserved to a minority, or will it be open to the whole geopolitical community?

As far as we are concerned, we openly declare ourselves supporters of a self-political use of the monetary reform, which comprises the following social goals:

- a. to give free access to all members of the geopolitical community to all the monetary information of the analytic-statistic sort, and to entrust Justice with the protection of all the monetary information of a personal-private sort.
- b. to give all the members of the geopolitical community all the actual phenomenal liberties they have not yet attained, but which are possible under the present technical level.

- c. to give all the legal rights and, to start with, to give them full legal equality without any exception either of persons or things.
- d. to give a growing welfare to as many people as possible, in terms of the extent of the effectiveness of knowledge of material production and of knowledge of liberal service.
- e. to give effective inner peace and outer protection to all the peoples included in the geopolitical community.
- f. and, within the limits of the outer political action, to search without truce nor rest the slow self-pacification among all the geopolitical communities, among all the cultures and among all the civilizations.

All the aims we have just mentioned may be resumed and condensed in two, on which most of this essay will be centred.

The first one is the pacific disappearance of all sort of power on people, and its substitution through: a) legitimate, effective power on things, and b) social rule of persons, all of them born free.

To put this into practice implies an in-depth reform of the state, justicial, and ethnic-autonomic apparatus. In the first place, the respective members of these apparatus must be fully responsible of their actions and, therefore, must go through Justice at the end of their terms of office; in the second place, each body's attributions must be very well defined, and limited to the minimum, always according to the principle of subsidiarity; and, third, Justice must be fully independent with respect to the State.

The second goal is the peaceful disappearance of all sorts of material misery or social rejection for reasons of money. This implies the working out of an incomes policy suited to the possibilities offered by the present level of technologic-productive development. Nobody can any longer deny that, nowadays, it is possible to give money to everybody. Wassily Leontief<sup>2</sup> says: «The history of technological progress during the last 200 years is, in essence, the history of humankind making slowly and constantly its way back to Paradise. But, what would happen if all of a sudden we were there? If all the goods and services were offered to us without toil, nobody would be busy. Without work, there is no salary. Therefore, until new income policies were worked out, suitable to be fitted to the new technological conditions, in Paradise we would die of starvation».

In fact, the processes of material production do more and more without a factor which was previously fundamental: human work. This is a fact which becomes clearly evident, and in face of which we cannot turn our eyes; but we must realize that it is not a negative fact, but a highly positive fact: what more for man to become finally free of toil, of the routine task without any inducement? One need not be very clever to understand that, if machines produce, if **there is** production, **there must also be** the necessary money to absorb it; and if the market does not bring about this money spontaneously -just because there is no work- then it is the politician's job to **invent it** and to **distribute it** equally, according to the most evident needs, both of the market and of society. And this politician's task is not difficult to organize when there is available a fully informative monetary system.

But all this must be done respecting always as much as possible, even fostering, private initiative and private property of the production means: because history teaches us that it is these bodies which are responsible for the productivity, dynamics and constant technical progress of the production market.

We would ask the reader to allow us some thoughts on the reform of the monetary system which we are about to submit: the substitution of the present bank notes and other auxiliary documents through the pro-telematic, bipersonal cheque-invoice.

This substitution can be very easily made, both from the technical point of view and from the social one.

Technically, telematics is already in a position to allow, in a not too long term, the introduction of the cheque-invoice as the only monetary instrument.

Socially, we can observe that the monetary system is an abstract and conventional structure, foreign to man, of an instrumental-auxiliary nature, which makes us understand that its reform should not cause psychological oppositions nor social inconveniences of any kind. Proof of it is the fact that in some countries is already being introduced the electronic money -let alone the quick and general extension of current accounts-.

Therefore, the suggested reform is in the first place a matter of political decision.

The telematic revolution is, to-day, an unstoppable fact which will attain more and more all the fields of human activity -always, however, in an auxiliary dimension, this must not be forgotten-. As always with technology, telematics is, in itself, neutral, liable to be used in many ethically different ways. «While we wait for a structured ruling to be actually created, the new technology will remain synonymous with centralization, repression, intrusion, domination. Pity! Technology is just an instrument for a greatest effectiveness. Certainly, the «bad guys» may oppress, torture, spy and exploit more and better than ever before. But at the same time, technology allows man to listen, to inform, to help and to protect his neighbour more than he ever dared to think. It makes the blind see, the deaf hear, it measures with exactitude, it shares with fairness, it succeeds in incredibly delicate surgical operations. It gives the handicapped and old people the means to express themselves, to move, to communicate and to talk with others»<sup>3</sup>.

Telematics implies then, either a great hope for all the peoples on earth, on condition that it be understood as a freely accessible instrument, at the service of the freedom and of the information of everybody; or a great threat of more power on people from the same old powerful: factual powers, statisms, police systems, militarisms...



Specifically, electronic money, if we are not careful, can take us rather to the absolute despotism forewarned by Orwell and Huxley, than to the world of actual freedom which we suggest. The way it is developing now, electronic money makes up very partial and closed information systems, limited to very reduced private groups.

For this reason, it is necessary for a self-political will and decision to be set up quickly. From this platform we appeal to the intelligent and active non-violent revolution of all the peoples on earth: because that which is technically possible will become an actual reality as soon as a people be intimately convinced of it. And the sooner the better.

The crisis of present civilization, and the liberating possibilities of a new technology, make up the challenge which the citizens of this ending twentieth century must face.

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## Notes:

<sup>1</sup>Nowadays, the terms **State** or **Nation** are commonly used to indicate politically organized communities. We consider these names not very clear; even worse, totally unsuitable: a State is only a small part of the total community, that where the political control has been delegated; Nation means simply «birth group, a group where beings are born»; it is then a natural fact, common to men and animals, which has nothing to do with the political organization, specifically human.

We suggest to use, in alternative, the more exact expression of **geopolitical community**, that is «a community set in a given territory, and provided with given organs of political control».

<sup>2</sup>Wassily Leontief «Distribución de trabajo y renta», in **Investigación y Ciencia**, issue No. 74, November 1982.

<sup>3</sup>J. Morgan «Des machines et des hommes: dictature ou prolétariat» **Sciences et Avenir**, N° spécial hors série No. 45 (translated and adapted by Hervé le Tellier, © Sunday Times Magazine. 23rd October 1983).

## Part I. Towards a rational monetary system.

### Introduction.

1. Empiricism and «science».
2. The monetary system: a metric system.

This Part I of our essay is to be placed within the discipline we call mercologics, that is «the market science», and is dedicated to the study of the monetary systems, with a will to attain the maximum objectivization of this matter.

But monetary systems, as a social reality, not a natural one, and on top of that totally **invented** by man, cannot be studied from a rigidly mercologic viewpoint. It is necessary to broaden our outlook and to embrace its evolution and its interrelation with the other multiple and complex realities and human creations, if we are to attain a complete and global understanding of the nature of the monetary systems.

For this reason, our scientific, objectivating approach to the monetary systems, will necessarily be of an interdisciplinary kind, in the sense that we shall resort to historical, ethnological, sociological... standards, in order to attain a reconstruction of the birth, development, transformation and social functions of these systems, besides the exclusively market ones.

#### 1. Empiricism and «science».

The word **science** enjoys nowadays a great distinction, and, for this reason, it is used quite often improperly. It seems that, just saying that something is scientific justifies it.

But, besides that, science is a very extensive matter, it is a large sack where a great multitude of things can be put. There are the formal sciences and the empiric sciences, the experimental and the non-experimental sciences, natural sciences and social sciences...

In the face of this custom, we support the principle of always defining exactly the sort of knowledge which is under consideration every time.

We hope then to be forgiven for introducing some brief thoughts on the different approaches to the reality that man is able to control.

- a. In the first place there is the **empiric or experiential knowledge**, sprung up directly from the actual experience of the object (whether it is external or internal to the subject). It is an actual knowledge of the actual things we try out, without any further work of the abstract sort: in it the subject takes priority on the object, because he puts his whole being in the experience, in such a way that the same object is tested, and therefore known, in different ways by different people. There are, besides, two sorts of empiric knowledge: the phenomenal one -that is, referred to realities of physical appearance, tested through the senses- and the noumenal one -that is, referred to metaphysical realities, tested in a purely spiritual way-.
- b. In the second place, there is **logic**: actually this is not knowledge, as it is completely cut off from actual experience. Logic is rather an instrument to work on knowledge, of a completely auxiliary character, limited to supplying abstract structures and forms, void of actual contents, but which may later be filled with any empiric information. Therefore logic is neither objective -because it does not concern any actual object-, nor subjective, because it does not depend on any given subject-. It is simply instrumental.
- c. Finally we have the **empiric, phenomenal pro-experimental knowledge**, which includes two main phases: there is, in the first place, the application of the logic instrumentation to the data of the empiric-phenomenal knowledge. This is handled and processed according to logical operations, and goes from being an actual knowledge to being a knowledge abstracted from actual reality: it is no

longer an odd and subjective experience, but the handling of these experiences through abstract operations which can be repeated by any subject. This implies a very important step towards objectivization, as it allows to leave out the subject. In the second phase, however, it is attempted to compare the knowledge abstracted from reality with reality itself: it is the pro-experimental phase. The more exact and complete this experimental test, the higher will be the degree of objectivity of the knowledge finally attained (even if it will never be possible to reach a 100% objectivization). The most objectivizing test is what we shall call experimentation, and consists of **creating**, in a voluntary and controlled way, the conditions in which experience will be able to demonstrate the validity of the hypothetic statements which we have obtained from reality in the previous phase. But this is not always possible, and often it is necessary **to wait** for these conditions to appear spontaneously in reality itself; we shall then call this an experiment.

After this summary, we must add that we limit the use of the word **science** to the following meaning, very exact and limited: **science** is «that part of the phenomenal pro-experimental empiricism which consists of the enunciation of laws implied in a given number of experimental tests, already carried out». For an easier reasoning, however, in this essay we shall use often the word science in its usual extensive and vague meaning; in this case, we shall always put it between quotation marks.

Having come thus far, we may ask ourselves: within which of the types of knowledge just described are to be put our musings on the monetary systems? The answer: any consideration on mercologic matters in general, and monetary matters in particular, may nowadays become empiric phenomenal, but it will be difficult for it to find an exact experimental test, for lack of a suitable metric system of the elementary phenomena under consideration.

As far as the less specifically mercologic aspects are concerned, more of the sociologic kind (history, social functions... of the monetary systems), it must be pointed out that these disciplines, in themselves, find great difficulties to become experimental.

## **2. The monetary system: a metric system.**

All along our approach to the monetary systems we shall discover that they are, basically, metric systems, perhaps the first ones invented by man, about 10,000 years ago. Their market purpose is to measure the elementary market phenomena, the changes in their main pervalency, their exchange value.

But on top of that they have, originally, another function of a great social importance: they are, from a given moment, documentary systems, through monetary instruments which leave a record of every elementary exchange carried out.

On finishing our trip through the history of the monetary systems, we reach a basic conclusion: that the monetary systems of the last 4,000 years have lost their main features previously pointed out: they have become anti-metric and anti-documentary.

Because of the serious market and social consequences of this fact, it is an urgent task to substitute the present monetary system through one more rationally suited to what should be its specific function. Being inspired by the primitive monetary systems, we shall suggest a modernization to take advantage of the modern telematic technology: we shall define again a very agile and feasible monetary system, for a rational management and a metric-documentary knowledge, and therefore also pro-experimental, of the market.

## Chapter 1. The monetary systems.

1. First level: actual goods.
2. Second level: abstract monetary units.
3. Third level: mixed market values.
4. Fourth level: monetary instruments.
5. Conclusions.

How are they made and what are the monetary systems good for?

To answer these questions, we shall disregard all that is explained to us by «economists»<sup>4</sup> and we shall directly explain our own idea of the monetary reality.

We are not going to make here a description of how the monetary systems presently in force work, but of how the primitive monetary systems worked, and of how the present ones **should** work: we shall therefore suggest monetary rules.

To attain a maximum understanding of this matter, we shall make a distinction among four levels of reality:

- 1st level: actual goods.
- 2nd level: abstract monetary units.
- 3rd level: mixed market values (actual-abstract).
- 4th level: monetary instruments.

### 1. First level: actual goods.

All living beings, and among them also man, need to consume a number of goods (and in the case of man, also services) in order to carry on and to better realize their existence.

These goods are called **utilitarian goods**, because they are **useful** to satisfy the consumption needs of living beings.

In the same way we call **utilitarianism** the production and distribution system of utilitarian goods existing in a given community (vegetal, animal or human).

In the human species has been developed, during millennia of evolution, a mode of utilitarianism which is today paramount in all modern societies: it is the market-monetary utilitarianism (in short: **market utilitarianism**).

This utilitarian regime is typified basically by the fact that the produced goods are not consumed by their own producers, but are exchanged in a **market**, by means of regulating agreements which constitute a **monetary system**.

The utilitarian goods exchanged in a market are called generally **merchandise**, and are of two kinds: **produced merchandise** (which may be inert objects, dependent living beings, or utilitarian services), and **producing merchandise** (which are the **forces** which allow the production of the previous ones).

We must underline the fact, therefore, that it makes no sense to talk about a monetary system if it is not in a context of actual, really existing, goods.

### 2. Second level: abstract monetary units.

At the beginning the market -that is, the exchange of goods- took place without any need for a monetary system.

Every basic exchange of an actual A merchandise for an actual B merchandise -called **barter**- was done without the instrumentality of previously established monetary conventionalities. The only factors to be kept in mind were the particular needs of the two exchange agents: if these needs were satisfied by means of a given barter, the barter was carried out. But the perception of this satisfaction was of a qualitative order, as no reference was made to a quantitative value standard which would allow to calculate the exact equivalence between the values of any two given merchandises.

But when the market utilitarianism of a society grows, is amplified, becomes complex, then the need for a measuring system of the quantitative exchange value of goods becomes evident, in order to be able to carry out quantitatively equivalent exchanges. Then the monetary unit is born.

In the same way that, to measure actual distances we use a metre, which is a conventional and abstract length unit, to measure the exchange value of actual goods, we use monetary units, which are social conventionalities, completely abstract and universal<sup>5</sup>. They are abstract because they are pure **formal conventionalities, empty of actual contents**; they are universal because they make up an abstract-accounting common denominator of all the real and heterogeneous goods existing in the market considered as a whole; that means, they are poured out into one single system of interrelated correlation, measure and numbering.

Every actual merchandise contains then, conventionally, a given number of abstract monetary units: thanks to this monetary homogenization of real goods, naturally heterogeneous, it is easy to calculate numerically exact equivalences among any different real goods.

Let us observe, however, that the introduction of a monetary unit on a market does not cause barter to disappear, that is the actual exchange of two real goods: it only makes it numerically easier and more perfect.

### **3. Third level: mixed market values.**

The immediate consequence of the introduction of a monetary unit is fixing the market values. This means simply that to every specific merchandise a **market value** is given, that is the given number of monetary units therein contained.

The attribution, to every specific produced merchandise, of a given market value in monetary units, produces a **sales price**.

The attribution, to every specific producing merchandise, of a given market value in monetary units, produces a **salary**.

Prices and salaries are mixed realities, specific-abstract, as they result from the comparison between specific goods (first level) and abstract monetary units (second level).

### **4. Fourth level: monetary instruments.**

Some protohistoric societies, which enjoyed a very dynamic market, reached at a given time a situation in which market values (prices and salaries), which up to then had been established almost exclusively through tradition, therefore very stable -as it happens in scarcely dynamic societies-, were established by a free agreement between the two contracting parties of every basic, free exchange. Thus, prices and salaries fluctuate and change freely and continuously, not only in terms of the desire every party has to own the merchandise the other is offering, but also in terms of the environmental circumstances (war or peace; want or abundance; transport, warehousing difficulties or easiness...).

At this moment the market reality becomes so rich and complex, that the invention of new exchange forms becomes necessary, to allow more rapid and easy transactions: then, in the most advanced societies monetary instruments appear.

Monetary instruments must not be confused neither with the monetary units, nor with market values; but they imply the existence of both of them. In a society where one or more monetary units are defined, and prices and salaries are freely established, a **monetary instrument** will consist, simply, of working out an accounting document, intercompensating in an accounting system.

Let us explain it: the monetary instrument (which we could also call monetary document, or monetary sign...) is a **document** which registers a free market transaction, a free elementary exchange. But its interest depends on the fact that it allows barter (the direct exchange of a given A merchandise for a given B merchandise) to disappear, and allows the possibility of making delayed exchanges, both in time and space. The working of the delayed exchange through the monetary instrument is the following: let us imagine that Mr. X wants to obtain from Mr. Y a specific A merchandise, with a value of  $a$  monetary units; but has no B merchandise to offer in exchange (in such a quantity to attain the same monetary value of « $a$ » monetary units). In this case, Mr. Y can supply Mr. X the A merchandise, without obtaining any specific merchandise in exchange, but receiving a document in which Mr. X acknowledges a debt towards Mr. Y for « $a$ » monetary units. If both Mr. X and Mr. Y have personal current accounts in a suitable establishment (for example, in the city temple), then the debt written down in the monetary instrument may be immediately compensated by writing down the necessary notes on the two current accounts.

So, a monetary instrument is, simply, a debt acknowledgement, documented and intercompensating through a system of personal current accounts.

This simple invention will revolutionize the market, because the delayed exchange is much more flexible and allows a greater market dynamics than barter. After this, it is not necessary to invent anything new as far as a monetary system is concerned, because the monetary instrument is flexible enough to suit any situation, of whatever market complexity. It is only necessary to update it in terms of the market realities and of the present technological possibilities. This we shall discuss in the following chapters.

## 5. Conclusions.

As a final synthesis on the nature of the monetary systems, we shall say that these are complex realities -but not difficult to understand- where the following levels must be marked out:

1. specific goods really existing on the market (whether produced goods, or producing goods), which are to be exchanged;
2. monetary units, universal numerical-abstract conventionalities, which are used to determine exactly the exchange value of each and all the previous, specific goods;
3. market values (prices and salaries), mixed values resulting from comparing specific goods and monetary units;
4. monetary instruments, documents which advise and inform about a debt acknowledgement, for a given quantity of monetary units, of one person towards another one (both of them well identified too).

The monetary unit is a measuring unit, and as such it is completely abstract. The monetary instrument is a document which registers at the same time, a measuring action (a measurement, consisting of establishing a market value) and a market action (a transaction).

As a matter of fact, neither of them makes any sense, if there is not a specific merchandise to be measured and exchanged through a contract. The really existing specific goods are then the final basis of the existence of monetary units, of market values (prices and salaries) and of monetary instruments: that is, of the existence of monetary systems.

We may apply a simple metaphor to understand the instrumental-artificial-abstract character of all monetary systems.

The specific goods (whether produced or producing) are the basic realities of any utilitarianism: we call them **first realities**, because they are the direct objects of man's utilitarian interest.

On the contrary, we may imagine the monetary system as a **mirror** which supplies **images** of the specific goods and of the market acts: monetary realities are then **second realities**, derived from the first ones.

Let us imagine that, every time that two market agents make an operation, the merchandise being the object of the operation goes quickly through the mirror (of the monetary system), and projects its image. The image is its market value (price or salary). But, at the same time, there is a camera which makes a snapshot of this image, and also of the two agents which produced it: the picture obtained is the monetary instrument, the document of what has been going on. The image in the mirror is a fleeting one, it disappears as soon as the operation is over; but the document remains, recording all the features of the operation which has been carried out. As far as the monetary units are concerned, they are the outline, radically abstract-numerical, of the previous images (the mirror image and the camera image).

The value of these monetary images is auxiliary-instrumental: they are used to better handle the specific goods which produced them, but they have no intrinsic value. Only specific goods have an intrinsic value.

Besides, it is very important to point out that there cannot be monetary images without specific goods producing them. Monetary realities are always second, derived from the specific realities of the utilitarian market.

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#### Notes:

<sup>4</sup>We write the word «economy» and all those derived from it in quotation marks, when we use them in their present meaning, because we give this word, usually, a very different meaning, next to its original etymological meaning (see page 202 of chapter 23).

<sup>5</sup>**Universal**: the etymological meaning is «to pour out or to shed different realities into one single correlation system».

## Chapter 2. Monetary reality through history.

1. The pre-monetary barter.
2. Monetary reality among the primitive peoples.
3. The monetary systems of the rising civilizations.
4. Emergence of the specific metal currency.
5. From metal currency to paper currency.
6. The present monetary system.
7. Bibliography for this chapter.

In the previous chapter we have used an exposition system which suggested, to a certain extent, some sort of historical reconstruction of the development of monetary systems: first there is the non-monetary barter; then the monetary units appear and the market values are established (prices and salaries); finally, in some evolved societies, the monetary instruments appear.

We are aware that this reconstruction is very theoretical and simplifies the complexity of the facts which actually took place. For this reason, in this chapter we want to offer some brushstrokes to give some support to the broad outline made in the previous chapter.

However, it is necessary to point out that the reconstruction of the development of the monetary reality, both among prehistoric peoples and among present primitive peoples, shows serious difficulties: the existing documents are few and partial, and their interpretation is a very delicate task.

With all these limitations then we face our subject.

### 1. The pre-monetary barter.

From studies carried out on the utilitarian exchange among the primitive peoples existing at present, it can be inferred that among these peoples (and perhaps also, through an ethnographic parallelism, among the prehistoric peoples), barter has not an exclusively utilitarian character, but it mainly fulfils a social function.

Actually, in human populations with a simple social organization (those of hunters-harvesters), the individual and familiar sustenance is always granted and, therefore, exchange is not vitally necessary. On the contrary, it is socially needed, as it is used to establish friendship bonds or alliances with other groups; or to affirm the existing social relations inside the group itself.

Because of the great importance of this social component of primitive barter, often it is endowed with formalities, with complex rituals bound to magic, that is to the sacral conception of man's life. Every exchange act is considered as sacred, the same as all social relations.

### 2. Monetary reality among the primitive peoples.

Among the primitive peoples existing at present, the knowledge and use of some sort of monetary system stands out in three parts of the world: Western Africa and Congo; Melanesia and Micronesia; Eastern North America.

It must be pointed out that all the peoples in these areas develop an advanced utilitarianism, of a neolithic type, either farming or shepherd's.

But this neolithic utilitarianism is still little specialized: every small social-producer unit can yet provide for itself to a great extent, and for this reason the utilitarian barter still holds a strong social character.

These peoples have no scripture system either.

But they have monetary systems constituted by what we have called monetary units and market values.

Indeed, among the primitive populations of the above-mentioned areas (not only these areas, but mainly these), some **objects** (which of course vary according to the population) have a great social importance: they are symbols of wealth, and bestow social prestige on those owning them.

Because these objects are often exchanged ceremonially during some given social events, many ethnologists have compared them to a reduced or primitive, **specific**, form of metal currency, which was in force among all the present-day civilized peoples until some time ago (until it was definitely substituted by the so-called **bank notes**).

Now, we suggest a different interpretation: these **specific objects** seem to have two completely separated functions. The first one, fundamentally social, creative and sustaining social relations, is the one which develops through the actual, specific, exchange of these specific objects, in certain, very well specified cases, of great social importance. The second, exclusively utilitarian one, is that of being used as standards of value measurement in the exchange of the ordinary utilitarian goods. In this second case, the objects are never really exchanged, but they are only an abstract reference to calculate equivalences among other goods, valued **in** them: this is what we have called a monetary unit. The values in monetary units attributed to goods (produced or producing goods) are the market values of such goods.

Most of the times, the ethnologic documentation we have is not enough to confirm or to invalidate this interpretation with an empiric basis. This is due mainly to the prejudices of ethnologists, who direct their observation towards some given realities, neglecting some more significant ones for an overall study of the primitive utilitarianism.

In spite of this difficulty, we have chosen a couple of examples which seem to go in the given direction.

First example: in the Admiralty Islands (Malaysia), the natives can evaluate all their goods in shells and dogs teeth. In ordinary exchanges, however, the shells and dogs teeth are almost never used, while their use is compulsory in ritual exchanges.

Second example: among the Lele of Kasai (Congo), the raffia fabric is the wedding heritage which any man about to marry must have. But, at the same time, the goods which are the object of non-ritual exchange may all be evaluated in raffia fabric units: in these exchanges, then, the raffia fabric does not appear as a real merchandise, but only as a value standard.

In these peoples, then, we are bound to talk about the existence of abstract monetary units, and not of real monetary objects (as some ethnologists do). In order to make this interpretation extensive to all the neolithic peoples who know some sort of monetary reality, it would be necessary to carry out thorough studies which do not exist yet -or, at least, are not within our reach-.

### **3. The monetary systems of the rising civilizations.**

Archaeology has shown us in the last decades how the first civilizations rose in Southwestern Asia, the Indus Valley, Egypt, and later the Aegean Sea, the Valley of the Danube...

These civilizations were based on an advanced neolithic utilitarianism, with extensive corn cultivation and with a well-established work division. With them writing appears; but writing is only a consequence of another social practice we are very interested in, that is the use of monetary instruments.

Probably these societies had, from the beginning of their reaching the neolithic age, well-defined monetary units. For example, in Mesopotamia the monetary unit was rye, and later also silver. This does not mean, as we have just said, that in the specific exchanges goods were bartered against rye (or silver), but only that rye and silver were the value standards with respect to which the value of each one and all the goods could be expressed.

Now at this moment -which coincides with the beginning of the Bronze Age, during the the 4th millennium b.C.- the Near East civilizations have a noteworthy economic development: there is a drastic increase of population in Iran and Iraq, and the craft specialization and the beginning of large-scale trade appear. Trade is carried over very large distances. This sort of economic explosion is coupled to the appearance of very strange artifacts, which have been recently studied and interpreted. We are talking about the *bullae*, which are a sort of clay bags, more or less spherical, full of different clay shapes, and sealed on the outside. These *bullae* are the heirs of a complex accounting system<sup>6</sup> based on tokens -apparently representing different goods and different numerical values- which goes as far back as the beginning of the Neolithic, towards the 9th millennium b.C. These tokens are of the same sort as the ones which are found, at a later time, inside the *bullae*.

But the introduction of *bullae* means an important quality change. We may interpret the fact that the tokens were kept together, closed inside a clay envelope, as an indication that these tokens represented a given transaction carried out between two people. The fact that many of the *bullae* discovered up to now carry **two** different seals gives support to this interpretation.

If this were so, the *bullae* would be what we have called a monetary instrument-document<sup>7</sup>: a document acting as a go-between and recording an elementary trade operation which has been carried out. Probably, in addition, these *bullae* could be intercompensated, because we know that the Mesopotamian temples already then carried out complex banking and administration functions. The *bullae*, then, were what we would call today an agreed voucher, an accepted invoice and a cheque cashed written out by the customer.

