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# **An Alternative Solution (Other Than Taxation), To The Resolution Of Poverty And Unemployment In The Free Market World**

## **Abstract**

This paper describes an alternative way (other than taxation) to eliminate poverty and unemployment from the world. This is done by creating a single money worldwide, and letting each government subsidize the economy of each country, through acting as a non-profit venture capital subsidizer, by forward borrowing on the economic growth that such a subsidization will produce through the increase in jobs and consumers created. This creation of wealth by government will be a process similar to the market's process of creating wealth through price fixing.

**J. A. Macaluso**  
**January 2014**

**<http://www.caius-ebook.com>**

**An essay adapted from the *Solutions* series, economics subsection essay called:  
“The Final Solution; Towards A New Capitalism, And The Elimination Of All  
Poverty”**

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# An Alternative Solution (Other Than Taxation), To The Resolution Of Poverty And Unemployment In The Free Market World<sup>1</sup>

J. A. Macaluso

“The bigger the lie,  
the more people will believe it.”

Adolph Hitler

“Stupidity is bliss!”

## Preface

Some sixty-five years ago, F. S. C. Northrop, a Yale University Philosophy professor, wrote a book entitled “**The Logic Of The Sciences And The Humanities.**”<sup>2</sup> In it, there was a chapter entitled “**The Method And Limited Predictive Power Of Classical Economic Science**”, which showed that

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<sup>1</sup> This essay was originally published on the CAIUS-EBOOK.COM web site, as the final essay in the “*Solutions*” series of essays, culminating the economic solutions sub series. This essay was addressed to all readers, not only economists or the academically interested. It was originally published with the title: “**THE FINAL SOLUTION; Towards A New Capitalism, And The Elimination Of All Poverty**”. Also, originally, this essay was targeted to an audience from the United States, so any references to “our” government, may also be taken as referring to any other government of the world in which the reader lives, since all governments perform the same functions noted in the essay, and in the same way.

I originally prefaced this title with the following note:

“The word “**Towards**” means this is a preliminary sketch, not a finished draft of a global solution for poverty. Many questions will arise as this is implemented, and many tweaks will be needed to realize the final benefits. It remains a form of capitalism though, because we continue to honor private property, and the kind of competition where society as a whole can prosper. What it will hopefully do away with is the monopolization of free enterprise; and instead provide the creation of a *minimum security level* for all citizens of all the Nations of the world, thus eliminating the slavery of poverty.”

“Also, the entrepreneurial aspects of capitalism are retained. Although the start up expenses and initial costs are shifted to government, instead of a private “investor” in all or most cases (see the footnote 19 below). Thus the positive aspects of capitalism will be democratized, and the third party controls that morph this process into a type of extortion, with society the victim, will be removed. This differs from Socialism, because the State does not own the product of its subsidization, but merely starts the process with its subsidization, for the good of society.”

<sup>2</sup> “**The Logic Of The Sciences And The Humanities**”, by F. S. C. Northrop, The Macmillan Company, N.Y., 1948.

Economics could never create a dynamics, similar to the one that existed in the hard sciences, like Physics.

The reasons were simple: no “*state*” could ever be defined for an economic system, through which deductions could predict a future state; and secondly, economics lacked the “*necessary connection*” between states that would be needed to make a predictive theory possible. In short, one could never test the validity of economic theory through an experiment.

The economic wants of the time are what drive the markets, and are therefore in a constant flux, obeying no conservation law at all, as the energy of Physics does. The needs or wants of the markets are impossible to forecast, as are the supplies of products available to fulfill these needs<sup>3</sup>.

The human societal needs that drive the markets, and a thing called “*value*” are the basis of economic theory. “Predictions” are based on extrapolations from the data of previous times, instead of deductions from empirically derived laws based on the axioms of the system. Societal needs and value are the only axioms of the system, and this “*value*” I equate with the open-ended concept of human labor; “open-ended” as far as its infinite potential is concerned.

This being said, this is not a technical essay. It is a call to change what most consider unchangeable. It is a call to have the discipline of Economics correct its distributive aspects, by allowing less skewing of this distribution in favor of wealth.

Ironically, it eliminates the very method that was supposed to actually achieve this same result: taxation. And, its effective implementation depends on the correction of a flaw in the definition of money, which allows it to be itself considered a commodity, instead of the class of all commodities (an economic form of Russell’s Paradox), and the creation of wealth, similarly to the way the markets create it, only using government and the unlimited potential of human labor it contains to achieve this.

It also shows that although “human values” do not take a part in the discipline of economics itself, they have considerably shaped the results of the discipline as a whole, using the flawed definition of money I have described. Perhaps, this is why Ricardo and Mills, in their time, termed Economics, *Political Economy*.

## Original Preface and Summary

Something is wrong with our economy. Everywhere we turn today, we see

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<sup>3</sup> An example of this given in the book is the prosperous economy, which exists because of the arms industry during a state of war; and its absence when the war ends. How can we ever learn to predict wars?

monopolies; and even worse, that "*free enterprise*", that gave everyone the chance to be wealthy, is no longer free! And, the biggest problem is the distribution of wealth: it's all going into a few bank accounts, while the rest of society struggles to pay for a government that is so expensive that it can no longer even afford to support all the people the economy has left behind. This essay proposes a solution for all of this.

