A Call for the Restoration of Monetary Order
Part I - Monetary Grand Theft

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The state has stolen what for thousands of years was the collective property of those who used it to conduct their daily market affairs. It has made it the property of central bankers and their affiliates. This transfer of privilege from the collective many to the privileged few now threatens the individual liberty of every citizen of every nation.

The one piece of real estate that everyone once owned and from which everyone could collect rent, has been taken out of circulation and placed into a speculative commodity market that is out of reach for most citizens. In its place has been introduced a paper and electron surrogate employed by bankers and the state for the purpose of centralized market control and the surreptitious transfer of real wealth from the productive many to the privileged and parasitic few.[1]

The close relationship that once kept all of us in touch with the primary economy — namely, the production of food and the extraction of raw materials and energy from which everything else is produced — has been severed. The result is a perversion of the natural order of economic activity. We no longer save in an effort to live better tomorrow; rather, we borrow for today, as if there were no tomorrow. In short, we have allowed a culture of debt slavery to emerge.

This paper will briefly explain this grievous economic transfiguration and how it came about. Section I explains the introduction of statutory counterfeit, Section II the resulting falling out with the natural order, and Section III the macroeconomic travesty thus obtained.[2]

This paper advocates neither free-banking, nor crypto-currency; rather, it promotes an abolishment of fractional reserve banking and a return to silver or gold specie as the basis for our national and eventual global money supply. What was difficult to achieve before can be much more easily achieved today, for the mindset and technology have both changed.

Introduction of Statutory Counterfeit

During the late 17th century anonymous deposit and loan receipts circulated as a form of money in the Kingdom of England. These receipts bore only the name of their issuer who would redeem them for gold and silver specie upon presentation of the receipts by their bearer — no questions asked. A fee was charged for their issue and/or redemption, but once issued, this paper circulated freely — sometimes discounted, sometimes not — among those merchants who were familiar with the reputation of the issuer. Typically the paper was denominated in the same units as the local coin that was held on deposit.

Locally, the paper was often preferred over specie because it relieved the burden of having to lug around large quantities of heavy metal coin. There was, of course, a security trade-off: on the one hand, specie entrusted with a guardsman, whose protection only the depositor could claim, was surely safer than specie left at home while the depositor was away; on the other hand, anonymous deposit receipts stolen from your person while you slept during travel could be redeemed by anyone. In this latter regard, the receipts were no different from coin. The choice of paper or specie was, of course, that of the depositor.

Like grain stored in a silo, coin was fungible; no one cared whose coin he received upon redemption so long as it was of similar quality and matched the amount written on the paper. Accordingly, the guildsman-banker was indifferent toward the claimant so long as he paid the transaction fee.[3] What made coin and deposit receipts — no matter the nature of the receipt, whether it was named (*nominé*) or anonymous (*sine nominé*) — so very different was that specie could be traded world-wide. Paper money (currency), on the other hand, was rarely tradable beyond the geographically-bound reputation of its issuer.

Unfortunately, the local fungibility of the anonymous paper receipts (*sine nominé*) made it easy for a dishonest guildsman-banker to extend more credit than he held in specie. In so doing, he could inflate his company's capital worth and grow his business with much less effort than his honest competitors. There was a catch to this purposefully created, informational asymmetry, however: lending wealth that you did not actually own was an act of fraud and subject to severe criminal penalty, if you were caught. Statutory counterfeit had not yet been introduced.

This said, exaggerating one's capital base was often a risk worth taking, if you were not exceptionally greedy and did not overextend yourself. Prudence was a virtue among dishonest guildsman-bankers.