Later, the *bullae* became the famous cuneiform tablets: the tokens sealed inside the envelope started to be graphically represented on the outside. This is the most probable origin of the cuneiform writing.

#### **4. Emergence of the specific metal currency.**

From a given historical moment onwards -which we probably may locate in the 3rd millennium b.C. in Mesopotamia- the monetary instruments change completely their features.

The primitive monetary instruments which we have just described in the previous paragraph, had a radically abstract-auxiliary nature, had no intrinsic value. Their operation did not imply the use of any specific object, but only the reference to an abstract monetary unit. Even if the abstract monetary unit were symbolized by a given specific merchandise (some shells, a sack of rye, an ox...), this merchandise never participated in the operations, since what was meant was to make an abstract reference to its value, and not to exchange other goods for it.

In Mesopotamia, however, probably since the middle of the 3rd millennium b.C., appears and becomes general a new kind of monetary instrument, which we call metal currency: we all know what a metal currency is (gold, silver...), and we can understand that it is no longer an abstract-auxiliary instrument, but a very specific object, having an intrinsic value (valuable in itself). The metal currency (and, generally speaking, any monetary instrument being a specific object) is also called merchandise-currency, because its main feature is that a specific merchandise is chosen, among all the others, to be mediator in any exchange of any other merchandise. That is, a merchandise is delivered against a merchandise-currency.

During the reign of Hammurabi (1760 b.C.) the use of gold, silver or bronze ingots in Babilonia is already fully testified. But not only the Mesopotamian civilization carried out this decisive change. All the historical civilizations, sooner or later, reached the metallist monetary system. In the Indus valley they used oblong copper bars; among the Hittites, iron ingots; in Mycenae, bronze plates imitating animal skins, and in China also bronze plates in the shape of dresses.

The first metallic monetary instruments were, even inside each civilization and each empire-city, very different in their shapes and of very variable metal qualities. For this reason, at every operation the metal used had to be weighed and tested.

Further on, in order to solve this problem, the use of standard metal pieces became general, as they were guaranteed for a given weight and quality. The guarantee was given by the seal of the person striking the pieces -this seal was engraved on the pieces-: these metal pieces are the actual coins, and the first ones with documented information go back to the 7th century b.C. in Asia Minor.

If at the beginning, anybody with sufficient authority and wealth could strike his own currency, as time went by this function became a monopoly of the official powers.

The specific metal currency has lost the basic feature of the primitive monetary instruments: these were, in the first place, a document of the effected operation; on the contrary, the metal currency is essentially anti-documentary. Even if we shall deal with this matter in more detail in the next chapter, we shall say now that the metal currency has three features which make it completely useless in any attempt of effective documentation; it is **anonymous** (it does not identify the operation agents), it is **uniform** (it does not analyse the features of the operation), and it is **dynamic, it circulates indefinitely** (it does not allow any sort of statistics).

In every trade operation -and in every social-monetary act- the only function carried out by metal currency, is that of being some sort of payment means, that is an instrument which allows to solve, bring about, finish the operation or act under consideration: by delivering some coins any monetary situation can be considered as paid, settled, solved. And from this point of view the use of metal currency is even easier, quicker and more convenient, than preparing a documentary monetary instrument, which must be written, signed and later compensated.

Now, the metallist systems have a very definite limit for their development, which is the quantity of metal for minting purposes existing in a given geopolitical community at a given time.

For this reason it has been necessary to give up, little by little, these systems, as we shall see further on.

## **5. From metal currency to paper currency.**

The present-day monetary instruments are still essentially anti-documentary. Now, from the appearance of the metal money up to now, the monetary instruments have gone back slowly to one of their original features: abstraction, which was reached definitely starting from 1914.

The reason is the shortage of precious metals.

In fact, as we have already said, the monetary systems are abstract constructions which have the function - through the quantification they allow- to make the exchange of specific goods easier, and later, with the monetary instruments, to document it. These abstract constructions, then, are parallel to the specific, existing goods, produced or producing ones; they evolve with them and are adapted to them. When we substitute the abstract construction through a specific object and, on top of that, scanty -precious metals-, this flexibility of the monetary system, this ability to adapt to the market reality, is definitely lost. Serious distortions are derived, both of our vision of reality and of its healthy working.

Let us now go quickly through the history of this return to the necessary abstraction of the monetary system.

Already in the Middle Ages, the shortage of precious metals caused kings and other currency minting authorities to make unconfessed or public currency manipulations. Since the emission and the legal tender of currency are in the hands of the local authorities, they can cause the nominal and legal value of the currency pieces not to be equal to the actual metal value, -either by striking new currency with the same nominal value, but with less quantity of metal, or officially and artificially increasing the nominal value of the circulating pieces-. Through these means, the minting authority could make its payments using a small amount of metal. These methods were used currently all along the Low Middle Ages: the royal treasuries were almost permanently indebted, and found in this monetary trick the solution to their problems. But this solution was only temporary, as the unavoidable consequence of the currency manipulations was the price and salary

increase, an increase which again made the monetary State situation worse, so new manipulations had to be carried out, thereby starting an infernal cycle. But the most prejudiced were the lower classes, which had not enough purchasing power to face the price increases, and neither had the ability to manipulate the currency which was imposed on them.

For our analysis, what we want now to point out is that the monetary manipulations of the Middle Ages open the gap which starts to separate the real value of specific metallic currency from the monetary value which is conferred to it, artificially, according to the needs of utilitarian life.

When America is discovered, with its important precious metals mines and treasures to be looted, it seems that the metal shortage is going to finish. But this end is only relative, because the end of the Middle Ages has witnessed an enormous development of trade relations and, therefore, of the needs for currency. So the bankers of the time invented a new system to make up for the metal shortage: we are talking about the **bill of exchange**.

At the beginning the bill of exchange is just a means to settle debts from a distance, to avoid the dangers of transporting metal: the Barcelona trader can pay his supplier in Genoa by means of a bill -a letter- which the supplier will be able to transform into cash by presenting it to his banker, because the Genoa banker and that of the Barcelona trader are in contact.

But later, to the bill of exchange the concept of **credit** is added, that is, of **delayed payment**. The customer who, at the time of the operation, has not the necessary resources, may deliver a bill to his supplier, which ensures the payment of the debt within a fixed time limit. The supplier can keep the bill until the end of the foreseen delay, when he will receive in cash the indicated amount.

Now, instead of waiting for the payment term to finish, the payee may, in the meantime, use this bill to make his own payments, either handing it over to a creditor of his (this practice is called **endorsement**); or selling it to the bank, which will immediately deliver the indicated amount in cash after deducting a given percentage as a remuneration of the service given (and for this reason this practice is called **discount**), taking charge of cashing the bill of exchange at the end of the payment term.

In both cases the final result, which we would like to point out, is the same: the creation of new monetary instruments, the starting of a new monetary circulation, which is added to the circulation of metal currency. In fact, whether the bill of exchange circulates, or is discounted, there is a **creation** of new monetary instruments, different from metal currency, but which fulfil the same function.

When the bill circulates, it is just a piece of paper circulating and representing a promise of cash payment at a given date, but this cash **does not exist yet**; therefore the bill of exchange does not substitute metal currency, but is added to it, it is a **new** monetary instrument which, besides, has no value in itself, besides that of the trust it may arouse that the payment will be actually made after the term comes to an end.

When the banker discounts the bill, we must be aware of the fact that he does not pay with his own money, but he does it with his customers' deposits, which may be demanded by them at any time; it is then also a **new** monetary circulation, because there exist simultaneously the metal currency of the bank customers' deposits and that of the person who has discounted the bill. There is no mystery here because the banker knows that the deposits will not be all drawn at the same time, and therefore he only needs to hold a reasonable relationship between the total deposits and the total operations, in order to be able at any time to face his commitments. When the bill will finally be paid at the end of the term, the balance of the situation will be restored.

In these two cases of invention of additional monetary instruments -which are not metal currency, but which represent, within a given delay, the payment of metal currency- the limitation, with respect to the metal currency, is that these new instruments are temporary: they do not last indefinitely, but finish, disappear, at the end of the term, when the bill has been cashed by the payee.

With the invention of the bank note, this limitation disappears. The bank note was invented in 1656 by Palmstruch, an Amsterdam banker. This consists only of the fact that the bank, instead of paying its customers with metal currency coins, pays with notes, pieces of paper which are a promise from the bank to convert them into metal at any time the owner demands it. Since these notes indicate no term, they may circulate indefinitely until somebody decides to exchange them for metal.

We have now already two permanent monetary circulations, well differentiated from each other: the circulation of specific metal currency; and the circulation of bank notes, which have no intrinsic value, but which represent a permanent promise of conversion into gold, and therefore are based on the **trust** in the emitting bank, in its ability to face the conversion demands. This monetary circulation, then, is no longer specific, but holds a relationship with actual circulation (that of metal currency): the permanent possibility to become it.

Thanks to the bank note, banks have the possibility of solving the problem of the precious metals shortage - which, in spite of the successive discoveries of mines during the 19th century, are still inadequate: we are in full industrialization-.

In fact, private banks emit notes in quantities well above the cash contents of their deposits. As we have already said, they may do so without any problem, as long as they hold a reasonable proportion between cash and notes. But through this mechanism they create the monetary instruments which the market or society need, since the metal currency is inadequate.

The monetary system we have just described -based on the metal currency and the convertible bank note-, called gold standard, typifies the whole of the 19th century.

But finally also this system has become unsuitable for the needs of a developed utilitarianism. With the new evolution, the monetary instruments will definitely change their nature, and will go back to their primitive abstraction. Let us see how this took place.

During the 19th century, the Central Banks of the different States monopolize the emission of bank notes, which then become legal tender. But every time that a State has political or utilitarian problems (production crises; wars; revolutions...), because it must face greater expenses, it issues more notes, until the time comes when there is a trust crisis, everybody wants to convert his notes in metal and then the compulsory tender is established, that is the inconvertibility of bank notes. When things become normal again convertibility may be reestablished.

During the First World War, the enormous expenses caused by the war caused the almost total emptying of the vaults of the States at war -whose gold migrated, for a great part, to the U.S.A.-. Notes are issued in great amounts, but evidently their convertibility must be suppressed.

Since then the monetary systems of the civilized world have been typified by the inconvertibility of the bank notes, either officially or actually. After the war, some countries tried to reestablish some sort of partial convertibility, but the crisis of 1929 definitely settled the matter.

So the monetary system sprung out of the First World War is based on the giving up of metal currency -inside each state, since in the international relations things are, for some time, different (that is up to 1971 when Nixon separates dollar from gold)- and on the prevalence of the inconvertible bank note, which we call **pseudo-bank note** o **paper currency**. This paper currency has no relationship with gold: it does not represent it in any amount, and cannot be converted into it. Which is then its nature? which is its foundation?



Paper money -that which still circulates in our time- is based simply and exclusively in the need we have of it, in the social conventionalism which has made it a necessary instrument for the market and social acts, and in the trust which is granted to it as an instrument which fulfils its tasks suitably. Therefore, its nature is already radically auxiliary-abstract: its value is that of an instrument which helps us in the accounting and exchange of

specific goods existing on the market; it is then an auxiliary and abstract value, not an intrinsic or specific value, which only specific, produced or producing, goods have.

## 6. The present monetary system.

In this long -but with a wealth of teachings- evolution towards the metal currency, a deeper and deeper breach has been opened between the specific-intrinsic value of precious metals, and the abstract-auxiliary value of the monetary instruments. With the introduction of paper currency, these two realities have become definitely dissociated: at present, they bear no relation with each other.

On reaching this point the monetary system, free from the heavy ballast of metals, can evolve towards more and more intangible forms, more dematerialized, more abstract, in accordance with its primitive nature.

This is in fact what has happened, and what still happens under our own eyes. Today, paper currency is not the only sort of monetary instrument used. To it has been added the so-called scriptural currency, which is purchasing power entered on an account. The paper currency which we take to the bank becomes there monetary units entered on a personal account; these units will then be able to circulate through a simple game of entries between different accounts, without any need to circulate paper currency: this is called clearing. Two people having current accounts in the same or in different banks, may effect their mutual payments by simply entering the corresponding figures in their respective accounts.

This new form of monetary circulation is the last invention of the banks to face, in this case, the paper currency shortage, controlled by the State. By means of the entries in the current accounts the circulation of a lot of paper-money is avoided; but, on top of that, **new** monetary circulation can be produced. This is, indeed, the bankers' job: to create the purchasing power which is lacking on the market, to make possible an additional monetary circulation, when the existing one is not enough. And this is being done, as it was before, through **credit**. But now the credit is no longer granted by emitting bank notes more or less backed by cash deposits, because this emission is controlled by the State; it is made by opening credit current accounts, that is to people who have not made any prior deposit of paper currency. And the guarantee of this credit is constituted by all the deposits actually made in the bank. As before, the only thing needed to ensure the solidity of this system is to hold a suitable relation between these two monetary circulations: the circulation starting from the deposits carried out, -which is limited to **substituting** the paper currency circulation- and the circulation caused by credit -which is **added** to the previous one-.

Scriptural money has become the currency *par excellence* of the developed countries, where trade and industry contribute to multiply exchanges. In some industrialized countries, it represents as much as 80% of the total monetary mass. At present, it is rapidly becoming electronic money: some simple electric impulses and some magnetic memories are enough to carry out the transfer of entries. This growing dematerialization of the monetary reality is the most obvious proof of its basically instrumental-abstract nature.

Yes, the monetary system has gone back to its primitive features of abstraction and instrumentality: the monetary instruments in force have no intrinsic value, but simply act as intermediaries in the exchange of actual goods, and to express their value in terms of abstract units.

It is also evident that these present-day monetary instruments -the pseudo bank-notes and the scriptural money of the bank current accounts- do not resemble at all that which in the previous chapter we have called **monetary instrument**.

In fact, the monetary system, in spite of its evident evolution, still retains all the inherent faults of the specific metal currency: anonymity, uniformity and dynamism of the monetary instruments.

We will then now analyse which features should have a monetary system without any of these faults, and find a way to update these features in a monetary instrument really suited to the present trade complexity and technological progress.

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### Notes:

<sup>6</sup>For all the information concerning the development of this accounting system we are indebted to Denise Schmandt-Besserat's research. To explain it, we shall use her article «The first antecedent of writing», published in **Investigación y Ciencia**, issue number 23, of August 1978.

<sup>7</sup>In this case of course we are talking about pre-scriptural documents.

### Chapter 3. Features of a «scientific» monetary system.

1. Measurement and metric systems.
2. Measuring units.
3. Measuring procedures.
4. Measuring documents.

From all that we have seen in Chapter 1, on how the monetary systems were at origin and how they should be now, a fundamental affirmation can be inferred: the nature of all the monetary systems is that of a metric system for measuring the **exchange value** in the market of specific goods.

From all that we have seen in Chapter 2 on how the monetary systems have been transformed and how they are now, a fundamental verification can also be inferred: the present monetary system **is not** a good metric system, but rather a confused and confusing system.

In the following chapters we shall submit the necessary reform of the monetary system in course, the necessary processing and introduction of a rational and informative monetary instrument-document, included within the framework of a pro-scientific<sup>8</sup> monetary system.

We shall then carry on with the description of how these features are worked out in the case of a monetary system.

#### 1. Measurement and metric systems.

Measuring is one of the most important acts in any «scientific» research which is to be tried out.

A «scientist», after carefully and thoroughly observing the phenomena he is studying, gives out one or more hypotheses, which later will have to be compared with reality through the preparation and realization of suitable experiments.

But experiments -which are a voluntary and controlled modification of reality, in order to obtain the results foreseen by the hypothesis at stake- imply capturing as exactly as possible the reality experimented and its variations and modifications, so that its comparison with the data foreseen by the hypothesis be as close as possible.

To attain this accuracy, this faithfulness to the reality of the observed phenomena, we use quantification, through measurements, of the above phenomena. Quantification is a means of obtaining data which improves the approach to reality, but besides it does it in an objective way.

Quantification of phenomena -or, better, of each one of the prevalences<sup>9</sup> considered in the phenomena- is an unavoidable condition of any experimental «science».

For quantification we use an instrument which is the metric system, an number of conventionalisms and measuring proceedings which allow us to observe reality under a quantitative aspect.

It must be pointed out that the quantitative representation of reality does not give us any truth -because quantification is a purely abstract convention and invention of man. But on the contrary it allows us to get near to reality with objectivity and, as a consequence, with effectiveness. Becausee the working out of quantitative laws on phenomena is the basis of the action and modification on our behalf of the above phenomena -a modification which we call **technical**-.

So any «science» must have available suitable metric systems for measuring and quantifying the prevalences it wants to study.

Physics, for example, has systems for measuring pervalences, such as length, density, time, temperature...

And on the contrary, the market science which we call **Mercologics**, has no suitable metric system for measuring one of its fundamental pervalences: the exchange value on the market of the existing specific goods. The monetary system must be this system, but at present it has none of the unavoidable conditions in order to fulfil effectively this function.

Every pro-scientific metric system must consist at least of the following elements:

1. one **measuring unit**, rigorously defined, completely abstract and conventional.
2. one **measuring system** to allow in practice the act of measuring: that is to allow to count how many defined units are contained in a specific, observed, phenomenon.
3. one **measuring document** to leave documentary evidence of every measuring act carried out, in order to be able to make an overall analysis and statistics.

## 2. Measuring units.

The measuring units we work out to measure a given pervalence of a specific phenomenon, are completely abstract phenomena, and their invention is completely arbitrary. The only condition is that their definition be very exact and accurate.

For example, the unit of length is **the metre**; this may be defined as «the distance of the ten millionth part of the square of the earth meridian».

In mercologics, the fundamental pervalence which we want to measure is the exchange value of specific goods; the measuring unit of this pervalence is the **monetary unit**, which gets different names in every State, as each of them defines its own monetary unit (the same as in ancient times every country defined its own units of length, weight, volume...).

But the monetary units are a very special type of measuring unit, which **are not stable**. In fact, the exchange value of the specific goods is not always the same, it is not identical in different situations of time and space. The distance between Barcelona and Madrid is always the same; but the exchange value of a liter of wine changes, in time and space, in terms of a very complex number of causes, which we are not going to study here.

Since the reality it wants to measure is variable, the monetary unit is also variable: there is no outer invariable constant with respect to which the value of the monetary unit may be defined, so that the definition of this unit is not fixed, but evolves with respect to the changes in the exchange values of the specific values it measures.

Moreover, the monetary unit cannot be defined with respect to one only privileged merchandise, but, in a given geographic space, it must be defined with respect to all the goods which circulate in the time period under consideration.

## 3. Measuring procedures.

After a measuring unit whatsoever has been defined with rigorousness and precision, it is necessary to invent the way to carry out in practice the measurement of specific phenomena concerning anybody.

Carrying out a measurement is nothing more than **counting** the number of abstract units contained in any specific phenomenon.

In the case of length units, everybody knows the tape measures, the rulers, and so many instruments and measuring techniques, which make up the measuring processes.

In the case of monetary units, the only imaginable system to carry out the measurement of the exchange value of a specific merchandise, is **the exchange itself**, the free exchange-monetary contract carried out between two market agents. It is the freedom of the market play which creates prices and salaries attributed to each specific merchandise (produced or producing, respectively), at the same time while a sales-purchase act is being carried out.

Prices and salaries are mixed forms, specific-abstract, which issue from every measuring act, from each comparison between the specific merchandise to be measured and the abstract monetary unit in the free market.

And, paradoxically, it is from the whole prices and salaries fixed in a given time-space that we can, through an operation contrary to that of the fixing, define the value of the monetary unit in this time-space. Since the value of the monetary unit -called **currency**- is only its average purchasing ability in every given time-space.

#### 4. Measuring documents.

The only unavoidable condition for any pro-scientific metric system, is that any measuring act carried out be well documented, both with respect to verifying its validity, and with respect to be able, later, to use the elementary results obtained in analyses and statistics of the subject observed.

So every measuring act of the exchange value of any specific merchandise -that is, every elementary trade exchange- must be fully documented.

As we have already seen in chapter 1, in a rational monetary system, this documentation is automatically carried out through the monetary instruments or the monetary documents. In fact, the monetary instruments-documents are **instruments** because they are used to improve exchanges; but they are also **documents** because they record and save the trade act carried out through them.

The basic conditions which must be demanded from a serious documentation are two: first, that every measuring act deliver its own document; second, that this document be thorough, that is, it must contain all the meaningful facts which converge in the measuring act carried out.

And it is in this respect that the present monetary system fails: because it absolutely lacks a suitable documentation.

In the monetary system in force the monetary instruments consist mainly of coins, pseudo-bank notes and bank currency. But all these instruments, instead of documenting the acts of measurement-exchange in which they are used, are of an essentially **antidocumentary** nature. Rather than documenting, it may be said that they hide reality, because of their features of:

- **dynamism**: they do not document one only elementary trade operation, but they are used in a number of exchanges, they circulate on the market for an indefinite time period, and carry out their role in an unknown number of elementary exchanges. Because of this permanent mobility, the present monetary instruments are un-scientific because they are fundamentally un-statistic. There is no possibility of drawing statistics with such uncontrollably dynamic realities.
- **uniformity**: the present monetary instruments are all of them identical; they only change with respect to the number of monetary units they represent. But they do not supply any indication as far as specific details of every elementary exchange, where they take part, are concerned. They do not say **what** has been exchanged, nor **how**, nor **when**... This uniformity is also unscientific because it is un-analytic. There is no possible analysis of the complex and flowing trade reality, without an exact and detailed documentation of every elementary act carried out.
- **anonymity**: finally, the present monetary instruments are anonymous, that is, they do not inform on **who** are the agents of a trade exchange or of a given social-monetary act. Therefore they do not allow to allocate responsibilities to the monetary agents. In this sense, the monetary instruments in force

are, besides, un-scientific and anti-justicial, because they allow to carry out all sorts of monetary activities without leaving any personalizing and responsabilizing trace.

The three un-scientific and anti-justicial features of the present monetary instruments we have just mentioned are to be applied mainly to the pseudo-bank notes, where they are quite evident.

Now, the bank currency (mainly current accounts, but also many other kinds, more or less known by the layman), even if apparently it does not meet these features -for example, it is usually nominal- it is also essentially anti-documentary, because, if it does supply some documentation on the acts carried out through it, this is a bank secret. Moreover, it may become at any time pseudo-bank notes, so that its trace completely disappears.

If the present monetary instruments are the denial of what we have indicated as a monetary instrument-document, we need, as a consequence, reconsider the monetary instrument in a position to constitute the effective guarantee of an exact and fully documented measurement of the exchange value of each and all the goods existing on a given market.

Documenting exactly and precisely every free act of market-monetary exchange is the only way of attaining the transformation of mercologies into an experimental «science». And it is also the only way of achieving, because of the monetary clarification and transparency obtained, the transformation of the corrupt present society into a society more free, responsible and just.

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#### Notes:

<sup>8</sup>By **pro-scientific** we mean «that it admits science, that it is thought keeping science in mind» (science in the restricted meaning which we have mentioned in our introduction).

<sup>9</sup>A **pervallence** is a «privileged value» inside the phenomenon, that is a feature, a dimension, an aspect... of the phenomenon, which we are especially interested in observing and studying.

## Chapter 4. The cheque-invoice.

1. Features of the cheque-invoice.
2. Description of the cheque-invoice.
3. Working of the cheque-invoice.
4. The currency question.

In this chapter we submit a very specific suggestion on how could be the monetary instrument-document which is now so badly needed.

We have called it with the composite name **cheque-invoice**.

### 1. Features of the cheque-invoice.

The essential features of the cheque-invoice, which make it a really pro-scientific and pro-justicial instrument, and a valid alternative to the present monetary instruments, are the following:

- **it is static**, that is, it takes part in one only monetary act (whether a trade exchange, or a social-monetary act): it is issued for a given monetary act, and ends with it. It cannot be used ever again. This is the essential condition of any subsequent statistics.
- **it is diversified** to the utmost and best way, in terms of the specific features of every market-monetary, or social-monetary act; so the possibility of a subsequent global analytics of the monetary market and society is vouchsafed.
- **it is personalized**, that is it indicates the personality of the two market or social agents which use it as a monetary instrument: the one issuing it and the payee. This personalization is the effective guarantee of the full juridical responsibility of the said agents.

The monetary instrument showing these features will be an actual document, it will leave proof of all and each monetary act (market and social ones) taking place and will detail the features and implied agents.

### 2. Description of the cheque-invoice.

The name cheque-invoice describes exactly the essence of the monetary instrument-document which we submit as a substitute of the present monetary instruments.

In fact, the cheque-invoice is only a piece of paper (which will have to be standardized at a geopolitical level) which will be simultaneously an invoice and a cheque.

**As far as the invoice is concerned**, it will indicate the place and date of the operation; it will specify the quantity and quality of the specific goods which are the object of the operation, their unit price and the total amount to be paid; it will also indicate the name of the seller's company.

**As far as the cheque is concerned**, this same document will indicate the customer's identity, the name of its accounting firm<sup>10</sup>, and the number of his current account, besides the accounting firm's name and the number of the supplier's current account.

### 3. Working of the cheque-invoice.

The working mechanism foreseen for the cheque-invoice is the following:

- every elementary monetary act (whether social-monetary, or market-monetary) implies two agents. In the more frequent case of the market-monetary act, that is the market exchange, or sales-purchase act, these two agents are called respectively «customer» and «supplier».

- the customer is the one giving out the cheque-invoice. Every customer is a **customer-debtor-drawee**.
- the supplier is the beneficiary of the cheque-invoice. Every supplier is a **supplier-beneficiary**.
- the supplier-beneficiary will fill the cheque-invoice with the data previously indicated. The customer-debtor-drawee will sign it. It will be necessary to set the necessary mechanisms for checking the customer's identity.
- the supplier-beneficiary will keep the original invoice; the customer-debtor-drawee will keep a copy of it.
- the supplier-beneficiary is the only legal beneficiary of the cheque-invoice: that means that, in no case, will it be possible to endorse the cheque-invoice.
- the supplier-beneficiary will deliver the cheque-invoice to his bank, which will instantly credit his current account with the indicated amount.
- afterwards, the beneficiary's bank will send the cheque-invoice to the bank of the customer-debtor-drawee, and the corresponding debit will be noted in his current account.
- after these operations have been noted down, the cheque-invoice will be neutralized, microfilmed and filed away for statistical and judicial purposes. Here ends the life of this cheque-invoice.
- the cheque-invoice may imply a payment term according to law; in this case it will be advisable to foresee the necessary modifications of the procedure we have described above. In any case, however, the interest of the bank discount will be paid by the customer-debtor-drawee who needs to adjourn payment.
- a complementary measure, which will confer great solidity to this system, would be the creation of an Interbank Fund to ensure the payment to the beneficiary of any cheque-invoice written out without cover. This Interbank Fund would be the only actor in justice against the insolvent drawee.