Make no mistake; this is an essay that will stir up a lot of disbelief! So, that is why I preface it with this warning, and these introductory words. But it basically just defends only this one crucial statement:

***“There is no good reason why people should have to pay for their government with taxes; in fact, there is no reason why government has to borrow money or tax citizens, to pay for itself; all it needs to do is create money from thin air, just like businesses do everyday!”***

Think about it; every time the markets fix a price, or a price on something increases, the seller of that thing has essentially created money from thin air. Whether he sells that thing or not, his net worth, or wealth has increased; because now his property is worth more than it was before he set or increased the price on that specific object he owns.

Yes, ***ponder it***, capitalism is premised on “unlimited growth” – if that were not a fundamental premise, capitalism would be a dead end, without any potential whatsoever! But unlimited growth means that there is some kind of unlimited thing upon which this growth takes place, and it is only a short step to see that that unlimited thing must be the labor of society. It is this labor, in its unlimited potential, that allows the economy to continue and grow<sup>4</sup>. Now government was created as the representative of society, and as such, it represents the total wealth of society, which is really the same as the total labor potential of society. But even if government does not sell things, it can create wealth for society by injecting money into society to stimulate new ways in which it will grow through using its labor. This is already happening now, but instead of government, private investors do this for society. But these private investors do this in order to collect a share of the profits that the individual business owner will reap, when his venture becomes a success. But government does not need to do this, since the money injected back into society (to back, say, a private business venture) actually makes the wealth of society increase, through creating jobs and consumers to buy the products and services produced. This process would be essentially the same as the way business creates wealth through raising the price of its product. But, the big difference is

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<sup>4</sup> The value that measures wealth in money; so, *it is wealth* (see the footnote 14 below.) This is Russell's paradox as it applies to economics, resulting in a unit of human labor being different as to where in the world it is produced. Money is not itself a commodity, but the class of all commodities, since it is a replacement for any commodity, or the equivalent of it in economic terms.

that government does not need to take any share of the profits, or charge anything (as it does now, with taxation) for its stimulus, since it is using the wealth of society, which will grow from the stimulus, as either increased employment, or increased consumption of goods, by more people becoming viable consumers.<sup>5</sup>

The upside of this is the creation of a subsidy for all those that capitalism cannot employ; and the dethronement of the disparity creation machine monopolization and third party government manipulation has created.

But like everything on this earth, this system can be abused; and result in a catastrophe, if certain restrictions are not imposed. One is the creation of a single money worldwide. The other is that social welfare only be given when *truly* needed, so that this system creates labor, not idleness. We *can* produce money from thin air, but only if that money then produces work, and the citizens necessary to bolster consumption of the products of that work.

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5 Getting something for nothing will probably seem to be a major problem for many when they read this essay. But it really isn't a problem, but a way of looking at things

The theory behind this "getting something for nothing", or "from thin air" is as follows:

*It is not so much a creation, but a transformation of the potential into the actual.* The money created is a "future" result of the growth the economy will make from the reinvestment of it to create jobs and consumers, or facilitate this creation. *It is a type of borrowing from an anticipated profitable result that is assured of happening* (you might say, government, which makes no profit, is using the excess profit the growth will make to fund the growth itself). And remember, governments are the only ones that can do this, and the money must always be used to create or facilitate the creation of labor (jobs), or the production of viable consumers (eliminating the poor.) Both of these produce a growth in the economy and a growth in overall wealth (also, any expenditures in running government is also included, because government is the main facilitator of the growth of the economy, through this venture capital investment.)

Everything in the economy is a part of the market process. The markets are the real arbiters, when it comes to setting the prices of things, and determining wealth. They do this by pricing things, through weighing the need against the supply of all commodities and services. Obviously, they don't take into account the total amount of wealth in this, because they would then be limited in how high prices could go. What they assume is an unlimited supply of wealth based on the unlimited growth of the economy.

If government is something outside of this process, that injects the money it prints back into the economy, it is merely borrowing from its unlimited source of potential labor (which is the basis of an unlimited source of wealth for it) an amount that through this reinsertion back into the economy, will be turned into actual labor, and make the economy grow.

For instance, if government prints enough money to upgrade the roads throughout the Nation, then pays this money to companies within the Nation to do the work necessary to do this job, it is actually turning potential work into real work, and creating jobs and consumers to further grow the economy; besides this, it is also allowing all the businesses of the Nation to freely take advantage of these new roads to deliver their services and products to consumers. So, government has been turned into a different form of market, that supplies economic infrastructure to business without the cost, by transforming potential labor into actual labor, and the consumption of that labor in the creation of new viable consumers of that labor. It is not really getting something for nothing, but transforming a potential into the actual, just as the markets transform the potential of products into wealth, through using supply and demand.

What has changed is that all economies now support their own societies; and the Third World has been eliminated through making labor costs the same throughout the world, in the implementation of a single money worldwide. Taxation, which was implemented supposedly for the good of societies, but which has instead, turned into a burden for all societies, and an actual further cause of poverty, has been eliminated, and replaced with the venture subsidization of government, which now acts as a transformer of potential wealth into actual wealth, and the distribution of wealth to all the people of society, instead of to a small upper class, who extort society for their own benefit.

Thus government performs the real job (that of augmenting the shortfalls of the economy) it was intended to do, instead of becoming an investment that the wealthy can use to extort the poor through the instrument of taxation and the resultant austerity imposed. Government is not "creating" money, if that money is used to create jobs and consumers, and facilitate the growth of the economy.