At the time, one also distinguished between the warehouse and lending functions of the banking trade. The lender could no more lend then, than today, what did not belong to him without the permission of the owner. Specie placed with a guildsman-banker for safe-keeping (the warehouse function) belonged to the depositor. This said, by the late 17th century time-deposit banking had become a common practice throughout

Europe.[4]

Before becoming a Protestant Christian scholar and an object of persecution by the Catholic arm of the French Crown, Jean Calvin (1509–1574) was a student of law who understood well the importance of private property and market exchange. His eventual understanding of money was an amalgamation of the teachings of Christ found in the Holy Gospel and pre-Napoleonic French law. Calvin concluded that in keeping with Christ's teachings one could hold title to money (right-of-ownership) while surrendering its use (right-of-use) for profit. He demonstrated within the Holy Bible that it was morally permissible to lend money with a return (some sort of lending fee, if not outright interest). The fee was received in compensation for one's relinquishment of use.

Like all economic goods, gold and silver coin were scarce commodities. They were also both in extraordinarily high demand and traded at a premium.[5] Accordingly, the Catholic Church frowned on idle money (hoarding). Calvin saw in the Church's mandate a disincentive for the accumulation of real wealth and its natural outcome — namely, the possibility of investment and new real wealth creation. In addition, he reasoned that the status associated with accumulated real wealth — no matter its form — was an important incentive for the generation of more. Further, he understood that borrowed money, when put to proper use, was neither idle, nor immoral, so long as new wealth could be created from what was borrowed, what was borrowed was repaid, and compensation was given to its owner for the right-of-use. Calvin's treatise was carefully reasoned. He distinguished between those who broke their promises and those who kept them, on the one hand; and between those who preyed on the plight of others to advance their own position and those who created greater opportunity for others and themselves, on the other hand. In short, Calvin condemned usury (excessive use fees), as did the Catholic Church. During his lifetime an API of nine percent would have been considered usurious and the lender punished.

Time deposits worked, because the depositor surrendered his right-of-use to what he deposited for the time period agreed between the banker and the depositor. The banker had only to insure that, when the banker's right-of-use expired, he had enough money in his vault to insure payment to the depositor. By lending paper in lieu of specie the honest, time-deposit banker insured that he would never run out of specie. Unfortunately, this practice also helped facilitate the lending of more than one held.

Alas, there were only two ways to detect that a guildsman-banker was engaged in fraud: someone besides an entrusted employee was made privy to the banker's books, or one day the banker failed to redeem in specie what rightfully belonged to a depoistor-claimant or holder of a loan receipt.

What made the practice of these bank impostures particularly pernicious on the micro-level was their ability to claim in a court of law an amount in real wealth equal to what was written on the paper (nominal wealth).

Upon the default of a borrower the banker presented to the court a contract and an accusation. Unless the borrower could somehow prove that he had returned — in the time allotted — the nominal value that he had borrowed from the banker he was helpless before the court and his accuser. Now, it may have been that the delinquent borrower was an ungrateful scoundrel; then too, he may have only been a victim of market misfortune. In either case, the dishonest banker-claimant profited enormously.

In order to understand how this corruption played out consider first the honest banker who lent out only what he held in the form of specie-in-use entrusted to him by his depositors. In a court of law the banker could recover the cost of processing the loan, any unpaid fees for the borrower's right-of-use including interest payments, and the amount lent (principal). Furthermore, once the principal were recovered through the voluntary or involuntary surrender of real wealth on the part of the delinquent borrower, the banker could convert this wealth into specie and use it to cover the outstanding paper that the delinquent borrower had spent into circulation.

Now, contrast this scenario with that of the dishonest banker who lent out more in paper than he held in specie. His claim before the court would be identical to that of the honest banker, but in reality there would be no loss of principal — only the cost of processing the loan and the unpaid right-of-use fees. The resulting conversion of the nominal principal to real wealth made it possible for the banker to profit handsomely from the delinquency of his borrowers. Yes, the dishonest banker would incur damage that the honest banker did not, but it was damage of his own making that he dared not report to the court — namely, the additional default risk created by the circulation of paper without backing. It was, however, a source of risk that was easily extinguished by the retiring from circulation paper from other borrowers who repaid what they borrowed in real money or legal claims thereto.

The dishonest banker was not the banker that Jean Calvin envisioned. It is, however, what is being taught in our schools today as true market discovery and salutary monetary innovation — the fraudulent "genius" of fractional reserve banking!