#### 4. The currency question.

The adoption of a monetary instrument as the one described, implies necessarily an important change in the monetary relations with foreign countries, with the geopolitical communities which do not share the same monetary unit.

The monetary relations with abroad are, now, of two very different sorts, in all the countries.

In the first place there is foreign trade.

For all the commercial operations with abroad -whether within a *modus vivendi*, or within a bilateral or multilateral trade treaty-, it will be necessary to establish special cheque-invoices for foreign trade (either import or export). This foreign trade cheque-invoices will always be worded in units of the foreign currency used: the foreign importer or exporter will pay or receive, according to cases, in that foreign currency: but this currency will go to (or come from) the Treasury, which will be the only one to have currency. The exporter or importer will not be allowed to have currency: in his current account there will be only amounts -credited or debited, according to cases- in domestic monetary units.

To carry out the exchange between the foreign currency and the domestic monetary unit -as long as the complete demonetization of gold in the whole world will not have been carried out- an arbitrary gold standard will have to be used, established by the monetary authorities, which will be compared to the gold price -in the foreign currency- in the free international market. From the relation gold-domestic monetary unit and from the relation gold-foreign currency, a relation domestic monetary unit-foreign currency will be inferred which will be used to carry out the translation in figures among the two.

Another alternative to carry out foreign trade will consist of the foreign agent accepting to pay, or be paid, in domestic monetary units. Then he will have to open a current account in an bank of the geopolitical community with cheque-invoice, and this current account will of course only be valid in this community. This will be the most current case when foreign tourism and foreign investments in our own country will be implied.

After foreign trade we have, in the second place, currency trade.

The first to be said is that this completely disappears in and for any geopolitical community which may have adopted fully the cheque-invoice system.

In fact, the essential feature of this system is that the monetary instruments are issued only to document an operation with a specific merchandise, and purposely for that. Therefore, there cannot be a movement of monetary units without a corresponding movement of specific goods. There cannot then be a movement of monetary units against monetary units. Nobody can buy nor sell currency. In fact, the domestic monetary unit is no longer currency, because it cannot be sold nor bought in any foreign -nor domestic- market.

Then, the State of any geopolitical community whatsoever, which has adopted the cheque-invoice, will not have to defend its currency against speculation, nor defend the parity of its own currency. So, speculation will become instrumentally impossible, and there will not be either any officially fixed parity, but the value of the monetary unit itself with respect to the foreign currencies will fluctuate freely, following the market evolution.

The details given on the specific working of the cheque-invoice show that this is a monetary instrument-document very accurate, agile, easy to introduce and privately issued.

We suggest then the suppression of all the present monetary instruments, both the main and the auxiliary ones, officially or private-bank issued, and their substitution by one only type of monetary instrument-document, the cheque-invoice, issued freely and privately by each market or social agent, well personalized and responsible, with the only limitation of its current account balance.

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**Note:**

<sup>10</sup>Accounting firm: it may be a Business Bank or a Savings Bank (see chapter 12).

## Chapter 5. Telematics.

1. Definitions.
2. Which information?.
3. Applications.
4. The telematic market.
5. Monetary dematerialization.
6. The present alternative.

### 1. Definitions.

The word **telematics** is starting to be used currently in all the mass media in our country.

It has been formed by merging two ideas, more familiar, of **telecommunication** and **data processing**. We can then define telematics as the «distance communication (= telecommunication) of codified information processed according to logic (=data processing)».

Data processing is a very sophisticated system of handling information which brings into play, fundamentally, three elements:

- a. the **material** one (*hardware*) is the tool, the working equipment; it is the computer, the hardware making it up, material and tangible. This hardware is the physical support of information.
- b. the **logical** one (*software*) is the direction, the working method; it is the programme, intangible, abstract-logic, made up by a number of elementary instructions which, when they have been introduced in the computer central memory, ensure its performance.
- c. the **language**: all information is expressed through a language; the programme too must express itself in a language, which the computer must understand in order to be able to carry out the instructions which are given to it. This language is called **machine-language**, and acts as a bridge between the machine (material) and the programme (logic-abstract); it consists of a codification which matches the logic concepts of the programme with specific physical phenomena: the transmission of electric signals. Electric signals, then, materialize information.

Through the combination of data processing with telecommunications -that is, the technologies of distance communications, circulation and distribution of information: telegraph, telephone, radio, television, video,...- telematics is born, which is the possibility of connecting among them several data processing centres, scattered in space, so that they may transmit among themselves the information stored or worked out by each one of them.

Through the combination of data processing with the technologies of retroactive control, cybernetics is born, which is just the possibility for the computer to continuously modify its own performance, by comparison between the programme and the results which are being obtained.

### 2. Which information?.

Data processing is the processing of information. But, which information are we talking about? can any information be submitted to data processing? No. It can only be the information which refers to «scientifically» analyzable phenomena. Only the information which can be systematized, formalized, which can be expressed according to conventional rules or to «scientific» laws, can be the object of data processing.

Because the data processing programmes are logical, they are a number of formal operations to be carried out on informative units. And it makes no sense to submit to logical operations all that depends from human free imagination, creativity, intuition, and which, therefore, is not submitted to any system nor any law, and even less to any logic -which is the strictest of the concentration camps-.

In a word: all that is not the object of «science», is not the object of data processing either. A computer cannot give results nor answers concerning ethical, moral, political, esthetic... problems. It can only help man to solve the problems having their source in the field of phenomena which are the object of «science», because in this field it only repeats and imitates the outlines of the logic thought in man, and to carry them out. And when it carries them out it does so with great speed and precision, thereby sparing man from having to carry out very long and troublesome calculations and mental operations.

This speed and precision are the great advantage and usefulness of data processing; and even if its field of application is rigidly outlined, the final result is that man has a highly perfected instrument of analysis of the phenomenal reality which allows him, later, to take his free ethical, political, esthetic options and decisions of great responsibility, on the basis of a knowledge of phenomena much more complete and improved.

### 3. Applications.

Not because it is narrowly defined is the application field of the data processing technology more reduced. On the contrary, its use gets on more and more through a great number of domains and tasks, to the extent that it becomes a real social revolution.

From the programmes for teaching and research and up to robotics (or robotization of production, that is industrial production carried out by robots, machines with an electronic brain) and to bureautics (automation of office tasks and cores), going through video, video-text, electronic games or the personal minicomputers, which lure the great public, there exist many and many practical applications of data processing and of telematics, and many more are still to be invented.

On the other hand, the quick technologic progress causes a progressive miniaturization of appliances, their constant reduction in price, and the working out of new man-machine languages (which must not be confused with the machine-language previously mentioned) which become closer to the human language -all these things to a great extent make the use of this technology easier-.

### 4. The telematic market.

But what we are interested in especially now is the possibility of applying telematics to the shaping of a new monetary system.

This is no piece of news, since everybody has heard about electronic money or electronic payments. The comprehensive name of monetics is also being used.

Now, the different initiatives which are already on the move in this respect in different countries, also in ours, do not fall within the context of a theoretical reflection on the monetary system and its social function. We want to put right this fundamental deficiency, which is also very dangerous.

In the previous chapter we have described the cheque-invoice, the monetary instrument we suggest as an alternative to the irrational monetary instruments in force. We shall now see how to put in practice this cheque-invoice with the help of telematics, that is, of the **pro-telematic cheque-invoice**. The great possibilities of telematics cause this technology to be perfectly suited to the needs and features of the cheque-invoice.

**Pro-telematic cheque-invoice** means simply that every cheque-invoice issued will be so through a centralized telematic system. To develop this system is, from a technological point of view, the easiest thing.

This telematic system should cover the following elements:

#### A. Telematic-monetary centres:

- o private invoicing centres: each and all the sales establishments (companies; wholesale shops; detail shops and industries), however small, make up an invoicing centre. They will have to be

supplied with invoicing minicomputers which, besides, will dispose of a printer which at every sales-purchase operation shall print the relevant cheque-invoice. The supplier will only have to type the suitable instructions so that all the features of the operation will be recorded -as it was said in the previous chapter-; before making the cheque-invoice he will have checked the identity of his customer (there are several identification means to choose from). Finally, the customer will only have to sign the cheque-invoice.

- private accounting centres: they are accounting companies (let us remember: Business Banks and Savings Banks). In one of these centres each one will have his personal current account. Every cheque-invoice, after being signed by the customer, will be sent by the supplier to his accounting company, which will record the relevant amount in his current account. The supplier's current account will send the cheque-invoice to the customer's bank, where the corresponding debit will be made in his current account, and where later the cheque-invoice will be microfilmed and filed away. Every bank will be in charge of carrying out studies of analysis and statistics concerning the whole of the cheque-invoices signed by their customers in each given year. (These analytic-statistic studies will have to be made completely omitting personal references to the agents of every monetary operation; in this respect, please see chapter 6).
  - imperial centre, depending on the monetary authorities of the geopolitical community: to this centre will arrive the analytic-statistic data worked out by every bank, and the global analytic-statistic studies of the whole empire will be worked out.
- B. Telematic-monetary connections: these connections are not absolutely necessary to start the suggested monetary system, but as they will be set up, they will simplify the processes described before to be carried out by each telematic centre:
- connections between each invoicing centre and its corresponding bank: this will make the automatic recording in a current account easier, without waiting for the cheque-invoice to be sent.
  - connections between accounting centres (banks): this will make the automatic debiting in the customer's current account easier.
  - connections between the accounting centres and the imperial centre, to allow an easier automatic transmission of the analytic-statistic data prepared by each accounting centre (bank).

The market reality which will derive from the radical suppression of the present monetary instruments, and their substitution by the telematic monetary network we have just described, is called telematic market. In the telematic market, each elementary operation is fully documented: there is therefore a total transparency of the market, a thorough information on it, which, if made available to all the population -and not only to a privileged sector of it- is an inexhaustible source of greater wealth, freedom and ability to act with intelligence and effectiveness.

The same could be said of the telematic society, or number of social-monetary acts inside the telematic network of cheque-invoices.

## **5. Monetary dematerialization.**

With the telematic monetary network and the pro-telematic cheque-invoice a great dematerialization of the monetary system is attained, which shows very clearly its lack of any intrinsic value, and its purely instrumental-abstract nature.

The purchasing power of each person will be made up simply by a figure in his current account.

This purchasing power will be started only by the issuing of a pro-telematic cheque-invoice: the ensuing recording of data is automatic through the computer.

The cheque-invoice, being a piece of paper, is the most material part of the suggested monetary system, and it might even be suppressed and substituted by a magnetic memory which would be printed directly in the customer's card and in the telematic network of the accounting centres (banks).

## 6. The present alternative.

Whether we like it or not, the fact is that the telematic market will be a reality in a very few years.

In some parts of our country there are already electronic payment cards. In other countries, especially in Japan, this system is already widespread.

However, if we consider how this is being done at present, the conversion of the monetary system to telematics will not be total, but will be done parallel to the present system. The **anonymous** monetary instruments in force will not be suppressed radically as we have suggested, but they will be held side by side with the **personalized** telematic monetary instruments: in this way it will always be possible to go from one sort of monetary circulation to the other. And so it will be impossible to obtain a total imperial accounting, and it will be impossible to attain an effective personalization and responsabilization of the monetary acts, in anticipation of the disappearance of corruption for money. All the goals we have assigned to the pro-telematic cheque-invoice will be in principle unattainable; there will have been technical progress, but social progress will be naught.

We therefore suggest the complete telematization of the monetary system. That this need not imply the absolute control of the State over citizens we shall try to demonstrate in the following chapters.

## Part II. Immediate possibilities of the monetary reform.

### Introduction.

The monetary instrument we have described in Part One is, because of its feature of being static, its diversification and personalization, the suitable instrument of a rational monetary system, being a true measuring system of the elementary market phenomena. Its telematic modernization gives it, besides, an extraordinary plasticity and agility.

Now, besides these purely commercial qualities, the pro-telematic cheque-invoice has many other important advantages, of a much more general bearing: the market knowledge it supplies immediately opens the doors to a much more rational social action.

In fact, the suggested monetary instrument, because it is a complete document of every elementary market exchange carried out, supplies a clear, exact and complete information on the exchanges and on the whole market. Through this information, social practices much better suited to the actual needs may be worked out, much more effective as far as the results are concerned.

There is, however, an immediate objection to the introduction of the pro-telematic cheque-invoice as a single monetary instrument. That is, saying that it will become the best and greatest instrument for the control and domination of people by the State which has ever been conceived.

In order to answer this objection, we suggest that Justice -which will have become, constitutionally and in practice, fully independent from the State- become the only warden of the telematic monetary network: it will be the only one to have access to all of the guarded information, but only in very well-defined circumstances.

If the intimacy and privacy of all the people in the geopolitical community are well protected by Justice, the immediate advantages of the pro-telematic cheque-invoice and of all the telematic network become evident and acceptable by all honest people with an average intelligence.

All that we shall suggest in this Part Two falls within the context of the present social pattern: it does not imply any breaking of the prevalent social structures, but only a clarification of the same, thanks to the information supplied by the cheque-invoice.

1. In chapter 6 we shall deal on the possibilities of a society where corruption and crimes for money have become instrumentally impossible, and where the justicial organ has a much greater effectiveness than at present.
2. In chapter 7 we shall see how a drastic simplification of the present complicated fiscal systems becomes possible: it would be very easy to legislate one single tax, established as a given percentage on every cheque-invoice issued, and to be paid always by the client.
3. In chapter 8 we shall see that centralization of all the cheque-invoices, all over the geopolitical community -after stripping them of any personal reference-, allows an analytic-statistic omni-accountancy of market and society, which will turn out to be very useful and interesting for everybody: politicians, utilitarian professionals, market experts, ordinary citizens...
4. Finally we shall see in chapter 9 that the fact of having available a rational monetary system is the key of a market science which for the first time will be seriously empiric-quantitative and potentially experimental.

## Chapter 6. The justicial organ.

1. Justice, the custodian of the monetary archive.
2. Independence of Justice.
3. Suppression of crimes and offences for money.

The suggestion of a fully informative monetary instrument, as the one we have just described, usually produces immediate, important hesitations with respect to a fundamental question: won't the cheque-invoice be the sophisticated instrument of a new totalitarianism, of never before seen power and oppression by a State which now can know almost everything about its citizens? where will be the personal freedom and privacy, up to now based on anonymity, and very especially on monetary anonymity?

In this chapter we shall try to answer this objection.

### 1. Justice, the custodian of the monetary archive.

In our opinion, the best way to solve this problem consists of appointing the justicial body as the only one in charge of guarding the all-documentary, total, archives of cheque-invoices.

Justice has no direct authority on the people making up the geopolitical community: for this reason it is the best suited to keep watch effectively:

1. On the respect of the private secret and of personal privacy, to whom everybody has a right. The private secret can only be made public in two well-determined cases:
  - a. when we have the written authorization of the interested party, at the foot of the document to be made public;
  - b. when there is a Court sentence.
2. On the respect of professional secrecy, to which everybody has an obligation and a right, irrespective of their profession.

Justice then must be the only body to have a direct access to all the data supplied by the telematic monetary network: the right of access of the State and of private persons will be constitutionally limited to the data of an analytic-statistic type, without mentioning names nor identifying people.

All the equipments making up the telematic monetary network, both human teams and material equipments, will depend on Justice. In order to avoid possible manipulations or errors in the network, it is advisable that both the teams and the equipments will be set up threefold, but completely independent from each other, both with respect to machines and to programmes and people.

Now, with respect to Justice being the only warden of the network, and the only one to have a full access to it, does not mean that this right of access can be used indiscriminately. Law must foresee that Justice will only be allowed to use the information it keeps with respect to a specific case which is being investigated. If the examining magistrate has founded reasons for consulting the monetary instruments related to the case he is investigating, that judge, and only he, will be allowed to examine the related documents, and only these.

### 2. Independence of Justice.

Justice and judges are, in principle, the most suitable for the noble mission of guarding the telematic-monetary archives, because of their training and vocation.

Now, in order to carry out this task in an effective manner, it is necessary for Justice to attain a full independence from the State. It is necessary to find the legal mechanisms to make this independence possible.

A good system would be the legislation of justicial budgets independent from the State budgets, worked out by Justice itself: economic autonomy could constitute a practical basis for the development of a real independence in everyday performances.

### 3. Suppression of crimes and offences for money.

In the contradictory practice of Justice, it is an important progress to be able to rely on the pro-telematic cheque-invoice. The controlled access of judges to the telematic monetary network allows to give to every case investigated the exact **antejusticial**<sup>11</sup> documentation concerning any type of monetary responsibility. In practice this implies:

1. The disappearance of crimes and offences committed for money (paid for crimes): in fact, in a monetary system based on the cheque-invoice, the transfer of money from one current account to another necessarily implies the exchange of a well-defined merchandise, and this, of course, must be legal. Without merchandise there can be no cheque-invoice.
2. As far as the other crimes are concerned, illegal acts or responsibilities implying some monetary dimension, it is evident that this will be always perfectly documented.
3. As far as the possibility of issuing false cheque-invoices is concerned, it is quite possible, and even sure, that they will be made; but in the long run they will be found out by the monetary network itself, which will have the necessary mechanisms available to do so.
4. Finally, it is certain that human intelligence and cunning will invent a great number of new crimes of a monetary dimension, still to be discovered; but it is not now the time to discover them; when they will become apparent the most suitable solutions will be found.

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#### Note:

<sup>11</sup>I.e.: a documentation established **prior to** the beginning of the investigation.

## Chapter 7. Taxation.

1. The single tax.
2. Making life easier.

Among the most interesting practical realizations, which make possible the monetary reform we have suggested, is that of a drastic fiscal simplification.

The present fiscal systems -as everybody knows, who has suffered them personally- are absurdly complicated for the taxpayer, and very expensive for the different collecting bodies, because of the great number of officials which are needed for collection and inspection.

### 1. The single tax.

The introduction of one single legal monetary instrument, of the pro-telematic and all-informative type, would allow the suppression of all the present fiscal systems, and their substitution through a simple system based on **one single tax** of a fixed percentage on the total of each and all the **cheque-invoices** issued in the geopolitical community, which would always be **debited to the customer**.

If we start with the two following verifications:

- every cheque-invoice will compulsorily imply this tax, so that its yield will be directly proportional to the total volume of the real market of the geopolitical community.
- the total number of cheque-invoices issued daily (monthly, yearly...) in a given geopolitical community, is very high;

We shall easily understand that the tax percentage should not be very high to be able to cover the needs of a given geopolitical community. This percentage could be calculated every year, in terms of the foreseen needs.

As can be seen, this tax is of the sort «corporate activity tax», because it implies a percentage previously established by law, equal for all, on every operation carried out.

It would not be heavy for anybody, because it would be distributed equally<sup>12</sup>.

The main advantage, however, lies in the fact that it is automatically calculated: any discussion on the amount to be paid is unnecessary.

Another not negligible advantage is its automatic collection, which greatly reduces its cost. In fact the established percentage to be paid shall have to be recorded compulsorily in each cheque-invoice, so that it will be automatically paid together with it. The control of this requirement will be carried out by the same telematic network of cheque-invoices, so that any trickery or fiscal fraud will be impossible. Finally, the banks themselves will discount from every collected cheque-invoice the indicated percentage, and will transfer it directly to a current account opened by the Treasury. In exchange for this service, the banks will receive a commission agreed upon between their General Confederation and the monetary authorities: this will be the only cost caused by the collection of the single tax.

### 2. Making life easier.

As far as taxpayers are concerned, the main advantage of this single tax is that it makes things much easier.

Consumers will not need to think any more about taxes, because every cheque-invoice signed would contain the corresponding percentage, which would not be excessive.

On his side the tradesman would be able to know in advance, each fiscal year, all the taxes to be paid on his purchases of raw materials, capital goods or production factors (labour, capital...), and could lay this expense on the cost price.

Of course workers as such do not pay taxes: it is the tradesman who buys labour and therefore pays the relevant tax.

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**Note:**

<sup>12</sup>The objection that, under this system, the large «vertical» concerns would pay less taxes than the very specialized ones, is easily solved if the law compels these concerns to split in such a way that the transfer of goods from one section to the other implies the payment of a tax. They would then be on an equal basis with the other companies.

## Chapter 8. All-accountancy.

1. Features of all-accountancy.
2. Structure of all-accountancy.
3. Market analysis in its cycles and sub-cycles.
4. Differentiation of cheque-invoices.

Thanks to the application of the telematic technology to the cheque-invoice, the monetary network becomes an excellent instrument for the automatic and continuous grasping of the magnitudes abstracted from the specific, elementary, market phenomena.

The centralization and analytic-statistic handling of the data obtained through this network constitutes the **market all-accountancy** we will deal with in this chapter.

### 1. Features of all-accountancy.

We call **market all-accountancy** simply «the measure, analysis and statistics, exact, continuous and dynamic, of the monetary market, which may be attained through the centralized and automatic grasping of all the information supplied by each and all the pro-telematic cheque-invoices -grasping the elementary market phenomena, that is the elementary monetary changes- issued during a given period of time». The accounting year or period under consideration will be reduced according to the technological possibilities of the pro-telematic monetary network.

The all-accountancy will have to be as complete as possible. **All** the possible accounting systems will converge in it: if, at the beginning, this is not technologically possible, it will be necessary to establish preference standards and, little by little, to cover all the fields and aspects of the market.

Of course, all-accountancy will attain exclusively the trade data concerning goods and monetary units and trade values; in no case will it concern persons or specific trade agents: the personalized information will be protected and guarded by Justice.

The all-accountancy centralization of cheque-invoices will be made, of course, for all the geopolitical community, in order to obtain the macro-trade magnitudes. The successive steps in the working out of this all-accountancy on a geopolitical level would be:

1. Every accounting concern (Trading Banks and Savings Banks), after transferring to Justice all the information contained in the cheque-invoices signed by their customers, will work out the partial statistics and analyses on the depersonalized data contained in these cheque-invoices.
2. The accounting concerns will send these partial data to higher local centres -town councils, county councils, ethnic groups...-, where the integration at the relevant local level will be carried out.
3. Finally, the centralization on a geopolitical community basis will be possible.

### 2. Structure of all-accountancy.

The task of organizing the structure of this all-accountancy will be left to technicians and experts.

However, we shall give here some general bases, in terms of the market analysis in well-differentiated cycles and sub-cycles.

Within these cycles and sub-cycles may be established sectors and subsectors -according to products, geographical areas...-, as needed, in terms of the necessities which will appear.

### 3. Market analysis in its cycles and sub-cycles.

Market consists of the exchange of goods, whether produced goods or producing goods.

If we analyse the market from the point of view of the producing **goods** -or production agents- which are what companies buy so that they may help in the production processes for a salary, we must only make the difference between the different sorts of existing producing goods<sup>13</sup>:

- a. **Labour**, purchased by the company against an actual salary;
- b. **Capital**, purchased by the company against payment of interests;
- c. **The company's spirit and management**, purchased against profits;
- d. **Invention**, purchased by the company against payment of royalties.

This discrimination does not produce any sort of especially interesting analysis within the market.

The situation changes if we consider the market from the point of view of the exchange of produced goods.

Among the produced goods two sorts must be distinguished:

- a. In the first place, we have the **socially non-finished goods**: they are those which have not yet finished their trade life, which must still stay on the market, for some of the following reasons:
  - o because they have been bought by a company which, after transforming them, will again sell them to a third company; they are then goods technologically and socially unfinished, or **current production goods**;
  - o because they have been bought by a company which will use them instrumentally in new production processes: they are technologically finished goods, but socially unfinished and unfinishable, because of their quality, or **investment goods**;
  - o because they have been bought by a retail shop or industry, which will then sell them to the end-user: they are goods technologically finished and socially unfinished but finishable, or **goods for consumption**.
- b. In the second place, there are the **socially finished goods**, which are those coming from the market, to which they will not return. In practice, they are those goods that consumers have already bought in retail shops and industries. When they are purchased by a consumer, these goods reach the end of their trade life.

Based on these differences among produced goods, we can make a parallel analysis of the market in two main cycles, the first of which includes then three sub-cycles:

1. **The production cycle** includes all the exchanges of socially unfinished goods, -documented by their corresponding cheque-invoices-. It breaks down into:
  - o Sub-cycle of current production and wholesale shops: it includes all the exchanges of current production goods;
  - o Sub-cycle of investment production: it includes all the exchanges of investment goods;
  - o Sub-cycle of retail shops and industries: it includes all the exchanges of goods for consumption.
2. **The consumption cycle** includes all the exchanges of socially finished goods -also documented by the relevant cheque-invoices-, that is the exchanges carried out between retail shops and industries and consumers.

#### 4. Differentiation of cheque-invoices.

The all-accountancy we suggest must follow the basic analysis we have just explained.

Now, in order to make the task of all-accountancy easier, it is advisable that the cheque-invoices be differentiated at the most and the best in types and sub-types, corresponding to the trade cycles and sub-cycles where they belong. This differentiation is very easy to carry out in practice, through number codes, colours.

So the following types of cheque-invoices will be established:

1. Cheque-invoices for the sales-purchase of produced goods:
  1. Cheque-invoices for the sales-purchase of socially unfinished goods (production cycle):
    - Cheque-invoices for the sales-purchase of current production goods (sub-cycle of current production and wholesale shops);
    - Cheque-invoices for the sales-purchase of investment goods (sub-cycle of investment production);
    - Cheque-invoices for the sales-purchase of goods for consumption (sub-cycle of retail shops and industries).
  2. Cheque-invoices for the sales-purchase of socially finished goods (consumption cycle).
2. Cheque-invoices of sales-purchase of producing goods: these cheque-invoices will not be made for each merchandise, but for each company: every company will prepare them as a single salary sheet, where will be indicated the number of salaries which the company must pay to the production forces which cooperate with it, in every chosen time period (month, quarter...).

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**Note:**

<sup>13</sup>We will not now indulge in a polemic, and will assume that these are the four active production factors which really are active in the company and paid by it; later, in chapter 15, we shall see why of this consideration.

## Chapter 9. Mercometrics and mercologics.

1. Metrics and «science».
2. Operative definitions.

From the point of view of the theoretical knowledge of the market, the monetary reform which we have suggested has very important consequences. In fact, the rational monetary system of the pro-telematic cheque-invoice makes it possible to convert the market definitely into an object of scientific study.