Capitalism is destroying itself; even diehard capitalists can see the writing on the wall. Change is needed in a system wholly created by us. Unless we rethink this system, so that the **ALL** of democracy can once more prosper, **ALL** will suffer!

## Introduction

**[Long ago, some monarchs decided that a pair of shiny metals that were used for ornamentation (gold and silver) should be made the money of commerce – something to exchange for any goods or services needed. They did this, because they owned all the mines where these metals were produced, and even the slaves that dug the metals out of the ground. When Columbus discovered the new world, this even expanded, to the mines they owned there. What they, in essence, did was create wealth for themselves, the easy way, by making something worthless valuable. We would say today that they did the equivalent of printing money! But did they stop collecting taxes (which at that time was a share of the produce the lands produced), which supposedly paid for all the services they made available to the people of their kingdoms?<sup>6</sup> No; they just continued collecting what little goods, services, or later, money, the poorest people could pay; and telling them that just like everything else, government was a service they must pay for. Right here was the beginning of a scam that would continue right into our modern times; and even into the democracies that were suppose to have no “rulers” (the Kingly kind.) These democracies went even farther, and even borrowed money from other wealthy people, to pay for the services for which the taxes were charged. And, the wealthy loaners charged them exorbitant interest rates on these loans. So once again, the poorest people paid even more taxes, as the wealthy became even wealthier. That is when “*stupidity became bliss*”, at least for the people (the taxpayers), who paid the taxes and the interest on these loans!**

**Think about it, they created wealth! So why not just create wealth today, by doing the same thing – printing money? It’s even cheaper to print money, than to dig the gold and silver out of the ground!**

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<sup>6</sup> If you read the literature on taxation, it is mainly a description of all the varied kinds of taxes there are; and the purpose of taxation is given as the exact opposite of what I say above: **Social Justice, equality, blah, blah, blah!**

There is never a questioning of why government must collect levies from its people to finance it, when it is the real source of all money in the state. It is taken for granted that taxation is a “*benefit*” that government performs to redistribute wealth among its people. But what we are seeing today is the opposite: the use of taxation to actually take even more from the lowest economic portion of society, and redistribute it to the highest economic portion.

Even poor Adam Smith was deluded by taxation, and wrote the rules of its use to be fair and equitable, while never even seeing that its premise, reimbursement of government expenditures, was not at all legitimate or needed, because government could create wealth, just like the markets were doing day in and day out... out of thin air!

**At the present time, the free peoples of the world have been literally brainwashed into believing that government is just another service for which they must pay. And their debtors are not they, themselves, as you would imagine them to be (since government is the representative of ALL the people of society), but the very same people who have endlessly enslaved them throughout History – the rich and powerful. Yes, the same old story is endlessly repeating itself – the FEW are once again the masters of the MANY, as they always have been!**

**But is this state of affairs – this hidden subterfuge, which humanity has always suffered, throughout all of recorded history – really an inevitability that cannot be changed?**

**One of the biggest lies perpetrated today is the inevitability and unchangeableness of the current economic system of capitalism, because it is neither inevitable nor unchangeable. It was not sent down from the right hand of God, but built up by unscrupulous tyrants, whose wealth came from the lands and dominions they conquered through force of arms. It was, and is a system to allow those with wealth to continue to create wealth through depriving the majority, without wealth, of what little they have. In short, it is an extortion racket, perpetrated and enforced by a system, which claims to be inevitable and unchangeable.**

**In this essay we will preview a way to a new form of capitalism, which performs the true function of any economy, that of perpetuating its society through a fair and equitable system that makes society the beneficiary of its own endless wealth: *the wealth that ALL its members provide, and on which ALL its members subsist: LABOR.***

**But even more importantly, it will show a way through which all human beings can live a useful life, without the ravages that poverty and its misery cause in today's societies. A system in line with the democratic freedom we instituted to leave no citizen behind, through ALL caring for and subsidizing ALL.]**

On November 15, 2007 I published an Essay on this web site called "**The Utopia of the Good**", for my book "**The Philosophy of the GOOD.**" There I sketched out the preliminary draft (or outline) of what I then called a "Utopia", whereby an economy could be formed to provide all the essential needs every human society presents, without the failures the present capitalist economy creates. The basis of this "Utopian" economy was the provision for a "minimum security level", whereby all citizens were guaranteed a welfare level that provided a satisfactory lifestyle. I then summed it up, in this way:

***“Whatever way the Utopia finally is implemented, it must instill trust and cooperation between all members of the state. This can indeed only be done by first establishing a certain minimum level of security for all. It can't be done in a society that hands out***



*financial security with the spin of a roulette wheel, so that the ultra rich can be assured of prosperity. It can't be done in a society that fawns over its young and abandons its old and infirm. It can't be done in a society whose major credo is profit and self-aggrandizement at any cost. It can't be done in a society where people live on what they don't yet have; where people live on the brink of ruin, where the slightest mishap can spell total devastation and beggary. This isn't the kind of security I mean. How can the trust needed for cooperation ever come about in a society where every citizen is pitted against every other in competition to survive? What we are living today is the very antithesis to what society means – cooperation.”*

