Limodane

- Attempt to create a General-Monetary-Theory -

Essential parts of the General-Monetary-Theory are translated from German into English

Contents:

Preamble

The website> Limodane <reports back to the General Monetary Theory and its concern to bring about a more comprehensive understanding of the origins of money: The general public regularly assumes that the money is simply there. The state of this half-knowledge is the gateway of every populist politician. The question of whether he should know better, only differs in whether there is stupidity or fraud.

The essential process, namely, how money is created and, ultimately, what is still important, how it disappears, is almost never obvious to most people. Instead, money for them in its handling is a simple in its explanation but an extremely complex medium, which would waste a valuable understanding only their precious time. To explain this, ordinary pragmatism suffices here. No wonder that common terms such as deflation and inflation are not seen as clear terms but rather as fatal blows. With this pragmatic attitude you become the prisoner of your own worldview.

The two levels of general monetary theory with its four plus three agencies can do this, among others. to explain. In this context, general monetary theory requires openness and transparency, especially in terms of credit security. Where this is not the case, as in the case of securitization by the international banking system, this theory, too, faces an unreadable fatality.

One question that comes up after General Monetary Theory is whether there is a special monetary theory. The answer is yes. It assumes that each currency must be more or less covered and something like fiat money is not possible on a larger scale.

Supported by the general monetary theory, this theory is based on the change in the gold standard to the petrodollar in the US in the 1970s. It describes its opacity and uneven distribution, the effects of which are poverty, global flood waves, unmanageable migration movements and climate change with its impending climate catastrophe.

It tears the veil from this key currency, which sought to protect itself behind secrets and disinformation and describes how the US could cover this with something they never had in this form. The reason was the huge superiority of their technologies, especially the drilling technology. In addition, following US sanctions policies, it becomes apparent how much pressure they have taken to defend their currency to this day, culminating with their President Trump. It also explains her strange relationship with Saudi Arabia.

Last message on this; November 2018: Average life expectancy in the US is falling. The reasons given were drugs and a rising suicide rate.

Genuinely

>> That's not my problem << Klaus Taschwer: Mr. Luhmann, more than 20 years ago you wrote - even as a sociological critic of systems - that system theory has a good chance of being misunderstood. How would you see that today?

Genuin means in general: real, original, natural. In this context genuinely means: starting from a building block (physical as well as metaphysical).
This implies that if a building block is present in a real or abstract, metaphysical way, it does not allow for arbitrary numbers but only a few adaptations based on it.
Or in other words, that the scope for action in a real building block or in an abstract or metaphysical element is not infinite, but is limited by the choice of a particular form. Once a shape has been determined, only certain genuine adaptations are possible.

This includes the law of irreversibility:
The daughter can not be born in front of the mother.
The interest can not arise before but only with the money.
The savings stocking can not arise before the money and the savings account not in front of the savings stocking.
The promissory note goes ahead of the money form and that means, when the money form disappears, the company uses the promissory note. (Reduction)

The theory can explain the bank from the money, but it can not explain the money the other way round from the bank. If the latter happens, then this is pragmatism, which is always content with only half the truth (for example: creation of money, which is explained without the associated destruction of money, or eternal credit).

Not every election that has been made can be reversed. If the (virtual, abstract) object is determined, then the adaptation is no longer free. This bondage is often perceived as a contradiction.

Free adaptations:
Flying cows should be milked from the helicopter.

Irrational metaphor: not everything that is talked about must make sense! The negative interest rate can increase the circulation speed of the money.

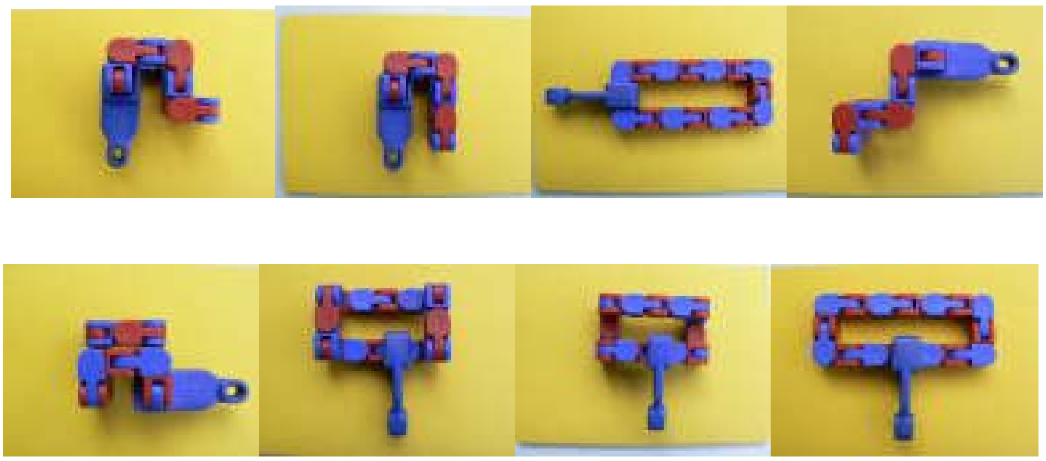
To form:
A bowl is not a container as long as you keep it turned upside down. The interest belongs to the money form. The negative interest rate is like a bowl turned upside down.

Definitions with reversibility conflicts:
All squares are rectangles, but not all rectangles are squares.
Money comes from credit, but not money. It's credit. Money is a phenomenon of credit, but not: Credit is a phenomenon of money.
Savings can give rise to new loans, but not new money. The benefit claim is not the benefit and the money claim is not the money.
But: Performance deletes performance entitlement and money does not extinguish money claim: Performance entitlement deletes performance and money claim money.

Phenomena:
Shadows can neither be collected nor pushed (prologue, General-Monetary-Theory).
If someone means nothing, it does not have to be identical with the nothing that someone else means. They can be as far away from each other as fraud and honesty. (Walter's principle)

Genuine-Included-Being

Here is an example of a real object that apart from the coupling only consists of a certain number - namely eight - of a unique building block. As a result, the shape of the object remains limited. More than twelve forms - symmetries of which are deducted - are not possible (Genuines-included-being).



This limitation (being genuinely included) also occurs in metaphysical objects. Thus, in general money theory, money and its seven agencies are abstract or metaphysical elements. The money generated by the start-up agencies is nothing more than a value and no longer a service or source of service under these conditions. This money has enabled these seven agencies to siphon off the original exchange of services among the members of a society. To those who skim, the state, including the states and municipalities, counts on their taxes. There is a great danger that their organs, assisted by certain lobbyists, will be creative in setting up legislation.

The monetary alone is non-physical. But even the non-physical has genuine laws. Thus, certain characteristics or laws are associated with the monetary:

The Monetary Laws

1. *The monetary system is a dualistic system of entitlement and guilt. It is with the number of its elements a weak, complex chain letter system, which breaks down with time self-controlling.*
2. *In a pure monetary system, only a distinction can be made between profit and loss of a predetermined value. By itself, this system is incapable of generating added value (casino principle). It generates few winners and many losers.*
3. *The interest is part of the profit.*
4. *The equivalent (goods) exchange leaves no monetary traces. Consequently, monetary documents (usually called "monetary funds") are not means of exchange but documents of incomplete exchanges. If the exchange is completed, this also means the end of the monetary document.*
5. *The monetary system is on its own a closed system.*
6. *A closed system, left to itself, will always seek the state of greatest disorder. (Consequence from the second law of thermodynamics)*
7. *In an unmanaged monetary system, profit and loss are triggered by chance. The momentary value wanders from one hand to the other.*
8. *The larger monetary subscriptions in the hands of individuals or corporations, the greater their chances of winning.*
9. *As a corporation grows, greater risks can be taken.*
10. *Borderless growth to a large extent can jeopardize the existence of the monetary system (monopolization of claim and debt).*
11. *Real service fulfillment eliminates monetary claims (nominal goods).*
12. *Real performance can only be done in the present.*

13. *All claims for benefits are future-oriented and represent debts that must be paid by the issuers.*

14. *The issuer is liable with its valuable property.*

15. *It is part of the monetary system's standing that new debt instruments must constantly be generated through re-issuing into the future. (weak snowball or chain letter system)*

16. *All agreements relating to the future are speculative. The monetary system is speculative.*

17. *The speculation contains no performance. It refers to the amount of a value and represents either a gain or a loss. Profits can also be achieved manipulatively.*

18. *In order to safeguard the monetary system, the self-referentiality of the issuer must be reduced by the presence of a liable trustee (for example bank, notary).*

19. *The trustee is liable with his used property (bank, equity capital).*
    19a. A wholly owned equity ratio (hedge) prevents the money issue.

20. *Monetary systems that rely solely on self-referentiality (for example, wanting to do without a bank) are not viable*

Reference: http://www.dasgelbeforum.net/forum_entry.php?id=301621

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Part 2

- Theoretical part -

Simplified representation of The General-Monetary-Theory

(Short form)

The Anti-Ockham Razor: “If the only tool you have is hammer, you tend to see every problem as a nail" (Abraham Maslow)

The General Money Theory is a holistic theory. - What does that mean?

For example, if we start from a game of chess, then we can try to grasp the meaning of this game by learning about the character of the six different figures and then understanding their effects on the checkered board of 32 white and 32 black fields to have.

The holistic capture of all elements of this game in the form of a binding game rule can be described as "holistic". For example, it protects us from being checkmated in three moves after the game starts.

The situation is similar with the General-Monetary-Theory. Instead of figures such as chess, the General-Monetary-Theory consists of a system of seven agencies on two levels. As a rule, only the second level appears in the practice-oriented public domain. Systemic disorders are assumed to be biased (cognitively distorted) only on this one level (monotony theories) and possibilities for solving the problem are sought only there (eg as in the case of the centrally oriented Full-Money-Ideology). By contrast, the General-Monetary-Theory also draws attention to the essential involvement of the first level. This first level first establishes the existence of money and also ends its existence. With these two levels, the general money theory escapes the dangers of tautological explanatory and solution attempts.

The image of the two levels used here could also have been supplemented or replaced by a picture of two or more generations. The picture of the generations would in itself also better represent societal socio-economic disintegration and dissolution tendencies. After all, no successor generation can be a complete replica of the previous generation. As a result, the take-overs of ideas and practices are not secure from generation to generation. In addition, forgetfulness, the lost and the annihilated, the inadequately documented, and intentional or unintentional obfuscation are added. These facts of imperfect social conversions must be confronted by conservatism, which in principle can not change anything. These insecurities also hide for the successors dangers they have to face themselves. Bad banks, bailouts and the associated central bank action strategies to rescue banks and states are the consequences of this generative obfuscation and oblivion.

The seven agencies
First level:

Founding Agencies
(Emission and disposal level)

the agency of the free market
the agency of money issuers
the agency of trustees
the agency of the state

Second level:
Dependent Agencies
(Value generator and cash cycle level)
(In real order)
the agency of the cash holders of the lower category
the agency of the money holders of the upper category
the agency of the money lenders (and their bad bank)

The number and type of these agencies only allow for an open system of complex structures. Complex structures maintain themselves stably by organizing their internal structure as a whole so that inner parts interact with each other and external structures. The processes of interaction by parts inside keep the whole stable.

As we explore the roles of these agencies and how they can take action, explore their impact on the marketplace and society while keeping an eye on all seven agencies, we become aware of the very nature of money, that of value extraction State and entrepreneurship, learn to understand. We will be able to develop a sense of the phenomena under which the open system threatens to turn into a closed system. A reduction of the seven agencies, in which the parts are supposed to map the whole, such as the creditor-debtor relationship, compared to this holistic view, only a narrow range of views on the existing form of money - as its current form of the treacherous money - deliver. Instead of the reduction, it would be better to equip the money system in principle with another agency: a monetary rescue system. This must be postponed for epistemological reasons for this work.

Another condition that ensures the interaction or exchange of these agencies with each other, is the imbalance, because a balance can leave no monetary traces and therefore no money.

Money is nothing more than a manifestation of guilt that can be found anywhere in space and can be assigned to certain natural persons or organizations. A complete disappearance of guilt will thus eliminate any form of money. With this backward process, a society that wants to go to the end of this process or be forced to do so can find itself in a pure exchange economy.

With the first bill, which is put into the world, monetary laws are created with this immediately. But according to these, money is neither energy nor is it an object. It is a phenomenon similar to the shadow. A force imputed to the money, which should be inherent in it, can therefore only be of a metaphysical nature.