With the creation of the Bank of England (BOE) in 1694 the information asymmetry of this growing, ever-foul relationship between dishonest, 17th-century, guildsman-bankers and their merchant-clients was institutionalized by the English Parliament.[6]

Once the monopoly use of force of the state to protect the BOE from judicial ramifications was demonstrated in matters of national and local finance, the BOE banking model was copied around the world – with great reluctance in the United States of America, by the way, where resistance to the model was formidable. The creation of the Federal Reserve System (FED) in America in 1913 — a banking and congressional instrument introduced by American bankers and their congressional allies — finally succeeded, but in a manner that disguised the system's true character — namely, that of a central bank.[7]

In 1688 Prince William III of Orange, a member of the Habsburg House of Orange-

Nassau, as well as Stadtholder of Holland, the largest and most influential province of the very successful United Dutch Provinces (1581–1795), was invited by a powerful group of English nobles to replace James II on the English throne. James was Catholic and was considered autocratic and a threat to the Anglican establishment. James II was also supported by Louis XIV of France who, like James, was a staunch Catholic. William, on the other hand, was Protestant, related through marriage to the English, royal bloodline, and a staunch opponent of Louis XIV.[8] Upon invitation, William III assembled a large Dutch army and invaded England. Whereupon James II abdicated his throne without a fight and fled to France where he died in exile. William III assumed the English throne with his wife Mary II in February 1689. As no blood was shed this royal coup is often called the Glorious Revolution by British historians. No matter, the coup made possible the Nine Years War (1689–1697), the formation of the imperial state of Great Britain, and the eventual emergence of the British Empire as the world's hegemon for the following two and one half centuries.

War is nearly always a costly endeavor for the nations that wage it, and at the time it was impossible to wage war overseas without a significant drain on the local money supply. As money — no matter its form — is the life-blood of market activity, an important change in its supply has important real consequences for the economy in which it circulates. Seventeenth-century England was no exception in this regard. The purpose of the BOE was to provide King William with the specie that he required to fight his battles on the European continent while preserving at home the same level of local economic activity.

At the time the British parliament had control over the king's allowance, and it was the custom of English kings to turn to the private sector (wealthy landowners) for funding beyond what Parliament was willing or able to grant. In effect, the king had three potential sources of funding: the English Parliament, wealthy British landlords, and what the king could claim in war, discovery, or conquest. Land obtained through war, discovery, or conquest was often what was used to repay the wealthy landowners who sponsored the king's lavish lifestyle. Several of America's original 13 colonies were founded in this manner. Soon a fourth source of funding would be added.

Indeed, a deal was struck between England's most prominent, and necessarily corrupt, guildsman-bankers and the members of the British parliament.[9]

Briefly, it was agreed that Parliament would grant a corporate charter to a group of private bankers whose specie would be lent to the king. In return, the newly formed corporation would be allowed to lend into existence paper banknotes equal in nominal value to the real market value of what had been lent to the king. The amount not lent to the king would serve as a reserve to insure that the bank could meet whatever demands for specie were placed on it by those who presented the bank with its own banknotes. The English parliament, and ultimately the people of Great Britain, would serve as the guarantors of the king's debt, and parliament would pay an above-market, fixed rate of interest to the king's private lenders. This chicanery was achieved in the name of defense of the homeland!

These highly privileged, dishonest guildsman-bankers would also be allowed to capture whatever profit the bank could earn from the lending of the bank's counterfeit notes and from the discount trade associated with the issue and capture of bills of exchange — this latter being the primary source of income of honest bankers throughout the world at the time.

Because the BOE was chartered by parliament in the service of the king, without parliamentary approval the bank could not be lawfully charged for failure to redeem its notes for specie-on-demand. During the first hundred years of its operation the BOE failed no fewer than eight separate occasions to meet its payment obligations. Those who demanded specie that was rightfully theirs would simply be turned away and told to return later at the bank's convenience.