What I don't mention here is the even more dismal prospect of the present capitalist economy: **the lack of enough jobs for all the members of society**. But if we understand that the present capitalist economy was not created for the preservation of society at all, but only with the preservation and benefit of the capitalist entrepreneur or huckster in mind, we come to understand how its failures come about, and why they are intractable to any solution, because of the very nature of the system itself. In fact, the nature of the system, if we look at it closely, is premised on the same systems from which it evolved. Those systems were the elitist systems of former times, based on hereditary superiority or force of arms – the systems of the monarchist and warlord leader. And, that is exactly what today's capitalism creates, a **monarchy** of sorts, based on the criteria of ownership and wealth – "**capital**" – from which the system derives its name. In fact, it is a predatory type of con game, whereby the existence of a poor lower class is essential for the Master Class, at the top, to maintain the capital needed to sustain its mastery. As we have seen in current times this "capital" superiority is ever growing to where the millionaires of yesterday are now today's billionaires. And the number of the impoverished are not *decreasing*, but instead *growing*, as the hopes of the "**middle class**" are growing ever dimmer in their prospects of achieving their dreams.

The freedom this system offers is not a freedom at all, but a type of parasitism, where wealth feeds and grows on the existence of the needs of the impoverished masses, and their vulnerability to supply their labor at low cost.

Supposedly, to make these downsides of capitalism more palatable, government was introduced to offset them somewhat, with installment paid benefits for the unemployed and disabled; but not to eliminate them. Instead, the citizens were coned into the belief that they must pay for these benefits of government through taxes and borrowing from the aristocracy of wealth the owners had created. ***Thus government became just another industry that preyed on society, and allowed the wealthiest to continue to live off the lowliest in society, while allowing them to believe that this was their salvation, instead of the extortion it really was***<sup>7</sup>.

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<sup>7</sup> Recently this was shown in the "debt crisis" our government experienced, and its continuation in the austerity plans it wants to institute. Our government has, in essence, become another type of "investment" the wealthy use to further increase their wealth through charging interest on the debt government builds providing for

## A digression: The Creation Of Wealth

A few years ago a bunch of wealthy businessmen decided they were going to quadruple their wealth. They didn't take out loans; they didn't borrow, or even create a new business; they leveraged what they "owned" into four times its value by quadrupling the price of their commodity, through extorting a society that needed that commodity.<sup>8</sup> Yes, you know who these businessmen were: Big Oil!

In two years time, merely through their decree, they were four times wealthier! And you and I paid for it! They did this by perverting "democratic freedom" into a type of freedom that creates itself on the backs of others. This new democratic freedom<sup>9</sup> even has us paying for the safety net we created to save us from this very same thing: government. It was this kind of government (which the Greeks of the Golden Age called "*Democracy*") that Aristotle declared the worst of governments; the same that made Socrates take the hemlock, to silence him forever.

Government was never created to be just another predatory segment of the economy, as it is today; but a regulator and backup for the failures of the economy, an economy mired in the failure of its basic purpose and mission: *the adequate distribution of wealth to all the members of its society.*

But what has instead occurred? Government has become just another type of business; a business setup to *sell* aid back to those who the economy has left to flounder, and funnel the profits of this sale back to the wealthiest segment of society. And, the new globalization, we are seeing, has funneled those profits even to the wealthy elite of other countries, thus creating a worldwide ruling class that lives outside the bounds of any country or society, and owe allegiance to no one, but themselves.

Now, suddenly, we ask ourselves: why does our government that really owns all the lands, all the resources, and even all the labor in this country, by being the

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the shortfalls of the economy. This is really a swindle that charges the members of society for their own labor. Government's functions do not need to be paid for through taxes, because government's wealth is an endless potential taken from society's endless potential for labor. The idea of citizens repaying government is the vestige of the tyrannies of the past, which created capitalism; in this capacity, it is the biggest lie ever perpetrated on humanity, and as such, has become a nebulous "*truth*" people take for granted, as Hitler remarks in the quote above.

<sup>8</sup> This is exactly what the meaning of the verb "to extort" is: "*To obtain (money, etc.) from a person by violence, threat, oppression, or abuse of authority.*" Certainly, "*cornering the market*" is a type of oppression of society, by making the necessities of life unavailable to those who can't afford them through "price gouging". [The above quoted definition is taken from "*The Reader's Digest Great Encyclopedic Dictionary*", The Reader's Digest Association, Pleasantville, New York, 1966.]

<sup>9</sup> This "*democracy*" of the stock market is another ruse that conceals the tyranny that this supposedly "*public offering*" hides: the tyranny of control by the majority stockholder. Couple this with the fact that most of the shares of these "*publicly*" owned stocks are held by the top one percent of the population, either outright, or through their owned subsidiaries.

representative of ALL the people of this society, need to borrow money from wealthy individuals, and even pay them exorbitant interest on these loans, through taxing us? Government is the authority that prints all the money, so why tax or borrow at all? Why not just print enough money to cover whatever needs society has, and, in this way, make up for the shortfalls of the economy?<sup>10</sup>

Right away, you say: "*but that's NOT the way it's done... that's NOT the way it's ALWAYS been done!*" That is exactly what the people collecting all the interest on those government debts want you to think; that is exactly why it is you, the taxpayer, who is always footing the bill on everything government does for you.