Start-up agencies and dependent agencies are the necessary metaphysical poles in the value formation of money

From a physical point of view, values can only arise and exist between two antagonistic poles. The voltage that occurs between the poles is generally perceived and represented as a value. Monopolies can not generate tension and are therefore unsuitable or even dangerous for any type of value formation. What applies to physics applies equally to the values of metaphysics. The lower the voltage (= imbalance, shortage), the lower the associated value will be.

* *often something is represented as a value that can not have an antagonistic relationship. It then turns out to be a relationship with itself, such as e.g. in the price of a commodity the rule is, if the money issuer and price holder is one and the same (legal) person.*

Money issuers and money keepers are the poles of monetary value

The money raised by the money emitters forms one side of the metaphysical pole. However, tension (value) can only be created by forming a counterpart of money holders and money lenders. The cash holdings of the money keepers, on the other hand, ensure that the money issuance of the issuer can only grow into a monetary value. Only the monetary value determined in this way then provides information about how much money can be required for a commodity.

The much cited basket - a second-level instrument - is in this context only a so-called mirror image of this value observation and not, as many believe, the formation of value itself. So it is not the commodity that generates a monetary value, but it is Money that gives the goods a price. This tends to be twisted, with the result that the first level of monetary theory disappears behind a dark shadow from which a risky phenomenon is projected into the second level, commonly called deflation. Inflation and deflation are therefore initially associated with the first level.

The Island-Examples

The island examples are general attempts to bring the essence of money through a reduction of fixed seven agencies in another usually more socially reliable form or to eliminate obvious disadvantages of the essential components of the monetary system or to create new ones. In most cases, the value extraction, which is made possible in particular by the monetary system through profit and taxes, is excluded in these experiments.

That at the end of a regular dilemma is usually not recognized or deliberately concealed. Thus, a reduction generally leads to the conclusion that what is considered money is no longer "holistic" money in the sense of the seven agencies of General-Monetary-Theory, but these reductions merely represent counting means or types of labor comparison means (such as

pension points) where the anonymous cash-off allowed through a monetary system does not occur or should not occur.
However, in a differentiated society these means of counting should not be missing and play a superordinate role, so that a money system should work for these means, but the money system should never be that means itself. Monetary systems are designed to provide value for government and entrepreneurship in the present and near future. Counting means, on the other hand - e.g. the salary points of a pension - are aimed at a balancing of benefits within an economic and living space. With the death of an individual his ability to levy is ended in the monetary. Unless, before his death, he created transcendental forms of levy possibilities through inheritance law, as can be found in stock corporations or foundations and the associated tax havens.
However, just the reduction makes the island examples to very good teaching examples. Among the island examples, the complementary currencies can also be counted. In the complementary currencies, in most cases, their operators are unaware that their sales are also tax-deductible and generate profits that also serve as a general value for government and entrepreneurship and thus do not lead to financial relief for the individuals involved. These operators are even reliant on the services of the state, which is intended to prevent the direct exchange of power between individuals with each other, in order to obtain an effective depreciation of value, such as, for example, necessary legal constructions against undeclared work and shadow economy or artificially induced volatilities* as well as their criminalization and punishment (eg by rating agencies).

The promissory note as a precursor to the money

The genuine construction of a monetary system can be imagined as follows: After a society has sufficiently differentiated itself and the writing is well-informed (state), the individuals are able to issue promissory notes among themselves. The still unrepentant choose for this purpose a writer of their trust: The legal scholar or trustee has thus moved into his social position.
The promissory note is still affected by a personal system. He generally provides information about who has to deliver what, in what quantity and type, where and at what time. But the monetary system has largely come off the concrete claims of this kind. For the money-lender and money-lender, money is only in terms of its value, without any form of commitment. This obligation is only with the money-issuer in the way that he agrees to cancel the contract and at the same time disappears the debt attributable money from the money market.
Money has been released from the immediate claim of the promissory note in the form of type, date and amount. This freed up the path to value deprivation for money and created a nimbus of timelessness with money holders and money lenders. Because money holders and lenders are not among the founding agencies of the General-Monetary-Theory, it must first be clarified where cash and money lenders have their money. They can only have obtained this through money issuers who are obliged to destroy this money.
The promissory notes, which until then represented nothing but contracts, are placed under the supervision of all (state) and protected. Thereby they lose their individual validity and there are general costs, e.g. by stockpiling the monetary knowledge as well as combating certain bad habits (money laundering and illicit work) by civil servants, which already result in value levies for the state on fees or taxes. These value deductions are best carried out with nominal

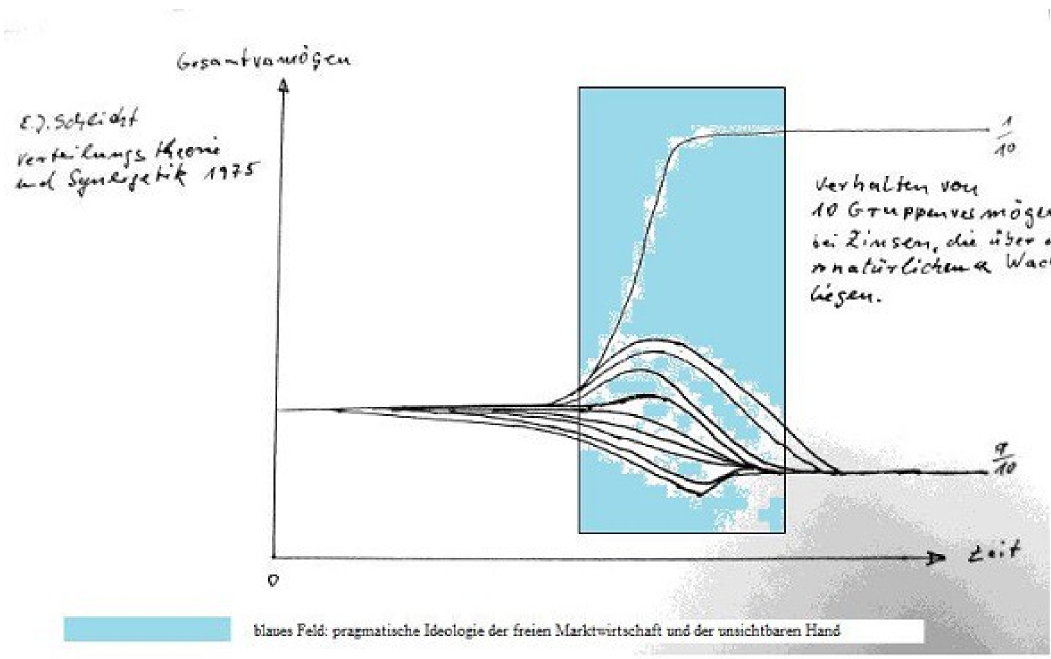
goods in general and money in particular. Money has therefore been designed for value extraction.
These value levies, whether they are done through the state or through entrepreneurship, are part of the very nature of money. This value deduction can only be made within certain limits. If they are exceeded, e.g. By overhearing or saving, the money system collapses due to lack of liquidity. The lack of liquidity can therefore also be a sign that the monetary system no longer has sufficient debt. This can be done for example by excessive hoarding or saving. By hoarding and / or saving a barely noticeable snowball system is installed, which brings the monetary system to collapse without a constant countermeasure. However, hoarding or saving (or borrowing money) form the indispensable antipode for the value date of a currency.

Money is a nominal good
Money is a mature nominal asset of the monetary system that a developed society provides itself. Money can only be issued through a debt and that means that this debt can usually only be repaid with money and nothing else. This leads u.a. on the possibilities of repaying debt other than through the sale of goods and services (including their varieties), such as on speculation and bets, especially in connection with volatility manipulation and the related changes in value (see arbitrage and CCT)

In general, this debt arises in the case of an imbalanced or delayed real-time exchange or promised services. The trading of nominal goods among each other on the open market can only be done through profit and loss. The motivation of action lies with each actor in the firm acceptance of a profit. This is always a betting situation. Profit means that more is withheld than even spent. Loss means that more was spent than could be collected. Money is therefore able to siphon off value in its environment.
Anyone holding money as a cashier also prevents others from repaying their debts. This happens especially when large banking syndicates or even states buy or manage foreign currency to a large extent in order to generate favorable volatilities for themselves. As a result, bankruptcies can be enforced on the issuers (up to national bankruptcy) and material or immaterial pledges can change hands (including privatization). With this change, the associated money and its debt have disappeared from the world. However, thereafter a monopoly-tendentious concentration of tangible or intangible goods (for example patents) took place. In other words, every monetary system works unchecked or taxless enough to divide the world into rich and poor.

The founding agencies

The free market
The free market can not be determined theoretically. Which forms, and with what degrees of freedom, he adopts is left to the forces within a society or in the globalization of the world community. Without negative feedback (regulation) he will end up in a final stage, as the following sketch shows:



Ten assets start left with the same capital. The distribution theory says that if profits (interest) are higher than "natural growth" then the partners of the group assets will reach a fixed final stage (right), from which they can not free themselves without external intervention in this set of rules. 1/10 enriched itself with 9/10. - The blue field of the sketch shows the range of pragmatic ideologies >the free market economy< and the >invisible hand<.

The money emitter (singular)
The aim of an emissary is to become a money-holder, but first he must have circulated the money. Namely, the money issuer is the one who, as it were, issues the first bill of exchange on the recognition of a debt through a trustee. He has previously convinced him that he is able to deliver goods or provide services that repay the debt incurred within a set period. Thus, this debt and this money for this case disappeared again and at the same time in this particular case no liquidity in the money system available. Without liquidity, payment transactions are also at a standstill.
This is the ideal process for this issuer, because here it is assumed that no money-holder withholds money. However, the issuer of money should be interested in seeing that new issuers take their place so that there is constant liquidity in the money system. He should even promote it and bring it to the trustee. It is only in this way and through this dynamic that the money emitter can achieve his goal of turning himself into a money-holder. (Many critics of the money system see it as a sort of pyramid scheme.)

The money emitters (plural)
The money issuers are those who, as it were, through a trustee, issued the first notes on the recognition of debts. They have previously convinced them that everyone is in a position to deliver goods or to provide services that pay off the debt incurred within a set period. With this, debt and money disappear for each individual case. According to the pragmatic assumption, liquidity remains available because the individual issuers pay off on different

dates on the one hand, and on the other, new issuers enter the money-debt system.
So the regular flow for a group of issuers.

The liquidity
Liquidity is a condition that must be present in every monetary system and its economic operators. It is only secured if the monetary system as a whole has a sufficient level of indebtedness. As can easily be seen, therefore, the presence of only one money-issuer is insufficient for the liquidity of the monetary system, because its will is to free itself from the debt. But this will destroy his money.
Liquidity can only be secured by providing the trustee with a degree of new issuers appropriate to the monetary system, but also by encouraging money-holders to lend money at interest. The latter is commonly referred to as saving. These money lenders have money claims instead of money. But without new issuers these money claims of money lenders can not be served. Also in this way - namely excessive saving - the money system can get into a liquidity crisis.
Over the last thirty years, this liquidity crisis, which was threatened by the enormous growth in monetary claims, has been sought to be prevented by rising public debt, permanent privatization of state property, privatization of public services and deregulation of the financial markets. This also includes the suggestion of the Americans (because it means the creation of money out of nowhere) to coin a one-trillion dollar coin in platinum.

The Trustee (The Bank)
The trustee (or bank) is the one who manages the monetary system. He provides the money issuer loans. This provision of credit is often portrayed as a money issue by the bank. However, this is wrong, because money is created only by a documented debt and a loan offer is not money. As a trustee, theoretically, the trustee himself still has no money available, because the money can only be created by a money-issuer who enters into this debt and it is up to this issuer to extinguish this debt.
Therefore, the trustee examines the money issuers to determine whether they are eligible for the money issue and whether they have the appropriate valuable resources to collateralise the issue. His tools are the rules of documentation, as they are also found in notarial provisions. The trustee develops a prudent security control and appraisal system for the money management sector, which should be equity only for that reason, as any oversized monetary security system generally harms the money-issuing process by undue cost.
The trustee's approval of a money issue can not be enforced. It is therefore at his discretion, how and when money is emitted, in particular with which goods it is secured. These goods also include gold, without this having to be a standard. Administration means costs and is on the cost side the cost-benefit medium money. This also leads to a value over the money. Own transactions of the trustee do not fit into a theoretical concept. In addition, as they undermine the image of the trustee and are on the verge of legality, they should stay away.