Alas, the dishonest trade of lending money into existence (*money ex nihilo*) was made legal, and statutory counterfeit was institutionalized with the consent and authorization of the English parliament. The lid to Pandora's box had been opened, and its evil released into the world. The lifeblood of voluntary free markets was now tainted. Money had become dirty.

Tragically, it is this fraud that is often heralded today in high schools and colleges around the globe as monetary "genius" and "innovation." The fiat currency that we use today is, of course, an entirely higher order of state theft. Unfortunately, this is not where the story ends.

Our Falling Out with the Natural Order

For several thousand years precious metals served to keep the primary and secondary economies in synchronization.

The primary economy consists of the production of what Roy Sebag calls energy embodiments — namely, food, fuel, and the minerals and other raw materials taken directly from the earth to produce everything else. These embodiments cannot be replicated in the secondary economy, and the secondary economy is totally dependent on their production in the primary economy. Food, forests, wild-life are cyclically replenished. Our current fuel sources are, in contrast in finite in supply and, once consumed, are difficult to replenish. The earth's many minerals are often, but not always, recyclable at varying cost. These latter, once properly transformed into tools and machines, often, but not necessarily, facilitate the production of our food, the capture of our wild-life, and extraction of our energy, and additional raw materials.[10]

What these embodiments all share in common is that each represents a store of energy that can be accurately measured, on the one hand, and serves as nature's reward to those who work in the primary economy, on the other hand. Because the entire, often much larger, secondary economy depends on these three sources of energy, and because it is in the production and extraction of these embodiments that our species comes face to face with nature, it is in the primary economy where ecological accountability is achieved and human societies flourish, or ultimately fail. In effect, a unit of account that is not derived from one of these energy embodiments abstracts from the aforesaid accountability. To put the matter in a different way, our environmental problems are directly tied to the nature of our money supply.

In times of drought, for example, the entire economy must adjust, not just the primary economy. A secondary economy that moves forward irrespective of the natural cycles of the primary economy brings about disruption in the balance between nature and those who labor in the primary economy in the first instance, and between the primary economy and the secondary economy in the second. Any disjunction between the primary and secondary economies via a money supply that is not anchored in the primary economy necessarily disrupts the ability of the primary economy to cope with natural disaster, fuel production, and the common, but significant vagaries of life's cyclical nature.

Among the aforesaid energy embodiments the precious metals — including gold, palladium, platinum, and silver — preserve their energy embodiment the longest and are therefore the best standard against which all other energy embodiments — especially, the cyclical, exhaustible, and non-recyclable — can be measured. And, of the four aforementioned precious metals it can be shown that gold is the best standard for the purpose of nature's measure and reward to those who benefit from its exploitation.

When the primary and secondary economies are bound together by the same unit of account, and that unit of account is bound through direct and objectively measured energy content, then changes in the primary economy signal well to the secondary economy how it must adjust to meet the demands of nature. The notion that we can alter the rules of nature and somehow mitigate its every whim is absurd. At best, we can adapt, accommodate, and sometimes mitigate, but not control.

Because our current money supply is not of the primary economy, it bears no resemblance to the natural world order on which our economies depend. It is, in effect, a small number of market agents in a much larger secondary economy who have placed their own wants and desires above those of all others and nature. By substituting their own unit of account for the natural standard on which those in the primary economy have depended for millennia, these beneficiaries of privilege have imperiled the entire natural order.

That money should be the only commodity whose temporary shortage should be supplemented with a false substitute in order to sustain its current market value should make every economist pause. Unfortunately, it does not. Rather, they acquiesce, as if the value of the one standard against which the value of all other goods and services are traded should be artificially dictated by a small group of people who, despite their best claims, consistently fail to secure the market value and stability of that standard.[11]

That our money supply should be dictated by anyone but nature itself should be condemned as ecological negligence and an abuse of those who toil in the primary economy. The primary role of any economy should be the responsible extraction of energy from our mighty, but humble planet — not the pleasure of a governmental and fiduciary elite who are out of touch with the natural order often observing it only from a distance or privately cultivated, highly privileged gardens.