Let's examine something that always happens: *inflation*. Inflation is a very deceptive thing. It is supposed to be how much less your money is worth as time progresses, because commodities (what you can buy with money) are valued more. But is that really the case? Inflation can also be thought of as the creation of wealth. For instance, my mother bought a house in 1960 for about \$10,000.00. Today that house is worth over \$150,000.00. If she were alive today, her wealth would have increased almost 15 times. Did she get any money to make her wealth go up – no! The market made her wealth go up; it stimulated the economy, and made more money be printed, because the costs of wages increased, because the cost of bread increased, because the commission of realtors increased, etc. So they printed more money to pay for it all; and the result was my mother's wealth increased.<sup>11</sup> Now they pooh-pooh this by saying the

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10 People will immediately say to this: "*The answer is that money just can't be gotten out of thin air.*" But is that *really* true? Money is constantly being gotten out of thin air, in our present economy. The market process is the prime example of this. If someone owns something that a lot of other people want, and people will pay whatever that person asks for that object, because they have the wealth to do that, then the owner can hike the price up to what he wants, and sell it at this "inflated price." When the sale is concluded the seller has just created money for himself. Why? Because the government will now print money to cover the difference between what the original value of the article was, and what it now is, and give this to the seller. Commerce does this all the time; but government, which is another type of commerce, doesn't; instead it asks the citizens to provide their existing money as payment (taxes) for what government does. It is just like saying: "I will ask myself to pay myself for the job I want to do myself." Yes, *government* and *we* are the *same*; so we don't have to pay money to ourselves, for the work we perform.

**Instead, if government prints the amount it needs in dollars, and then contracts with corporations of its own society to do the work it needs done, it is injecting that money back into society, stimulating the economy, but not inflating costs in the process – ergo, the economy grows, and nobody loses! We are all winners! But there are a few hitches – first, WE MUST HAVE A SINGLE MONEY WORLDWIDE; and second, THE MONEY MUST BE USED TO STIMULATE THE ECONOMY BY MAKING PEOPLE WHO CAN WORK, WORK; OR, GIVING THE MONEY TO THE POOR OR DISABLED, TO ALLOW THEM TO BUY THE GOODS THEY NEED, AND THEREFORE ALSO CONTRIBUTE AND STIMULATE THE ECONOMY** (see further notes on this below)!

11 As another example of this, **NBCNEWS.COM** recently ran the following headline: "*U.S. home values rose a total of nearly \$2 trillion in 2013, but gains are likely to be slower next year*" (December 19, 2013.)

If you analyze the above sentence, you will see that the real estate market, just printed \$2 Trillion dollars for itself. In other words, if all the above houses were sold today, the government would have to print an additional \$2 Trillion dollars (the increase in home prices) to cover the transactions. This is the creation of wealth. It happens everyday, yet no one questions it. **IT IS THE CREATION OF WEALTH, ESSENTIALLY BY DECREE, as I have mentioned above.** Yet government does not do this, instead it handles its expenses by letting the people pay for them in taxes. And, even adds to the amount by going into debt, through borrowing money from private individuals who charge the government interest on the money owed. Again, even this is funneled back to the same taxpayers by shutting down needed services, or raising taxes.

In the above example, U.S. home values rose by that \$2 trillion dollars in only a year, and they rose because the

costs of everything else went up too. So the dollars of my mother's time were worth more than the dollars of today, because they could buy more than an equivalent amount of dollars could buy today. This comes about because money is itself a commodity that is bought and sold. So why did the cost of everything else go up, making the dollar less valuable?

This is a hotly debated question. But the real answer is that there are many monies. And, these monies are themselves commodities that are bought and sold. Money is the ruler (the measurement kind) of all commodities. But, unlike a ruler, say, that measures the length of space, which always stays constant in its value, it is a ruler whose measurement units expand and contract over time. Think of it, what is the sense of having a ruler, to measure something, if that ruler is expanding and contracting its measurement unit, while you are taking a measurement? And, this happens, because that ruler is the same as what it is measuring, something whose value expands and contracts with market fluctuations. This absurdity is the basis of our whole economy.

But now, suppose this were not the case; instead, there is only one money, and the markets do not buy and sell it. So there is less inflation, because money always stays the same in value. Now, suppose the government just printed more money (instead of borrowing it, or taxing anybody) to stimulate the economy without making the cost of everything else go up – it caused the economy to expand industries to hire the unemployed, and increased the benefits of the handicapped and old to let them afford to buy more in the economy. No, there isn't inflation, just government increasing its wealth through borrowing from all the new labor that was created by its injection of this money back into the economy. This kind of "increase of wealth" does not cause anyone to suffer; or make costs go up, but it actually decreases prices by making more products be sold, and making more people work, to allow more people to buy what's made. So, without taxes, debt, or any loss for itself or its people, it has both stimulated the growth of the economy, and actually lowered costs – deflation! And it made the poor, middle

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value of homes in certain areas increased in value, because people were willing to pay more in those areas, and sellers raised the prices of their homes. This is the free market in action. Prices rise if the item for sale is in demand, and people will pay the amount asked to get it. Now, what really made wealth increase, was that the demand for those houses went up, because more people wanted houses in those particular areas.

Another way wealth increases is when the people who produce a commodity, are the sole distributor of that commodity. Then they can pretty much ask anything they like for that thing, since they have no competition. That is what I mentioned in the case of Big Oil above. This is what we are seeing in the case of all energy owners today. In these cases there is no open market, and what is happening is a type of extortion, which cannot be controlled because government will not take steps to stop this from happening.