### 1. Metrics and «science».

Without a suitable metric system, no discipline of knowledge of the phenomenal reality may become «scientific».

In the case of the **market science** or **mercologics**, it is exactly the same: it is necessary a metric system for measuring the elementary market phenomena: the elementary monetary exchanges. And this metric system is undoubtedly the monetary system.

The present monetary system, however, does not fulfil suitably this task: it is irrational and antidocumentary. The pro-telematic cheque-invoice which we suggest is the basis of a real and effective mercometrics, without which we cannot have later any mercologics: at the most, there could be a qualitative approximation, which is not enough for the experimental «sciences».

### 2. Operative definitions.

A rational metric system allows to give operative definitions, that is, definitions liable to appear in experimentally verifiable statements.

In the case of the market, if we consider it as the number of the elementary free monetary exchanges (carried out in a given time-space), this definition can only be operative if there is a cheque-invoice, because in this case every elementary monetary exchange is well documented and, therefore, can be known and measured.

Market exchanges are specific phenomena which, thanks to the use of a monetary system, summon up abstract dimensions; these abstract dimensions are picked up faithfully, exactly and automatically, by the pro-telematic cheque-invoice, and make up the basic material for the logic, pro-scientific processing of data.

Only so can «science» be spoken of; only so is it possible to confirm or invalidate any hypothesis or model on the market according to a «scientific» process.

It is therefore urgent for mercologics to rely on a solid and dependable mercometrics as the one which may be offered by a monetary system based on the pro-telematic cheque-invoice.

## Part III. Foundations of a new, libertarian, social order.

### Introduction.

1. The most suitable instrument.
2. Ethical inspiration.
3. Structure of Part Three.

Starting from the monetary reform we have suggested in Part One, the bases of a new social order may be established, qualitatively different from the present one.

The immediate possibilities suggested in Part Two, even if they are very interesting contributions, do not change in depth the main features of our present civilization: they only supply an instrument for clarity, transparency and information within the prevailing order.

But we want to go farther on, and to offer a valid, practical and specific option, to the most urgent problems faced by society, problems which find no solution in any of the two antisocial models in force: the capitalistic model (in all its versions) and the communist model (in all its versions too).

#### 1. The most suitable instrument.

All the present ideologies, especially those prevailing in both worlds (capitalism and marxism), are completely ankylosed, tied up in the past century.

The social and technical realities have evolved a lot from the last century, but these ideologies have not been able to fit into this change, and now they are outphased: they are unable to give suitable solutions to the most important and deep problems of our civilization.

We do not want to introduce a new ideology able to find answers for all the social problems, but we prefer to directly strike at each one of these problems, one by one, and to find practical and specific solutions. To make these solutions feasible and useful, we have a privileged instrument: the pro-telematic cheque-invoice.

In fact, the introduction of the pro-telematic cheque-invoice as the sole legal monetary instrument, and the accounting centralization of the telematic monetary network for statistic-analytical purposes, create an all-documented market and society in the monetary aspect, which we call **clear (monetary) market and transparent (monetary) society**. Clear market and transparent society mean that:

- a. every particular problem will be objectively and exactly known in its monetary dimensions, at least;
- b. with this knowledge the more practical and effective solutions can be found, especially the most suitable monetary solutions;
- c. through a continuous monetary information, the effectivity of the solutions applied will be controlled;
- d. finally, the responsibilities of any monetary action will always be well established.

Within the framework of the suggested monetary reform, then, it is possible, in our opinion, to start to create new social structures, new forms of social organization to favour and protect the specific liberties of every individual: that is libertarian structures.

#### 2. Ethical inspiration.

We have spoken about offering specific solutions, forgetting any ideology whatsoever. Now, the solutions to social problems, even if based on an objective and exact knowledge of reality, can never be absolutely neutral; any approach, suggestion or social project always partakes more or less of ideas, perceptions, intentions... which are not «scientific», very intimate, personal, subjective, whether we are talking of individual, group or class interests... or of ethical ideals in the service of all mankind.

Also the specific solutions which we shall introduce in this Part Three participate in a background of this sort, and we are not trying at all to conceal this, well on the contrary we want to openly declare which are the ideals which encourage us, so that nobody be deceived.

Our ideal, the driving thread of our suggestions, is the obtention of the maximum and best **specific liberties** for everybody. We do not speak about Freedom, because, from the ethic-specific ideal it was, it has become an abstract myth which everybody defends but which nobody tries to put in practice. We are talking about actual, phenomenal, practical, possible liberties, in terms of the level of the technical development attained.

For example, if the present technical progress makes it possible to produce with much less labour, it is necessary for everybody to have the liberty of working only 20 hours per week; and the same is valid in many cases.

A society protecting all the specific liberties already attained, and which promotes and encourages the obtention of new specific liberties, technologically possible, is a **libertarian** society: all the suggestions we shall make hereafter are meant for its benefit.

The specific liberties must be attained in all the fields of man's life; but there are two fields, very important ones, where it is necessary to create new libertarian structures with priority: political life and utilitarian life.

a) **Politics.** Politics is the discipline that every geopolitical community imposes on itself, on its own behalf. It consists of a double action: in the first place, the free and responsible rule (or *archy*) of a democratically elected monarch; in the second place the obedience, also free and responsible, from the electors. Both the ruling and obedience are carried out through an ethical conviction and vital interest.

If politics grows as a spontaneous and expansive development, naturally beautiful and good, as a communal strategy for all the members of the geopolitical community, then we have a **selfpolitics**.

If, on the contrary, politics becomes an arbitrary and imposed development, an individual strategy, oligopolistic or class-bound on its own behalf by means of the exploitation of others, then we have an **anti-politics**.

The anti-politics are all anti-libertarian, because in them the liberty and responsibility inherent in all politics - both on the side of the ruler and on the side of those obeying- have become the irresponsible power of some individuals on others; the power over individuals is the negation itself of liberty.

Therefore an objective having priority will be the construction of libertarian self-political structures, bound to attain the total disappearance of any sort of power over individuals.

b) **Utilitarian life.** The utilitarian life is dedicated to solve the material needs of man. In this field the specific liberties are:

1. as far as the production of utilitarian goods is concerned, liberty of companies and liberty of their collaborators.
2. as far as the consumption of utilitarian goods is concerned, assured subsidy of the **essential** needs of each individual.

To find specific solutions for the first item is something which can be attained rather easily by means of an intelligent legislation, which protects the different possible liberties on the market.

The second case is, of course, a specifically monetary problem: specific liberties in consumption, means, in the first place, to have the necessary money for consumption. At present, the technological conditions for production allow giving this liberty to all the citizens in a geopolitical community. It is necessary then, also with priority, to find specific mechanisms, specific structures which will bring the birth of a total solidarity on a geopolitical level: a solidarity which will not deny the liberties naturally and vitally egoistical of the utilitarian

producers, but which will take advantage of them to obtain a permanent monetary osmosis among all the social bodies.

The final objective is to attain the disappearance of all sorts of material misery and social proscription because of money.

### **3. Structure of Part Three.**

With the intention then of suggesting specific and effective solutions to the most urgent problems of our days, by means of the establishment of libertarian social structures, we shall deal with the following matters:

In the first place we shall make some prior considerations and definitions in order to make understandable all that will follow (chapter 10).

In chapter 11 we shall consider the libertarian self-politics called to cause the disappearance of all sorts of power on individuals.

In chapters 12 and 13 we shall submit the basic instrumental measures of the new libertarian order: the monetary legislation (chapter 12) and the imperialization of all the analytic-statistical information obtained through the telematic monetary network.

In chapter 14 we shall deal with the mechanisms of social omni-solidarity meant to cause the disappearance of all misery and social proscription because of money.

The following chapters will be used to study the minimum laws which shall have to protect the specific liberties in the different social fields: in the utilitarian-productive society (chapter 15); in the liberal society (chapter 16); and in the utilitarian-consumer society (chapter 17).

Finally, in chapter 18 we shall try to show how all the structures suggested up to now may constitute the favourable basis for the realization of social ideals and aims of a much larger bearing.

## Chapter 10. Total society and its composition.

1. Individuals.
2. Empire.
3. Utilitarian society and liberal society.

This chapter is dedicated to fixing and defining the technical terms which we shall use very often in this Part Three.

They are terms concerning the specific living society, and specific, true-life social facts. Our perspective, if we must define them, is a perspective of specific realities -not a perspective of abstract-monetary realities- based on which we have prepared the definitions of Part One.

The specific, living, phenomenon we are interested in, and which we shall consider as a study unit, is the total geopolitical community. But this unit is at the same time a very complex whole made up by different social sub-units.

### 1. Individuals.

If we look for the irreducible element which makes up a social complex, we find the individual.

Every human group, and therefore every geopolitical community, is made up by individuals. By **individual** we mean «an animal being -that is a psychosomatic being- endowed with a transcendent spirit». Individuals are not totally determined -neither through the environment, nor genetically or socially-, but are able to jump freely towards something beyond their determined reality. It is this possibility of freedom beyond determinism which we call **transcendent spirit**, and which differentiates radically an individual from any other animal.

It is an extended mistake to consider as persons only individual men and women. The simple observation of the present reality, and the historic consideration of the past realities of man, show us on the contrary that there are three sorts of persons.

In the first place we have the **national-communal persons**, or **nations**: a nation is only a birth group, according to the etymological explanation. The national person has, then, an instinctive-genetic origin, but is already endowed with spirit, with a self-conscience. It is, in fact, the first person which, in the course of time and of human evolution, became aware of being one.

In the second place we have the **social-collective persons**: they appear and become aware of themselves within the national persons, and are formed by free affinities and election among individuals.

Finally, we have the **individual-mortal persons**, which nowadays are the most evident and even the most conscious of their essence as persons. In spite of this, they are the ones which have appeared more recently in the history of mankind. The individual conscience is an acquisition which probably is related to the development of the social-collective structures known as **civilizations**.

In order to make this distinction clear among the different sorts of persons, we may suggest the following examples: they are national persons all the birth groups, that is, reproduction groups, among men: the sexual-nutritious group (that is, one or more males, one or more females, and their children; at present the sexual-nutritious group takes the name of family); the ethnic group (that is the whole of all the individuals related genetically which, moreover, share the same customs and culture, and eventually the same language); they are social-collective persons all the groups made by free choice: a chess players club; a political party...

### 2. Empire.

The total society or geopolitical community is also a person itself. It is a social-collective person, historically having its origin in the need for protection and defence in a permanent warlike environment. The first geopolitical communities are the first cities, the first *polis*: several ethnic groups met there to live in them:

- geographically, in a given town space;
- politically, ruled by one only ruling body (later it became the State), which acted as a manager of the whole community;
- justicially, protected by one only peacemaking body (later it became Justice), well differentiated and separated from the ruling body.

In this way we find again, quite naturally, the word empire.

This word comes from latin *imperium*, and this from the verb *imperare*, which is made up by *in* + *parare*. *Parare* meant, in the first place, «to prepare, to get ready»; and *imperare* meant exactly «to take steps, to prepare so that something gets done». For this reason, the most original meaning of the word «empire» is that of «a collectivity which gets ready, which takes steps of inner organization and of outer defence», -even if later the meaning of *imperare* has evolved towards «to rule, to command»-.

We shall then disregard any ideologic prejudice, and we shall use the term of «empire» in the above-mentioned etymologic meaning, as synonymous with the expression «geopolitical community». We want to banish all the deprecatory connotations from this word, and use it simply as a previously well-defined technical word.

Empire has its origin, as we have said, in the need for protection and defence. To this end, several ethnic groups assemble freely in an empire, in a geopolitical community. To this end, the fundamental idea which explains the empire, is that of **free federation agreement**, in its two versions: federation in one only compact nucleus to face the outer dangers (or **uni-extra-federation**) and free domestic confederation, for the free organization of every ethnic group and of the relationship among themselves (or **multi-inter-confederation**).

The person born of this free pact is a social-collective person, made up of multiple communal persons -the ethnic groups federated in the empire-.

The two imperial bodies in charge of carrying out the goals of the empire are the political body and the justicial body. To them the collectivity delegates its authority, and entrusts the job of ruling, but within very exact limits. Out of these limits, every group can freely organize its activities and its civic institutions in a completely autonomous way.

If, in the course of time, the political body and the justicial body appear to be faithful and effective protectors of the imperial-collective person, it may happen that this, slowly, becomes a communal person, a nation, an ethnic group of a superior range than the groups which originally made it up, superimposing and accumulating itself on them but without destroying them.

This is the noble mission and calling of any empire. We need then avoid any confusion between empire and imperialism. What in an empire is an effective protection of all its members and research of a future nationalization, in imperialism, which is a deviation and degeneration of the empire, it is an exploitation of the majority on behalf of a few, with the complicity of the political and justicial bodies, become corrupted by the vice of power.

### 3. Utilitarian society and liberal society.

We will now explain a very important differentiation in our conception of society. It is the distinction between **utilitarian society** and **liberal society**.

**The utilitarian society**<sup>14</sup>.

In this Part Three, we shall understand for **utilitarian society** a whole made up by:

- all the private persons -whether individual or collective ones- which, with an interested and egoistic attitude, acting only on their own behalf, dedicate themselves to the production or to the consumption of utilitarian goods. These persons are called **productive and/or consuming personal forces, or production and/or consumption agents**.
- all the specific goods exchanged (whether produced goods or producing goods; see page 16).
- all the monetary interrelationships among these persons concerning these goods: that is, sales relations on the one hand (suppliers) and purchase relations on the other hand (customers), whether it is produced goods or producing goods.

The utilitarian society is also called a market: we have already given its most accurate and operative definition, as a «collection of all the free elementary, monetary, changes». (see page 80); but, for the needs of this Part Three, we do not need the narrow definition, but the widest one we have just developed.

### **The liberal society.**

By **liberal society** we understand a whole made up by:

- all the private persons -whether individual or collective- which, in an altruistic and unselfish attitude, without going after their own interest, dedicate themselves to the service of all the members of society, without exception;
- all the services given by these persons, through the interpersonal relation and communication;
- and all the remunerations that in justice, the geopolitical society decides to deliver to them so that they may live with dignity and develop their vocation with all the technical means within their reach.

The utilitarian and liberal vocations, activities, professions, institutions... differ radically among themselves as far as their motivations and objectives are concerned; but all of them are equally noble, legitimate and necessary to society.

From the acknowledgement of their radical difference are derived, however, important consequences: the main one is that at all costs must be avoided the mercantilization of the liberal society. Of the specific mechanisms which must avoid this situation, so frequent in our days, of confusion between **utilitarian** and **liberal**, we shall speak later.

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### **Note:**

<sup>14</sup>In chapter 1 we have given the definition of utilitarian goods and of utilitarianism.

## Chapter 11. The social rule or archy.

1. Definitions.
2. Dialectics between *archy* and anarchy.
3. The different *archies*.

When we must suggest a social alternative, one of the main questions which must be solved in the first place is that of who and how will rule, which will be the political structure of this new society, which institutions will take care of its direction.

As far as we are concerned, we cannot think -at least in the present evolutionary cultural level- of a human society without a rule, without a person in charge of ruling, deciding, in every field of the social activity under consideration.

### 1. Definitions.

In all the social levels there is rule, but now we are interested only in the highest social rule, that is the one which is practised on geostrategic levels: district..., town..., county..., ethnic group..., interethnic group..., empire.

And the technical term we apply to this social rule is that of *archy*. *Archy* is a word of Greek origin, derived from a Greek verb which, originally, appeared to mean «to take the initiative, to start», and later became also «to rule».

But, what is implied in the idea of rule, generally speaking, and in the idea of *archy* (or of «supreme command»), in particular? It is necessary to exactly describe these ideas, in order to avoid possible misunderstandings with other social realities of a very different sign.

Ruling is the action of a commander-in-chief elected by the members of the society on which he rules; this action is oriented to take the suitable practical measures in order to really carry out the political will declared by these members: it is then an action **in the service** of the members of the collectivity or community being ruled; finally, this commander-in-chief must be personally responsible for all his actions, and therefore must account for his actions at the end of his term of office.

If these fundamental requirements of freedom of action and total responsibility of the chosen commander-in-chief are respected, it is easy to understand that ruling becomes a just and healthy social function, which contributes cohesion to the social structure, and constitutes its keystone.

To this high command we can then oppose the idea of **power above and against persons**. *Power* is a term of latin origin. The verb *potere* meant originally «to be the master of», later it meant «to exert power on». In the eyes of any person it is legitimate «to be the master» of any object, of any **thing**, but it is unfair, illegitimate and ignoble to be the master of a **person** (individual, collective or communal).

Any ruling of persons implies, necessarily, a **power above things**: without this power, the commander-in-chief would be disabled, he could not act; because the commander acts on things, modifies things, in the service of persons.

On the contrary, it is necessary to prevent absolutely the rule on persons to become **power over and against persons**, which would be slavery (more or less concealed) and tyranny, control, oppression, repression, right of life and death, **objectification of persons**...

This hateful situation is the one which takes place when the ruling is concealed and irresponsible. And in any social proposal expected to be liberating and libertarian, the first thing to do is to formulate the specific

mechanisms which will prevent, in practice, the transformation of the ruling of persons into power above and against persons.

## 2. Dialectics between *archy* and anarchy.

The number of principles which make up our *archic* conception are resumed in the expression **dialectics between *archy*** (high social command) **and anarchy** (the absence of a high social command): this means, simply, that any free and responsible *archy* must provide itself -besides the mechanisms which ensure this freedom and responsibility- with mechanisms of **self-limitation**.

The counterpart of any free and strong *archy*, with an actual ability to act on things and to rule on persons, is its constitutional limitation in the following fields:

- a. Limitation in the number of persons exerting the *archy*. The *archy* must be monarchical, that is limited to one only elected commander-in-chief, free and responsible at the end of his term of office; the goal pursued with this measure is twofold: the concentration of responsibilities on one only person, and the unification of all the *archic* actions in one line, single and consistent, easily to be distinguished by any observer. The number of collaborators of the monarch (ministers, counsellors, secretaries...) must also be limited (for example, no more than six), for similar reasons.
- b. Limitation in the length of the term of office. The time period during which a given *archic* mandate is exerted must be established constitutionally, and it must not be possible to extend it -that is, no monarch can present himself for re-election, because there is a very strong tendency to take advantage of the continuity of the same person in a position of the highest responsibility-. So, each monarch will exert his mandate during a very short period of time -enough, however, to carry out his programme- and be immediately after be judged for his performance.  
In order to avoid the discontinuity of persons to cause a discontinuity of rule which would not be desirable, it can be established among the collaborators of the monarch an automatic succession order, to provide at every cessation a successor: the elections would be carried out, every time, not to choose the commander-in-chief, but the last of his collaborators. In this way, everybody reaching the highest responsibility would have a long experience obtained during the years in which he acted as collaborator.
- c. Limitation of authority. Finally, it will be necessary that the authority and the field of action of the monarch be limited to the minimum necessary.  
To attain the maximum *archic* decentralization, according to the subsidiarity principle, it is necessary that no *archy* of a given level take part in any matter which may be dealt with at a lower level. Finally, it is necessary to leave to the free decision of every citizen and citizenship, to the anarchic freedom, as many things as possible.  
It must be pursued that the life of each person (individual, collective and communal) within the empire be as anarchic as possible, and as little as possible submitted to the *archic* discipline.

## 3. The different *archies*.

As we have already pointed out, the *archy* is the highest social rule, but this is exerted at different geostrategic levels, which we shall detail hereafter.

The first distinction to be made, is between **imperial *archies*** and **civil *archies***.

The **imperial *archies*** are those exerted on the total whole of the geopolitical community or empire. They have been built up, legitimately, on the federal agreement among the different ethnic groups which make up the empire.

The **civil *archies*** are those exerted on each one of the communities integrated in the empire: districts..., towns..., counties..., ethnic groups..., interethnic groups..., ex-empires (that is, old empires at present integrated into a larger one, better adjusted to the present geostrategic conditions). Also these *archies* -previous

to the imperial *archies*- have been building up legitimately through the agreement among the members of each one of the mentioned communities.

The imperial *archies*, as we have already said in the previous chapter, are two: the **political archy** and the **justicial archy**.

The **political archy** is exerted through the State: it is the manager of the empire, the executor of its projects and of its political will, but with respect to relations with abroad and to the domestic organization.

In our suggestion, the State is made up of:

1. A monarchic Executive body, strong and short: that is with an elected head of State, solely and personally responsible, with a real capacity of executing his decisions, and with a council made up by a small number of members.
2. A Legislative body, independent from the Executive one, and therefore elected separately. The Legislative body, following the principle of legislative abstinence, will legislate as little as possible; in no case will the Executive body depend on its votes to be able to act. We want to avoid as much as possible the executive parliamentarism, the confusion between executive and legislative functions, a confusion which only leads to an abandonment of the responsibilities inherent in each one of these two functions so well differentiated.
3. Consulting organs or Consulting Chambers, specialized in each sector or field of activities, which will be compulsorily consulted for the preparation of any law.

The **justicial archy** is exerted through Justice: this is the protector of the empire, the peacemaker in all the many conflicts generated inside it.

Particularly, Justice must be the protector of all the imperial archive of cheque-invoices: it will only be able to use this archive in matters concerning a proceedings case under way. It will then have objective and positive documentation at hand concerning that specific case.

Justice will also undertake judging all the persons which will have held a ruling post (political, justicial or civic, that is *archic*; but also non-*archic* liberal) at the end of their term of office.

But in order to warrant the integrity of Justice in carrying out its task, it is necessary to legislate its total independence with respect to the State: it is well-known that nobody can be a judge in one's own case. To this end, a step to be taken is the constitutionalization of the attribution to Justice of a fixed percentage of the communal monetary mass (see following chapter); with this amount, Justice will be able to organize its budget in the best way.

The civic *archies* are manifold and on many geostrategic, sub-imperial levels. Every Republic and civic Authority will have complete freedom to organize itself as best it can through *archic*-civic institutions. These institutions will also have their executive, legislative and consulting bodies. Their functions will cover all that the State will not have explicitly taken up -and which, we must remember, will have to be little and on the basis of minimal laws, which every civic *archy* will have to develop-.

Finally, there are very special *archies*, which are made up by the **fit-for-war forces** -we say fit-for-war, and not armed forces, because these will have to be ordinarily un-armed, and will only use arms when carrying out missions in which they have been **expressly** ordered to use them-.

As long as a situation of full self-pacification on a world level has not been attained, the existence of fit-for-war forces will continue being vitally necessary.

But it will also be necessary to submit them to a very hard discipline, so that they will act only in the execution of the mission entrusted to them by the imperial community: the defence and protection of all the citizens and citizenships in the empire.

Following this discipline, the fit-for-war forces will not have, in any case, a full *archy*, but they will always be in all respects rigidly submitted to the preceding *archies*: according to cases, to the respective politic, justicial or civic rules. The commanders-in-chief of the above-mentioned *archies* will be finally in charge of the fit-for-war forces depending on them.

These fit-for-war forces can be the following:

1. Under the direct, exclusive and responsible control of the head of the State, the fit-for-war forces of the State: the Imperial Army and the Imperial Security Police.
2. Under the direct, exclusive and responsible control, respectively, of each examining judge in charge of a specific justicial case, and of the protection judge of each person condemned, will be the Judicial Police and the Penitentiary Police.
3. Under the direct, exclusive and responsible control of each president of a civic, autonomous Republic, will be the Civic Armies and the Civic Peace Police bodies.

## Chapter 12. Monetary legislation.

1. Introduction of the cheque-invoice.
2. Types of cheque-invoice.
3. Types of current accounts and monetary operations.
4. Imperialization of all the current accounts.
5. Types of accounting establishments.

After defining the most effective *archic* structure to prevent the transformation of the legitimate rule on persons and of the legitimate power on things, into an illegitimate power over and against persons, the newly constituted State may face the task it has imposed on itself: the construction of the bases of a libertarian, democratic, peaceful, informative and solidary society.

In this task the State will have two tools available, two fundamental instruments: the all-informative and all-responsibilizing cheque-invoice, and the imperialization of all the telematic, monetary network.

We shall dedicate this chapter to the most important legislation of the State, which is the legislation on the cheque-invoice.

### 1. Introduction of the cheque-invoice.

The monetary instrument we have called cheque-invoice has already been described in chapter 4, and in chapter 5 we have spoken about its easy adaptation to a telematic network, centralized on an imperial level. We shall then take for granted all those specifications, of a theoretical or technical character, and shall analyze their legal aspects.

Of course, the imperial State must reserve for itself any legislation on the cheque-invoice, since this is the basic and fundamental instrument of all its political performance. Moreover, this legislation will have to be very rigid and precise, all the details will have to be foreseen and consequently legislated. In monetary matters, nothing will be left to chance, because it is the rules of the game which must be established.

The first State action will be the legal suppression of all the monetary instruments in force. It will be necessary to set a time limit for their presentation and conversion into monetary units in a current account.

Immediately after that, it will be necessary to introduce by law the exclusive utilization of the pro-telematic cheque-invoice in all market operations and in all social-monetary acts.

Probably, this breaking-off will not be made instantly and, therefore, the law will have to foresee a system of progressive transformation, so that the necessary equipment and networks be introduced. For example, it could be started in the large companies; then the small companies would follow, and finally the retail shops and industries and the consumers.

Together with the legislation for the introduction of the pro-telematic cheque invoice, it will be necessary to legislate also their application details, the allowed monetary operations, and the activities of the so-called **accounting concerns**, in short: banks (Business Banks and Savings Banks).

### 2. Types of cheque-invoice.

The law must foresee the highest and best diversification of the cheque-invoices, so that they may offer the highest and best analytic-statistic information on the market.

It is necessary, especially, that the cheque-invoices separate the different types of monetary operations, therefore, every type of operation will be dealt with in a different type of cheque-invoice.

The mercantile-monetary operations are basically divided in three large types, therefore there will be three main types of cheque-invoices:

1. **Inter-companies cheque-invoices:** they are the cheque-invoices covering the sales-purchase of produced, non-finished, goods (see chapter 8, page 77) between companies.
2. **Consumption cheque-invoices:** they are the sales-purchase cheque-invoices for produced, finished, goods (see also chapter 8, page 76) between consumer (buyer) and a retail shop or industry (seller).
3. **Salary-private cheque-invoices:** these are the cheque-invoices for the sales-purchase of producing goods or private production forces (see also chapter 8, page 75) between:
  - a. a worker, seller of labour
  - b. a capitalist, seller of capitals
  - c. a company owner, seller of company spirit
  - d. an inventor, seller of an invention and their respective company (buyer of the force: labour, capital, company spirit, invention).