Indeed, those of us who understand the corrupt nature of statutory counterfeit, its most recent complement fiat currency, and the false promises of central banking are considered unsophisticated by the apologists for state corruption and further degradation of the natural order. Unfortunately, these apologists include nearly the entire modern economics profession![12]

The Macroeconomic Travesty

In his book *Theorie des Geldes und der Umlaufsmittel* Ludwig von Mises asked and answered a simple question that went something like this:[13]

> **His question:** How is it that highly experienced CEOs — each in his own industry of expertise — can make the same mistake at the same time and bring about across-the-board economic catastrophe?
>
> **His answer:** They cannot. Unless, of course, they are all confronted with the same important, but erroneous market signal.

Von Mises rightly concluded — certainly the author has neither read nor heard a better explanation — that the only market signal of such importance that all CEOs share in common is the price of credit.

Keep in mind, as you read further, that at the time of his writing Great Britain's so-called "gold-standard" was in effect across the entire British empire, that many European states had yet to develop a central bank, and that the world was not nearly as connected and developed as it is today. In addition, OPEC was not founded until 1960, and by 1912 the industrial revolution had still not peaked. There were still many petroleum substitutes, and there was far more market competition than there is today. Our national bond market was well-developed, and there were large national financial firms active internationally around the globe. This said, the Bank of International Settlements (BIS) had not yet been created, but it was just around the corner.[14,15]

That every high school student understand how this false market signal works!

More money means lower interest rates, greater borrowing, a higher propensity to spend, and greater transactional activity. This activity means higher incomes and greater savings that can be set aside for new investment. Investment projects that would not otherwise be undertaken are taken up. In order to realize these projects resources must be redeployed. The incentive for this redeployment is higher wage and product prices with fewer goods and services produced, as the redeployed resources no longer contribute to final goods production. With higher income and fewer real goods and services available prices rise across the board, and the new projects become more costly and difficult to complete. More is borrowed, and bankers emboldened by the rise in market activity and consequent, but temporary wealth effect, gladly lend more, and the boom phase of the economic cycle is set into motion.

In an inflationary economy lenders typically lose because the purchasing power of what they lend is less than that of what is returned. It is for this reason that they are compelled to raise the price of borrowing as product prices continue to rise. At some point the cost of project completion simply exceeds the projected benefit, and the boom phase transitions to the bust phase.

A large number of firms stop borrowing. Many of the investment projects that never should have been started cannot be completed. Many of the resources that were previously redeployed are no longer needed or are depleted. Incomes fall and with them demand. Price deflation sets in. Because interest payments remain unchanged, businesses find it difficult to maintain their margins and begin to default on their loans. Most start-ups are crushed, and many struggling businesses are thrown under the bus. Unemployment sets in, demand falls further, inventories continue to build, and prices fall further, as the demand for new loans tumbles. The money supply contracts, as old loans are not renewed, and little new credit is extended.

Provided that government does not interfere, but in the most dire of circumstances — famine, disease, and war — inventories eventually clear, and those businesses that have managed to sustain the financial and economic carnage observe as their money flows begin to recover. The bust phase comes to an end, and the economy begins to rebuild.

Those with deep pockets buy up the assets of those who failed to survive the financial and economic carnage, and real wealth, the means to production, becomes more concentrated in fewer hands. New projects that were begun during the previous boom cycle and were beginning to show promise are expanded. Depending on the amount of economic devastation and misguided government intervention, the new boom phase can even start with greater economic potential than the previous boom — albeit, with a less uniform income distribution. The income gap has widened.

This is the way we have been living in America since the first recorded widespread economic downturn marked by The Panic of 1819.[16]

With the passage of time these boom-and-bust cycles have become ever more frequent and massive. Since the creation of the Federal Reserve System in 1913, FDR's confiscation of our domestic gold supply in 1933, Nixon's withdrawal from the Bretton-Woods Accords in 1971, and the monetary policies pursued by the Federal Reserve Board under the leadership of Alan Greenspan, a Reagan appointee, matters have worsened many fold.