But there are limits to what even extortionists can demand for something. If they raise the prices of energy too high, then people will be so hard pressed that they may begin to fight back, by killing the extortionists, burning gas stations and blowing up plants. So the extortionists will keep the limit at a "bearable extreme", not pushing the people to the point where government will have to step in.

So, at this point, you may be asking yourself: "Where are the free markets?" That is exactly the point; when monopolies exist, there are no free markets! And yet we have seen that monopolies exist everywhere in our present capitalist economy.

But let's get back to the creation of money. As we have seen, this is a common occurrence in business today. Yet, government, which should be the only monopoly that exists in our economy, is, instead, no monopoly at all. Government is instead, the only one *not* creating wealth; but, actually, charging the people at large, to create wealth for people who already have all the wealth they can possibly ever use.

class again!

*But that is simply **not** done! It can't be done! It's impossible!*

No, it's just not done, because too many greedy people are making too much money off those debts that government makes; and those taxpayers' dollars that are funneled right to them, to increase their wealth!

Think about it, the wealth of this society is limitless; government, being the token or representative of that wealth, is also limitless in its wealth, because that wealth is all the potential work or labor of all the people of our society. So government doesn't have to tax us to pay for the things we need, all it has to do is print more money, and hire people in our society to do the needed work, or create the needed products we need, or give the needed funds to the legitimately disabled or unemployed!

All of this hinges on the creation of a single money, worldwide, which is no longer bought and sold on the commodities markets. This will make all the governments of the world limitless in their wealth, and enable them to print all the money needed for their respective societies, doing away with taxes, and poverty, and even wars and immigration, since all societies will be able to leave no citizen behind, and provide for the adequate distribution of wealth to all.

What this scenario does is cut out the greedy middleman. The wealthy, who never had any original ideas, or ever worked a day in their lives, but instead, lived off other people's innovations, labor, information and misery. These same knowing or unknowing, **THIEVES**,<sup>12</sup> who created an economy that only supported them, and kept the rest of us as slaves to them, through our slavery to the idea that we could one day be the same as them.

## End of digression

### A digression: Paying For Government

Physical scientists today study the Universe to understand its evolution and origins. We should also sketch out the processes that forged our present economic system, and its regulator, government.

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12 This may seem to be a very harsh indictment of those profiting from the current economy; but there is no better term to describe those that continue to take advantage of an economy, which leaves so many behind. "*Rugged individualism*" is no excuse for an economy that defeats the very purpose society itself was created to attain: *the elimination of chance from life, in so far as our survival is concerned.*

And, we must always remember that our whole society was constructed around that one all important word: "**ALL**"! The same **ALL** that gives the words "*justice*" and "*humanity*" their meanings. If we leave out, or marginalize, even one of our number, we have failed as a society! Yet, today, look around you, at the ever growing number of those left behind! Those that epitomize that word "*disparity*" that is on everyone's lips today. So, I make no excuse for using such a harsh word, for in a way we are all to blame for the present state of things – some more, and some less; as perpetrators, or as that "silent majority" who always look the other way, as long as they themselves are not affected!

Early societies formed around lands that could be cultivated and farmed to provide their sustenance. In time, societies collided over whose lands these were; leaders and armies thus sprung up, supposedly, representing these societies; but actually only representing the leaders, who, upon victory, took the land for themselves, *in the name of the society*<sup>13</sup>. This continued until vast lands were formed into kingdoms and empires, and the leaders became Kings and Emperors.

In time, a type of capitalism replaced the early bartering system that societies first used to allow its people to obtain their needs to live. The wealth of these Kings was based on their lands, and upon this, tokens were created to be exchanged for commodities and services, usually in the form of rare metals like gold and silver – thus the first money was born.<sup>14</sup>

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13 Here, we see the major deception perpetrated on the people. The property was owned by the people, yet their ownership was only exercised in the labor they performed on the lands, and the taxes they paid to allow them to perform this labor. So did they actually own the lands?

14 Money, at this point in history, was an actual commodity, not a token as the monies we possess today are, which are termed fiat monies. Commodities are things that are bought and sold. Today, money is a commodity that is bought and sold in the Monetary Marketplace. This has been made possible by allowing all countries to produce their own monies. So these monies must be compared as to what their own values are, when compared to each other. This probably came about when merchants started to value their commodities by using other commodities, such as gold and silver. It seemed to work, so everyone did it; but the problems it caused, like making human labor valued differently as to where on this earth it was produced, were seen not as problems, but as ways in which unscrupulous rich traders, rulers and monarchs could take advantage of the markets, and even use government itself as a way to make them even richer.

Money as a value is used to compare commodities today. But there is no “money” to measure the value of monies, as there is money to measure the value of commodities. This is a seeming inconsistency that further shows that something is wrong in the way we define and use money. The marketplace decides what the value of money is, as compared to other monies, in the same marketplace.

Commodities can be anything bought and sold; to compare them we must have a “value” that we can use as a measure; that value is money. So, if we say, six pigs are worth \$2000.00, then we can compare those six pigs to, say, a Ford automobile, and give a precise value of just how many pigs a Ford is worth, by finding the value of the pigs in Dollars, and the value of the Ford in Dollars.