These cheque-invoices are, then, those used to pay the remunerations to the private production forces, and these remunerations are called respectively **salary, interests, profits and royalties**.

The salary-private cheque-invoices will not be made out for each single merchandise, but will be global on a company level: every company will establish a payroll of all its paid personnel, and this payroll will be the cheque-invoice (which the Confederation of banks will distribute among the different beneficiaries).

The three above-mentioned types of cheque-invoices may then be of two different categories:

- a. **inner cheque-invoices**
- b. **outer cheque-invoices**

From the combination of the two classification standards six different sorts of cheque-invoice are obtained; many sub-types are possible in terms of many other standards, but we shall not detail them here, as they belong to specialists.

### 3. Types of current accounts and monetary operations.

The different sorts of current accounts to be opened in a bank, will also be three:

1. **Production current accounts** (only in Business Banks): they are the current accounts of the companies dedicated to production.  
All the inter-company operations and salary-private operations are carried out through one of these accounts -and every company may open as many as it wants or needs-.
2. **Production savings current accounts:** they are the current accounts in which utilitarian professionals (that is: workers, capitalists, company owners, inventors) enter their salary-private remunerations, paid by the company: salaries, interests, royalties and benefits, respectively.  
Whether the utilitarian professional receives one only salary-private remuneration or more than one, we shall have:

- a. **savings current accounts of uni-salary production** (only Savings Banks)
- b. **savings current accounts of multi-salary production** (only Business Banks)<sup>15</sup>.

In both cases, the operations possible through a production savings current account will be only the following two:

- to invest a capital, by means of a suitable contract, either in a Business Bank or directly in a company (if the investor is a uni-salaried one, since on collecting the interests he will become a multi-salaried one, he will have to cancel his uni-salaried current account and open a multi-salaried one);
- to transfer the desired amount to the consumption current account, which is explained hereafter.

3. **Consumption savings current account** (only in Savings Banks). These current accounts may be fed, exclusively, by:
  - a. **private origin purchasing power**, coming from the production savings current accounts;
  - b. **communal origin purchasing power**, coming from the legislated<sup>16</sup> social solidarity salaries. Starting from a consumption savings current account, of whichever origin -private or communal- be the purchasing power, exclusively sales-purchase operations of finished goods may be carried out: that is consumption operations. In no case will any other sort of operation be able to be made, nor will it be able to transfer amounts from this current account to any other.

#### 4. Imperialization of all the current accounts.

The positive balances of all the current accounts of the three types we have just described will be constitutionally imperialized, that means that they will be socialized at a globally imperial level.

In practice this just means that the banks where these current accounts will be in force, will not be able to use them to carry out their business: the positive balances of current accounts will mean a communal saving which only the geopolitical community, through its manager, the State, will be able to put to work. The banks will manage the current accounts, but they will never be able to grant loans nor make any other operation based on the positive balances of the current accounts, which are now called outer resources.

The compensation of this imperialization will be the allocation of a communal interest, say 6%, to all the imperialized positive balances.

In the following chapter we shall further enlarge on this subject.

#### 5. Types of accounting establishments.

We must now explain the fundamental difference, already mentioned several times, between **Business Banks and Savings Banks**.

This distinction is to be located in the widest context of the distinction between utilitarian society and liberal society (see chapter 10).

Business Banks and Savings Banks will be radically separated by the sort of functions and services which, according to law, they will be able to offer to the utilitarian society, and by the sort of remuneration they will receive for these services.

**Business Banks** will be utilitarian concerns like any other, specialized in offering accounting services to all the other, non-accounting, utilitarian companies.

But their services will be solely and exclusively limited to the production cycle. In fact, as we have already seen, in the Business Banks it will only be possible to open production current accounts (companies' accounts) and savings current accounts of multi-salaried production (for the multi-salaried utilitarian professionals). This means that they will only handle purchasing power corresponding to the production cycle, and they will never be able to handle purchasing power belonging to the consumption cycle<sup>17</sup>.

The services offered by the Business Banks will be, fundamentally, the following.

In the first place, during the management of the previously mentioned current accounts, and for this task, they will be paid by the Treasury a commission agreed between the association of Business Banks<sup>18</sup> and the monetary authorities of the State.

In the second place, based on the cheque-invoices signed or paid by their customers, they will carry out all the accounting of all their customer-companies, and will hold it always at their immediate disposal. It must be

pointed out that the multi-salaried utilitarian professionals will have to make up companies, in order to collect their multiple incomes, under the juridical form of stock companies, either individually or multi-individually: in such a way that **all** the Business Banks' customers will be companies by law.

In the third place, and this will be their task and their main business, the Business Banks will be able to carry on the specifically banking business of capitalization: that is, the conversion of the **savings** accumulated in the current accounts, into **capital** usable in the production cycle. In fact banks have always had among their tasks to supply the market with the purchasing power which, in every specific time-space, it needs in order to continue or to increase its productive processes. This purchasing power **sold** to the production cycle receives quite suitably the name of capital. Banks produce capital by means of a number of techniques and bank processes: loans, drafts discount... which, as we have seen in Chapter 2 (Part One), always imply an invention of currency on the deposits made by customers. But we have just said that imperialization of all the positive balances of current accounts prevents the Business Banks from capitalizing on these balances, outer resources. Then the Business Banks will have to limit their invention of money only to:

- a. own capitals and reserves;
- b. the amounts which, coming from current accounts, be deposited **on a fixed term** and, therefore, contractually and explicitly delivered to the Bank for capitalization purposes. These term deposits in the Business Banks will not be imperialized.

Finally, Business Banks will also be in charge, on appointment from the State, of the distribution of the communal loans to investment, (see chapter 14) and, for this service, they will be paid, for every loan they will grant, the normal bank interest (we point out that the communal credits to investment imply an interest double than the ordinary bank interest).

The **Savings Banks**, on the other hand, will also give service to the utilitarian society, but only within the consumption cycle. But since the consumption cycle is socially globalizing, that is, it includes all the members of the imperial society, we shall give the Savings Banks a liberal Statute: their services will not be paid for directly by their customers, but they will be free and financed by the community, through the corresponding social solidarity salaries and budgets (see chapter 16).

The main service of the Savings Banks is the management of the savings current accounts of uni-salaried production and of the consumption savings current accounts.

But, besides this really utilitarian service, the Savings Banks will carry out non-utilitarian social functions, directly related to the social life of each of the persons inscribed in them.

In the first place the Savings Banks -locally structured, by districts, and confederated on an imperial level-, will act as Registry Office: every new-born will be inscribed in the district Savings Bank, where immediately a consumption current account will be opened in its name, with a telematic number which will be held during the whole life, and which will identify the individual in all his social activities.

The Savings Bank will take charge of releasing, keeping and filing away all the other documents necessary in a civilized society: health card, schooling book, car documents... police or justicial filing card, working filing card, family book, passport, all of them having the same telematic number previously mentioned.

The Savings Bank will also be the seat of the family Court for the families therein recorded, and for other social and informative services, all of them completely free.

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## Notes:

<sup>15</sup>This distinction is made to know, at any time, how many uni-salaried persons there are in the geopolitical community, and this we want to know because one of the social goals suggested is in fact the disappearance of this category of utilitarian professionals: the uni-salaried ones. This will be possible thanks to the

development of self-management, which implies the participation of the workers in the company's profits (on this subject, please see chapter 15).

<sup>16</sup>The consumption savings current accounts of utilitarian professionals will be simultaneously fed by two sorts of purchasing power, because, besides their salary-private remuneration, they receive a **social solidarity salary** of a general sort, as we shall see in chapter 14; on the contrary, the non-utilitarian people will have, because of the omni-solidarity principle, a consumption savings current account exclusively fed by the communal purchasing power. As we shall see in chapter 14, these people are: those without a liberal profession nor utilitarian job, for whichever reason; the families, irrespectively of the salary incomes of their members; the liberal professionals; the liberal institutions; the non-profit, free associations of citizens: all of them are simple consumers, as opposed to the utilitarian professionals who are producers-consumers.

<sup>17</sup>On the two market cycles, «the production cycle» and «the consumption cycle», see chapter 8.

<sup>18</sup>As we shall see in chapter 15, all the utilitarian companies will be compelled to join associations.

## Chapter 13. Imperialization of the telematic monetary network.

1. The battle for information.
2. Information for everybody.
3. Information as an active factor of production.

The other basic instrumental measure, complementary to the introduction of the cheque-invoice as the sole legal monetary instrument, is the imperialization -that is: «socialization in the whole empire»- of the telematic monetary network, and of all the analytic-statistic information on market and society obtained through it.

This measure is the only effective guarantee that the monetary information will not be monopolized by power groups (factual or official powers) in their own benefit and against population.

### 1. The battle for information.

Information is a decisive and essential element when an effective and intelligent action must be taken.

Bankers, for example, have carried out their profession since ancient times, thanks to the fact that they have exact information on the needs of the market at any given time, and this allows to offer good business opportunities to their clients, who trust them. Thanks to the good business the client does, the banker does a very good one, because he has only put his intelligence, his flair and his information, while the client has put his money.

But we also say that «knowledge is power»: who has the information may try to get a benefit taking advantage of those who have not. Almost always when an information is held secret, esoteric, occult, reserved to a few, this knowledge degenerates into power over and against persons. Let us remember, for example, the false miracles made by priests of pagan religions: they know some inventions, tricks or physical laws and use them to daze the credulous population, making it therefore more fearful and resigned.

Nowadays, the power systems through information are much more sophisticated. In many States technologically in the lead, telematic systems for the police control and identification of population are being prepared. As far as the monetary information is concerned, which is the one we are now interested in, it is a monopoly of the banks, each one of them however only with respect to its own clients. Electronic payment will extend more and more and therefore also the information of the banks on the monetary activities of their customers will become more and more complete.

Under these conditions, a clear option must be chosen:

- either we leave things to go on as they are, a few accumulating information and the most completely uninformed;
- or we give up the telematic currency, which, besides being impossible, means giving up an evident progress;
- or we radicalize the situation, giving it a revolutionary turn: a fully informative monetary system, but putting at the disposal of the social body the information obtained through it. This is, obviously, our choice.

### 2. Information for everybody.

The pro-telematic cheque-invoice supplies a thorough information on the whole of the elementary monetary actions produced in the geopolitical community in every time period under consideration.

We have already said in chapter 6 of the Part Two, that Justice must become the only guardian of all the cheque-invoices archives, and the preserver of the privacy every person has a right to, and also of the

professional and industrial secret. Therefore, no monetary information concerning specific persons will be made public.

But we have also said in chapter 8, that the centralization and integration of cheque-invoices -void of any reference to specific persons- gives place to a sectorial and global analytic-statistics of the whole empire, and it is this information which must be put at the disposal also of the whole empire.

In order to make this availability to come into effect in the daily routine, it is necessary to constitutionalise the imperialization of the whole telematic monetary network, and of all the analytic-statistic information obtained through it, and of all the human teams cooperating in it.

The **imperialization** or «socialization in terms of the whole empire» implies, in our project:

- a. the free property and private initiative in the production of technical equipments, both with respect to machines and to programmes;
- b. the purchase of all the necessary equipment for the setup of the network and its maintenance, besides the salaries of all the members of the data-processing technical equipments which should be established, fully charged to the communal Treasury;
- c. the free access, without charge, to any member of the empire (individual, collective or communal), to any analytic-statistic information , sectorial or global, produced by the telematic monetary network.

In this way, the telematic monetary network will become a real communal asset.

It is obvious, however, that this cannot be done in one day. It will then be necessary for the law to foresee a slow and progressive imperialization plan, which could consider, for example:

- with respect to the material equipments, at the beginning a rent of all the existing facilities, in their free periods, at the price of the free market, and with final purchasing option; and, as soon as it becomes possible, the purchase of new equipments;
- with respect to human equipments, charged of continuously working out and perfecting the analysis and statistics programmes, the progressive constitution of equipments more and more centralized and specialized.

The whole analytic-statistic information, objective and thorough, on the monetary market and society, obtained through the centralized and imperialized telematic monetary network, will be put at the free disposal, without charge:

1. of all the population in general: the man in the street, and free citizens, wishing to be always informed about the evolution of the macro-utilitarian magnitudes of their empire, inter-ethnic group, ethnic group, county, town, district.
2. of all the utilitarian agents, both producers and consumers, but very especially the first ones, who will then be able to act in the market with a much greater knowledge of the facts and, therefore, with more effectiveness.
3. of all the researchers of the monetary market and society, who will then be able to experimentally confirm or invalidate their models, up to now exclusively theoretical.
4. and of the State which, as a manager of the empire, will then have available a privileged instrument for the automatic government of things: the exact and thorough knowledge of the market will allow to find the best formulae, the most profitable and less grievous for the community, to make up the monetary hoard through which all the needs appearing in the community will be taken care of.

The popularization of this information is also very easy to organize, telematically, through different systems: telematic screens in public buildings (for example, Savings Banks), special consulting offices, or even the home television screen, which can supply the information under form of graphs of synthetic images, playing with forms, colours... in such a way that a vulgarization will be attained, available to all levels of popular culture and to any TV-watcher.

### 3. Information as an active factor of production.

We have considered that on the market there are four producing or production agents: labour, capital, companies, and inventions. These are **private** agents, paid by the company.

Their effectiveness and importance in the production processes grow in the same order in which we have remunerated them: invention is the fundamental element in any production progress; the company and capitals are necessary to set up the productive processes implied in any new invention; as far as labour is concerned, this is nowadays the most unimportant factor, because of the technological revolution, which robotizes whole production lines.

But a new active production factor is becoming essential nowadays: information. Information is like the grease which allows the gears to run: it increases and improves the action of the other factors, reducing them to the minimum:

- a. it accelerates mental processes, favouring invention;
- b. it allows capital to make better-oriented investments and, as a consequence, with less risk;
- c. it allows a more effective, decentralized and responsible company management;
- d. it frees man from repetitive and alienating work, reserving for him the decisions of creativity and responsibility.

In practice, information is the most important production factor. For this reason we may easily understand the market revolution which would imply the imperialization and subsequent gratuitousness of all the analytic-statistic market information. Production would result enormously improved, costs would be reduced, every company would have access to all the necessary information and, therefore, could choose the best production and competitiveness conditions.

On an imperial level, the free and flowing information makes completely unnecessary all sorts of productive information, because the informative, dynamic and continuous feedback is enough to ensure the necessary adjustments in the action of every production unit.

Summarizing, free information is one of the best existing communal goods, and it is improved to the maximum when it is freely distributed.

## Chapter 14. Sharing out of communal wealth.

1. Dialectics between common good and private good.
2. Utilization of the communal monetary mass.
3. Investment credits.
4. Consumption finances.
  - I. General Statute.
  - II. Utilitarian Statute.
  - III. Liberal Statute.
  - IV. Mixed Statute.
5. Municipalization of land.
6. Disappearance of classes for money reasons.
7. Summary of the last chapters.

The new State which has been constituted, fitted out with its two privileged acting instruments: the pro-telematic cheque-invoice and the imperialization of all the telematic monetary network, can now try to face successfully the main problem which it has undertaken to solve: the problem of social classes because of money.

To make disappear, peacefully, all the social misery and proscription because of money: that is the challenge.

### 1. Dialectics between common good and private good.

The disappearance of social classes for money reasons can only be attained, in our opinion, through a continuous dialogue and dialectics between the wealth of private persons (individuals and collectivities) and the wealth of collective persons (which is fairly shared out among all its members). More specifically, through a permanent money osmosis among all the social bodies and among all the members of the geopolitical society.

We do not believe in the false solution of the state control of all the wealth or of all the means of wealth production. In the first place the State, as a manager of the empire, is only a particular collective person and, therefore, putting it under the State control is not an act of communalization, but of privatisation. But, moreover, we all know which is the end of the state-controlled production systems: paralysed by the bureaucratic planning and the longing for power, and completely unable to face with dignity the communal needs.

Now, we do not think either that we should trust the persons' good-will, nor force altruistic generosities.

The problem is then, how to create a sufficient monetary mass to face all the actual community needs, without having to disturb in excess (in the best of cases, nothing at all) private persons and their private wealth. The problem is, how to take advantage of the natural utilitarian egotism of man, to build on its basis practical and effective mechanisms of full social solidarity.

While it becomes possible to bring into practice much more satisfactory system at all levels<sup>19</sup>, we suggest the constitution of a communal monetary mass based on one single tax of social omni-solidarity. In chapter 7 of Part Two we have given all the technical specifications concerning the features of this single tax; we shall now take for granted all that has been said there.

The whole State action will be founded basically on this single tax as far as the sharing out of the communal wealth is concerned: to this end, the percentage on every cheque-invoice will have to be fixed in terms of the needs which will have to be met.

Now, at the same time as the centralized all-accountancy of all the cheque-invoices supplies a deeper and deeper knowledge of the total market and its possibilities, the politician will be able to use, cautiously,

complementary measures to increase the amount of the communal monetary mass. These measures could be the following:

1. imperialization of the market production surpluses actually existing on the market, in order to *invent* the monetary mass exactly equivalent to them.
2. imperialization of all the positive current account balances (production, production savings and consumption savings), which will constitute the accounting guarantee of the previous invention of money: these imperialized balances will earn a 6% interest, paid by the Treasury.
3. Partial and selective freezing of all the production current accounts and production savings current accounts -and also, in serious cases, of consumption savings- to be credited to the productive sectors which, at a given moment, appear to be showing a deficit.

With the single tax of a percentage on each cheque-invoice given out as a basis, and the complement represented by the above-mentioned measures, finally a communal monetary mass will be obtained which will constitute the communal wealth of the empire.

But we have spoken about a dialectics between the common good and the private good, between communal wealth and private wealth. What will this dialectics be made of? We are simply referring to the following set of facts:

- a. the production and consumption of utilitarian goods will go on belonging to the private field, as up to now in the «capitalistic» world. Why so? simply because the motive of private agents, in this field, is always the obtention of benefits, of their own benefits; and this motive causes a competitiveness which all along history has demonstrated being the most effective system and motor of a dynamic and productive utilitarianism.
- b. But, from the market productivity and dynamism, through the multiplication of the number of changes implied, there results a proportional increase of the communal monetary mass obtained through taxation, and also of that obtained through the other complementary means mentioned. Then, the greater the private good, the greater will be the common good, in the same proportion.
- c. And, to lock the cycle, the communal monetary mass, being shared among private persons (individual and collective), becomes re-privatized and, as such, will go back to the private market, revitalizing it and driving it towards a greater and better productivity and dynamism of the private utilitarian production and consumption.

## 2. Utilization of the communal monetary mass.

Since the utilitarian, productive and consumer sector of society has been held under the free private initiative, the communal monetary mass obtained can be said to be in terms of the utilitarian selfishness of population, since the more is produced and consumed, and the more this mass grows, mainly if we consider that the single tax will not be heavy and, therefore, will not slow down with its burden the utilitarian processes.

After being constituted, the communal monetary mass must serve the aims of the full social solidarity. That is, it must be shared out, re-privatized, among all the members of the imperial community, in terms of the specific needs of each of them, and in terms of the global interests of the community.

We foresee two very well differentiated systems of sharing out:

- a. **communal investment credits**, in order to protect and foster the utilitarian-productive vocations, and especially if they are in a line the community holds to be suitable.
- b. **communal consumption finances**, in order to supply all the members of the imperial community enough purchasing power to meet their consumption needs.

We shall now examine in detail these two systems.

## 3. Investment credits.

Communal investment credits will be granted:

- a. to companies which want to make an investment needed to increase their productive effectiveness, but have not enough purchasing power, and which, besides, offer full guarantee that they will be able to carry on their investment project successfully.
- b. to candidates for operators, with a managerial project offering a guarantee of success, but without enough resources to start their project nor to apply for a bank loan.

Investment credits, of course, will be granted by the imperial community, but Business Banks will act as intermediaries, studying the submitted projects of investment or for the creation of new companies, deciding on their credibility and finally granting the loan in the name of the empire. The Banks will have to accept their responsibility in case of insolvency of the credited company.

The conditions of the communal investment credit, which will differentiate it very clearly from an ordinary bank loan, will be the following:

1. The person to whom the credit is granted shall not need any guarantor of any sort neither on property nor on already existing assets: his only guarantee will be the productive-technical ability of the company.
2. The granting of a credit implies the appointment of a joint manager who will supervise the operation of the company and the utilization of the credit on behalf of the Bank granting it.
3. During an initial period of three years -a time period technically needed so that any new productive equipment gives its normal output- no interests will be paid; after these three years, interests will be **double** than for an ordinary bank loan: half of these interests will be for the granting Bank, and the other half will go to the Treasury, to give out new credits.
4. There is no fixed clause for paying back the credit, but until it has been paid back double interests will have to be paid, and the joint manager appointed by the Bank will stay in the company.

The communal investment credits aim at the promotion of the creation of company-private wealth, according to its goal of **highest production, best quality, and with the least effort and risk**; for this reason, the main principle for granting credits is that of the technical-productive effectiveness shown by the applicant of the credit.

Now, through the communal credits can be fostered one or another sort of company formation, which be found to be suitable and interesting. So, after the basic effectiveness principle, preferential credit lines can be established for the companies showing given features: starting a self-management process (or full self-management); optimization of the company size...

#### 4. Consumption finances.

Communal consumption finances are sunk money investments (that is: free) to be spent solely and exclusively for consumption.

The principle to be followed in the sharing out of finances is not that of productive effectiveness, but that of the actual consumption needs of the population, which must be met according to the principle of a total communal solidarity.

The objective pursued by means of these finances is to have all the misery and the social proscription for reasons of money to radically disappear, granting everybody a vital minimum. Moreover, finances must allow to make the utilitarian market society independent, and to insure the members of the utilitarian society under some situations, very well defined, which may appear in their lives. All these differential needs of each group of population are shown in the four **Financial Statutes** foreseen:

##### I. General Statute.

Constitutionally, **every** person will enjoy the General Statute for the sole reason of having been born and/or of living in the imperial community: it is then cumulative to each one of the other three statutes.

The General Statute assures to every individual and family citizen a minimum living standard, with which to meet his most urgent material and cultural needs. With this goal in mind, it entitles to the following attributions:

- an individual social-financial solidarity salary, which everybody will receive as a vital minimum from the day of birth to that of death: differentiated according to the degree of social proscription.
- single attributions for engagement, wedding and death.
- periodic attributions for housing and home improvement.
- incidental attributions for motherhood.
- salaries of social-financial solidarity for couples and children.
- salaries of social-financial solidarity for congenital and permanent invalidity or disability.

## **II. Utilitarian Statute.**

This statute can be accumulated only to the General Statute. The utilitarian professionals have already ensured their sustenance by the remuneration of their utilitarian activity. But unfavourable conditions may appear for which they must be prepared. So the Utilitarian Statute will give a right to:

- a social-financial solidarity salary of compulsory unemployment.
- a social-financial solidarity salary because of strike.
- a social-financial solidarity salary because of lock-out.
- a social-financial solidarity salary because of illness, accident, or supervened invalidity or disability.

## **III. Liberal Statute.**

This Statute can be accumulated only to the General Statute. The aim of this Statute is to supply a dignified sustenance to the liberal professionals and collectivities, which, since they do not belong to the utilitarian or market society, cannot be maintained by it.

- Liberal professionals will enjoy individual and familiar salaries of social-financial solidarity, which will vary only in terms of the self-proclaimed degree of altruism and unselfishness of each liberal profession, and of the vocational and social merits of each liberal profession in the service of its fellow citizens and of all society. They will also enjoy ordinary budgets for the practice of the liberal profession, in terms of the technical-professional needs, and of extraordinary budgets in terms of the communal financial possibilities.
- The liberal collectivities will also enjoy ordinary and extraordinary budgets, the ordinary ones calculated in terms of the number of members enrolled in each one of them, the extraordinary ones in terms of the communal financial possibilities, after all the salaries and all the ordinary budgets will have been assured on a dignified and sufficient basis.
- They will also be granted a liberal statute, even if they do not practise the profession:
  - a. students and apprentices, from 16 to 25 (with the possibility of obtaining justified extensions): they will enjoy a social-financial solidarity salary for students or apprentices;
  - b. candidates to any election in a liberal institution: from the time they will make public their candidature to the time of the election or non-election, they will enjoy a social-financial solidarity salary for candidates to elections and an electoral campaign budget equal to that of all the other candidates to the same post.

The fact that all the liberal professions and all the liberal collectivities be financed by the community, ensures and guarantees the total gratuitousness of any liberal service for all the community members.

## **IV. Mixed Statute.**

Again this Statute can be accumulated only to the General Statute; but it is called «Mixed» because it can be combined at the same time with private incomes. In fact, it has been studied thinking of artisans, collaborators of mixed companies (private-communal ones) of public building works and services, and also will be able to resort to it the unemployed if they accept a professional-craft training of at least 3 years, and then settle down as artisans in places with a very small population.

So, according to cases, this Statute will entitle to:

- a social-financial solidarity artisan salary, which will round off the profits made by the artisan through the sale of his production; this salary will vary only in terms of the number of inhabitants of the town where the artisan will be active.
- a social-financial solidarity salary of collaborator in a mixed company, to compensate the possible future socialization (at an imperial, ethnic, county, town level), and subsequent attribution of a completely liberal statute, of this company.
- a social-financial solidarity salary for craft training, to round off the social-financial solidarity salary of unemployment, for all those unemployed who wish to become artisans, under the conditions mentioned above.

## 5. Municipalization of land.

The land has been, from the beginning of mankind, a communal wealth, that only with the development of a fully monetary market little by little became private. In spite of the fact that we support free property and private initiative inside the market, in the case of land we think that it would be right to give back to this asset its ancestral communal feature, through a progressive socialization on a town level (that is: municipalization).

Only an effective municipalization of the land can ensure the preservation of environment and of the natural wealth, avoid the unsocial speculation on the land, and set the basis for an effective town planning action. It is the town which can closely control the social or unsocial use of this communal asset: then, constitutionally and in the long run, it is the town which must be the only owner of it.

To carry out, progressively and without damaging anybody, this municipalization of the land, we suggest a system based on:

- a. a tax on the private property of the land -the only existing tax besides the Company Activity Tax (CAT)-. Any owner of a plot of land, not used for living or for a single-family farming exploitation, will have to pay a tax to the town, calculated as a percentage (for example, 5%) of the sales price of the plot of land on the free market.
- b. with the money obtained from this tax, and with the amounts set aside to this end from the communal monetary mass, every town will progressively buy the plots of land, at a free market price, from the owners agreeing to sell. The owner selling to the town will obtain a leasehold contract for 100 years, at a very low price (for example, 1% of the agreed sales price).