The cash
The "General-Monetary-Theory" deals exclusively with cash and for good reason: With cash, which is visible to everyone, the traditional language can be used, while in the case of money, comparable terms for the virtual processes have to be found, whereby the complexity and

abstractness experiences a further degree of increase, before even the judiciary collapses. This is avoidable if you are linguistically committed to cash. There is no fundamental difference between these two types of money.
If we assume that cash comes before cash and holds a high degree of abstraction and cash takes a lower, it is compared to the Giralgeld (bank deposits) for it as concrete present, then should also be allowed to determine that the characteristics of this "concrete" cash already at the Giralgeld (bank deposits) were available.
With cash, we can quickly prove that there can be liquidity bottlenecks there. This unpleasant feature of the cash does not dissolve in nothing, just because in the form of the wallet a higher level of abstraction has been reached, in which the cash, together with the wallet money, can be found in the money-bearing M1. Bankroll is therefore subject to the same unpleasant feature of liquidity shortage.

The State
The state establishes and monitors the external legal and social framework for the monetary system. In order to be able to exist as a state at all, he must design the monetary system in such a way that he can skim it off. The legal system must therefore support this levy process through legislation. In general, this value is levied on fees and taxes which the state should claim from the economic operators and redistribute immediately for its state goals.
The state art is now to consolidate the value-added process and to create a balance to the entire value extraction (together with entrepreneurship). In general, this balance can be understood as the search for sustainability in the monetary system, or it can be understood that governmental action achieves the catalytic function of a counting mechanism. If, for example, more assets are skimmed off than formed, then the monetary system will end up being inflationary and vice versa, if fewer assets are skimmed off, deflationary.
Because the tax revenue itself is money, and therefore debt, the state should, in order to maintain liquidity among its economic operators, emit money in the amount of its tax revenues, which should then be accounted for as general government debt.
This national land debt is therefore a monetary system need. It necessarily follows that for a state capital stocks in any form should be a taboo, because debts and balances within an agency (or person) dissolve each other.
The practice of public debt, however, looks different today. Here, the states are in debt on government bonds at money lenders and set no new money in the world. In this way they aggravate the liquidity problem, especially if investment measures have to be taken to stimulate the economy. In the end, there will be a paradigm shift in monetary policy: in order to secure liquidity in the money system, bondholders will ultimately and necessarily buy up maturing and maturing government bonds. The money now issued by the central bank is now equivalent to a real government cash. https://en.wikipedia.org/wiki/Quantitative_easing
All of this applies to alliance nations that have committed to a common currency. However, they should have previously provided uniform legal and social conditions.

The Dependent Agencies

The dependent agencies are agencies that maintain the circulation of money. Unfortunately, this also conveys a false picture because it is suggested that no one interrupts this cycle and

consequently a Perpetuum mobile must be present. And because money had to start somewhere, short-term is said that this money came mainly from the deposits of savers. They would have put the money into the world.
This is the mirage complete. But that this money came from the issuers, who have to get it out of this cycle again and in the course of this money completely disappears, is generally not known. It lacks the holistic view that puts all agencies in the spotlight. A strange loop has built up with it. It obstructs the view of the possible lack of money and the associated liquidity problems in a monetary system.
Many claim that our monetary system consists of debt money. That is basically correct. The general money theory also claims that. But it is wrong to explain the possible collapse of a monetary system mainly by taking interest or compound interest.
The argumentation of the General-Monetary-Theory, however, does without the interest. This means that monetary systems generally experience liquidity problems when hoarded money is returned to the money cycle in some way (for example, through deposits).
The case occurs when the returned money supply of the old issuers is greater than the money supply of the new issuers or a large-scale money hedge (for example China or from large corporations) is operated. Then either money disappears or it is withheld indefinitely. These forces are stronger than the interest rate.
To counteract the retention of money, some demand a circulation fee. However, this would only supply the hoarded money to the old emitters faster, which accelerates the destruction of money and the deflation process.

The cash holders of the lower category
This agency has an interest-driven psychological mass phenomenon. As a rule, their cash-holders are completely indifferent to the question of what money is. For them it is important that money is simply there. The money stays with them only briefly. Accordingly, their relationship is what they think of the money. From whom it comes and where it goes, they hardly know.
This agency has only a small share of the value of the money system. It has been ensured that in them the firm belief is anchored, money can only be created by equivalent service.
Often, they are often partially supported by transfers from the state but also completely. They are therefore poorly protected against populist manipulations of politics, e.g. in the form of money promises or doctrines of salvation of any kind (performance must be worthwhile again).

The other agencies system charges this agency the lower category of taxpayers, including VAT, with more than 60% of their gross income. A participation in the social events, as e.g. guarantee a sufficient pension calculated according to life expectancy, disappears in the course of time through inflation, tax barriers and rising social security contributions. Ideologically, this is achieved through the decoupling and denial of related parameters, such as those of demographic change and social progress.
This agency is under constant social control in modern societies. She is the sociologically best classified agency. Everything imaginable is documented: age and gender, health status and buying habits, location and movement profiles. Authorities and private companies know more about the behavior of these individuals than the individual about themselves.

The money holders of the upper category

While issuers are also in debt when they spend money, cash holders only pay for goods and services. These cash holders are in an intermediate state - as long as they are not on the stock exchange with their money. They keep the decision where their money should go. One side would be the acquisition of private property and the associated privileges, including monopolistic forms of power and arbitrary exercise of rights, the other would be money lending to physically separate itself from money. The former is an absolute, the latter, the possibility of an exponentially growing interest on compound interest, a conditional separation from money.

As long as this decision is not taken, the cash flow is prevented by hoarding or saving to the money emitter, which must systematically cause it to be destroyed. This behavior of the money-holders triggers a deflationary reaction in the money system as well as the resulting tension and can end up in a special debt deflation. The occurring tension is necessary, because it forms the monetary value.

Moneyholder example: http://www.spiegel.de/wirtschaft/unternehmen/apple-geruechte-ueber-sonderdividende-lassen-aktie-steigen-a-888234.html#spCommentsBoxPager

The money lenders

This agency has no money in its pure culture. She has lent it and therefore holds only a claim to money! As you can see, she is at the last stage of the genuine process. Lawless - that is, without state regulation - this agency would form a black market of money lending. Through the necessary professionalization, she has created a contractually more or less defined entitlement (almost risk-free) through a bank to repay the money lent and interest (increasing money claim). This is clear from their certificates, which they received for their money. This agency is the biggest beneficiary of the Bad Banks, which has been established since 2008, and on top of that it already makes curious demands on the monetary system.

What these lenders do not realize is that the money emitters bring their money back to the bank for destruction in order to extract their pledge from the lien. As a result, the money system generally gets over the associated increase in value of money in liquidity difficulties, because under this money, the money of money lenders (often referred to as savers) is, which should not be destroyed. The problem has so far been solved by new borrowing in connection with privatizations on a global scale. In addition to this, almost every state in the world has tried to absorb these liquidity difficulties by steadily growing public debt. Regardless of the otherwise threatening liquidity trap, an austerity policy (https://en.wikipedia.org/wiki/Austerity) has been used by leading economies since 2010 without a sense of the existing dilemma.

The bad bank

At the end of this privatization process, bad banks and bailouts with ever-larger government guarantees were built to prevent the slashing of debt and liquidity traps. There is still proof that these debts can ever be repaid, paradoxically, rescue packages themselves can only be represented by money (debt). The current partial collapses in the monetary system (for example Greece) speak a different language.

In such a situation, a bad bank actually appears as the ultima ratio or as the last salvation of a

monetary system. It can act like a metered haircut and be structured like insurance in the maturity dates of debtor claims for up to a hundred years. After this time, even an institutionalized demand (for example, state against state) should no longer be able to claim, because such a demand would only affect the descendants.
Creditors will have to reckon with an installment and / or even a partial repayment of their claims, with the central banks providing "new" money in exchange for the "toxic" creditor papers. As a peculiarity of this procedure must be noted that the central banks bring this "new" money not through the borrowers but exceptionally via the creditors in the money system. It goes without saying that this process can have a negative impact on monetary stability because existing money actually loses value, even if initially only at the exchange rate with other currencies. There is also the danger that a more stable foreign currency will actually replace the national currency.
But the natural separation (death) of debtors and creditors also eliminates their debts. Money claims and assets change the person. It is therefore important for the stability of money that the state tidy accesses heirs. In addition, an accumulation of wealth in the hands of heirs must be avoided so that a feudalization of society is avoided.

Harmful value deduction by:
Corruption; et al political self-service and convenience subsidies and questionable state guarantees; bad taxation of inherited assets;
Scam;
Insider trading of trustees;
uncontrolled forces; excessive profits associated with tax dumping;
ineffective bureaucracies;
hostile takeovers and destruction of productive, debt-free companies;
through monopolies, i.a. oversized hedges of the monetary system, escalating insurance industry (including equity);
which can make a monetary system falter.

The theoretical pure culture of the General-Monetary-Theory is now as follows:

Issuers need to recover their money to have it destroyed
Trustees have no money
Cash holders receive no interest
Money lenders do not hold money
(genuine derivation)

(If that does not make sense, this may be the case with real-money bills, or it can be explained by the queuing in front of the Northern Rock bank building)

Archetype of Money Creation

(Gregory's story)

It does not matter if it was already there.
It depends on whether it is conceivable.

No system is perfect.

Any money is already defective by design.

In the beginning was the loan.

* * *

From: regina.schuller@ecb.int [mailto: regina.schuller (at) ecb.int]
Sent: Monday, July 27, 2009 15:24
To: Anton Voglxxxxx
Cc: info@ecb.int
Subject: RE: Deposits
Dear Mr. Voglxxxxx,
Thank you for your email from 24th of July. Regarding your inquiry: yes, a deposit of non-banks is not a requirement for a bank to lend to non-banks and b) the process of lending from banks to non-banks and the associated creation of deposits is called in the national economy as "money creation".
With best regards
Regina Karoline Schuller
Head of Press and Information Division Telephone + 49 69 1344 7457
Fax + 49 69 1344 7404 Mobile + 49 171 221 7599 E-mail: regina.schuller (at) ecb.europa.eu

* * *

Gregor owns an apple orchard in the Apple Country

Heinz made and delivered 20 tree saws to him and initially Gregor Heinz wanted to supply apples when they were ripe. Now Heinz has changed his mind and wants to have money. Heinz realizes that he will not get the monetary value that Gregor would get for these apples on the market because Gregor wrote on his promissory note that Heinz had to pick up the apples from him. In addition, spending and selling in the market is a feat in itself. The currency in the apple country is called *apple blossom*. An allusion to the fact that this country

helped wealth.
Gregor goes to the bank and says, "Heinz has made a request for money and I have no money at the moment. Can you get me some? "
"Let's see," replies the bank employee and Gregor asks him: "Can we draw on the archetype of money creation?"
"But certainly, Mr. Gregor, you want to know it very well now, just as a mathematician gets to the number pi, because the end of this number, which is genuinely connected to the circle, has not yet been experienced. It is therefore considered transcendent and yet somehow it must have started with the number 3. So let's start with our experience and embark on a path that ends in the inexperienced - in the transcendental - of risk and chance, because we still live in the apple country with the apple currency underneath us and that has the advantage of being the primary -Action of the creation of money may still live in person. It should be clear to both of us, however, that the word "creation or creation" only uses a metaphor that actually stands for the money issue. Because it is not the banks that emit the money but you!"
"I?"
"Yes, you, - as an individual! And here we should clarify the archetype, because only the individual is the bearer of experience and not the institution, such as a bank. - What we are going to do now, in the figurative sense, is the same as with the very first bill, which means that we are following the genuine line. It is only with money that you can explain the bank, whatever that means, but not the other way around: you can not explain from the bank how money is created, because the money must already exist in some form before that bank. Likewise, it is impossible to explain money from the money market. This money market does not exist in this situation for us yet, because before that the real goods markets must exist. Only the reference to the very first bill, even if we only mentally understand it here and now, protects us from these permanent circular conclusions, with which especially economic science has endowed itself, when for them everything runs infinitely in a circle, that is, without beginning and without End or limit, without apparent impetus and if it still presents this cycle as proof of the development process of the money. If you like, this is literally irrationally metaphysical or fantastic. Luckily, we are not so blinded by physics. In a car everyone still recognizes who is responsible for the fuel and they also do not claim if two car tires were rolled through the street, because it was a car that you saw. Strangely enough, this delusion happens with abstract things, as in money. They are false or incomplete images that carry false or incomplete abstractions and thus lead the mind and the world in a circle or mislead until suddenly a dangerous abyss opens up, in which many threaten to overthrow (securitization market).
So let's start with the visible things and actions. You are the issuer and from them the drive and the dynamics go out. To you must return the money that you emit. Each foot has to be placed in front of it and then has to stay behind if you want to move forward. This is how it works in turn: The message sent must be obtained. This is true for any unit if it is not to be destroyed. This is true even for an arbitrary point on the periphery of a wheel when the reference point is outside the wheel.
If you are creditworthy, I go into the cellar, into the vault, throw - in the vernacular you also say money press - the bogus press and ten minutes later you have your money. These paper slips are only in your hands to what we call money. This money is not worthless, as many of the pillars of the economic guild claim, simply because you will return it to me after the

agreed time for shredding. His path is over and it can not be passed on to anyone. We still do not have a central bank that keeps an eye out for us to take over this process and make it disappear from our place of immediate action. She even plans to print these notes for a banking association. But only you, who can send out these notes, and not the central bank, will remain. The central bank can only be a second-generation product and originally served the system only as a backup. Insurance always sounds good, but she also has a horse's foot!"
"The insurance has a horse foot?"

