



Why a General Theory of Money?

Guiding principle: Mystery and Truth are Antagonisms, missing the One also the other does not exist.

The website >Limodane.de< wants to give itself a leaner and clearer profile via its new design of the **General Theory of Money**. This was also necessary for reasons of data security. It remains thereby in the data transfer safety-directed up-to-date on the highest level. It does not record any data from its visitors. That's why feedback and comments are turned off.

Limodane updates her texts where she deems it necessary. During these activities, her visitors may occasionally experience minor disruptions in page loading. However, for persistent disturbances the visitor has to consider other sources or causes.

Limodane continues to pursue her goal of bringing about a more complete understanding of the process by which money is created:

Half-knowledge is the gateway to political populism

Ordinary people regularly assume that the money they need for daily living simply exists, without a more detailed knowledge of how it came into their hands. In order for him to obtain the money, some personal effort is required, but what institutional structures must exist in the background for its continuous and secure existence is generally unknown to this person. About the value of the money he can only passively spread his belief or actively spread some myths, like the one that it has to multiply on his savings account. This person is in a state of half-knowledge.

This state of half-knowledge is the gateway of any populist politician and his ideologies, who holds

out the prospect of an unconditional basic income to anyone who asks for it. The question of whether this politician should know better allows only one of the following two conclusions to be drawn, namely that his promises are either backed by his own boundless cluelessness about money or that there is already an intention to defraud his faithful voters.

Belief or knowledge

The essential process, namely how money is created and ultimately the even more important process by which this money disappears again, is almost never noticed by most people. This must also have struck the rock musicians Jimmy Cauty and [Bill Drummond](#) when they burned a million pounds of Stirling in a furnace in front of running cameras in a nocturnal action on the Scottish island of Jura in 1994. They had also offered a prize to the person who could provide them with a conclusive definition of money. It is not known that this prize was ever paid out.

For most people, money is simply there. To them, it is a simple even child's play in its handling, but an extremely complex medium in its explanation. It would only waste most to their sufficient understanding their precious time. The resulting, prevailing condition from it is then only the faith and not the necessary general knowledge around the money.

In any case, the lack of economic knowledge is a condition that is particularly prevalent in Germany and is not on the curriculum in general education schools. Instead, people fall back on invoking the [Swabian housewife](#) like a saint.

Properties of money and common pragmatism

As an explanation for their half-knowledge their ordinary pragmatism is sufficient here, which describes the characteristics of the money only fleetingly. For everyday needs, this knowledge is sufficient. In fact, one essential property is virtually ignored, namely that money by its very nature has the property of siphoning off value. Uncontrolled, this property of money divides the world ever faster into rich and poor. Among its universal property of quickly covering claims or changing ownership are other, negative phenomena, such as the following: It concentrates its transfers more and more on fewer units and tends to monopolize. As a result, there are more and more places and zones in the world that people have to leave because their economic circumstances no longer permit them to stay there. The permanent wage and labor struggles are related to the monopolistic nature of money. The results include: Urban and rural exodus, increasing homelessness and, on a larger scale, migration and flight, dispossession and, in its wake, war and expulsion, genocide.

No wonder that with this superficial attitude of ordinary pragmatism toward money, even such common terms as deflation and inflation are not understood as clear concepts but rather as blows of fate. With this pragmatic attitude one becomes the prisoner of the own world view.

This mental imprisonment is reinforced by a story-telling (narrative) mass-media style of language with its own or borrowed word creations from other worlds, such as money creation, bailouts, debt brakes or the like. In these narratives, the central banks are supposed to create money out of nothing and immediately distribute this as helicopter money among the people and ready is the Unconditional Basic Income. At any rate, this is how a well-known stock market guru expresses himself in one of his books as recently as September 2018. Lest anyone have any doubts, he quickly added that the major corporation Siemens has also proposed this in this way. If there are problems in addition, because there are among other things [named and unnamed special economic zones](#), then one stretches evenly rescue parachutes and for the borrowing we set the debt brake and the black zero and then also the financial concept for all is ready. - At least that's what people believe. -

Shadow banks, [poorly controlled financial service providers](#) like [Wirecard](#) with plans for their own cryptocurrency and bad banks operate from the non-public and non-controllable background. All in all, this results in a diffuse picture that is hard to interpret.

The two levels of the General Theory of Money with its four plus three agencies, on the other hand, can explain the process of money's creation and avoids as much as possible this obfuscating, narrative style of language with its one-dimensional thinking. However, in this context, the General Theory of Money presupposes openness and transparency, especially in the case of credit security. Where this is not given, as for example in the case of speculative securitizations by the international banking system or the new-emerging unsecured "crypto-currencies", whose issuers seize the safe central bank money, which they have previously bad-mouthed because it is supposedly only created out of nothing, the General Theory of Money also faces an inscrutable doom.

Theories are not about old or new but merely about right or wrong. Moreover, the General Theory of Money is [intrinsic](#). It seeks to describe, analytically and in theses, underlying regularities at the level of general knowledge that are related to the handling and issuance of money. The old contextual relation of the issuer thus undergoes a serious change and eliminates the error in the previous system of simply taking money for granted. All the terms associated with it must subsequently be adapted to this change. [It is a matter of recognizing the beginning and end of a monetary process.](#)

However, this theory cannot foresee or accurately classify the effects of natural events, such as world-wide pandemics. It can only appeal that a redistribution from rich to poor must take place for these unforeseen reasons. It thus calls itself into question. This theory therefore presupposes orderly social conditions. It is also powerless against [deception and fraud](#).