Now value can be thought to be what every commodity is underneath; in other words, what its true value is, in terms of something all commodities share. In the physical Sciences, value is usually a dimensional standard created at whim, or representing a fundamental unit in Nature; for instance, the measure of space, an inch, a millimeter or a foot. These arbitrary, yet reproducible measures of linear space are the values of the length, breadth or height of any object in three-dimensional space. The difference between these values and financial values is that the physical values don’t arbitrarily change according to market whims, as do financial values. In fact, these measures were created to ensure that what they measured could always be precisely compared, at any time, with the same results. But the value of money can change every minute, according to what the whim of the market is at that particular time.

In fact, the true, underlying, measure of financial value itself is only a hypothetical concept that has no real dimensional value like the inch or foot has in physical measurements, as a unit of space. The financial unit of “market space” is a hypothetical thing, which various economic schools have called: either labor or utility. We take the first as being most reasonable, since all commodities and even services must use labor to have them made or accomplished.

Now here is the position I take: Money is a token of a type of value that makes commodities interchangeable. It is not itself a commodity, but the underlying unit of “stuff” from which commodities take their birth and essence. Since all commodities are derived from a certain amount of this value, they can use this value unit (as money) to give the **absolute** worth of a commodity, and therefore “*value*” all commodities by this common unit of measure.

Now, I take the underlying stuff of this unit to be labor, or work (as did Marx). This is reasonable, since all things on the earth of “value” take a certain amount of work to give them that value. Things, like land which pre-exist as a commodity without work, can be given a value in work by the market process, just as all commodities are priced or “valued” through the market. But, the value itself is measured by the units of labor, whose token is money (for instance, the dollar, pound or euro; whichever one is chosen to be the money of the world in our scenario.)

Now, since the underlying value is human labor, government, which is the sum total of all citizens, is also the sum total of all labor for that society. It can borrow from this endless potential source of labor, by printing money to inject back

But the people's lands were not left to the people freely, taxes were imposed, and the people had to pay for the use of their own lands. These Kingdoms and Empires were the first governments, and they were a service, bought through taxes, just like any other service is bought. So, the end result was: the people had to pay for their government. The ownership was given to the powerful (the capitalists), and the people's labor merely allowed them to live as the slaves of these master owners. Thus the capitalism, we glorify today as a free system, originated, and still is a type of slavery, where a few owners can control the majority, through a process that keeps them enfranchised as their masters.

Thus wealth creates and perpetuates itself, not just through marketplace profits, but also through the governments that the people created to protect them from this very thing. This ends up with society once again selling itself to the largest capital owners, and paying interest to them, as an essentially endless bill society incurs.

All of this comes about as a result of the same **flaw that Russell discovered in Mathematical Set Theory**<sup>15</sup>, where money (which is really the set of all commodities) is itself made a commodity that is bought and sold. Thus money has, in essence, made the class of all commodities a member of itself. The resulting paradoxes being that the value of labor (money) changes according to where it is geographically produced; and government must be paid for through loans to private investors, instead of borrowing from the labor potential it is, through being itself the representative of society and its endless labor producing potential.

The end result is the continued enslavement of the peoples of the world to these economic thieves, who have used the errors of an ill-conceived system to continue to cheat the majority out of the share of wealth they deserve. And have, in turn, kept the world in poverty and misery, solely for their own benefit.

## **End of digression**

Right here is where the biggest deceit ever perpetrated on the human race occurred; a deceit so heinous and so old, so deeply buried in the practices of commerce

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into the economy, as a stimulus for creating more of this same economy, when and where it is needed.

It can also do this to make the old, the temporarily unemployed and the disabled again a part of this economy, by giving them the means for them to become viable consumers again; thus increasing the growth of the economy in a way that helps society, and eliminates the scourge of poverty through providing a minimal subsistence level for all, yet not burdening society with an artificial debt, which is merely a way to subsidize the wealthy.

But, what must be understood in all this is the assumption that these stimuli to the economy are just that, and government does not become the way in which workers become idle, living off government, and not working to produce the commodities and services society needs.

In this way, government stops being a conduit through which the people with the least, funnel the little they have back into the pockets of the people with the most.

<sup>15</sup> See the following essay on CAIUS-EBOOK.COM: "**A Step Toward Fiscal Sanity, (A Little Less Speculation, PLEASE!)**"

itself, that any thought of it being false, or even any questioning of the inevitability of its results (poverty), seemed utterly absurd.

Also, as I have shown in other essays<sup>16</sup>, this extortion created a whole new world of cheap labor that would allow these capitalist masters to continue to feed off the lowest strata of the working classes. This “**Third World**” sanctioned through religious complicity in the scheme, became the offshoot of the monetary markets and their many monies. Thus labor itself was valued as to where it was produced, keeping production costs artificially low on the production side, and profits high at the consumption side. Thus the monarchists’ “**third world**” of slaves, became the capitalists’ “**Third World**” of low paid workers.

In the **Solutions Series** (on CAIUS-EBOOK.COM), I outlined the primary economic solutions that would eliminate some of these problems, but I did not cover how we could incorporate government into the system itself, and how this final incorporation could eliminate the poverty that has dogged the human race for so long.

This incorporation of government into the system actually corrects the biggest problem of the system: the dethronement of the aristocracy of wealth, which continues to feed off its subsidization of government through bonds, loans, and debt payment interest. So how do we go about this? **Firstly, we allow the system to relieve itself of a subsidization it does not need.**

Let’s remodel capitalism so that it becomes an economy that functions to serve the primary purpose of all economies: **to support the society (or societies) from which it originates.**

Marx was right; the **true measure** of economic value<sup>17</sup> is labor. So, in order to make all labor the same, we must have only **a single** monetary unit worldwide. So the first things this new capitalism will do away with are the monetary markets<sup>18</sup>.