"Yes, for every insurance you have to cover money that may be missing at the end of the repayment! If you put back too much money, then it will harm you at the end of the money issue itself! "

"Let's get down to business! What does creditworthy here mean? - Heinz also granted me credit. He gave me twenty hand saws so I could better take care of my apple trees! "

"See, Mr. Gregor, it is only because of the fact that Heinz has returned his real estate loan - the claim to your apples - and instead asks you for an apple money, that the bank does not obligate it to step into that loan which Heinz granted you."

"No? - Why not?"
"Mr. Gregor, we can not do that! - And now that Heinz has withdrawn his Realgutkredit, he also puts a shadow on your creditworthiness. We have to take a closer look. You see, the pure transfer of goods that has been done in the same way does not leave behind a monetary relationship - in other words, there is no claim, and consequently no promissory note or money - and we are keeping out of these transactions for reasons of conflict of interest. But more importantly, we do not want to do your job, like picking apples. But there is still the pledge, which we regard as a catalyst, rather than a business. As a rule, we therefore grant loans to mobile real estate if they can be conveniently brought to our vault as collateral, and that will not work with your apples. Besides, we can not trust something that rots. Not to mention that you do not have any apples yet. However, if you want to emit apple blossoms, it means you are taking your relationship with Heinz to a more general level and spreading the risk across multiple shoulders. One of those shoulders is this bank."

"Oh, that's right, I'm dealing with the wrong things when they can rot. - Then I can go home again."
"No, Mr. Gregor, not so fast! - You want to sell your apples, and you can not do that if you do not make sure that money goes on the market. Only you are the one who can really emit money. Originally, the issue always came from one person and not, as many believe, from one institution. In common usage, they are called borrowers. But that describes the reality in a very bad way. Mr and Mrs Sampleman now believe that it is only the banks that have the money. Understand, you just talk about "having," not "doing." This creates a public level of consciousness that does not properly reflect reality. A wrong picture takes this place. But

actually only banks manage and you make the money, because you want to provide the performance and not the bank!

As you can see, you are the most important figure in this system, otherwise we would be able to spend practically no apple blossoms, because every practice, whether visible or hidden, requires a functional, dynamic system for every possible performance. - You have a company and an innocent apple farm, which you call your property and which we can take as a pledge. Pfänder prevent loose promises. Their apples are all still in the future and you bet that you will reap them. With pledge and wager we can create the money that will promote the sale of your apples. The issue and also the money issue is always a bet on the future. That was already the case with Heinz when he accepted your promissory note. The apologetic event can only be in the future. If we look at it casually, you only hold a betting slip in your hand with a banknote, but it will be redeemed with a high probability. This future-orientation is crucial for financial products, which can include money. They are immutably metaphysical in their origin and nature, and that means that they have a more or less great and irreplaceable instability: the risk is always with them! - And because nobody knows the risk, so does not know exactly what will happen, it can only be hedged through speculation. So if you want to abolish speculation and the future is considered secure, denies the connection between action and risk and enters the room to prophecy. This future-orientation is also the reason that money can never be released from the condition of guilt and that such verbal absolutions can be confidently called the purest charlatanry. This usually happens with the empty use of words such as achievement and achievement claim or also unconditionally."
"But you should prove that once more!" Gregor demanded from the bank employee.

"Yes, that's because money is neither matter nor energy and can not be stored in these states. Money is therefore dependent on a metaphysical promise. Only these promises can be collected. One can contractually change or abolish this promise, one can limit or stop the accumulation of promises, but there is no spiritual opposite to the promise that is endowed with substance, such as energy or matter. To maintain or demand this mental opposite would be pure nonsense, and yet this nonsense makes sense if one wants to get credit in this way. The words in question must only lead to the highest possible confusion! "
"Do you mean performance, performance and value?"

"Yes, these are the most important. Buy and exchange are added. - But look, now it's up to us as a bank, not Heinz, to bet with you, and we're in a superior position to put the risk of this bet on multiple shoulders, because there's no risk in business life In fact, there is more risk in doing nothing than in acting. Risk, like luck, is an unpredictable event and yet there are lofty babblers who fabulate the "TRUE RISK". On the other hand, what we do with our experience as risk hedging are merely model ideas about risks from our statistics, because knowing the risk from the outset is impossible. These model ideas collected from experience are then integrated as a cost factor in the monetary system and we have included it in our transactions with you. A residual risk first for you and then for us, in case you can not repay, always remains. We have to hedge this residual risk with reserves. "
"But that does mean that the whole thing can not be completely safe and that your risk calculations ultimately stick to me as a cost factor, which I then have to include in the price. I

have heard that you already expect a return on equity of 25% per annum. That can not work. In this way, more and more money must be created if I do not want to get into trouble with my repayment and possibly lose my whole apple farm. Where do all the borrowers come from for this money spiral. "
"That's right, Mr. Gregor, but who can see exactly into the future? The future derives its definition that nobody can predict it with sufficient accuracy. There is no one hundred percent certainty and whether we achieve a 25% return on equity is also still in the stars. You can not look at return on equity without equity because that's only 3 percent. If you have to double that, as is currently required, then this means that this return will have done in only twelve years.
But you are right. This goal is quite high and could potentially hurt ourselves if we do not put that equity back into our money cycle. Call it inflation, which arises as a manifestation of this insecurity and which you have to include as well as possible in their prices. But action is still better than doing nothing, and doing nothing starts when you leave this bank despite your creditworthiness without a loan.
Who acts, so the law of action, usually lives longer and who brings money into circulation, who wants to make something or act. And to make it no empty promises, this is in the form of a bet with a stake. - Only because I bet with you here as a banker for the future, only because of money comes into the world. Money, as we can see here on your issue, is never a sign of performance, it's just a token of achievement, a pledge, and if you keep that promise, then the state, if it's in a good mood, still pays you a subsidy on it, so that in the end you will incur less fees and interest charges. Sometimes these subsidies are so high that we can speak of a negative interest. Then the risk that you carry should be just a failure. "
"So you claim that money is nothing more than a promise?"
"Yes, and it's in contrast to the frivolous claim that money can not spoil. You then have to have a preconceived idea of what money actually is, although that's not really clear. But if you realize that you can lose your stake, in your case part of your fortune, then the sentence, "money is nothing more than a promise," is correct.
However, this sentence can only be proved from the genuine point of view, that is, from the question of where the first bill came from. So, like a piece of clothing, we start from the beginning of the thread and ask how it came from the thread. Only then does the general sentence hold: By whom, it is the borrowers or more precisely the issuers, how you want to become one who has promised these benefits and in the majority will also fulfill, because it must not go much wrong, otherwise breaks alltogether. Money is a promissory note, but in a more general form, because money itself, in contrast to what it was in the promissory note, for the holder no longer demand. It only consists of its value. Except for the paper on which it is printed, it has gotten rid of its material substance, is therefore easy to transport and can work everywhere and I make the delivery via an arbitrary supplier on the market. Instead of the money-holder, only the bank, or, we should say, the trustee, holds the claim of repayment of the money and guarantees it to the money-holders with the assets of the bank. - That is why we should be very precise in the linguistic expression of money and talk only of a monetary claim: If a trustee receives money back from an issuer, then he has to destroy this and pay off the credit of the issuer in this amount, as with the Money precursors, promissory notes.
If an issuer returns money to the trustee on time to repay his loan, this is sufficient evidence for the trustee that the issuer's business has been successful. Even if you rob your

grandmother for it, we could not take any notice of it. Their performance is therefore only in the timely repayment of the owed amount of money and nothing else. We also call this deadline control. Real performance can only be suspected, but not proven, through the monetary process. Most of them are assumptions and therefore there is no performance in the money itself. Money is very similar to a stamp: If the service is provided, then it is worthless. That's the same with money.
Money brought to the bank by its issuer has done its job and is worthless in its hands at the time and, in order to avoid mischief, it must be destroyed.

The situation is different with the money-holder: money in the hands of a money-holder only has a value. For the stamp, he would have a precise contact person who must provide the service. When it comes to money, the cashier must look for a contact person in the market to fulfill his claim to performance.
He will usually find him there and there will be a lot of issuers, because they are the first to lose. Money holders and issuers are actually the ones who first create the value of money. Keeping the money-holder and retrieving-wanting the issuer generates a tension, which is then expressed in the monetary value. A disruption or irregularity of this process thus has an immediate impact on the value of the money.
If the money comes back on time, then everything is in flux for me. I assume then that the input and output of the open system balance each other. Open systems, such as the monetary system, can, to put it in a metaphorical way, lose weight, over-eat, suffer from constipation, or be attacked from the outside. All four types of endangerment would sooner or later mean the death of any system if it were not controlled or defended. The most difficult control is the basic supply or generally the maintenance with a maintenance energy. It must be real and physical, even in a monetary system. But there is also the derivative, which does not necessarily have to be physical, just as important! When problems arise in these two places, the lower classes immediately suffer. That is why civil servants and artists or professional footballers are not in demand as borrowers in the first phase - ie in the development phase of the system. They have set themselves up for the current system later and can only stay there as long as the physiocratic basic operation of the system is not endangered.
That's why you're exactly what you need with your apple farm. Actually, you are a money emitter of the very best and are at the top of our ranking because with your apples, you provide a renewable or inflowing resource - that is, the necessary physical energy or part of it - to the system for basic operation , This ensures you and your workers annual revenue. "
"Already, but you will not get rich of it."
"But you are funny, Mr. Gregor. Did you think you were getting rich? - The system is not invented yet, which makes everyone rich. - Some crazy people are still working on it. To date, building excessive wealth has always created poverty. "
"One question - are you actually going to the basement and printing the money? Are you entitled to do that at all? "
"No, Mr. Gregory, not necessarily. But you will entitle me to do so. You give me the job. "
"I? - No, I do not think so."
"But Mr. Gregory. It's like that, you just have to be creditworthy and sign a few. "

* * *

"So how's that going?"
"How much do you need?"
"1000 apple blossoms!"
"For a year?"
"Yes."
"Well, that's 1100 apple blossoms, which you have to repay us in one year because of the fees. Your original debt is 1100 from the outset. This repaym ent proves to us that you have rendered your services on the market. We do not expect them to sell your silverware. - But whatever? It would be the same to us. This timely return of money on your part is then already everything we still control. - You just have to sign here so that we can intervene in your assets if you default on this payment. "
Gregor thinks for a moment, if Heinz does not have to stay with his Realgutkredit, because after all, 100 apple blossoms are not exactly cheap as a fee for a year. Although trade is made more difficult with the use of the real estate principle, but that inevitably prices must fall, as Gregor is not quite sure. But Gregor signs, because so better to sell his apples. Overall, this seems to be beneficial for his business, he believes, and on top of that, the state demands its taxes in apple blossom.

The bank employee goes into the cellar and throws the money press in the vault. He prints 1100 apple blossoms. Mr. Gregor gets 1000 apple blossoms and he sees the bank employee put 100 apple blossoms in the cash register. The money comes at the same time through credit and interest. Money is therefore a manifestation of credit and interest. With the 1000 apple blossoms Mr. Gregor can pay much more than the 20 tree saws.
"And you keep the 100 apple blossoms?" Asks Gregor.
"No, part of this fee is given to our employees and another part is used for risk sharing. The money must go under the people. Otherwise, you will have difficulty repaying in a year, Mr. Gregor. Already the retention for the risk diversification means a certain danger for you, but we want to keep this as low as possible. "
"Theoretically, you are able to put yourself a bond to your files. They go down to the cellar and just print the money for themselves. "
"Not just theoretically."