As it can be seen, this system does not compel anybody, but encourages owners to sell to the town because this sale is profitable for them, even if the town does not have the necessary purchasing power to pay cash, because in this case the debt of the town towards the owner will produce a communal interest of 6%.

## 6. Disappearance of classes for money reasons.

We put no obstacle in the way of the generation of private wealth. This will be able to develop as up to now, and even better, as we shall free the market from many of its present day limitations, as we shall see in the following chapter. As a consequence, there will still be some people richer than others.

But our goal is not that everybody be the same, even in money. On the contrary, we believe that **everybody is different**, peculiar, unique, unrepeatable, outstanding... and only **before law** must individuals be considered as **equals in rights**.

Our goal then is not the artificial equalization of live peculiarities, but the solidary coexistence in the difference and vital peculiarity of every individual. And this solidary coexistence can only be considered on a communal level. Our proposal is that of the financial Statutes, social solidarity in direct ratio to the private wealth of the empire taken as a whole.

Through the General Statute, with its minimum individual and family vital salaries; through the Utilitarian Statute, with its salaries of compulsory unemployment, strike and lock-out for indefinite time; through the Liberal Statute, and the subsequent gratuitousness of the liberal services for all the population, it is possible to attain for every member of the community, a minimum vital level, a minimum sustenance level, which must be as high as possible.

This minimum level, depending on the communal solidarity, prevents individuals from depending on the private generosity or selfishness of any other individual. On the basis of this self-sufficiency on the highest possible level, may be based the suppression of all material misery and of all the subsequent social proscription.

This is in our opinion a valid change for a progressive disappearance of classes for reasons of money, based on the vital subordination and dependence of some groups of population on others. Another more difficult thing, slower to be attained, but also possible, is the disappearance of the social classes because of culture, classism, and a whole number of attitudes and superiority feelings, contempt, envy... among classes. But this second goal will start being possible after the first one has been established.

## 7. Summary of the last chapters.

In the last four chapters we have mentioned the basic structures of the new society we are proposing:

- a. a strong political and civic *archy*, but limited in every area to its activity, freedom of decision and personal and exclusive responsibility, during the corresponding elective term of office; together with a justicial *archy* completely independent from the State and from any pressure group (Chapter 11).
- b. a strict monetary legislation, which makes the monetary instrument an instrument of omni-information and personal omni-reponsibilization *par excellence* (Chapter 12).
- c. a total imperialization of the information worked out by the telematic monetary network (Chapter 13).
- d. a communal monetary mass, designated to be equally shared out, either with a credit-investment scope, or with a financial-consumer scope (Chapter 14).

After these fundamental bases have been set out, all the other social activities must work with the highest liberty and the least legislation.

In all the cases then it will be necessary to legislate only the minimum necessary laws, very few but very exact, even if generalizing and without useless casuistries. These minimum laws will have the mission of ensuring and granting the development in full freedom and personal responsibility of all the legitimate town activities. This will be so in every social area, whether state-unifederative in the whole imperial territory, or local-confederative in each autonomous territory (district, town, county, ethnic group, interethnic group, ex-empire).

In the following chapters we shall draw some of the minimum laws which it will be necessary to legislate in:

- a. the utilitarian-productive society (Chapter 15)
- b. the liberal society (Chapter 16)
- c. the utilitarian-consumer society (Chapter 17).

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**Note:**

<sup>19</sup>In this respect, see the Fourth Part and, especially, chapter 23, which ends this work.

## Chapter 15. The productive-utilitarian society.

1. Definitions.
2. Thoughts on the utilitarian society.
3. Dynamics of the productive-utilitarian society.
4. Responsibilization of all monetary act in the productive-utilitarian society.
5. Basic laws for the protection of the productive-utilitarian society.
6. Foreign trade and customs.

This chapter is dedicated to enumerate the few basic laws for the protection of the productive-utilitarian society.

But before getting into this subject, some prior analyses and thoughts will be necessary on the utilitarian society in general, and on the productive-utilitarian society in particular.

### 1. Definitions.

All along this work we have already defined twice, and in a different way, the utilitarian society.

In fact, from an exclusively operative point of view, we have seen in chapter 9 that we could define the utilitarian society or market as «the number of all the free elementary monetary changes».

And, from a much wider viewpoint, we have seen in chapter 10 that the utilitarian society could be considered as «a whole made up by: 1) all the individuals dedicated to production and/or consumption of utilitarian goods; 2) all the goods exchanged, whether produced or producing; and 3) all the monetary interrelations implied in these exchanges».

It is in this second viewpoint that we place ourselves now.

Following these two viewpoints, we can also make a distribution of the utilitarian society; and we say that, from the first viewpoint, the utilitarian society or market is made up of two cycles: the production cycle and the consumption cycle (see chapter 9); and from the second viewpoint, the utilitarian society is made up of two sub-societies: the productive-utilitarian society and the consumer-utilitarian society.

By **productive-utilitarian society** we mean, in short, «the number of persons, goods and monetary interrelations implied in the production processes»; and by **consuming-utilitarian society** in the same manner we mean «the number of persons, goods and monetary interrelations implied in the consuming processes».

With respect to the persons making them up, we must point out that, as the productive-utilitarian society is limited in its numbers and only includes strictly the so-called «utilitarian professionals», the consuming-utilitarian society is of a global social range, it is totalizing, as it includes the whole of the members of the empire, because all need, and all have a right, to consume: utilitarian professionals (called, because they are consumers, «consumer-producers»), the liberal professionals, individuals without a profession, families, the free associations of citizens (all these, called «simple consumers», because they participate in the consumption processes, but not in the production ones).

### 2. Thoughts on the utilitarian society.

Traditionally, the utilitarian society, both the productive and the consumer one, has worked following the principles of the free private initiative, free private property and free competitiveness.

In fact, the free private initiative, the free private property of individuals on the produced goods (which are things), and the free competitiveness among companies (which are people) in the production field, and

among consumers (who are also people) in the consumption field, constitute the more dynamic, agilizing and productive motors on the market.

This is so because the private market agents, both producers and consumers, move traditionally with the aim, if not the only one at least the main one, to obtain always, in each elementary monetary change, the greatest and best profit, specific and monetary. Without this incentive, the utilitarian society languishes.

We wish to go on perfecting, assuring and improving to the maximum and in the best way these traditional freedom, privacy and competitiveness, in order to encourage a greater and better production, together with a consumption more and more in tune and ecological communion with nature. The reason for this is that, even if all the production and consumption wealth generated by the market is since always a private one, it is also this private wealth which upholds the possibility of a communal wealth, expressed as a communal monetary mass, as we have seen in the previous chapter.

We are therefore concerned in fostering in the first place, in the utilitarian society, the generation of private wealth, because it is a positive fact in itself; but also, and above all, because by improving the generation of private wealth we foster the appearance of communal wealth.

From now on then we shall see how the utilitarian society should be protected, being a generator of private wealth; and in this chapter we shall deal specifically with the productive-utilitarian society.

### 3. Dynamics of the productive-utilitarian society.

The productive-utilitarian society looks after the production of non-finished goods, some of which will become finished when they go to the consumer-utilitarian society (see the analysis of market cycles and sub-cycles made in chapter 8).

To carry out this task, the productive-utilitarian society combines several elements inside the production unit which is a company. These elements are of two sorts:

1. The **passive production factors**: they are non-finished goods already produced by other companies, which may also be of two sorts:
  - a. raw materials, that is non-finished goods which will be transformed into other goods, also non-finished;
  - b. investment goods, that is non-finished goods which will not be transformed, but which are transformation tools;
2. The **active production factors** (or **production agents**, or **production forces**), private: they are producing goods which the company buys by means of a salary. We distinguish four sorts of private producing goods<sup>20 21</sup>:
  - a. work, which is paid by means of a salary (a real one);
  - b. the company spirit and team, which are paid by means of profits;
  - c. the invested capitals, which are paid by means of interests;
  - d. the utilitarian invention, which is paid by means of royalties.

The result of the combination of all these active and passive production factors, is the production of new non-finished goods, which production will be the greatest and best if the company combination is intelligent, effective and satisfactory for all the implied agents.

Through the salary-private remunerations to the production agents the produced, non-finished, goods but which can be finished, go finally to the consumption cycle, to the consumer-utilitarian society, thereby finishing and rounding off (at least partially<sup>22</sup>), the production cycle, the processes of the productive-utilitarian society: in fact it is the purchasing power generated by these private-salarial remunerations which allows to effect consumption.

Therefore, it is consumption which gives a meaning to production: the final end and purpose of the productive-utilitarian society: this lends to it a humanistic meaning with respect to the service to people, - since, as we have already said, consumption is a need and a right of all human beings-.

#### **4. Responsibilization of all monetary act in the productive-utilitarian society.**

What we have said before with respect to the utilitarian society in general, we must repeat now with respect to the productive-utilitarian society: we want to protect it and help it in its traditional freedom, privacy and competitiveness, because the increase of private produced wealth represents, at the same time, the increase of the communal wealth.

Now, before going ahead to explain in detail the minimum laws of protection of the productive-utilitarian society, we wish to remember a fundamental principle which must give them shape.

It is the principle of the full personal responsabilization (individual and/or collective) of every free monetary-market act, from the first elementary purchase to the last elementary sale. This is the other face of all personal freedom which is not to become irresponsible lawlessness.

As we know, to uphold the total responsabilization of any act implying the use of the monetary instrument, is easy, through the legal obligation of using, in all cases, the pro-telematic cheque-invoice.

In terms then of the minimum laws which will be established, and of the responsabilization principle we have just mentioned, there will be Specialized Economic Courts created in each field of the productive-utilitarian life, and at every territorial level of the different local Authorities and Autonomies (district..., town..., county..., ethnic group..., interethnic group..., empire).

The examining judges in these Courts will be fully documented in each specific case, concerning monetary transactions, thanks to the access to the telematic archives of cheque-invoices -which, as we know, will be exclusively entrusted to Justice-. To all this antejudicial documentation will be added all the pro-justicial documentation, which is obtained through the judge's action; so the specialized Economic Courts will be able to judge contradictorily quickly, effectively, impartially and calmly, any conflict between contracting parties, and any anti-commercial crime or offence.

#### **5. Basic laws for the protection of the productive-utilitarian society.**

We shall now examine how the legal protection of all the specific personal liberties must be structured in the productive-utilitarian society. This protection should be meant for all and each of the persons in this society: both for the companies and for each one of their collaborators: workers, capitalists, businessmen and inventors.

##### **Company protection.**

The final purpose we are after is to make the company into an internally solidary collectivity of all the production agents which cooperate with it: effective company spirit and team, investing capitalists, practical inventors and competent workers. It is what we call «company self-management», meant as a direct management of the company by all its collaborators, true inter-company democracy, near and direct, permanent dialogue between the businessman and his collaborators.

Now, the path to a full company self-management is long and difficult; as long as it is not reached, the following basic laws will have to be applied:

##### **a. Guild organization**

All the utilitarian companies will have to register compulsorily in **guilds** (sub-guilds, inter-guilds...), according to their productive specialization.

Even if the guilds' task will be the defence of the utilitarian interests of the companies therein

registered, these guilds will be organized as bodies with a liberal statute, and therefore financed by the geopolitical community: because in the long run the protection of the companies interests as a whole will redound to the advantage of all the community consumers.

So that nobody confuses this guild organization with an anachronistic and out-of-place corporativism, restrained and antilibertarian, we shall say that the liberal collaborators of the guilds will not be officials nor bureaucrats, with a life-employment, but will have been elected, within their own professional-utilitarian category, by their equals, and only for a relatively short term of office (4 to 7 years); in no case will they be elected again until at least 4 years from their dismissal.

**b. Lowest sales prices**

The first task to be tackled by all the existing guilds (sub-guilds, inter-guilds...) will be that of preparing a complete tariff of all the goods produced by the companies registered in them; each merchandise will be specified very exactly according to quality and quantity.

After this tariff has been established, each guild -based on the basic laws of the higher Authorities and Autonomies, which in turn will be based on the basic laws legislated by the State- will set up minimum internal laws on the minimum cost prices and minimum company benefit for each of the goods well specified in the tariff. From the combination of these two minima will result evidently a third minimum, which is the minimum legal sales price for each produced merchandise.

This basic legislation on sales prices implies, on the one hand, the duty every company has of making profits, if it is effective and capable: this is the companies' task and this is what produces merchant wealth. On the other hand, the prohibition to sell below the minimum sales price is the best defence against any attempt at monopoly or oligopoly: in fact these crush competitors unfairly by selling at prices below cost as long as necessary, and then, -when competitors have been eliminated-, they increase their prices without reasonable measure, recovering dearly from consumers the losses they had before.

Of course, both the tariffs and the minimum cost prices will be continuously perfected and updated by the guilds.

**c. Ecology and coexistence**

Also on the basis of the basic laws of each higher civic Authority and Autonomy -based on the State basic laws-, every guild (sub-guild, inter-guild...) will establish basic interior laws on the material and social conditions which must rule the production of each specific merchandise, in order to respect as much as possible and in the best way the physical, ecologic and social environment of each production act.

**d. Publicity**

The present company publicity will be radically suppressed: this sort of publicity is always an instrument of deception for the buyer and of unfair competition among companies, because only the most powerful can spend the enormous amounts which are spent nowadays in a stupid and idiotizing publicity.

The company publicity will be substituted then by a system of guild publicity (sub-guild, inter-guild...) which will aim at supplying the buying public, and any possible customer, the most and best technical information on each merchandise put for sale. Every guild will prepare lists which, without overlooking the pleasant side that any publicity must have, will give product by product, the names of all the companies making them, with their specific features; the advantages and disadvantages of every quality specified in the tariff; and the corresponding price for each company, quality and quantity.

Consulting this publicity will be completely free, and also any deeper enquiry that anybody may want to do in the technical archives of the guild.

**e. Dramatic reduction of the legal working hours**

The present technological progress continuously suppresses jobs, directly in every company or indirectly in every market considered; the important company investments, instead of being a solution to this problem, more and more imply corresponding reduction of jobs.

It is evident then that with the present legal working hours there is no way in which jobs may be increased; the only reasonable solution is to reduce dramatically the legal working hours, in such a way that the companies be compelled to engage more personnel to maintain their production rate.

We suggest a reduction of the weekly working hours from 40 to 20 hours, of course the salaries paid at present would not be reduced in any way.

In order for the companies to be able to bear this dramatic reduction, a financial plan will be prepared according to which the geopolitical community will pay, every year, a percentage of every company's payroll. This percentage will be progressively reduced until the time comes when the companies will be able to take charge autonomously of the whole of their personnel's salaries.

This solution has the very important advantage, if it is applied in a society without cheque-invoice, to instantly suppress all the hidden company market.

f. **Promotion of self-management**

Finally it is necessary to pave the way for a progressive company self-management. As we have indicated previously, to reach a full self-management (which implies the participation of all the collaborators of the company, both in the management and in its capital and profits) is not possible without a long preparatory stage educating the minds and attitudes.

For this reason we suggest a slow and voluntary transition system towards a full company self-management. We shall call pro-self-management companies those companies which of their own free-will will follow this transformation process.

The companies constituted as pro-self-managing will be compelled by law to deliver to each of their employees not less than one share per month; so that this is not a disadvantage in face of the non pro-self-managing companies, these will be compelled to deliver their employees the equivalent of one share in cash. In the pro-self-managing companies, the personnel shares will be syndicated in a company committee constituted according to law. When the whole personnel of a company holds over 50% of its capital, and enjoys more than 50% of effective rights and responsibilities within the company, it will be considered already self-managing and the law will stop interfering in this respect. The companies which, through the above-mentioned process, become self-managing, and those born as such, will enjoy the preferential lines of communal loans to investment, as long as they show the requirements of productive effectiveness demanded by law.

All the companies, whether or not pro-self-managing or self-managing, will have a labour Committee; besides, the pro-self-managing and the self-managing companies will have a Committee for the shares syndication and a self-management Body. The members of all these committees and bodies will have a liberal statute during all their term of office. They will be chosen by their equals for a four year period, and will not be able to be elected again until a lapse four years from their dismissal will have gone, except for the labour Committee in which it will not be possible to be reelected until all the personnel will have had an opportunity. On finishing his term of office, each member of such committees will return to the company's personnel.

Irrespective of the minimum laws we have just described briefly, companies will enjoy a number of very important advantages and facilities to make them effective and productive both in quantity and quality. Among the most important, we shall mention:

a. **The free hiring and unhiring**

Companies are not charity centres; in a company the important principle is the optimization and maximization of production. And if, according to this principle, a company has too much personnel, it must be in a position to dismiss it freely, and to be able to hire freely every time it needs to do so. In the case of dismissal, the company will only have to pay the worker that part of the monthly salary corresponding to the days worked until the dismissal date, plus 30 days; immediately after, the worker will be able to receive the social solidarity salary for compulsory unemployment for the remaining days of the month and then indefinitely.

Also for the worker the hiring and unhiring must be completely free.

b. **Granting of communal loans to investment**

In the previous chapter we have spoken of the conditions of this sort of credit. We shall only say now that they will be suitable especially for those candidates to company holders with good ideas but without enough capital to carry out their projects.

c. **Suppression of taxes**

The single tax of a fixed percentage on each cheque-invoice signed is one of the most important advantages given to the companies, which are today being bled by all sorts of taxes, which cause as a result the businessman to retire or the company to start on hidden economy. Besides, being known in advance, this tax may be easily charged on the cost price.

## **Protection of the collaborators of each company.**

We shall now deal with the legal protection of all and each one of the production personal agents, collaborating inside each company.

There is in the first place a general protection which is the same for all of them, and which is founded on two bases:

### **a. Free registration unions**

In the same way as guilds are in charge of watching over the protection of companies, looking after the respect, in practice, of the basic market laws, unions will have the mission to protect the utilitarian professionals freely registered in them. This protection will show two aspects.

In the first place, there is the defence and protection of the utilitarian professionals in all the conflicts which normally come up within and without the profession. Unions will be able to take these conflicts to the corresponding specialized Justice, and be in charge of the private defence or accusation in front of the examining judge in each specific lawsuit, and in Court in the resolatory stage of the lawsuit.

In the second place the unions will dedicate themselves to the promotion of the utilitarian condition, through the ethic, educational, training and professional elevation of their followers.

Unions will not be allowed to duplicate the activities of any other possible bodies, for example political parties. Political parties extend their designs to all the social body, while unions must limit themselves to be the meeting point of all the utilitarian professionals (businessmen; workers; capitalists; inventors) who agree on a certain doctrine of defence and social protection of the same utilitarian professionals.

Of course, unions will also be constituted in liberal statute bodies, as anybody else.

### **b. Social security**

The geopolitical community will watch over the social security of all the utilitarian professionals, through the utilitarian statute which we have described in the previous chapter. Moreover, the utilitarian professionals will enjoy, as everybody else, the general statute.

Now, the utilitarian professionals, and only they, will have besides the right and the full liberty to make in the market as many contracts as they will with the existing, free, private insurance companies.

In the second place, we must also foresee a specific protection for each of the personal production agents in the market.

### **a. Protection of the salaried workers**

As we have already said, hiring and unhiring of workers will be free. The counterpart of this freedom will be constituted by the social-financial solidarity salary (s.f.s.s.) for compulsory unemployment, which will be collected automatically from the very moment of dismissal (by the simple registering of the dismissed by the corresponding guild office) and for an indefinite time.

The amount of this s.f.s.s. for compulsory unemployment will be the same for everybody, whichever be the technical-salarial category of the worker; the same will happen with the s.f.s.s. for strike and lock-out (identical to the compulsory unemployment). The reason is that it is a vital minimum which depends exclusively on the general prosperity and on communal solidarity. Only if these increase, will the solidarity salaries increase.

As far as the minimum professional salary is concerned, this will be established as double of the s.f.s.s. for forced unemployment, strike and lock-out.

The actual salary paid in each specific case will be a free and private contractual function, between each company and each worker, which will be established according to the need of the companies for competent workers, and the offer of competent salaried labour by the workers. Within a telematic economy, it is very easy and quick to prepare very effective labour exchanges at every local level, and at a level of the whole geopolitical community.

### **b. Protection of the capital-savings**

We must now remember the distinction made in chapter 12 between savings and capital.

The savings, put away in current accounts, sight accounts, production accounts, production savings

and consumption savings accounts, is not in itself an active production factor.

But when these savings are sold, put at the disposal of the market, in short they are invested, then they become capital, production force.

This step from savings to capital is not easy, and implies many risks. It can be done through private contracting with a Business Bank, or through sales-purchase of exchange shares. In any of the two cases, however, the money capitalized must come out from a sight current account, and be transformed in a term deposit in a Bank, or in private capital-paper (shares, securities, bills of exchange...).

Capitalization (that is transforming savings into capital) is business as any other, with many risks, but which also brings many profits. This activity will be left completely free, both for private capital contraction with Business Banks and for the Exchange activities. The legal protection of the invested capitals will be through the obligation which will have the bank guild and sub-guild of creating several Interbank Guarantee Funds which, at any time, guarantee the safety of the capitals delivered to the banks. These Funds will sell or settle any bank unable to attend its commitments freely engaged in, and will be responsible of a maximum of 50% of these obligations when the sale or liquidation does not allow to cover 100%; the bankrupt bank will have to take charge of the remaining 50% as far as it can, and the difference will be a loss for the client. It will also be necessary to create Interexchange Guarantee Funds, with the same obligations as those specified for the Banks.

Savings, on the other hand, will also have to be protected, and very especially against the unscrupulous capital dealers. The most effective protection is the imperialization of all the positive balances of all the sight current accounts (production current account, production savings current account and consumption saving current account): up to now these balances have been managed by the accounting concerns (banks) which, considering them outer resources, have used them for capitalization. The imperialization of balances will mean that the accounting concerns will no longer be able to use them: any capitalization will have to be explicitly allowed, by means of a special contract, by the owner of the savings; and the savings not capitalized will be considered communal savings, which nobody will be able to use besides the community itself represented by its manager, the State.

As we have already said in chapter 12, the balances of the imperialized current accounts will pay a 6% compound interest per year, and will have the possibility of an automatic overdraft of 25% of the average balance, an overdraft recoverable by the accounting concern in a minimum period of 5 months, and paying the usual free bank-interest.

c. **Protection of the utilitarian inventions**

The utilitarian inventions, both those of private property and those which have already become public property, are at present the most powerful and effective production factor. For this reason it is necessary to foster and protect the private initiative of the possible utilitarian-practical inventors.

This protection will be entrusted to the General Patent Office, a specialized department of the ministry of economy, with as many centres and local laboratories as will be necessary.

This office, in each one of its local branches, will be in charge of the registration and technological study of all the innovations which will be submitted to it: when a project is approved by the office, after the corresponding study, the inventor candidate will enjoy, if he wants to, a social-financial solidarity salary, and financial budgets (ordinary and extraordinary) for laboratory and/or workshop, during the time necessary for the project to be put in practice. After the invention be experimented, by means of a prototype, with total practical satisfaction, and the patent granted, the inventor will be able to choose between two possibilities: either to release his invention to the whole geopolitical community, and therefore to all the interested companies, and maintain a liberal statute; or to privately exploit the invention, either alone (for example, by means of an investment loan to put up his own company), or selling or hiring his patent to one or more companies; and in this case he will pass over to the utilitarian statute.

## 6. Foreign trade and customs.

Up to now we have not spoken of foreign trade, in spite of its importance in the present utilitarian systems, because, in fact, it is a secondary question within our approach.

Foreign trade covers all of the market areas, both of production (current production and wholesale trade; investment production; retail shops and industries) and of consumption (through domestic and foreign tourism).

Import and export will be completely free.

As far as the customs duties are concerned, they will be incidental, and will not be paid according to the type of goods imported or exported, but according to the two following principles.

In the first place there will be the customs duties for a continuous dynamic balance. Every import and export will pay a variable duty according to the state of the balance of payments existing at the time with the country of destination (export) or of origin (import). If the balance is even, the customs duties will be nonexistent; the import duties will go up with the balances showing a deficit, and the export duties will go up with the balances showing a surplus. These variable customs duties will be instantly communicated by telex to any company demanding them, concerning a given import or export, and they will be held for a prudential time period, if the company engages to do the operation within a given term.

By this system a permanent dynamic balance is reached, in each State, or within a number of States, which is the unavoidable condition for a healthy foreign trade, and therefore the main goal to be attained by any customs organization.

In the second place, antidumping customs duties will be established. In fact, in order to avoid competition for domestic manufacturers from foreign manufacturers who, taking advantage, for example, of cheap labour, produce cheaper goods, the minimum legal sales price will be compulsory for all the cheque-invoices, both import and export ones. If the sales price of an imported product is lower, the difference will be an antidumping customs duty, and therefore the importer will not be able to take advantage of this difference.

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## Notes:

<sup>20</sup>Not everybody will agree with this list of four active production factors. Many handbooks and economy treaties, for example, only take two into account: labour and capital. We wish simply to be practical: private companies are the motor of production, and this implies the presence of a businessman eager for profits; therefore we consider profits as a further salary to be paid by the company. Something different is that we suggest a self-managing process which will cause the sharing out of profits among all the collaborators of each company; but this does not imply the disappearance, neither of profits (which will be shared out) nor of the businessman (as everybody will be one).

As far as inventions are concerned, it is also evident that, since the company must pay patents and trademarks, they will have to be considered as another active production factor among those bought by the company.

<sup>21</sup>We insist on the fact that these active production factors are private, because we consider that there exist, besides, active **communal** production factors which are not paid by the company. We shall develop this hypothesis in the Fourth Part of this work.

<sup>22</sup>We refer again to the Fourth Part.

## Chapter 16. The liberal society.

1. Definition.
2. Utilitarian society and liberal society.
3. Inner organization of the liberal professions.
4. Responsibilization of all free liberal acts.
5. Mechanisms of effective separation between the productive-utilitarian society and the liberal society.

This chapter is concerned with the minimum laws which must rule the liberal society, in order to avoid the present confusion, which is so detrimental, between utilitarian society and liberal society.

### 1. Definition.

In chapter 10 of Part Three we have defined the liberal society as «a whole made by:

1. all the individual or collective persons dedicating themselves unselfishly to the service of all the members of each community, without any personal profit motive;
2. all the services given by them through an interpersonal relation and communication with those it has in charge; and
3. all the remunerations that the community delivers to them to sustain them and to allow them to offer the best possible services».

Individual liberal persons are well-known by everybody: the doctor, the teacher, the solicitor, the mayor, the artist..., are very popular characters.

We shall now give a list, if not thorough at least quite complete, of what we shall consider as liberal collectivities, either because they are so traditionally, or because we shall apply to them the corresponding liberal statute.