This is a non-partisan issue.

What is more, the world is now threatened with the widespread use of Central Bank Digital Currencies (CBDCs) and the end of voluntary free markets as we have known them since the beginning of the early European Renaissance (14th century).[17]

Conclusion

The transition from real money — close to nature and the needs of the primary economy — to that of statutory counterfeit and fiat currency that emphasize the priorities of the state, large commercial bankers, and their closest associates in the secondary economy was fairly sudden and the direct result of state intervention. The resulting three-hundred-year illusion of monetary sophistication has not only led humanity down a painful, tortuous market path, but it now threatens to destroy the very liberties that have brought Western civilization the greatest material prosperity the world has ever known.

Fortunately, the path to the restoration of real money is far simpler and more straightforward than was the path to its eventual demise. What stands in our way today is merely the absence of courage and wisdom on the part of key players around the world to take a moral stand.

Pierre-Joseph Proudhon, the nineteenth-century political theorist who demonstrated that the right to own property is not a natural right, showed how unfair it is that only a small number of the world's population owns land.[18]

Our natural resources, as we have just witnessed, are what sustains all human endeavor. As every economist knows, land is also an important source of rent. As the market value of the primary and secondary economies increases through technological innovation, the value of the land on which these two economies sit automatically increases in value. Small pieces of gold formed into coin or bullion are a piece of land that everyone can own and from which everyone can collect rent in harmony with their individual endeavor and nature's source.

Were gold or silver, but not both, the sole source of our money supply, then everyone would share in its ever-rising value.[19] What could be more equitable and still preserve the right to private property and Western civilization's pursuit of happiness?[20]

Notes

1. According to the supply and demand statistics published by the World Gold Council at the end of the first quarter of 2024, of the 1,283 new and recycled tons of gold supplied to the market 49 percent was consumed in the fabrication and consumption of jewelry, 7 percent was consumed in technology such as dentistry and electronics, 18 percent was used as a source of investment, and a full 26 percent was purchased and owned by a handful of central banks. `https://www.gold.org/goldhub/data`

2. This paper represents a portion of a presentation at the 99th Annual WEAI Conference in Seattle, Washington. Session 81 — Money, Politics, and Credit. `https://weai.org/conferences/view/14/99th-Annual-Conference`

3. During the latter half of the 17th century coin debasement was popular sport in London and elsewhere in England. One shaved a little here and cropped a little there, and still a coin could pass for the same market worth as a whole coin — well, at least, if no other coin were available in the moment of transaction and there was no one else with whom to perform it. Important in the context that follows is that guildsman-bankers who provided the highest quality coin upon redemption enjoyed a good reputation, no matter how fraudulent were the books that they kept behind closed doors.

4. Time deposits can be traced all the way back to the Dei Medici family in Florence (*Firenze*), Italy during the 14th century. Time deposit banking did not become common practice, however, until after the latter half of the 16th century with the Calvinist interpretation of the Christian Bible.

5. That gold and silver were used as money greatly increased the demand for these commodities and increased the price at which they were traded in their respective markets.

6. Not all of the dishonest guildsman-bankers' client-merchants were ignorant of what transpired. Many reasoned that dishonest guildsmen could supply them with credit more cheaply than honest guildsmen, and they became accomplices to the crime. The ramifications are present today in the close relationships into which borrowers and lenders often enter in the upper echelons of global finance. The whole idea of "too big to fail" is emblematic of this evolved corruption.

7. It should be pointed out in this context that fractional reserve banking and the institutionalization of statutory counterfeit in America can be traced all the way back to the creation of the Bank of North America in 1781. This bank is credited by historians for having secured George Washington's defeat of General Cornwallis at Yorktown later in the same year. Robert Morris and Alexander Hamilton were the leading minds behind the bank's creation. Four years after the creation of the Bank of North America Hamilton drafted the articles of association and eventual incorporation of the Bank of New York. One can trace a direct line between these two banks and their respective modern counterparts. In effect, America was exposed to fractional reserve and central banking very early in its history. Central banking is not the disease; however, it is merely its most virulent manifestation.