The structures are best studied in a crisis!
When Mr. Gregor wants to leave the bank, his apple-tree-master enters it.
Gregor hears the bank clerk ask the apple-tree-master: "Two hundred and twenty do you have to pay back? - And you still work for Mr. Gregor?"
The bank employee returns the note of fault to the apple-tree-master. The 220 apple blossoms are destroyed immediately in the shredder. He transfers this amount in his account book. According to the account book, 6880 apple blossoms are now in circulation and the lime counter at the press also indicates this number. He is allowed to circulate 10 000 apple blossoms. No more, so that prices do not get out of hand. From here, the 220 apple blossoms are no longer required. It is deleted and is therefore considered fulfilled. The deferral of the limit on the money press is only an in-bank transaction and consequently neither demand nor

performance. The term "claim against oneself" thus only a metaphor. He is an inaccurate reflection of reality and disappears at the moment of execution in the void.

Up in the boardroom of the bank, mathematicians are already working on a dynamic limit formula. It should be able to orientate itself more on the financial needs of the economy. This is no longer about claims, this is about risk and probabilities. They seek the law of the greatest probability and confess that they do not know what is the rule and what is the exception or the coincidence. And if they believe they're listening to the law: "Let 160,000 credit card holders cancel their loans immediately," they'll do it right away and make those cards electronically useless. The number would have played, to a certain extent, no role. It could have hit one million credit customers. Decisive for the number would have been only the size of the bank.
https://www.stern.de/wirtschaft/geld/schlechte-bonitaet-bank-zieht-160-000-kreditkarten-ein-3219430.html

They are working on a "new balance" and are therefore working to manipulate the "law of large numbers" for their needs. It is supposed to make the money system safer. A new concept takes its place Liquidity! - Borrow me a billion. I'll bring you back to you tomorrow. - These promises are given without sufficient collateral (equity) and therefore gold comes back into play, which promises an optimal solution and in the safes of banks should. Only Gregor's decentralized self-creation of money as a value creator and producer gets under pressure from this hoard of gold, because the growing equity capital of the bank will put him in danger of not being able to present his money for destruction on time.

In these banks, the rogue Jerome Kerviel will soon be active, which takes the term "liquidity" too literally and creates pseudo accounts that can not distinguish his bosses of real and will gamble in the classic roulette process about 5 billion euros. He thinks he sees a roulette with a roulette wheel of 37 more black than white spaces, and the ball can only ever fall into a black field. Thus the risk is tricked into a kind of self-hypnosis via the imagination. But unpredictability requires only one white field of the thirty-seven. And whoever does not believe it, can calculate the period with which probability will appear twenty times in succession. Anyway, the answer is "NEVER" wrong and that it will be "NOT TOMORROW", too. The search for the law of the greatest probability of reducing one's own risk is therefore the continuation of alchemy by other means. What they do not want to realize is that they can not put off the coincidence.

On the other hand, one invents the concept of "defensive positioning" for the "one who does not dare, who does not win". Which means that other than us will bear our risk and write off huge losses because they have misjudged the risk and insufficiently secured it (example: IKB and the events in the summer of 2007). Banks mutely mutate into daring betting shops, into which unsuspecting customers flock who realize only later that their possessions have been betrayed.

Gregor sees it all and wonders how many of his employees have loans just because they work for him. Many have small houses that are not yet paid. He shakes his head and thinks to himself: "In principle, everything is right. But something is wrong with the supervision yet. But supervision is not a backup yet, and a safeguard has a paradoxical element: it either holds back money or has to risk it! - A competition could not hurt either. But what about a competition between trustees or - to make it even clearer - between football referees?

Competition, is not that a pious wish? Would not the bigger one constantly take over the smaller ones because they are left behind? Maybe we need a central bank. But the laws of game theory can not override them either, they can not set the risk to zero, not even by extending the deadline control of the quick senders on pressure or out of a threadbare need, just to ensure liquidity. - And if he has his money shredded in a year and he still has money left, who does it really belong to? It does not belong to the bank just because it prints it! - Or does it? - What then are investors (money managers) and who actually needs the money back with which they wave in their hands? Gregor believes that this system knows only winners and losers and what he belongs to, that will turn out in a year.
"The primary process leaves primary questions!" Thought Gregor, "and a little wealth can not hurt? - Or maybe yes? "At this thought, he makes a strange discovery: the conclusion today was nominal, what it means real for him, can only show the future: The real does not exist yet, it is a fiction!

Discourse :

The primary process of creating money is a crucial process for determining the legal relationship between issuer and bank, because only through this process can the first banknote - or money in general - leave the bank.
It is not the bank that generates the money alone. It requires an issuer. The money is secured by the issuer and initially requires no further protection, in particular not by the bank. The Bank only acts as a trustee in this primary phase because it represents an indefinite number of issuers for the purposes of risk diversification.

Only in this capacity does she become liable, which means that in the event of default by an issuer, she must ensure that his credit is extinguished. This is done first by accessing the resources of the issuer. Only if these are not sufficient, the question arises whether the deletion takes place through apportionment over the community of the issuers or through the equity of the bank owners. This usually results from the concluded agreements of the capital shareholders.

The question of how the bank's equity capital comes into being and how much money it must withhold as collateral is not insignificant for the cash flow, because this money, which is supposed to be the reserve, must be linked to debt pairs elsewhere. In principle, the other issuers are missing for money destruction.

A pool that prevents this lack of money can be seen in the steadily growing national debt. The simple demand from the financial crisis to equip banks with a higher equity ratio instead of Basel III could be a contraindication, because money issues and their necessary protection are fundamentally contradictory.

But the worthiness of this primary process is immensely important. It represents the true basis of trust. Issuers and banks are therefore in agreement that nothing should come between them, which disturbs this relationship. This includes that the issuing bank may only accept money from issuers and not from money-lenders (also called savers) and within its limit - here 10,000 apple blossoms - moves. The money is primarily secured by the issuer, if it fails, the bank is liable with its equity. Money that results is not fiat money.

But even now, outside the bank, cash holders have formed who do not behave the way the issuer and bank have done in their contract. Most of them, as money-keepers, are not even aware of where the money came from and how it is to be able to make any money. That money can only exist through credit has remained a stranger to them. However, the money holders feel that they are a subject with money from

Space and time are free. With their money, they are unbounded in their time and place in the primary phase of making money for the devil, because of the often indispensable down-to-earthness of the issuer, and they use their media power to ensure that this truth about the bondage of the issuers does not even come to light , They are not workers, they are reindeer and demand for themselves and their money the permanent independence in the form of deregulation! The pragmatic and theoretically-minded money-lender puts his individual freedom above the truth of the cause and effect of the creation of money: He does not tell anyone conclusively where the money comes from, what he keeps and where he got it from. He needs scapegoats for his indifference, the fact that any money must be destroyed, and he thwarts it from his behavior. His position is supported by a radical and dangerous ideology that dominated and seems to be dominating the end of the twentieth century and the beginning of the new millennium, including neoliberalism (Agenda 2010 and its post HartzIV and pension 67 included).
Now, however, these money-lenders hold the money anywhere in the world that the issuer needs, because he wants to bring it to the bank for shredding to the

bank in accordance with the contract and on time. To make matters worse, they are still gambling and speculating with one another and even offering it to the bank for interest or fee. The formation of a black market for money can be seen in outline, which one would like to counter with deposit banks.
From now on you can save money. Thus, the money for welfare and evil receives a commodity character, because from now on, no added value, which can be shared. It is only divided into profit and loss.

At the same time there is an exchange and forgery as well as a solidification of the image around the real achievers. It must not penetrate into the public who is the real risk-bearing performer in this system. At least, this image must remain diffuse to the public, and so that everything runs smoothly, the metaphor of the "invisible hand" is created, whose ability to balance things just nowhere could be properly observed.
But money-keepers (gold-keepers), unlike what they say about themselves, are definitely not top performers. They have never been, and yet the owners and distributors have a role to play. First the money has its intrinsic value. If they bring their money for interest or fee to deposit banks, they are and will remain reindeer, which makes them vastly different to today's pensioners of the social system: they can increase their capital (?) - in contrast to the statutory pension - and inherit! It is a completely separate world with its own theory and intrinsic structures, which form the money / lenders out of these accumulated notes, because they are not to be dissuaded from the circular and mistaken belief that money can only consist of cash deposits themselves and that in this Money is synonymous with performance. The thought that Money originated from somewhere is completely alien to them. That is why they lack the relevant and most important insight that there is no small amount of money in the money, but only a very specific benefit entitlement of the trustee to the issuer. The money-lender / lender, however, only has a claim that, if it comes down to it, as in Cyprus, must be ignored or eliminated, so that the newly created liquidity in the "right hands" gets. https://www.nzz.ch/wirtschaft/der-fluch-der-schnellen-erholung-ld.1351669

But because the issuer needs the money that the money-holder withholds or wants to get back as a lender, that is the only way the money is given value. Holder and issuer are therefore an inseparable (hostile) couple. Money is therefore not a dialectical but an antagonistic principle; i.e. there is no synthesis, instead the antagonistic principle demands the dissolution of money

into nothingness. The debt has been eradicated!
When a money-holder deposits his money on a savings account, it means that he has exchanged his money for a money-claim. He is currently without money. His money disappears to old and new borrowers and those who hoard money.
Without a systemic new debt deposit bank and savers would have a problem.
In practice, however, we now face the expectations and experiences of the money-lender - without any theory-based foundation - and this has an impact on the contractual, independent trustees and issuers who originally worked outside of them.
The deposit bank (savers) and the issuing bank (trustee and issuer) differ on one important point: The money that flows back to the issuing bank relieves the issuer and must be destroyed by the issuing bank. However, the money that flows back into the deposit-taking bank is and remains for the actors in the disgust and exclusion of the issuer, exists and must, as far as it is necessary for the maturity of deposits, be kept. The remainder can be reissued as soon as possible. The deposit bank becomes - as willingly or unintentionally - a money-holder. Because the money is only redistributed in the deposit bank's cash register and therefore, while it is there, does not bring any real fee or interest income and thus can not be increased, the deposit bank must keep its cash position as low as possible. The deposit bank is constantly under the expectation that money will continue to flow from the issuing banks. There is a risk of liquidity bottlenecks or traps, especially if the issuers destroy more money at the issuing banks than they emit. The deposit bank pretends to be able to control this via the interest rate, but does not notice that this instrument has no effect on the issuers of the underwriters, because their job is to destroy the money after a certain time. Without the existence of these two types of banks and their limited, antagonistic relationships with each other, a phenomenon such as deflation is unexplainable. It appears particularly and becomes dangerous to the monetary system as economic systems move from a prosperous phase to a recessive phase fall.

Bringing the deposit and deposit bank together into one institution will create a curiosity, not to say a kind of multiple organ, because there are two types of borrower in this institution, namely those who are directly involved in the money creation process and those who receive their money on bond basis. The status of the borrower's loan determines with the bank about what has to happen with the notes on the repayment of the loans: either they must be destroyed or they end

up in the cash register. But until this decision of the Either-Oeder, the bank lets time pass, because it increases their liquidity and therefore ends up both first in a common fund: The door to creative accounting is so wide open and a new profession has emerged: namely that , the financial artist. He will create the Bad Bank for us, specially designed for the purpose of nourishing the illusion of the freedom of money (see Fiat-money). Here in this bad bank can be deposited all that has gone wrong in the very large speculative transactions and infiltrated the creditworthiness of the system. But this manipulated debt freedom is a malicious, political instrument, to whose superficial glory belongs a fatal shadow:
"Saving is good a priori," was heard whispering to the depositary creditor Stoiber, in whose term of office one should thoroughly seek out the reasons for the devastating losses at the Bayrische Landesbank in connection with the failure of the construction of the Transrapid line and in its area of office also the former media mogul Leo Kirch lived. The gloating, which arises in some by such failure, obscures the clear mind that should actually pay attention to the happenings in the background. It is on these levels that one's own interests and laws emerge that run counter to almost all the interests of the original source of money. The money is transformed from the issuer's means to the financial product of the money-holder. Claims for money and credits are securitized, enveloped ('bagged' would have been much better suited as a language expression). Stoiber had probably forgotten or did not know the second part of A Priori: "If everyone saves, then there would be no money." Stoiber wanted to use only a euphemistic language for himself, because actually he wanted to say: "From now on the belt must be tighter be strapped."