1. *Archic* liberal institutions
  - o political-*archic*:
    - State (and the Armies and Police depending on it)
    - Justice (and the Police submitted to it)
  - o civic-*archic*: Republics and Territorial-Autonomous Authorities (districts, towns, counties, ethnic groups, interethnic groups, up to ex-empires at present confederated into a larger empire better suited to the present strategic conditions), and the Armies and Police depending on them.
2. Non-*archic* civic liberal institutions
  - o national-permanent education and training; all the present and past cultural services are included: pre-maternity, maternity, day nurseries, mother schools, primary, scndary, professional, technical and higher schools, special schools; faculties, universities; high studies, learning, reflection, meditation, research centres, arts and crafts; sports; spectacles, amusements, holidays; press and publishing, in all its classical and present day forms.
  - o integral health: salubrity, hygiene, health, veterinary medicine, human medicine, pharmacy, nursing, hospitals, social welfare, mutual help...
  - o Guilds; labour committees and self-managing committees; Savings Banks.
  - o Public Administration, in the service of all the previous liberal institutions, *archic* and non-*archic*.
  - o Public works, repairs and services: water, electricity, transports...; telematics in all its branches: telecommunications, computers, data banks...<sup>23</sup>; all these services will become imperialized monopolies for technical effectivity purposes, and for this reason they will show a liberal or mixed statute, according to cases.
3. Free associations of citizens with non-profit aims, of all sorts and description. Among them will have to be considered trade unions and political parties.

## **2. Utilitarian society and liberal society.**

The utilitarian society (producing and consuming) and the liberal society are, since always, radically different as far as their motives and their social goals are concerned.

The utilitarian society is dedicated to the production and consumption of utilitarian goods, objects and outer services to individuals, which are useful because they satisfy their most material needs. On the contrary, the liberal society is dedicated to give liberal services, which are not external, but are practised on the persons themselves, attaining their totality, privacy and depth as persons: education, the care of body and mind, ruling, defence... are actions carried out in a personal dialogue with each one.

While the utilitarian society is selfish and interested, acts on a personal profit basis, sells and buys the utilitarian goods -called on the market «merchandise»- the liberal society has always proclaimed itself as altruistic and unselfish: for this reason it must offer its services gratuitously.

In spite of this radical difference it is necessary to understand that the utilitarian vocations, professions, activities and institutions are as noble, legitimate and necessary as the liberal ones.

But the social devices which allow to put into practice the application of this difference must be urgently established. It must be avoided as far as possible the commercialization of liberal vocations, activities, professions and institutions, a commercialization which always degenerates into corruption, indifference, and escape from responsibilities.

The liberal professional with a true vocation will have to make do with a social-financial solidarity salary, which will vary according to the wealth of the geopolitical community; also the liberal collectivities will have to accept the social-financial solidarity budgets, ordinary and extraordinary.

There will then be established specific laws which, while protecting the freedom of action inherent to every person of liberal vocation and profession, will be an effective guarantee of the necessary distinction and separation between the utilitarian society and the liberal society.

## **3. Inner organization of the liberal professions.**

The liberal vocation implies, in its practice, a great freedom. In the same way as the utilitarian professional is submitted to a strong company discipline, aimed at the greatest and best production with the least risk and effort, the liberal professional follows a discipline freely agreed upon and accepted by him and all his equals, and in agreement with all the professional body, organized as a liberal Association.

This free, liberal Association, discipline is called «deontology»<sup>24</sup>. Every liberal-local Association, autonomously confederated at an imperial level, will freely establish its own deontology and inner rules.

Liberal Associations will only need very stable basic laws, which will only change when the social-cultural-technical progress so advises, concerning basically:

1. Access to the liberal qualification by means of a probationary period: this system is the best alternative to the stupid present system of applications and competitive examinations. After satisfactorily finishing the professional or university studies, any student wanting to be admitted to a liberal qualification, will have to spend a probationary period with a professional of the chosen specialty. This means that the candidate will start the practice of his liberal profession under the guidance of a professional with experience, who will act as instructor and who will finally decide on the ability of the candidate to hold the qualification. Every Association will organize in its own ways these probationary periods, and a specialized Justice will be in charge of solving all the conflicts created about this basic legislation.
2. Financial-professional categories: The law will establish liberal financial-professional categories by which all the Associations will have to abide. These categories will be:

1. assistants: they have no specialized studies.
2. clerks: they have completed their specialized studies and are on a probationary period to become professionals.
3. professionals: they have successfully overcome the probationary period.
4. higher professionals: professionals who have overcome a new probationary period, after carrying out studies for a deeper specialization.
5. general professionals: they are acknowledged at an intrainperial level.
6. interimperial professionals: their position is acknowledged on an interimperial level.

The ability and professional prestige of the professionals and of the higher professionals is obtained by the above-described system of probationary periods, and the general and interimperial positions are acknowledged by the votation of equals in the local liberal-professional Association, or in the several confederations of such Associations.

On the other hand, and only with respect to the social-financial solidarity salary, the professionals registered in the three first categories, make up also a section of equals in their respective Associations and will be able to choose freely 5% of their numbers every year to go to the upper category, while this election does not imply any new professional ability. So the door will stay open to the social illusion of those who, for whatever reason, cannot expect more in their liberal profession. It must be pointed out that at any time, just by carrying out the necessary studies and probationary periods, any assistant will be able to become a professional.

3. A basic system of elections and successions in any liberal collectivity: all the indications we have given in chapter 11 on the bodies of *archic* rule, are now spread to **any** rule inside any liberal collectivity. That is, all collectivities, of whichever sort (of political *archy*; of justicial *archy*; of civic *archy*; non-*archic* civic ones) will have to apply the same democratic elections and successions system of the free responsible rule. On the other hand, this basic legislation will not be applicable to the utilitarian society, which is organized according to very different principles in choosing the persons who will have the control.

The basic system of democratic elections will imply:

a. **Ruling bodies**

All the liberal collectivities will have the following ruling bodies:

1. an executive ruling body, elected by universal and direct suffrage of all the members therein registered and who will submit to the rule;
2. a legislative ruling body, elected also by universal and direct suffrage of all the registered members;
3. a consulting body, made up by liberal professionals elected by their own Associations, compulsorily to be consulted in any legislative matter attaining the relevant profession of each chamber.

These three bodies, very well differentiated, must be very well separated in their build-up and their constitution, and must be completely independent, so that each one's functions may be carried out effectively. It must be absolutely avoided both the executive parliamentarism and the factual power of non-elected officials or consultants.

b. **Executive authority**

The executive authority, fully independent in its decisions, must be concentrated in one only person in charge of it, in order to uphold both the personal responsabilization of every free act of executive rule, and the harmony and clearness of the ruling trend.

In order to uphold the continuity of the executive rule through the necessary discontinuity of the individuals who have carried it out -without this discontinuity the executive rule degenerates into irresponsible power- within the Executive Council (made up by three to seven persons) there will be established a rigorous succession order. Every time the monarch (that is, the President of the Executive Council) ceases his functions, either through legal ceasing, resignation..., or death, it will be foreseen his immediate succession by his first counsellor and successor; this will be succeeded by the second counsellor, and so on, so that there will be a vacancy for the post of the last counsellor and successor, for which elections

will be called. This system has also the advantage that the monarch reaches the post of highest responsibility with an accumulated long experience in government.

c. **Candidates to ruling posts**

Every candidate to an executive or legislative ruling post in a liberal collectivity, must have himself registered as candidate in an exactly stated candidature; from that moment he will have a liberal statute of candidate, which will entitle him to a social-financial solidarity salary as candidate, and to an electoral campaign budget, identical to that of all the other candidates to the same post.

Candidates will have to be necessarily registered in the census of the liberal collectivity to whose rule they aspire.

For the liberal professionals are foreseen the following restrictions as far as the candidatures in the bodies of *archic*-politic and *archic*-civic rule are concerned:

1. they will not be eligible to legislative functions;
2. they will only be eligible to executive functions on an exclusively personal basis: that is they will not be able to represent any political party nor civic partisan movement;
3. they will not be electors in any election to executive or legislative functions;
4. on the other hand, they will be the only electors and eligible through their respective Colleges to the consultive functions.

The reason for these restrictions is that the liberal vocational individuals must be at the disposal of all the geopolitical community, and not dedicated to the defence of any given party interests.

#### **4. Responsibilization of all free liberal acts.**

As in the case of the productive-utilitarian society, in the liberal society every free act demands the automatic personal responsabilization of its author.

To solve the conflicts created around the previous basic laws and of those we shall explain in the following section, a Justice specialized in professions, Associations and liberal institutions will be created. If it is necessary, because of the peculiarity of a profession, Association or given institution, a Justice specialized in them will also be created. This will be, for example, the case of a Justice specialized in posts of *archic* rule (political, judicial or civic).

In fact, these posts of supreme responsibility are of great social importance: for this reason, every person having held such post, will have to pass, at the end of his term of office -whether it be foreseen constitutionally or legally, or of dismissal, or even in case of death- through the specialized Justice which will judge his *archic* action. After the normal examination of the case, the judge will give out the sentence, both according to form or to personal conscience; the sentence may be either very favourable, or favourable, or doubtful..., or condemnatory, with a higher or lower degree of importance; in this case, penalties will have to be typified according to the established degree of importance.

Of course, the aim of this judgement (and of any other) is not the imposing of the penalty in itself, but the exemplarity of the case examination, publicly made in front of all the geopolitical community.

As we already know, in the examination of the cases Justice will have an unsurpassable instrument for the documentation of the monetary responsibilities: the pro-telematic cheque-invoice.

This is valid both for the utilitarian society and for the liberal society. This one also has a monetary dimension, made up by the social-financial solidarity salaries and budgets of every liberal professional, and by the social-financial solidarity budgets of every liberal collectivity<sup>25</sup>.

To which use each professional and each liberal collectivity will put this purchasing power of communal origin will always be documented by the given out cheque-invoices.

In the case of liberal collectivities however, the law will demand that in each of them there be one single manager, personally responsible of the budget management.

## **5. Mechanisms of effective separation between the productive-utilitarian society and the liberal society.**

As we have already said, it is necessary to establish the mechanisms which will make effective the radical separation and distinction between utilitarian society and liberal society and, above all, between the productive-utilitarian society and the liberal society; because, in fact, the liberal society has also a utilitarian-consumer dimension.

In fact, the liberal society as such, in itself has nothing to do neither with the production nor with the consumption of utilitarian goods. Now, the members of the liberal society -the liberal professionals and collectivities- because they are living persons need, as any other, to consume in order to survive in the first place, and to live well afterwards. In this sense, then, they participate of the utilitarian-consumer society, -not as liberals but as persons-.

On the other hand, it is necessary to consider the liberal service and action as a highly effective active factor of production. The liberal action produces the development of a cultural and social environment, pacific and harmonious, which becomes highly propitious to a growing production and productivity.

The liberal society then has a double right to the consumption of utilitarian goods: the right which has every born person, and the acquired right for its indirect contribution to the utilitarian production.

But it is not the market which must take care of retributing the individual and collective members of the liberal society, as then we would fall necessarily in the negation of the liberal essence, in the shameful commercialization.

It is then the whole imperial community which must acknowledge and make effective the right to consume of the liberal society. From this viewpoint, we have suggested the communal financing of the liberal society, through a liberal financial Statute, which drives to a radical monetary separation between the productive-utilitarian society and the liberal society: while the purchasing power of the productive-utilitarian society is of private origin, generated by the the market itself through its salary remunerations, the liberal society has only a purchasing power of communal origin, generated by the single omni-solidarity duty, and **only** to be used to satisfy **consumption** needs.

The liberal professionals then will have only a current account of consumption savings, opened in the Savings Bank of the district where they are residents. This current account will be fed by the Treasury with a social-financial solidarity salary of liberal professional, which must ensure the satisfaction of the consumer needs of these professionals and their families to the highest possible level (but always in accordance with the effectively available communal resources); an ordinary budget for the practice of the liberal profession will also be paid and, when necessary and if the community can, an extraordinary one: this budget will allow each professional to practise his profession with the help of all the most advanced technical and material means in the field.

On the other hand, the liberal collectivities (liberal bodies and free associations of citizens without profit) will also have current accounts of consumption savings opened in the Savings Bank they prefer or, if they are not very important, directly opened at the Treasury. These current accounts will be fed by the ordinary budgets foreseen (in direct accordance with the number of members registered in each collectivity) and by the extraordinary budgets which will be granted to them, according to an order of preferences and in accordance with the financial possibilities of the imperial community.

This full financing of the liberal society by the imperial community ensures the full monetary independence of the vocational individuals and of the liberal collectivities with respect to the productive-utilitarian society and, in this way, suppresses from the root the bases of all commercialization of the liberal service: the

monetary evaluation for the elementary liberal act when, in essence, the liberal service is free, unmeasurable and invaluable.

The other immediate consequence of the communal financing of the liberal society is the complete gratuitousness of the liberal services for all the members of the empire, which have a full right to them.

Finally, so that the separation between productive-utilitarian society and liberal society be complete, it is necessary to legislate the necessary professional incompatibilities between both social sectors.

Nobody practising a liberal profession will be able to practise at the same time a utilitarian profession, and viceversa.

Now, everybody will be free to go from one profession to another, when he so likes. For a liberal professional the step is easy: he will just have to give up his liberal financial statute, and start as a utilitarian professional: On the contrary, a utilitarian professional wishing to set up as a liberal professional, will have to give up all his properties and interests of a utilitarian type, and to entrust them to a Bank of Deposits, Confiscations and Consignations, which will be in charge of their administration; while the ex-utilitarian professional has the liberal statute, he will lose the usufruct of these goods, but not their property, and the above-mentioned Bank will accumulate the usufructs, which he will recover if he decides to give up the liberal statute and to go back to the productive-utilitarian society.

On the other hand, while in the utilitarian society there will be no incompatibility set out, and every utilitarian professional will be able to accumulate as many occupations and remunerations as he wants, in the liberal society it will not be allowed for each liberal professional and collectivity more than one only and well defined function and, therefore, one single social solidarity salary and one single liberal budget.

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#### Notes:

<sup>23</sup>Even if at the beginning only the telematic monetary network will be imperialized, in the long run it will be necessary to attain a total imperialization of the telematic services.

<sup>24</sup>«Deontology» comes from the Greek participle «deon, deontos» which means «what is suitable (in this case, what is suitable to one's own dignity, and that of the group»).

<sup>25</sup>See in chapter 14 the section dedicated to the financial Statutes and, more specifically, see the Liberal Statute.

## Chapter 17. The consumer-utilitarian society.

1. Dynamics of the consumer-utilitarian society.
2. Composition of the consumer-utilitarian society.
3. Protection and responsabilization of consumers.
4. Consumption and consumism.

In this chapter we shall deal with the consumer-utilitarian society. We have already defined it in chapter 15 as «the number of individuals, goods and monetary interrelationships implied in the consumption processes».

### 1. Dynamics of the consumer-utilitarian society.

As can be inferred from the analysis of the trade cycles carried out in chapter 8, the productive-utilitarian society (or production cycle, according to the mercometric terminology) produces **non-finished** goods, and pays **salaries** to the production forces which take part in the production process.

These non-finished, produced goods have different destinations, according to their features:

- a. the goods non-finished and non-finishable because of their quantity, remain in the production cycle to carry on their transformation.
- b. the goods non-finished and non-finishable because of their description (that is: the investment goods) remain also in the production cycle, but not to carry on their transformation, but to serve as instruments in the production processes.
- c. finally, a third category of non-finished goods, the non-finished but finishable goods, in the hands of the retail shops and industries, is meant to go to the consumption cycle, to the consumer-utilitarian society: i.e. it is for sale to consumers.

So, the consumption processes, natural to the consumer-utilitarian society, are only those of sale-purchase of **finished (because they have been bought)** goods between retailers and consumers.

Following the above, it can be seen that the productive-utilitarian society is heading for and oriented to the consumer-utilitarian society, either directly (in the case of non-finished and non-finishable goods because of their quantity, and in the case of non-finished but finishable goods) or indirectly (in the case of investment goods). All the goods produced in the productive-utilitarian society will end up going, more or less directly or indirectly, sooner or later, more or less transformed, to the consumer-utilitarian society. And so it is consumption which gives production a humanist meaning in the service of individuals, and it is consumption which ends, **finishes**, all the commercial processes.

Therefore, consumption is the last stage of production, that which completes the cycle: as soon as the merchandise is bought by a consumer this merchandise becomes **finished** and its commercial life ends, while it starts a personal-use life, in the service of the utilitarian needs of the individual who bought it.

However, in spite of the fact that consumption is the end and the natural aim of production, it is necessary to separate very well the productive-utilitarian society and the consumer-utilitarian society, because in fact they are very different as far as composition, interests, features are concerned..., and politicians must always keep in mind these differences.

### 2. Composition of the consumer-utilitarian society.

While the productive-utilitarian society is excluding -it only admits the utilitarian professionals-, the consumer-utilitarian society is totalizing: it includes all the members of the imperial community without exception.

In fact all those belonging to the empire are consumers, according to two possible models.

In the first place there are the consumer-producers: they are the utilitarian professionals, who effect their consumption through a purchasing power of double origin:

- a. a private-salary origin, the remuneration of their active participation in the productive-utilitarian society;
- b. a communal-financial origin, by virtue of the General Statute and, occasionally, of the Utilitarian Statute.

In the second place, there are the simple consumers, who do not belong to the productive-utilitarian society but belong to the consumer-utilitarian society. Simple consumers are:

- a. the liberal professionals and collectivities, who enjoy only a purchasing power for consumption of communal-financial origin, by virtue of their Liberal Statute;
- b. individuals without a profession and families (besides the private incomes of each one of their members), who also have a purchasing power for consumption of communal-financial origin, by virtue of the General Statute.

### 3. Protection and responsabilization of consumers.

Consumption is a right of all the subjects in the empire, just for the fact of having been born or living there.

In order to protect effectively this right it is necessary in the first place to protect the productive-utilitarian society which, as we know, is the one producing the goods for consumption: this protection is the one we have explained in chapter 15; and in the second place, to freely give to all the population the financial money needed for consumption (as we have seen in chapter 14).

These two simple mechanisms are enough to ensure, for the time being, a minimum basic consumption for all the members of the imperial community.

But consumption, as any other monetary act, demands its immediate and total personalization and responsabilization. The consumer-utilitarian society is so simple, that it needs no specific legislation, except for the very general and fundamental one that any operation (sales-purchase of finished merchandise between a retailer and a consumer) be carried out through the pro-telematic cheque-invoice, and exclusively through a current account of consumption savings opened in a Savings Bank: everybody will have one, and only one, of these current accounts.

Only in one case will it be necessary to have a minimum legislation of the consumption acts, that is in the case of the liberal collectivities: as we have seen previously, in order to avoid corruption in their budget management, the liberal bodies will have, by law, a purchasing manager, personally responsible (and only he) in face of Justice for the administration of budget.

### 4. Consumption and consumism.

The consumer-utilitarian society, which carries out acts of sales-purchase of consumption goods, has for goal the carrying out of **real, material consumption**: this is no longer a market-monetary process, but an intimate and personal act, socially **liberating**, of every consumer.

In fact we may describe actual consumption as the process consisting of the absorption of utilitarian goods for their transformation into body-soul vitality and/or spiritual-cultural experiencies. Consumption satisfies man's utilitarian needs, but for this same reason it frees him, it leaves him free to carry out activities of a superior order than the purely utilitarian one. Consumption is, in our opinion, the sustenance and promotion of every individual, collective, ethnic... person's self.

Consumption, as a fact vitally necessary and socially liberating, must be increased as much as possible. We look for the obtention of a maximum production in quantity and very best in quality, in order to enjoy also a

maximum and very best consumption; this does not necessarily mean a stupid consumism, or blind illimited development, as long as the following conditions are met:

- a. Consumption must not be manipulated. This is the basis of consumism: the most powerful companies spend great amounts of money in an absurd and manipulating publicity, in order to have people consume what they really do not need nor wish. The reform of the advertising systems we have suggested (chapter 15) will be the most effective guarantee against consumism.
- b. Production shall not be antiecolological. As we have already said, basic laws of ecologic strategy will be given out, which every guild will have to adapt to its productive specialty (chapter 15).

When these two conditions have been made sure, we believe that it is no folly the idea of a maximum consumption as far as quantity is concerned, and of very best quality for all the members of the imperial community. The continuous appearance of **new** necessities is one of the most peculiar features of the human species, which makes it a continuously evolving cultural species, always open to new horizons and new outlooks: here rest all sorts of progress, both productive-technological and social-liberating. For this reason we do not support the idea of zero growth. For us, the main goal is overcoming the outrageous imbalances existing among the consumption levels of the different population sectors and of the different blocks of countries. From this point onwards to improve as much as possible both production and consumption, always within the two basic strategies explained before.

## Chapter 18. The libertarian utopia.

1. Oppressing structures and libertarian structures.
2. The post-logical society.
3. The ecological society.
4. The pacified society.
5. The anarchic socialism.

In this Part Three we have tried to set firm bases, to lay solid foundations for the construction of a more balanced, more humane society, more satisfying for all and each one of its members.

We could now summarize all the suggestions submitted in three sections:

1. A clear-cut free market and a transparent free society: i.e.
  - a. one single legal monetary instrument, the pro-telematic cheque-invoice, thoroughly informative and clarifying of all the monetary acts happened in each imperial time-space under consideration;
  - b. imperialization of all the analytic-statistic information supplied by the telematic monetary network;
  - c. a strict separation between utilitarian society and liberal society, controlled through monetary mechanisms;
  - d. responsible trading freedom, within the basic laws established by the State and developed by each guild;
  - e. responsible liberal freedom, within the basic laws established by the State and the deontological rules established by each association.
2. Dialectics between *archy* and anarchy: that is, the establishment of strong *archic* structures (political, justicial and civic), but responsible at the end of their term of office and constitutionally limited.
3. Dialectics between common good and private good: that is, the establishment of utilitarian structures respecting the free initiative and private property, but ensuring at the same time, through the communal solidarity, the satisfaction of the utilitarian necessities of all the persons with an inadequate purchasing power.

Starting from these basic social realities, it is possible to start to set farther reaching goals, more liberating projects. It is possible to start thinking how to put into practice the best ideals and utopias of mankind: freedom, justice, peace, harmony, equity...

All these noble aspirations are nowadays sustained by a number of social and political movements: pacifism, ecologism, non-violence, libertarian socialism... But they will always stay in the area of the unattainable-utopian, as long as they do not start from the basis of social structures radically different from the present ones.

### 1. Oppressing structures and libertarian structures.

The working hypothesis we support concerning society and its evolution partakes of Marx's historic materialism. In fact, we affirm that in the life and evolution of societies there are basic structures which condition the remaining social structure.



For Marx, these structures were one with the production relations; we will not deny it, but we will add that there is another structure, perhaps even more decisive, that nobody has ever considered, but which could be a very effective starter of all the social processes: we mean the monetary structure.

At present both the so-called capitalistic society and the so-called communist society share the same sort of monetary structure: the anonymous currency. As we have seen in chapter 2, the specific metal currency or anonymous currency is irrational and, therefore, unsettles

the market instead of helping it to reach a dynamic balance. Moreover, because it is anonymous, impersonal and irresponsibilizing, it is also socially unsettling: it is the source of all power over people, of all plutarchy, and it is the instrument of all corruption and all oppression.

The elimination of anonymous currency, and its substitution by an all-informative monetary system, all-personalizing and all-responsibilizing, means the establishment of a monetary structure basically clarifying and libertarian, essentially opposed to all plutarchic power, and improving the specific powers of each individual.

Only starting from libertarian infrastructures, and more specifically from the monetary structure, will the superstructures become liberating for man: utopia will become feasible.

We are not trying to define a utopian society, because, in order to be free, it must be completely unpredictable. But we want to give some ideas of how, on the social structures previously described, may start to be put into practice some of the most felt aspirations of our time.

## 2. The post-logical society.

In chapter 13 we have explicitly mentioned the imperialization of the statistic-analytic information on the monetary market and society, obtained through the telematic monetary network.

But, in fact, all sorts of information, not only the monetary one, will be imperialized, and also all its technical means. In fact, within the liberal service of permanent education and training, are included all sorts of publishing and press forms: graphic, visual, audio, audio-visual... The press and publishing professionals will be considered liberal professionals and, therefore, their services will be free.

On the other hand, the data-processing revolution at present causes the telematic technology to be more and more the support of any transmission, filing away and data processing (through the telephone, television, teletext, telecopying..., data bank..., computers...). And we have also said that these technologies will be considered a public service and, therefore, will be imperialized and of free access. At present, telematics is a hyperlogics, that is an exasperation, an exaggeration, and absolute primacy of the logic processes; but it is necessary to reach quickly a post-logics, which is a telematic technology within everybody's reach, evolved enough to be able to dialogue with the user in a commonplace language and, therefore, suitable for any cultural and training level. When **everybody** will be able to use telematics simply, easily, naturally and comfortably, we will have reached the post-logic age. It is not necessary for everybody to be conversant in logics or data-processing; with a few specialists there is quite enough. It is only necessary for everybody to be able to use it lucidly, understanding that it is just an auxiliary instrument, the same as we can use a hammer, a pair of scissors...

The liberalization of information implies its free circulation, without any restriction, control nor censorship. It is only necessary to protect the professional and industrial secret, and the privacy of each individual. Besides this, everybody is free to express his responsible opinion, and everybody has access to the whole of the circulating information.

The freedom of the information circulation has a very strong culturing power. Information and knowledge are essential and vital factors for the self-development of each individual, of each society, of each culture. If they are put at their free and gratuitous disposal, the resulting progress and dynamics will be spectacular.

## 3. The ecological society.

Life in harmony with nature, the respect of natural environment, the return to craftsamanship production systems, giving priority to quality above quantity, life in small communities and the disappearance of monster-cities..., all these objectives will only be attained little by little within a cultured, responsible and **wealthy** society.

Of course, a suitable legislation can do a lot. As we have already said in chapter 15, starting from basic State laws the guilds will work out ecological production strategies, which all the companies will have to respect. Municipalization of the land is a very useful instrument to face an effective town and territorial policy. The preferential communal credits may be a very important weapon in order to foster interesting production strategies: the use of natural energies, reduced companies, research of the best quality...

Now, if the relationship between man and nature is to change its trend, going from the present possessive and destructive orientation to one of respect and admiration, a radical change of mind is necessary, and this takes time and cannot be decided by law. Here the libertarian social structures can help to accelerate the process. A clear and transparent society, monetarily responsible, with a lot of free time, with a production abundance and a great communal solidarity towards those who need it, is a society which does not put obstacles to ideas, to social experimentation, which does not condition minds but leaves them free and helps them in their initiatives and, therefore, fosters the social mutation and transformation.