The image of two levels used here could also have been supplemented or replaced by an image of two or more generations. The picture with the generations would represent in itself also better the socio-economic downward and dissolution tendencies belonging in a society. No successor generation can be a complete image of the previous generation. Consequently, the transfer of ideas and practices from generation to generation is not certain. In addition, there is forgetting, what has been lost and destroyed, what has not been sufficiently documented, and intentional or unintentional concealment. Every society has to face these facts of imperfect social conversions, which in principle it cannot change. These uncertainties conceal opportunities and also dangers for the successors, which they have to face themselves in each case. Bad banks, rescue parachutes and the associated action strategies of the central banks to save banks and states are the consequences of this generative concealment and forgetting.

Does a Special Theory of Money Also Exist?

One question that arises following the General Theory of Money is whether a Special Theory of Money also exists. The answer is yes. It assumes that every currency must be more or less backed and that something like fiat money is not possible in the larger scheme of things. Supported by the General Theory of Money, the Special Theory of Money starts from the cover change from the gold standard to the petrodollar, which was carried out in the USA in the seventies of the last century. With this change, [the trilemma-like Bretton Woods system of 1944](#) was abandoned, but not replaced by a better one. The petrodollar was about maintaining the dollar as the world's reserve currency. This position as reserve currency was shaken by the Vietnam War. The U.S. was threatened with a

loss of control (e.g., the loss of its exercise of sanctions) over world financial flows.

The Collapse of Larger Financial Structures

This Special Monetary Theory with a reserve currency could describe the opacity of this change, especially via a simultaneously emerged, privately-organized, unmanageable securitization system, as well as the emerging [cryptocurrencies](#) from 2009 on and their serious uneven distribution, up to the formation of monopolies. On this level, outside the value creation process, on the one hand, profits are generated exclusively through bets - usually linked to insider knowledge - that approach or even dwarf those of drug trafficking and are concealed by the same means as corruption, money laundering and fictitious transactions (Wirecard).

On the other side are the losses: The consequences of [these non-controlled or non-controllable activities](#) are, besides the further growth of these mafia-like, or autocratic, oligarchic structures, [the undermining or replacement of democratic structures](#), [the collapse of larger financial structures](#) and furthermore armed conflicts, wars, poverty and homelessness, worldwide waves of refugees, uncontrollable migration movements, which are additionally intensified by climate change with its threatening climate catastrophe and the now suddenly appearing pandemics.

The latter shows us very quickly that established rules of pragmatic economic management lose their validity under such conditions and that many national economies can therefore become distressed and collapse. One could state briefly: If the world's reserve currency is sick, then everything else is too.

This Special Money Theory tears the veil from this leading currency, which tried to protect itself behind secrets, disinformation and the general half-knowledge presented here, and describes how the USA could cover it with something, which they never possessed in this form and quantity. The reason was the vast superiority of their technologies, especially [the slant drilling technology](#), which led to the second Gulf War. If, in addition, one follows the sanctions policy of the USA, one can see the means of pressure with which they defended the cover of their currency up to the present day and which reached its temporary climax with their President [Donald\(1\) Trump\(2\)](#). It also explains their strange relationship with Saudi Arabia.

Despite this, or precisely because of it, the U.S. is pushing a huge mountain of debt in front of it, which currently amounts to \$22 trillion (as of 2018) and grows by about \$1 trillion (as of 2018) every year.

On the Arabian Peninsula there is another geological peculiarity. Oil can be extracted here at the lowest cost in the world. While in the North Sea the production costs are 45 dollars per barrel, only 18 dollars are needed on the Arabian Peninsula. Nevertheless, the petro-currency of the U.S., which is involved in production on the Arabian Peninsula, has come under pressure. In the short term, it is Russian gas reserves that serve the European energy market. The U.S. is therefore nervous and is threatening Germany with consequences if it completes the gas pipeline through the Baltic Sea, the [Nord Stream 2](#). In relation to Iran, U.S. sanctions pressure on Germany has already been built up. The U.S., on the other hand, imports Russian oil itself - and at near-record levels. The fact that the port of Sassnitz on the Baltic Sea, which stores pipes for the Nord Stream 2 pipeline, is now to be boycotted following a demand by three Republican U.S. senators, is for the time being [the last attempt](#) by the U.S. to blackmail Germany.

Germany, the U.S. claims, would thus become too dependent on Russia. Even if it were so, this argument does not justify threats of boycotts. It is an attack on the sovereignty of this state. Moreover, it is doubtful whether this danger of dependence will exist in the long term, because the world is retooling for renewable energies. In fifty years, oil and gas fields will have lost much of their value as a result, and that is already the problem with today's petrodollar: There is currently an exorbitant amount of oil being extracted while the price is still right. Due to the permanent drop in the price of fossil energies, the dollar is already under powerful pressure.

Last message still in addition; November 2018: In the USA the average life expectancy sinks. Drugs and a rising suicide rate were given as reasons.