But this monetary law has not yet been thought through by any neo-liberal: debt freedom for the state as a political goal amounts to the abolition of money or is secretly involved in establishing a tax haven. This policy put us right in front of the gate of dangerous deflation and disaster in 2008. It is the time when you are afraid of a new loan even at low interest rates.

And so that all this can happen inconspicuously - inherit and also evade taxes - build many money / money lenders their monetary instruments (financial products) outside the impact horizon of our financial cooperative on. For this, the capital market had to be deregulated. Now there are tax havens with financial constructions, where the money disappears, like the Liechtensteiner

Foundations where they open their accounts and at the same time, combined with their media power, let the black-working cleaning lady to the actual pest of the system explain.

Not a word about the fact that it is barely able to withhold money and contributes to the tax revenue alone through its inevitable consumption. In fact, she has to spend her money on life as a rule. She has no choice. The emergency situation of the cleaning lady: "First comes the eating, then the moral" is painted over to the image of the self-defense situation against the unfair tax system for the reindeer (not to be confused with pensioners). Thus, the needy has a guilty conscience and the Liechtensteiner reindeer a justification for his actions against the state (Hart aber fair 2008 02 20). From there these reindeer break a media envy debate from the fence. This debate lacks the original opposing position, because the rich man will hardly be jealous of poverty, i. An envy debate can therefore only be started from above.
This is what the money emitters mean to this point, who are among the service providers and the service providers, that is, among the real service providers of the system, and the bank, it is time to talk about it. There are several ways to react to this activity. However, there are already some powerful money holders and lenders (reindeer) among the issuers themselves, and it is difficult for the participants to reconcile the conflicting interests. Ultimately, however, the more affluent claim that everything can be combined under the umbrella of the bank and explain from now on, it is the bank that emits the money.

Now the closed contract system of the bank transmits symbolically but not really (in the form of "as if") into the public consciousness. But it conceals the fact that it would collapse immediately if it were not connected to an outside from which it derives its profits. It is and remains therefore an open system, which, albeit as a negative example, proves the existence of the many tax havens. Money creation and the security system required by the Bank's new tasks merge in the general consciousness into a single process. One imagines that it is a closed system. The way to circular conclusions and the associated nonsense is free: Now tax laws are discriminated, which were actually intended to correct the monetary system (eg the inheritance tax).

The image of the promissory note, its issuer and the deadline conception that can be found in it, so that the deductive connection to the money issue (transformation always requires deduction), takes a back seat and disappears *from the public consciousness. Cognition disappears as a strong argument and takes the place of the pragmatic, communicative but theoretically less language style. In his volatility, he overruns the theoretical idea that every system contains at least one paradox in which it reaches its limits. In monetary systems, these are called liquidity traps that companies suddenly and unexpectedly face.*

Without a learning process, the lobbyists repeatedly create symbols with no transformation processes: Now it is in all textbooks that it is the banks that emit money. And they do too. But the real one the service provider of the system, the actual issuer, whose pledge is already considered the property of the bank, should thereby disappear from the linguistic surface and dead in the linguistic image of the borrower or another language figure his existence, because he is also the largest risk carrier in the system and of it should know as nothing until he suddenly breaks out in a US real estate crisis and massively real in another, new and cute speech of the house builder with 20 million vacant housing units and shouted that he has become insolvent under these conditions and their perfidious contract traps! These are moments when inflation hits home, the roof over your head becomes priceless and hundreds of thousands of people live in tents.

This is due to the false belief that the bank makes and owns the money. The confusion is perfect. An agency that is all in one also merges those elements necessary to differentiate responsibilities from one another, or in extreme cases, does not release or obfuscate any information. Money is then only a product of the banking system and not, as the General-Monetary-Theory claims, a construct made up of seven agencies.

The money holders are exempted from the acceptance obligation of the real estate, which still held the promissory note. For them it is absolutely secondary that behind the money is still an obligation of the actual money issuer to return the bills in time to the trustee for destruction. Without worrying about what the implications are, a monetary system has been put in place, with different deadlines. While issuers are bound by strict deadlines, there are no time limits for money holders.
But as a money-lender or money-lender (investor), they now prove to themselves that they have generally performed well for this money and use practices, if at all, then by anonymous hand (eg from foundations) in the economic cycle to be

incorporated. A stronger distortion of contexts is hardly imaginable: The existence of the actual money emitters is denied. The lack or denial of an obvious General-Monetary-Theory is part of the strategy: No one knows what money is! Without beginning and without end, to be anonymous and indescribable, these are basic characteristics and elements of an idol. The fear of this image must have led the action artists Bill Drummond and Jimmy Cauty in their money burning hands. This fits in well with the picture of simply dropping this missing money, such as flyers, from the helicopter to replenish the cash (Fiatmoney).
The actual money emitters claim that they are in danger of not being able to provide their services if the money-lenders do not buy any of their goods and withhold, or for whatever reason, the money until St. Never's Day remove the scope of the grassroots issuer. From now on, the interest rate of money-holders / lenders - and not, as in this story, the imposed fee - to bring everything into balance.

In the abstract, the concept of interest lies at the next higher level of money, because it is money from money. The interest can only work if the money supply is steadily increasing. An endless spiral. The way to the circular is free: everyone is promised to find themselves in a win-win situation and many believe in it. It is believed that it is not a pyramid scheme or a chain letter system and recognizes it as such not so, because it comes along with only a small increase of broken numbers while potentiating. But time knows no difference between whole and broken numbers (Josefpfennig). But with these finely honed numbers, it is a creeping, barely perceptible snowball system that may initially run well for everyone, but for a long time more and more shows its pitfalls and then frayed in many places or perhaps collapses completely: We must assume that the knowledge it is a weak pyramid scheme for the time being, the wisdom is final, because a proof that money system could exist without pyramid scheme, is missing today.

"No system is perfect."

According to Ilya Prigogine, the complexity of a system also increases its instability.

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Taxes and Indebtedness of the State

I.

A law that exists genuinely within the monetary level is intended to show how taxes and public debt are inseparable from the other side of the coin. This law states that if a state - or more generally a commonwealth - acts on the one hand to levy taxes and thus to deplete its value, on the other hand it has to pay a basic-debt in the form of a money issue, thereby reducing the risks of bankruptcy in its economic area be lowered.

Let us first turn to a mental, reductionist process and consider only one single producer, who must emit money as in the archetype of money creation. According to the general theory of money, he has to present this money to the trustee for destruction after a certain period of time. On the other hand, money-holders are not bound by any such deadlines and, by hoarding money in monetary terms, cause, firstly, a permanent deflationary process, and second, they put the issuers in danger of bankruptcy.

Now our producer, not as in this story will deliver apples, he should instead be happy with cigarettes. Everything is going on as in the archetype of money creation: The cigarette producer must first emit money if he wants to sell his product, the cigarettes, on the market at all. He must enter into a debt on this issue, because only through this money issue, this producer also gets the opportunity to sell his goods. If the mass of producers or traders lacked insight into their own money issuance, no money could exist in its present form.

II.

But now the state wants to take over the cigarette tax in the business of cigarette producers with the result that the cigarettes to eight times - or even 800 percent - more expensive.
However, the cigarette producer did not issue that much money over its own issue, because for our producer, the issue also means debt with its known but calculable disadvantages. We still want to assume that he is the only issuer in the world, with the result that if there were no such issuer, there would be no money.

This issue would have been too risky for him under the conditions dictated to him by the state through taxes. It would have overwhelmed him financially and bankrupted: If the state claimed 7/8 of the issue, then the money for this issuer for the recovery and cancellation of the loan must be very scarce, because it from the state on the taxes on the Purses of the citizens (as a money-holder) was distributed. But they have not spent it completely for cigarettes but mostly for consumption and keep the rest. At the end of the credit period, this issuer can not submit the agreed amount of money for destruction, simply because the state itself did not issue any money in the amount of its tax receivable. The cigarette manufacturer is thus in bankruptcy and liable with the pledges, which he had deposited the bank.

Now you could argue: Is only a cigarette maker. The fatal thing about this example, however, is that it will strike every economic operator in that state.
(This particular example with the cigarettes is also chosen to show that a state is well able to make any product more expensive by 800%, so the state is also involved in general pricing and can significantly increase the price of a product, such as fuels or energy in general, and that is why the state has a responsibility to set a sufficient minimum wage if bargaining partners are unable to earn vital wages.)

But if we start from the more general fact that it is not a single entrepreneur who wants to produce an indefinite amount of enterprises, it is necessary that they also emit the money that is needed in the market to sell their products. So you have to take out loans for yourself and bring the money to the people. (This can also be done in full or in part by the employees of these enterprises with corresponding risks that can arise from unemployment.) However, they do not appreciate the tax interferences of the state in their enterprises and they would not like to be bothered by this state either. This is also where the ideological place of neo-liberalism can be found, from which it draws against the state and its indebtedness and associated social equipment. But a state must raise taxes in order to exist; Exceptions: Liechtenstein, Monaco, for example, which do not charge taxes.
If, however, a state without its own money issuance - that is, without a basic debt - intervene here and simply levy taxes, then this would be the worst of all monetary possibilities. He would drive many entrepreneurs into insolvency. According to this, a state, as soon as it raises taxes, has the following obligation to emit its own money, following private money issuers: this means that it has to go into debt and this indebtedness can not be countercyclical.
But this raises a question: how does the state bring this money into circulation? Can he ask for a benefit and how should he do it if he is not allowed to be an entrepreneur? The behavior of General Motors with Opel (2009) is a sufficient example of this question.
https://de.wikipedia.org/wiki/Opel#2008_bis_2010:_Finanzkrise_und_fehlgeschlagene_Trennung_von_General_Motors

The state must keep an eye on the country's economic situation, but if the economy does not prosper, the state is in a fundamental dilemma. He would have to lower taxes in such a situation and reduce his debt (a circular).

The counter-cyclical recommendation of a John Maynard Keynes is therefore - as in the case of roulette - merely a game-theoretical reversal of the kind, instead of playing with the bank against the bank, hoping to increase the odds that the higher security in this game can also mean a higher commitment, which one can also lose, is often overlooked. The release from this circular conclusion can only succeed if the counter-cyclical measure - in contrast to the cyclical measure - increasingly focuses on achieving better living conditions through transformations. But this solution is outside the Monetary-System.

As an example, in which direction is thought here and whether these solutions are useful, may serve the pledge of patents of a US state (Deleware) at General Motors (Opel). It may also have been the reason why the US government rescued GM and expropriated the shareholders. Finally, at GM, the well-developed electric cars were pulped again. The patents on gasoline engines have lost their value and the payment obligations (money issues) associated with the patents have evaporated.
https://de.wikipedia.org/wiki/General_Motors_EV1

In principle, however, the state must, in order to receive money from taxes, emit money itself, which means that it must equip itself with a permanent basic-debt.
In other words, a state without debt, must have already enriched itself at the expense of others, or it may have monopolies of resources. The same applies to countries, cities and municipalities that have no basic liability because they have certain resources. That this resource often consists only of a mailbox, is also often overlooked.
Deregulation or privatization should therefore be viewed skeptically, because the privatization means according to the thesis presented here, on the other hand, larger government emissions (basic-debt) with the inevitably required higher tax revenue.

A state that pushes for privatization and thus renounces its own economic activities must compensate for this through tax and debt. He is breaking a vicious circle.
There are countless examples that show that the state's withdrawal from the economy was only for particular interests, that it harmed economies and destroyed jobs because it acted on the basis of neoliberal beliefs and, in the course of this ideology, lowered taxes and reduced its debt.
https://de.wikipedia.org/wiki/Austerit%C3%A4t

A second sentence can be deduced from this: The more taxes the state wants to keep, the higher its emissions must be. And the reverse of this sentence applies as well:
The more he issues, the higher his tax receivables must be (quantitatively).
This monetary example does not include any kind of benefits (the monetary can not do that either, because the monetary system can only distinguish between profit and loss) that could save a society's survival. But it is deliberately chosen because, despite this reduction (the unnecessary: here cigarettes) the principle of the monetary proves that the state can not avoid even to emit money, so as not to endanger the economy. Countries, cities and municipalities that claim to have money claims instead of debts must have caused others to live at the expense of others. Because money is and remains a manifestation of guilt.