#### **4. The pacified society.**

War is not a connatural fact to man, which must be necessarily inferred from his own nature. On the contrary, war has a historical origin and therefore also a historical end.

It appears that the violent and organized confrontations among human groups start only when sedentary populations exist with an ability to accumulate utilitarian goods (this would be, approximately, about 10,000 years b.C.). In the areas in which, for some reason, there occurs a resources shortage with respect to population, the first confrontations take place in order to pilfer the pantries of those better supplied.

In any case, these situations appear to be rather exceptional, while the peaceful relations among groups prevail. Up to the metals age, when the first, outspokenly warlike metal weapons are produced, and when a clear social hierarchization is already evident, it appears that it cannot be spoken of war in the full extension of the word.

When anonymous currency appears, a qualitatively different stage in the history of war appears, because to the exertion of brute force must be added the exertion of subtle power, much more antilibertarian than the other one.

As a valid generalization for all stages, however, we can say that war is always the answer to a social situation of antilibertarian compression -whether it is a spontaneous answer, or caused and channelled by the interests of an imperialistic power-. For this reason, the disappearance of anonymous currency in the first place, and the construction of libertarian social structures in all the areas, in the second place, will be the first step towards a progressive pacification of society.

Inside each empire Justice will have the main role in this pacification task, because, through its calm and objective action, being fully documented, it is in charge of pacifying all the conflicts and confrontations which may appear.

On a world agreement basis, situation is nowadays featured by the so-called armaments trend: under falsely strategic-defensive claims, the armaments trend conceals the plutarchic and oppressing interests of present imperialisms. The only feasible way out for an empire which wants to escape from this situation, consist of:

1. To reduce its armament to the essential minimum;
2. To transfer the present competition in armaments production to a competition in productions much more useful and technologically well advanced;
3. To establish with the remaining empires very libertarian relations, stable and balanced, according to the formula explained in chapter 15.

#### **5. The anarchic socialism.**

Much farther than the ideals we have mentioned up to now, are the ideals of the anarchic socialism: the disappearance of any sort of *archy* or social rule, and the disappearance of any difference of wealth and social prestige among individuals.

For the time being, these two ideals remain still in the field of the unrealizable utopia, because they imply very deep changes, not only in the social structures, but also in the genetic-hereditary structures themselves of man.

In any case, we have suggested two fundamental steps which follow just this line: first, the constitutional reduction and limitation of any *archy*; second, the distribution of finances to consumption for all citizens, equitably, according to their most urgent material needs, and with a total equality of access to cultural resources.

We do not want to be prophets, but we think that these steps may be the firm basis on which society may evolve in a more and more libertarian way: the arrival points of this evolution are unexpected and unimaginable.

## Chapter 19. The transcendent society.

1. Phenomenon and noumenon.
2. The transcendent society.
3. Phenomenal liberties and noumenal liberty.

All that we have been saying in this Part Three up to now, may be included, roughly, within what is called «quality of living», since we have always mentioned a possible improvement of the conditions, both material and cultural, environmental or psychological, of man's life. In brief, we have limited ourselves to the phenomenal dimension of human life. But, beyond that, there is another dimension, which we wish to discuss in this last chapter.

### 1. Phenomenon and noumenon<sup>26</sup>.

Beyond the phenomenon, the noticeable appearance, which can be experienced through the senses and expressed through words, there is another dimension, exclusively pertinent to man: the noumenon, which cannot be experienced through the senses, because it is given us in pure spirit, and cannot be expressed in words because it cannot be conceptualized and is ineffable.

The noumenon, nobody knows what it is; we only know that it is experienced in the deepest privacy of our being, in a completely gratuitous manner, as an ethic-transcendent fulguration, that is as a lightning going through our whole being and elevating it to unknown regions and filling our life with a living sense.

From these fulgurations we derive the joy of living -happiness-, the discovery of oneself and of the other as beings with an immense value, with an irreducible singularity; and from this an intimate communion is born with the other person.

Now, in every individual cannot spring up the free ethic-transcendent fulguration if it is not based in the phenomenal joy of a prior aesthetics; and this fulguration cannot rise towards higher regions if it is not nourished with higher and more extensive aesthetic joys.

### 2. The transcendent society.

Individuals, taken in their noumenic, ethic-transcendent dimension, make in whole the transcendent society.

It is easy to understand that everybody, freely willing it, may participate of it: every born person is capable of noumenal experience; the only condition is to accept it.

It is also easy to understand that the specific activities through which can express itself phenomenally the noumenal experience: love acts and expressions, of disinterested help to our neighbour,... cannot be materially rewarded without betraying their own spirit. For this reason, the transcendent society as such, is radically unmonetary. Within it, nothing can be bought nor sold.

Of course, within the transcendent life of every person nobody can interfere at all, and much less the State. The field of action of politicians is strictly phenomenal: they can only bear upon the phenomenal society, which includes the utilitarian society and the liberal society. Politicians can never promise to give happiness to people, because this is a private matter concerning each individual and his ethic-transcendent life; on the contrary they may hope to solve many of the phenomenal causes of many human hardships.

Therefore, in the transcendent society, there is no place for any legislation; the only thing which must be asked and constitutionalized is tolerance and practical respect for each person's singularity and dignity.

### 3. Phenomenal liberties and noumenal liberty.

Often, however, when the prevailing social-phenomenal conditions are anti-libertarian, they stop the noumenal life of every person from expressing itself freely, from becoming a phenomenal action and life. Excessively antilibertarian conditions may even prevent from discovering our own noumenal life: this is called «alienation».

When we say we are libertarians we mean, simply, that our goal is the protection and promotion of all the specific phenomenal liberties of the past and future, in order to carry out without hindrances the emergence of each person's specific noumenal freedom, and his free phenomenal expression.

The specific phenomenal freedoms developed by politicians in every day's life -utilitarian and liberal-, will produce the structural-phenomenal conditions which, far from determining the transcendent life, in practice will free it from its negative, phenomenal conditionings; and will make up the aesthetic basis of the free development of the ethic-transcendent liberty in everybody's privacy and in the communion with all the persons.

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**Note:**

<sup>26</sup>Phenomenon comes from Greek *phainómenon*, which means «that which appears (noticeably)»; noumenon comes from Greek *noúmenon*, which means «that which is perceived by the spirit, without the agency of any noticeable appearance».

## **Part IV. A working hypothesis on the market.**

### **Introduction.**

We have already pointed out several times during this essay that the pro-telematic cheque-invoice is the essential instrument to make possible the transformation of mercologies into an experimental «science», - since only through its means we may obtain a serious and thorough mercometrics-.

When the cheque-invoice will be introduced, it will be possible in the imperial community having done so to experimentally compare any working hypothesis or explanatory model on the market which may have been suggested.

In this Part Four we wish to promote a working hypothesis on the market, which will be easily comparable through the simple application of the pro-telematic cheque-invoice in any joint market whatsoever, and during a sufficient period of time -perhaps ten years?-.

We are very keen in testing this hypothesis, because, if it is confirmed it would give a great support to the feasibility of the whole social programme submitted in the Part Three: in fact, this hypothesis is concerned with the existence on the free market, of a commercial common good which could be easily shared, in the shape of currency, among all the members of the imperial community

## Chapter 20. Wording of the hypothesis.

1. General wording.
2. Explanation.

### 1. General wording.

To quickly go into the matter, we shall first give a very general enunciation, very intuitive, scarcely rigorous, of the working hypothesis we shall later try to set out formally.

We say that, from the exchange-monetary utilitarianism -that is the **free** monetary market-, which is **private**, springs up, through the rich and **free** interrelationship in it of vocations, associations, companies, inventions... in a given cultural time-space, a new utilitarianism which is **communal**.

### 2. Explanation.

We must explain what we have just said. What do we mean by a new communal utilitarianism?

We have already defined, in the first chapter (Part I) of this essay the word «utilitarianism»: it is «the system of production and distribution of the utilitarian goods».

At present human utilitarianism in the most advanced societies takes the form of a private monetary market.

In every utilitarianism we can separate two complementary sub-sets, which we shall call «production» and «taxation», which we shall define, also intuitively, in the following manner:

**Production** is the effort of some productive agents or production forces to obtain utilitarian goods; it is also the result of this effort, that is, the same utilitarian goods produced -which in the case of a merchant utilitarianism are called produced merchandise-. Production is then a process, but also the result of this process. For our working hypothesis, the meaning given to the word production is the second one, that is **results**.

**Taxation** is the action of the previous productive agents or production forces on the utilitarian goods previously and actually produced. In the simplest case, this action is limited to **consumption**, but in the case of merchant utilitarianism the taxation action is extremely complex. As can be seen, taxation is also a process, complementary to the production process. Now, in a commercial utilitarianism, taxation can only be carried out by means of a monetary reward of the production agents, called «salary». No production agent can act on any utilitarian good produced if it has not a purchasing power as a result of the monetary retribution of its prior productive effort. So, also the taxation idea has two meanings: one of process, of action; and another one of prior condition to the realization of this action. Also in this case we are interested exclusively for the second meaning.

So, summarizing, we shall understand for **production** «the set of utilitarian goods produced»; and for **taxation** «the set of rewards paid to the production agents».

Between production and taxation there is a relation which can be of balance or imbalance. When all the productive activity is actually rewarded, and therefore all the production may be converted in an object of active taxation, then utilitarianism is balanced.. When this is not so, when the production agents are underpaid or overpaid with respect to the actually existing production, then utilitarianism is in an imbalanced situation.

Then, when we speak of a new communal utilitarianism we refer, simply, to the existence, within the present private utilitarianism, of communal production forces -that is, that they are not the traditional private working, capital, company and invention forces-.

According to our hypothesis, these production forces actually participate in the production process, but they are not paid by the present market.

And it is no mystery nor are they ghost forces: they are, simply, communal dimensions of the productive process: freedom, peace, accumulated culture... are communal achievements which raise the efficiency of the productive processes, in a natural and spontaneous way.

But if these forces, actually operating, are not paid at all, they can neither participate in the taxation process. Then we find ourselves in an imbalance situation because of underpayment, because of low availability of money.

The palpable demonstration of this imbalance is made up, in our opinion, by the existence of commercial production surpluses, that is, of a production amount which cannot be absorbed, which cannot become a consumption object, through lack of purchasing power, that is because of the money shortage.

If these communal productive agents are not paid in money, it is partly because they are not known enough as such; but mainly it is because they cannot in any way be measured exactly within the present monetary system.

The monetary reform we have suggested is the only way of verifying the existence or not of these forces and, should they exist, of measuring their actual contribution, in terms of which they will be rewarded.

## Chapter 21. Background and empirical confirmations.

1. Background.
2. Empirical confirmations.

### 1. Background.

The hypothesis of a communal utilitarianism or of a commercial common good in fact is no piece of news.

Careful studies could demonstrate that already Plato had in some way sensed the possibility of sharing the private wealth present in the private market.

Marx himself, when he formulated the idea of increased value, was on its tracks, but he limited himself to make the analysis of the micro-mercantile processes, while the mercantile common good can only be comprehended in a macro-mercantile overview.

But when the present-day economists mention the residual market value, it is clear that they are fully touching on the subject. By **residual factor** a production factor is meant which explains all that production part which cannot be explained through the classical production factors. This part is the highest when a country is more technologically and culturally advanced.

Now, the attempts to a strict quantification of the residual factor have always failed, through lack of a suitable measuring instrument.

Our modest claim is to offer the measuring instrument of the elemental phenomena of the monetary market and society, which will allow to rigorously formulate the hypothesis and to be able to experimentally confirm or invalidate it.

### 2. Empirical confirmations.

Besides the theoretical background of the hypothesis of the mercantile common good which we have just mentioned, this hypothesis has an empirical basis of facts, evident to the eyes of the least prepared observer, which represent an almost palpable demonstration which grants it a high degree of probability, independently from the necessary pro-scientific experimentation.

We refer, fundamentally, to three great facts, of an enormous range and extension in our century, mainly in the countries most progressively industrialized:

1. The actual existence on the markets of great amounts of production surpluses, unsaleable because of the lack of purchasing power -both by the companies and by the consumers, both by the developed countries and by the poorest countries-.
2. The vertiginous growth of the public debt of all contemporary States.  
This public debt is the appropriation of the common good by the State: it consists of the invention by each Bank and by its Central Bank of a purchasing power which will be used to face the budgetary needs, but which is based on the real productive abilities of the whole geopolitical community - because, if it were not so, these communities, with the very high public debt of their States, would have been totally broke for a long time-.
3. The fabulous enrichment of bankers and of multinational companies. Both of them have also the ability, not controlled by anybody, to invent purchasing power by many means. This invention takes also advantage of the productive overabundance of the geopolitical community -caused by the non payment of the communal production agents-, but often it surpasses it, therefore driving the whole community to situations of crisis which only damage the small or medium consumers, and with which these large sharks of finances make a fortune.

Of these three facts, the first one is a demonstration of the mercantile common good on a production level.

The other two are clearly demonstrations as far as money availability is concerned: the legitimate payment owed to the communal production forces is diverted and taken for the state budgets and for the bank's and mutinationals' profits. But since the knowledge of the mercantile common good is not perfect, this diversion, besides being unfair in most cases, it is also imperfect, either for excess or for want, and creates imbalances known as inflation and deflation crises.

## Chapter 22. Statement of the hypothesis.

1. General statement.
2. Invention of money.
3. Detailed statement.

### 1. General statement.

We go now to a rudimentary mathematization -but not a final one- of the hypothesis of the communal utilitarianism or mercantile common good.

The two sectors, or complementary sub-sets, which make up the market are, as we have already said, production and purchasing power.

If we want to put them together in a mathematical formulation, we shall have to define them in a rigorous way and, above all, to make them comparable, to homogenize them. Both conditions may be fulfilled by having recourse to the monetary units. If we express both production and purchasing power by means of variables monetarily measured, there will be no problem.

We obtain then the following redefinition:

**Production** is «the sum total of the elementary sales prices of all the goods actually produced», simplifying, «the sum total of elementary price-mercantile values». We shall show it by the symbol « $P_u$ ».

**Purchasing power** is «the sum total of the elementary monetary rewards paid to the production agents which participate in the market», simplifying, «the sum total of elementary salary-market values». We shall show it by the symbol « $H_u$ ».

Within the purchasing power we shall have to make a separation. At present, within the market only the private production forces are paid (work, capital, company and invention). We may say therefore, that the present purchasing power is a private one. (Symbol: « $H_{pu}$ »). However, according to our hypothesis, there are also communal production forces; their hypothetical retribution would represent a communal purchasing power (Symbol: « $H_{ku}$ »).

Now we have defined and pointed out all the elements of the hypothesis. We can step forward and do its very general mathematization.

In the first place we define a balanced utilitarianism in which production and purchasing power are balanced. This can be expressed so:

$$\frac{P_u}{H_u} = 1$$

Formula of the balanced utilitarianism.

In the second place, we know that the present utilitarianism is not balanced, because there are communal production forces not paid from a point of view of purchasing power, and because, at the same time, the purchasing power corresponding to these communal forces is deviated, without measure and without control, towards privileged social sectors (the symbol for this communal purchasing power, taken without measure nor control will be «?»).

The imbalance of the present utilitarianism will be expressed:

$$\frac{P_u}{H_{pu} + ?} \neq 1$$

Formula of the present imbalanced utilitarianism.

In the third place, it is very clear that, if we want a balanced utilitarianism, we must just measure exactly the contribution of the communal production forces, and that we create the exactly corresponding communal purchasing power.

$$\frac{P_u}{H_{pu}} > 1$$

That is, the private producing forces do not justify in themselves the total production.

$$P_u - H_{pu} = H_{ku}$$

It is then necessary to postulate communal producing forces which, measured monetarily, are equal to the difference between total production and private purchasing power.

$$\frac{P_u}{H_{pu} + H_{ku}} = 1$$

The balance will be attained by creating a communal purchasing power complementary to the private purchasing power, which constitutes the suitable reward of the communal production forces.

## 2. Invention of money.

We have used several times the expression «to create a communal purchasing power». What is meant by this? Simply we mean that we can **invent** the monetary mass corresponding to the difference between  $P_u$  and  $H_{pu}$ , without by this disturbing the market, but on the contrary balancing it.

We suggest that this invention be made by the State, as manager of the whole geopolitical community, and that the monetary mass obtained be shared equally among all the members of this community.

Inventing money is no special thing: Central Banks and privates Banks do it all the time and nobody finds it strange, and moreover without any effective control. Our suggestion is then to substitute the present scattered and disorderly invention of money by a centralized invention, measured and controlled,

- which will have the actual guarantee of the specific surpluses of market production;
- which will have the subsidiary guarantee of surpluses -or positive balances- of all the sight current accounts of the community, which will have been imperialized;
- and which will be distributed equally among all the members of the geopolitical community, because the invented monetary mass will be considered as the deserved retribution of communal production forces.

The greatest advantage of this system of money invention is that the invented monetary mass, since it has been previously measured as a difference between total production and private purchasing power, represents the communal purchasing power exactly complementary to the private purchasing power: it represents the purchasing power which was missing in the market, through a shortage of the purchasing power of private-mercantile origin. For this reason, it represents the best guarantee of continuous and dynamic balance of the market.

### 3. Detailed statement.

The formula we have given for the invention of the communal purchasing power:  $P_u - H_{pu} = H_{ku}$ , is too general and is no good in practice to calculate the purchasing power to be invented.

We must analyze the several cycles and sub-cycles which make up the market, in order to reach detailed formulations for each one of them, to be feasible in practice.

We must remember here the analysis, carried out in chapter 8, of the market in two cycles: the production cycle and the consumption cycle; and the analysis of the production cycle in three sub-cycles: the sub-cycle of current production, the sub-cycle of investment production, and the sub-cycle of the retail shops and industries.

The basic verification to be carried out, after the previous analysis, is the following: among all the cycles and sub-cycles in the market, the sub-cycle of current production is the basic one, the motor, the one which feeds all others, whether directly (in the case of the investment production sub-cycle and the sub-cycles of the retail shops and industries), or indirectly (through the sub-cycle of the retail shops and industries, in the case of the consumption cycle).

All the price-mercantile values produced in the sub-cycle of current production go, either directly to the sub-cycle of the investment production, or indirectly to the consumption cycle. For this reason we say that the sub-cycle of investment production and the sub-cycle of consumption are the natural **drainpipes** of the market, the place through which all production goes **out**.

A third drainpipe is made up by foreign trade, which can be carried out in any of the above-mentioned cycles or sub-cycles.

The sub-cycle of current production can be developed in full autonomy and self-sufficiency, as long as its drainpipes work equally well, that is as long as they absorb the production of the first one.

In the same manner, the production for export works independently, as long as foreign importers can absorb it.

The immediate result of this thought is the following: it is not necessary to introduce communal purchasing power in the sub-cycle of current production, nor in production for export; it suffices to introduce it in the three above-mentioned drainpipes, in order to dynamize all the market in whole.

After this we can substitute the general formula with three particular formulae, more detailed and suited to the market reality.

**Invention of communal purchasing power in the sub-cycle of investment production** (symbol for this sub-cycle «I»; investment credit: «C»)

$$P_{Iu} - H_{pIu} = H_{kIu} = c$$

This communal investment purchasing power ( $H_{kIu}$ ) is called «communal credit to investment»: it may be granted to all the companies with investment needs which demonstrate their productive effectiveness, or to all those who want to create a new company and offer a guarantee of success.

**Invention of communal purchasing power in the consumption cycle** (symbol for this cycle «C»; consumption finances «f»)

$$P_{cu} - H_{pCu} = H_{kCu} = f$$

This communal consumption purchasing power ( $H_{kCu}$ ) is called «consumption finances», and may be granted without return to all the members of the geopolitical community, in accordance with their differential needs as consumers.

In all the previous cases, the calculation of the private purchasing power (investment or consumption) is a complex calculation which we are not going to develop here. We shall only say that in the idea of private purchasing power must be included both the available purchasing power coming from the year under consideration, and the available purchasing power accumulated from previous years.

### **Invention of communal purchasing power in foreign trade**

(Symbol: exports «E», imports «J»)

If

$$\frac{E_u + (c + f)_E}{J_u + (c + f)_J} = 1$$

then

$$(c + f)_E = [J_u + (c + f)_J] - E_u$$

(Let us remember that in foreign trade the monetary units used will always be those of the foreign country, or those agreed upon in a treaty, but never the own monetary units).

The foreign communal purchasing power, then, is made up both by credits and finances, but always within the framework of a unitary balance between the total imports and the total exports.

## **Chapter 23. Possibilities in the case of hypothesis confirmation.**

1. The commercial common good at present.
2. The commercial common good under the cheque-invoice regime.
3. Imperialization of the commercial common good.
4. Economics.

The monetary reform we have suggested in Part One of this essay may have long range consequences in the life of the geopolitical community where it will be carried out: this we have seen all along Parts Two and Three.

Now, the confirmation of the hypothesis submitted in this Part Four helps and reinforces the practical applicability of the above-mentioned social suggestions.

### **1. The commercial common good at present.**

As we have said several times at present the hypothetical common good -that is the hypothetical possibility of inventing money (purchasing power) in accordance with the production surpluses actually existing on the market-, is taken by the Banks and by the States, the only ones having the ability -legal or practical and according to custom- of inventing money.

In chapter 2 of Part One we have seen that this ability has been developed and modified in the course of time.

Now, the fact that at present there is no informative and all-documentary monetary system, means that neither the Banks nor the States know exactly the common good. Even if the information concerning the market available to the States, and even more to the Banks, is much more important than that available to the common people, does not mean that it is not imperfect and partial.

We find ourselves, then, in the following situation: the Banks and the States use the market common good of every imperial community only as far as they know it or they sense it, and always by sectors, each one on its own. As a consequence, the invention of money they carry out -passing over the fact that it may be unfair- is always imbalancing, because:

- a. it is not global and integrated in all the imperial community, but sectorial, independent...;
- b. it is not exact, but almost always excessive or lacking, thereby producing the known crises of inflation and deflation;
- c. the invented purchasing power does not go, in the end, to those social sectors where they are really needed in order to balance the market.

Summarizing, at present the market common good is misappropriated and is completely unprotected. However, it is very easy to change this situation.

### **2. The commercial common good under the cheque-invoice regime.**

By simply starting a monetary system based on the pro-telematic cheque invoice, we set the basis also for:

1. The confirmation or invalidation of the hypothesis of the mercantile common good: taking the exact information supplied by the analytical-statistical all-accountancy it is only necessary to carry out the relevant calculations; in any case, this confirmation or invalidation cannot be immediate, but will have to be ushered by a longer or shorter period of promotion of the social and commercial liberties necessary so that the common good may spring up spontaneously and flowingly, with all its power. If, in the course of time, the common good appears to be persistent, constant and, still better, growing, then it will be possible to consider its existence as confirmed.

2. And, in case of confirmation, its exact, accurate and global knowledge, together with the knowledge of the social sectors towards which it is more suitable and profitable to channel the invention of the relevant money. This knowledge of the commercial common good is the platform for a new series of social actions, very rich in possibilities, as we shall see next.

### 3. Imperialization of the commercial common good.

In our hypothesis the mercantile common good consists of the existence on the market of production surpluses caused by the action of communal production forces not paid by the market.

These communal production forces are no secret, and can be explained in different ways.

A possible explanation takes into consideration the productive effort of the past generations, of the persons who are now in the tomb and receive no payment, while we go on taking advantage of their works. For example, nobody pays royalties for building or using a wheel.

Another possible explanation keeps in mind the global cultural level of a community: the wisdom, peace, culture, education, technical development, social, psychological, material well-being..., are factors which, indirectly but undeniably, contribute in great measure to rise the productivity of every human community.

Another important factor to be kept in mind is the mercantile freedom. The more freely can a market be organized, the greater is its vitality, and greater is therefore its capacity to produce market surpluses.

However, our aim is not to give here a more rigorous explanation on the action of the communal production agents; now we are only interested in emphasizing that all these active factors are not the private property of anybody, but a heritage of the whole community. Based on this verification we suggest the imperialization of the commercial common good.

The imperialization of the commercial common good does not mean at all the imperialization of the production surpluses which, of course, are certainly private property.

By imperialization of the commercial common good we understand the imperialization of the ability to invent money in accordance with the actually existing mercantile production surpluses. This means that the imperial community, through the State (its manager) is the only one with a constitutionally acknowledged ability to invent money based exclusively on the production surpluses. As a guarantee for this invention the community relies on the positive surpluses of all the sight current accounts, also imperialized.

As far as the Banks are concerned, as we have already said previously (chapter 12), they will be allowed to go on inventing money, but based exclusively on their own capitals and reserves, and on capitals handed over to them to this end, but not on the basis of the sight current account surpluses.

From the imperialization of the commercial common good as explained, will be derived a number of possible realities which we call «economical» ones.

### 4. Economics.

The self-political action starting from the exact and accurate knowledge of the commercial common good existing in the geopolitical community, is called «economy». From an ethymologic point of view, **economy** means «equal sharing (nomos, -nomy) among all the community members, of the communal wealth (oikos, eco-)».

When, in any imperial community, the existence of the commercial common good be a fact experimented and verified for a long time, the source of all the communal wealth, of all the communal monetary mass may become exclusively the invention of communal money (imperialized) in accordance with the mercantile production surpluses. Then, the duty of communal omnisoldarity will be able to disappear.

When, in chapter 14 we have mentioned the obtention of the communal monetary mass through this sole tax, we have said that some complementary steps could be foreseen, to increase this mass; if the commercial common good appears to be strong and with a growing trend, these complementary steps may become the main ones, and the tax may be progressively reduced until its total suppression.

The communal monetary mass, then, will be made secure by the following mechanisms:

1. Invention of communal money in accordance with the investment production surpluses actually existing on the market: this money will be shared out and reprivatized under the shape of communal credits to investment to those companies applying for them, with sufficient guarantees of effectiveness and profitability.
2. Invention of communal money in accordance with the consumption production surpluses (goods in the possession of retail shops and industries) actually existing on the market: this money will be shared out and reprivatized under the shape of consumption communal finances, according to the financial Statutes indicated in chapter 14.
3. The positive balances of all the sight current accounts, being imperialized, will be the accounting-abstract guarantee of this invention of communal money.
4. Eventually, in the cases of serious shortages in some given production sectors, it will be possible to carry out a partial and selective freezing of current accounts, for subsidizing such sectors.