The basis of all economies are the societies, which produce and consume all the goods and services that are bought and sold; in other words, there exists in society an infinite potential for labor, and therefore an infinite supply of it. From this we assume **all wealth springs from society**. If we make government the token and regulator of society, government therefore has an infinite amount of wealth at its disposal, and can print all the money it will ever need to create the economy of commerce that will keep society going.

So there is no longer any need for the “private” investor or “financier”; we have instead made government the only financier for its society’s economy. We can now do away with the stock market and any private or public borrowing,<sup>19</sup> and **all taxation** of

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16 See the following essays on CAIUS-EBOOK.COM: “**Defining The Problems Of The Economy An Economic Solutions Prelude**”, “**Economic Solution 1**”, “**Economic Solution 2**”, “**Economic Solution 3**”.

17 Economic value is the basis of how commodities (or anything sold in a market environment) are valued or compared. From this comes the idea of money (see the references in the next footnote).

18 See the following essays on CAIUS-EBOOK.COM: “**A Step Toward Fiscal Sanity**”, and “**Economic Solution 1.**”

19 This provision of making government the “**sole**” financier of the economy is not absolute. It is something we should further study to see if it is indeed a necessity. Also along with this, might be the inclusion of an absolute cap on just



any kind.

So we have now eliminated all (parasitical) third parties, along with the “Third World.”

But there is also something else that this has eliminated: *the misery of poverty*. By this, I mean that, because government now has an endless source of wealth with which to subsidize society, all citizens will be allowed to live at a certain “*minimum security level*” that keeps them above the poverty line, until they are able to provide for themselves independently. This true type of “*Social Security*” will finally eliminate the scourge of poverty for good.

But there are certain provisions that must be kept, so this “Social Insurance Policy” can accomplish its function, which is to keep society alive and well for ALL.

These provisions must be a set of rules to keep this system from degenerating into a freeloading system, even worse than the one it replaces. For the most important aspect of the economy must always be kept in sight: *the provision of the services and commodities needed to keep society alive*, which entails that ALL citizens fulfill a part in the production of the labor (both physical and mental) needed to keep the whole system functioning optimally.

The chance that too many “non-debilitated” citizens will find the lure of government subsidization an excuse to avoid all work is a threat that can destroy not only the economy, but also all of society, and it must be kept always at the fore; and provisions made to keep it from ever happening.<sup>20</sup>

Not only the economy, but even society itself is dependent on the labor produced by its members. It must be thoroughly understood that labor is the sacrifice all must make to keep all living in a society where all can live independently and secure. Unless the vital necessities of society are produced through this labor, we will descend back into the extortionist society that now exists, and poverty will again be foisted on us.

The process of today’s capitalism has become the biggest lie ever perpetrated on the human race; it has not only deceived us through the extortions it presents as a type of freedom similar to democratic freedom, and its failure to provide societies with the succor needed to keep them viable through jobs, but it has also turned the governments of the world into just another investment racket to keep them collecting from those with little or nothing, and funneling the money back to themselves through the interest rates they charge. The evolutionary process, through which this occurred over so many years, kept the result hidden from scrutiny.

But this essay has instead shown that the one and only major capital holder in the world is society itself, through the unbounded potential for labor it possesses. And, that government, as the token of society, is the controller and distributor of this wealth back

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how wealthy someone can become. By capping wealth, we are removing the goad or motive, which has created the present inequitable economy we have.

<sup>20</sup> The reason for this is plain: society must always have the essential commodities and services (food, utilities, transportation services, etc.) it needs to keep society alive. If government just prints money for all citizens, no one will work, and these will not be provided for society.

into society. Thus government has no need to borrow or tax at all; and it can merely create money, as it needs it, to keep the members of its society always prospering and working for their society.

**There is one prerequisite for this system to work globally:** the creation of a single money worldwide (to again make labor valued the same all over the world), and the elimination of all monetary markets, which profit from this geographical inequality of labor.

**And there is one corollary to its social subsidization (a minimum security level for all citizens):** the *absolute necessity* that the recipient of this subsidization be truly incapable of producing gainful labor (either physical or mental), due to some factor such as illness, disability or age; thus avoiding the growth of a freeloading society, which will not work to produce the vital necessities society needs to survive. The importance of this corollary cannot be over emphasized.

Thus the lie has been made known; and its practice can be discontinued to ensure the dethronement of a class of parasites that have been living off society's unneeded misery.

The "institution" of poverty exists because the capitalistic economy was formulated with its creation in mind. Governments were created to be just another industry, which charges for its services, instead of a benefit the society provides to offset the most prominent downside of free enterprise: unemployment, and the eventual withdrawal from the job market that old age makes unavoidable at some point. But, if we realize that society is unbounded in the wealth of its labor, we can change this potential labor into a way to provide what capitalism and its free enterprise fails to provide: employment for all; and, in addition create true benefits for all, in the manner of free health care, free education, free retirement pensions and, most importantly, free government.

What we create is completely under *our control* – **the economy** is not something "unchangeable", but, on the contrary, it exists to make us all prosper from it. It is up to us to change things, and make our world again a world, which is the best of all possible worlds for ALL. For that is what society was created to achieve!