The question must therefore be different and be put to overindebtedness of the public sector and where the limit of necessary debt and over-indebtedness must be drawn.
The example of cigarette production shows very clearly how critical the intervention of the state on taxes is in a monetary system, because if the state issues only part of the money that it draws as a tax

from cigarette production, other sectors must be added To suffer. (As can be seen when promoting a single product using the example of a scrapping premium for cars).

A typical logical step:

On September 23, 2008, the press reported that, in the wake of the banking crisis, the US government was on unprecedented scale

$ 700 000 000 000 will be new debt. For that one wants to increase the taxes.

http://de.wikipedia.org/w/index.php?title=Staatsverschuldung&action=edit&section=4

Public debt as a permanent (private) source of income
http://www.nachdenkseiten.de/?p=7276

Public debt as a permanent (private) source of income II
http://www.tu-chemnitz.de/wirtschaft/vwl2/downloads/paper/helmedag/Staatsschulden.pdf

Quote: The expression (6) comes with a good message: As long as the nominal growth rate is greater than the interest and amortization rate, the state can offer the citizen more benefits than he demands in the form of taxes, without this an increase in the debt ratio. If necessary, it can even be lowered. Even the Council of Economic Experts on the Assessment of Macroeconomic Development does not deny this recognition: "If the rate of growth exceeds the interest rate, [...] credit financing of public expenditure is welfare-enhancing." Unfortunately, this insight has not gotten around, nor have the right consequences been drawn from it.

See also **Naomi Klein**, Chapter 12 Capitalist ID, in: Naomi Klein, The Shock Strategy, S.Fischer

The Island-Examples

The Fairytale of the Missing Loan

Viewed from the General-Monetary-Theory, which is a holistic theory, the example of Egon W. Kreutzer does not represent a complete monetary system, because according to the General-Monetary-Theory, seven agencies are necessary for a monetary system. On the contrary, Kreutzer makes use of this theory of reduction: he is satisfied with two persons. At the same time, in this example, the agency of the issuer overlaps with that of the money-holder, which is pragmatically possible in a small group, but in principle is based on larger units because of the resulting lack of transparency is absurd.
Because, in this example, there is no substantial exchange between the shipwrecked over the agreed interest year, it must end in a pseudo paradox (1000 = 1100), as is customary in closed systems. Nevertheless, this paradox of paradigm leads to a gain in knowledge when the void has been removed and realistic life situations are presented:

The simple island example (by E.W. Kreutzer)

The shipwrecked banker lends the iron reserve of € 1,000 sewn into his belt - out of sheer habit - to the second castaway, who - out of sheer habit, accepts the credit and the 10% interest the banker wants. (This is not as outlandish as it sounds.) Not so few people get into debt by depositing their payroll accounts at the ATM, without having any concrete use for the money they have raised Year of unsuccessful waiting for a rescue ship, the banker calls back € 1,100. It does not work. There are only 1,000 euros available.
from: http://www.egon-w-kreutzer.de/0PaD2010/8.pdf (link does not connect anymore)

This is again such a completely absurd example (here: The fairy tale of the lack of credit, which must be distinguished from the Sparzins) and not already from the o.g. Reasons: like u.a. Overlaying two agencies into a single and the lack of substantial exchange, thus the reversal of the holistic in a reductionist method, but also because in turn is argued with the all or nothing. The banker has not even thought that he now has no money for their own lifestyle available .. It is thus assumed that he can manage without money alone.

But: Wherever the mind turns to one of the three transcendent final stages - the whole or the only thing, the infinite or the eternal and the nothing - mischief or chaos arises.
From: Limodane and Brutalo at Har and his philosophy of everyday life

With some additional real assumptions, especially the most important one is that a substantial exchange between the two stranded people has to take place, it makes sense to refer to this 1000 € island example:

We assume: The banker is not a swimmer. - (The other one saved him, but the savior, who for some unexplained reason has to take out a loan, does not want to suck honey from it.)
Then we accept the 10% interest per year.
We also accept the comic borrowing of the savior
Next we assume that the 1000 € in 1 € coins are available. (Otherwise we need paper and writing utensils so that promissory notes can be issued in euros)

The loan, which the rescuer receives, is limited to half, that is 500 €. (Now one does not go out of the whole! - Incidentally, also a model for states that should not sell all their silverware over the privatization.)

We assume: On the island, a refuge must be built quickly (added value). The non-banker swims to the sunken ship, dives and can recover an ax. It is an important tool and is now its property. Even this situation shows us, when it comes to life or death, that all forces must be used, regardless of any power swap.

The process that is now running is now easy to see through:
Here, it quickly becomes clear to the ax owner that he would be able to use his tool to make the banker insolvent if he works as meaninglessly and mercilessly as an export-world-champion. However, if the banker agrees to cooperate and the ax owner is subject to a self-constraint on his workload, a power swap would take place between the two and balance the imbalances in the current accounts of the two persons in a timely manner. Even more so in such an island situation no imbalance caused by accident or illness. The healthy would have a vested interest in the working ability of his sick companion in the fate and help him unconditionally (principle contradiction of a capital-oriented health insurance). With this self-restriction, the € 1000 for the two islanders have a catalytic function. They will cease to be

and they will not be less, not even with an interest premium, but they will help to create added value, to secure supply and to ensure the equalization of benefits among each other. - But both think about whether the interest in their world is not superfluous. They enjoy the advantage of the existing transparency, which is lost in larger groups and communities or does not even exist at all, and which can only be restored, if not completely, through mediating and elaborate communication among the group members.

The better alternative for larger groups and companies is to maintain their livelihood over the value of a monetary system rather than through immediate performance comparison. Money can only be used conditionally as a means of comparison.

In Principle
the two islanders do not need the 1000 € with their different skills. (They stand on a simple basis, as it should be possible between bilateral relations of states.) In their world, it would be perfectly sufficient if they were to keep their mutual obligations on tally sticks, because here on the island the euro currency has no further Meaning and no one else is there who could use these tally sticks as derivatives. Here, their importance is even reduced so much that they serve only as means of exchange (counting), because on this island, the two fate partners are outside the influence of any state and an entrepreneurial power, they with tax revenues on the one hand and on the other hand from the performance comparison with each other forces a general value comparison and thus eliminates the time or hour ratio (one hour is one hour). In the sphere of influence of the state, this would force the two islanders through the taxes to work for him. He could - depending on requirements - their exchange relationship with each other with a tax claim.

The state thus derives (via taxes and its currency) values to be used elsewhere, e.g. in the infrastructure, build. The state can not and must not form a capital stock because in these cases it would also have to decide in which profitable investments this money should be invested. He competes with private entrepreneurship and if he only hoards it, then this could unnecessarily burden the flow of money. For these reasons, the privatization of state goods, its infrastructure and key industries - such as the energy and health care sectors - should be avoided, as the mix of profit and hoarding by oversized operations exacerbates these burdens:
It is not without reason that the US does not find a sound health care system, as would be the case in a pay-as-you-go system. For that would have to be dissolved in the USA, the private capital stocks formed in the past for this purpose.

However, this is almost impossible in a financial crisis such as the current one. Here it is quite indifferent to the consideration whether these capital stocks must be paid back to the insured or they represent real claims of capital owners. Behind everything is not, as many think, a complex system of claims, but basically just an economic simple, linear system that was already expressed in the Mackenroth-Theorem. The Mackenroth-Theorem here even learns a generalization of the kind that it should not only be impossible for the state to put aside money (to save so), but that also oversized organizations and big private companies can bring about the associated dangers ,

According to General-Monetary-Theory, there is no cash in these capital stocks. They are merely money claims that can only be converted back into the solvent and realizable money stock M1 with a steady new borrowing. However, when new borrowers are generally lacking (snowball game ends), any reversion of monetary claims to the money stock M1 is stalling. Creditors, debtors or issuers alike are in a crisis. This is the liquidity trap that makes it impossible to continue to emit money when new issuers are overly afraid to repay their money.

The US and many other states have been in such crisis since 2007. Many claims for money were largely declared as "bad loans" and stored in specially built Bad Banks. These Bad Banks, for whom the public must suddenly and arbitrarily vouch, thus also close the circle to the Mackenroth-Theorem and also reduce the accumulation of large, private money claims to absurdity.

Also, the two stranded people - as required by the General-Monetary-Theory - do not need to form seven agencies on the island for a monetary system, because everything they trade or owe each other is subject to a direct, transparent agreement. What they consider Euros on the island has been reduced in their relationship to a counting agent. To take this as money, they lack the society and their non-transparent places. But maybe they are speculating on the rescue and it would be nice if you do not owe each other anything. - Assuming: The euro still exists.

Excursion: This island example transferred to a meta-level in which the state emerges would mean (and the same applies to oversized (transcendental) organizations) that it would have to behave like the owner of the ax for the purpose of self-preservation: always strive for a balance. The prerequisite for this, however, is that the state does not sell itself to the point of being destitute, as can be done through excessive privatization: private and state funds must balance each other out.

See also: mailto Steinbrück (Steinbrück was a German Minister of Finance)

Three Clowns in the Ring

(The means of payment or the money supply M1)

The secret of an "open credit chain"
And what is a "closed credit chain"?
Does the latter still exist?

I.

> The relations here are approximately: Humanity has doubled in the course of the last 40 years, the amount of goods sixfold, the financial assets sixty times. <(Peter)

A magic:

L .: With regard to financial assets, I think of a clown number, which can also be counted among the island examples:

Clown A and B go into the ring.
Clown B to A: "Can you give me back my 10 euros?"
Clown A to B: "One moment!" Clown A runs into the auditorium and persuades
. *a viewer to lend him 10 euros. He receives 10 euros and then gives them B.*
Clown C enters the ring and sees in the hand of B 10 euros. He says that B
. *owes him another 10 euros. B gives the 10 euros somewhat reluctantly to C.*
C goes to A and says, "Here's the 10 euros you borrowed from me.
A takes the 10 Euros, rushes to the viewer and gives them back.

As can be seen, the cash 10 euros of the viewer have acted as a catalyst to delete all obligations of the parties with each other. There was no time or effort in the money! We also do not know what these debts consisted of. Whether goods were purchased or whether there were also betting debts.

II.

But if you look at this magic from the perspective of the General-Monetary-Theory, you can analyze the following: all, the clowns and the spectators, were at the time of their existing debt relationships all money lenders of the second value generator and cycle level; that meant that they all could follow a reductionist picture of money: money just had to be there for them, the question of where the money originated from was out of the question for them.

The clowns had set up credit-debt pairs with each other and increased the amount of money among themselves, which then (by chance) in the nothing dissolve each other.
The viewer belonged as a money-holder according to the General-Monetary -Theory to the dependent agencies. For everyone involved - including the viewer - it was completely irrelevant where the 10-euro bill - or in general: the money - came from. There was no need for a look at the start-up agencies. A balance sheet analysis would have achieved the same effect without the 10 euro of the viewer, but also she would not have been able to look at the founding agencies.

Another magic:

national debt (I):
According to a "Monthly Report March 2008" of the Deutsche Bundesbank, the money stock M1 amounted to € 960.6 billion in January 2008. The total monthly tax revenue is 50 billion. €. http://de.wikipedia.org/wiki/Steueraufkommen_%28Deutschland%29 . The national debt: February 1, 2010 1.78 Bill. €.
Thus, the national debt by about 70% greater than the existing purchasing power M1 money.
http://www.staatsverschuldung.de/schuldenuhr.htm
http://www.usdebtclock.org/

National debt (II):
The national debt can be optimized for pragmatic politicians to a zero-sum game or even sweepstakes. That happens when lending rates and inflation do not fall far apart. This was also stated in the convergence criteria in the Maastricht Treaty and it can be assumed that the rules of zero-sum game were known in the ratification of this treaty. In Germany, for example, we had an inflation of 3% in 2007, while the state had to pay an average lending rate of 4% (falling trend). With existing 1.5 trillion euros of government debt at this time, that is 60 billion euros in interest a year. In value loss (3%) of the 1.5 trillion 45 billion euros can be charged. But since a withholding tax (30%) is due, the state will incur an additional 18 billion euros from its own debt alone. Impairment and taxation give the state an amount of 63 billion. He makes his debts effectively 3 billion euros profit a year.

The view that the state - ie the federal government, states and municipalities - pays 60 billion euros in interest for the 1.5 trillion euros a year can therefore be set up only in a one-sided nominal monetary context. The other side lies in the fact that money is only guilty and that the total money stock M1 has a total amount of only € 1.2 trillion, compared to € 1.5 trillion in government debt. If a state starts to want to pay off this 1.5 trillion euros, it would eliminate the entire liquid assets M1, because he will hardly find anyone who comes to his side to take on debt of this magnitude. Therefore, the interest payments of the state are to be considered only as a continuation of a monetary system, without which tax revenues would not be possible. The populist, unilaterally monetary assertion that the state is at fault at the expense of future generations can not be sustained. For this it would require a universal, debt-free money system, in whose everyday usability many ghosts have already lost their teeth.

The phenomenon of national debt, its external border and the resulting dangers to the economic system can not be explained in this way, because, as the present example shows, this does not constitute an upper limit to national debt. In theory, the state could borrow up to infinity in amount and time, without this behavior being able to derive negative effects on economic activity. On the contrary, it even looks as if the state can avail itself freely here. And he does it too:
It is particularly tempting for the state, when a low-interest phase as in Japan and the United States is up to mischief. But that can not be good, because formulas that carry infinity, nothing or the whole, lead to sudden failures, if you build on them. So there must be a difference in the germ that carries this effect. This germ lies unnoticed among the different peculiarities of the issuer (here person there state) and the state as a whole buried:
The ordinary issuer must be in possession of resources which, if necessary, he transforms with his own ideas and forces into commodities, which he then sells on the market in order to repay the proceeds due.
But the state, which assumes a transcendent form, lacks at least the peculiarity of its own power. The individual's will is something other than the state's will and this means for the government's money issuing as opposed to the individual, that his money is not underpinned concrete performance promise and certainly not under conditions when there are no real resources available, because, for example. in his sphere of power is a full privatization. Thus, the state does not create anything on its own and can restrict itself to acting and giving in its actions. Say: He can only redistribute abruptly with the instruments of tax and indebtedness. State intervention, whether with taxes or debts, can only ever result in higher prices in some areas of goods and markets or even in all areas (inflation) because of their own inherent lack of income.

>> The state can not do anything on its own, it can only determine who has to pay. <<
>> A bank can not afford anything, it can only wait until ..... <<

The parable of the two craftsmen

mailto Steinbrück

or:
What contradictions with the general monetary theory discovered and as
can be shown inextricably.

On 4 May 2006, German Finance Minister Peer Steinbrück announced at the Euro Money Conference:

"Although we are by no means at the end of our reform efforts, they are showing first good results. Last but not least, Germany today is one of the most liberalized and deregulated economies in Europe. "

This neo-liberal world view led us directly into the financial crisis, which reached its second peak in October 2008. 2009 is expected to have a devastating impact on the real economy in Europe.

Fictitious: To the SPD parliamentary group (mailto Steinbrück)
Peer Steinbrück says in his inaugural address to the Federal Minister of Finance from 1. December 2005 before the German Bundestag:

"Nobody likes to pay taxes. But the tax rate in Germany is - I stress - not the main problem. I even agree with Mr Lafontaine that even the added tax and duty rate is not the main problem in international comparison. What he fails to say about it is that in Germany we have too high additional wage costs, which consist of legal and tariff regulations. What he did not describe in his speech this morning is that the additional wage costs now account for 100 percent of the payroll. He conceals that in Germany we still have a huge problem in the area of the labor market. I do not want to be polemical, but it is pictorially described as follows: A painter has a broken water pipe at home and has this repaired by a plumber journeyman. The painter has to work for five hours in order to pay for one working hour of the installer-journeyman. That describes the main problem on the job market."

What the new Minister of Finance Peer Steinbrück wants to portray in his inaugural address as "the main problem on the job market", is in fact an insoluble genuinely contradiction of the monetary system with its seven agencies (see General monetary theory). Such a similar problem could also be found in our next celestial body to the moon, which requires 27 days, 7 hours and 43 minutes for a round the globe but 29 days, 12 hours and 43 minutes until the full moon. In the end, we can explain this difference or contradiction, but we can not change that.

The example painter-plumbers with the ratio 5 to 1, which can be confidently counted among the island examples, has been buzzing for years through the Gazetten, without the so-called main problem, which concludes Steinbrück back to the additional wage costs, something could be changed. Heinz Dürr, former head of the railway and co-initiator of Stuttgart 21, - then SPD General Secretary Olaf Scholz, sat next to it and kept his mouth open - brought in March 2003 in *Berlin-Mitte-tv* this caricature as well as Hans Olaf Henkel and six and a half years later 2.9. 2009 Guido Westerwelle in *hard-but-fair-tv*. That's not because the 5 to 1 ratio is wrong. It will even be right. But if, as Peer Steinbrück does now, the ratio 5 to 1 is not correctly broken down, then, as in the case of the full moon, one ultimately faces a pseudo-problem full of contradictions without knowledge gain. These protagonists of politics obscure or deny the irreversibility of services and their deprivation of value by the state and private entrepreneurship, for these are the ones that create this genuine contradiction between performance and value:

One of the main features of money is the value of money. Money is therefore only partially suitable as a means of comparison. However, it is particularly suitable for artificially induced volatilities, which can also be triggered deliberately and arbitrarily by rating agencies.

These protagonists have even exceeded the target by assuming a 1: 1 exchange ratio among the journeymen. But with this they have all ignored the realization of the general theory of money, namely, that mutually produced equivalent services can not generate any money claim among themselves, because money requires debt. It is like in the island example of the twelve hairdressers, who sit in a circle and cut each other's hair.
With this action no money is necessary and it can - and this is a further exclusion (speak: reduction) in all island examples of this kind - neither money nor money claim arise.

It is the tax collection of the state, which sees added value in these works of the Twelve, that creates a debt relationship with the state for each of these hairdressers. In other words, the tax claim of the state alone is sufficient to generate a debt for each of the 12 hairdressers for their actions in circles and this is precisely the debt that the state can use to emit money. The fact that the state, on the one hand for pragmatic reasons, only considers it possible to incur that debt with these journeymen until a certain income threshold is reached, is another matter that does not contradict the theory of money issuance.

But how can these protagonists - like Steinbrück or Westerwelle - talk about money? - The guilt that the state generates among its citizens is, as far as possible, concealed. Here they simply project the image of the direct exchange of power among each other and overlook the fact that no money is generated. Their real political conviction overlooks the process of money creation and thus there is no contradiction for them, which indispensably, in the form of a pyramid or pyramid scheme inherent in today's and any future monetary system, namely by the value of the State and entrepreneurship inherent becomes.

To clarify: Since these are payments (Steinbrück), there must already be money in the game. Strangely enough, this money is already there for our 1zu1 protagonists. Where it came from, and that every money is on the one hand credit and on the other hand always guilty, they did not want to fathom or not to admit, and with this carelessness or untruth they opened the door to the petty circles and demagogic populism. And they have not yet told us whether they talk about money or counting. Money can not be created so easily on a small, lonely island but only in a differentiated, open and urban society in order to develop its full effect. Anyone who distances himself or deviates from the complexity of the society envisaged here can only develop a surrogate of money that will neither be more useful nor secure.

Let's take the five hours and analyze their occurrence. The result ends up with a completely unsuspecting Minister of Finance and should not like this in the person of Peer Steinbrück:
First of all, the question should be clarified, into which utopian world we want to transport the two journeymen, so that the one-to-one exchange of time demanded by Peer Steinbrück, which we can simply assume here, because neither he nor the other protagonists proposed another exchange, can take place. It would have to be the land of milk and honey or a world without roads or, as we say today, without infrastructure. Such a world did not even exist in the Stone Age. This "1 to 1 argument" is not even good for a primitive exchange company. The exchange of these benefits can be found at best in the family, in circles of friends or neighborhood help. It is simply the time spent directly exchanging or even giving away. There is neither debt nor money.

Therefore, for this example, it must first be stated that not 5, but only 4 hours per person are more to be done, because the times, the journeyman afford each other, cancel each other out. We also try to avoid other circumstances: The one-euro jobber would probably have to work 35 hours for a journeyman's lesson. But it also could not prevent us from confronting a CEO of a bank with one of these two craftsmen. Then it may turn out that the CEO might have to spend five minutes or less on the journeyman's hour. This differential diagnosis shows very clearly:

Money is completely unfit as a proof of performance.

With this realization, we again turn to the parable of these two craftmen:
We are in a one-to-one example of the two journeymen in a closed system, because it is devised without any social or social outward effects, because guilt relationships are resolved quickly or do not arise at all. But without guilt, money can not be created according to the General Monetary Theory. That's why we have to opt for an open system in which the fifth hour - that is the hour that the two journeyman serve each other and can not generate any money on their own - is placed inside the closed system and four more Hours that are required of an external power. For what do the two journeymen still want to live on, if one man only cuts the other's hair and the other of the two simply eliminates the pipe blockage? Their claims have abolished immediately and there has been no surplus or surplus value with which the two journeymen can take effect externally. But this appearance does not present itself in the form of air to breathe but is the social (other persons, generally the society or the state) itself, which has to borrow for these two journeymen, if they want to keep money, or already in debt Has.

In order to get what they need to live, both journeymen have to have something in their hands to challenge them to the outside world, and that's just money today. But if their claims cancel against each other, then no money. In order to get money, the two journeymen are obliged to claim an appearance. This external appearance is therefore part of the basic

condition of even a rudimentary exchange society and can be provided by an open system today only by society with its persons and institutions or the state:
In addition to the two hours each of the journeymen can afford, the appearance of the two journeymen requires an additional four hours per person, so that both can be satisfied with money or money. It is only through this obligation to have to get in touch with this appearance that the journeymen get their money, which others in society have previously had to cover with deposit-safe loans.
And now only and shortened applies:
Because the journeymen have money, others (state and natural or legal persons) have debts. Consequently, reducing relationships simply to the two journeymen is not only deficient, but simply meaningless circular reasoning because it can not generate any money in this way. And because money comes only through guilt, not guilt. It is therefore necessary an open system that makes this guilt appear in the form of money and transferred to the workmen through the work of the journeymen. The system can only function by means of a value extraction in the form that the immediate exchange of power between the two journeymen - as in the island example - is prevented: this direct exchange of services is usually outlawed as illegal work. This transformation is now defined by a set of rules (social consensus, state). The question of how fair such a set of rules can be can not be answered by attacking and abolishing this set of rules - like Steinbrück - (back to the nature reductionists) or dismissing it as absurd (like the 1zu1 protagonists).

This policy can only be explained with an open system:
The first hour is the time that the two fellows afford each other and leaves only short-term or no monetary traces.
The second hour falls through the VAT in full extent to the state. (I have set it to 20%, instead of 19% 20% is exactly the 5th part.) The VAT is readily apparent that here is a depreciation of the state of a whole hour takes place, because the state on this tax then the two journeymen no longer need five but only four hours to work to pay for one another's journey. This depreciation of value lets the state instantly reestablish value as another value, because he does not put the money into a savings sock. He acts directly and differently than the entrepreneur, who wants to increase the value of his equity and his money claims.
The 3rd and 4th hours are reserved for the social benefits paid to employees and employers. (That's the 100% of the payroll Steinbrück mentioned above, which obviously seemed too high to him.

Whereby remains open what Steinbrück sees as a whole and where he sets the pure reward, because it would be correct to speak of a part that makes up about 50%.)
The remainder of one hour goes to the employer and is reserved for internal administration, rental and interest rates, and especially for the profit on which investments can be made. - Or instead of investing in speculation and gambling on the stock market - and again TAXES! The tears do not need to come in the case of the depreciation possibilities that existed in the past and will continue to exist. Of course, this hour is also about value taking, only with the difference that it is of a private nature. For this one should translate "privare" from Latin into

German. It means: rob. In the pure thinking of this island example, the private is romantically transfigured. In this romance, robbery and deception are almost completely suppressed, unlike the Romans, where the god Mercury was the god of traders and thieves. In addition to honest trading, they also belong to one of the most common ways of extracting value (cum-ex transactions or transactions in ADR papers, bogus shares).

Not only with the latter should the favorite saying of Guido Westerwelle be completely obsolete:

"Performance must be worthwhile again."
For how was the knowledge gained before?
Money is completely unfit as a proof of performance.

Somewhat weaker formulated:
Money is first and foremost a means of value with which values are skimmed off. Only far behind and only conditionally it can be used as proof of a performance.
This condition was arbitrarily fixed on a journeyman by the 1zu1 protagonists - such as Steinbrück and Westerwelle. It has nothing in common with our reality and the conditions of existence of a state:

Man is nothing but a pile of errors, powerless without mercy. Nothing shows him the truth: everything is cheating on him. The two main pillars of truth, the mind and the senses, cheat each other. (Pascal)