8. William III was born in 1650 in the Dutch Republic. His father was William II, Prince of Orange, the grandson of William I, a key player in the formation of the Dutch Republic. William III's mother was Mary, Princess Royal of England, and the oldest daughter of King Charles I, King of England. In 1677 William III married the daughter of James II who was the brother of Charles II of England and Mary, Princess Royal of England. In effect, the royal families of the Dutch Republic and the Kingdom of England were closely allied in marriage. In 1672 Louis XIV invaded the Dutch Republic (United Dutch Provinces) and brought about enormous damage to the Republic. Prince William was appointed Stadtholder by the States General, the ruling legislative body of the seven Dutch provinces that constituted the Republic, in order to repel the French advance. His appointment was a mixed blessing. Although the Prince was successful in repelling Louis XIV, he was hardly republican in character.

9. If this note appears repetitive it is to drive home an important point. In order to become a prominent guildsman-banker one needed to grow one's capital. Lending out more capital in the form of paper than one actually held in specie meant not only that one could collect more borrowing fees, but the fees charged were less than those charged by honest banking counterparts. Thus, it was natural for dishonest guildsman-bankers to enjoy a disproportionate market share. Dishonest banking became a path to rapid capital accumulation. The trick, of course, was never to lend out so much counterfeit paper that one could not cover all calls for redemption. For if that line were crossed, the banker risked everything: his business, his reputation, and likely his life.

10. Roy Sebag. *The Natural Order of Money.* United Kingdom: Goldmoney Publishing, 2022; Canada: Chelsea Green Publishing, 2023.

11. This is especially true, if one considers how stable the value of gold or silver, but not both, would be by the sheer demand for its use as money and the nearly unflinching rate at which it is extracted. Rather than the large inflationary fluctuations in goods and services prices that we experience today, we would experience a near monotonic, incremental, highly stable, across-the-board price deflation.

12. See the discussion of Bitcoin in the accompanying paper: Roddy A. Stegemann, "A Call for the Restoration of Monetary Order (II): Real Balances." `https://cambitas.spiritof2021.online/documents/real_balances.pdf`

13. Ludwig von Mises. *Theorie des Geldes und der Umlaufsmittel.* 2nd Edition (1924). Leipzig: Verlag von Duncker und Humboldt. This distortion has been further explored in Jesús Huerta de Soto's *Dinero, crédito bancario y ciclos económicos* (1998). Note: Von Mises's work has been translated into English as *The Theory of Money and Credit.* The author rejects the translation of *Umlaufsmittel* as credit. Firstly, statutory counterfeit can be just as easily spent as it is lent into existence. Secondly, and more importantly, credit has not always taken the form of statutory counterfeit or fiat currency. The government of the United Dutch Provinces (17th century Dutch Republic) was entirely financed with taxes and bond sales that were based on specie — primarily silver.

14. The world that we live in today is very different than it was in 1912, and the amount of money lent into existence appears endless. We all know, of course, that this cannot continue indefinitely, and that the underlying economic laws that existed in the era of Ludwig von Mises still exist today.

15. The Bank of International Settlements was founded in 1930 as part of the Young Plan. It was advertised as a means to help Germany cope with its war reparations. In reality, it was a vehicle for the world's central bankers to obtain tighter control of the world's supply of statutory counterfeit. The bank survived; the Young Plan did not.

16. Murray N. Rothbard. *The Panic of 1819: Reactions and Policies.* Columbia University Press, 1962.

17. It should be noted, once again, that fractional reserve banking and statutory counterfeit have been with America since its outset. They were introduced with the creation of the Bank of North America in 1781. Before this, the British provincial governments issued bills of credit that served as interest-free government debt. These bills were non-interest bearing paper sold into existence with a promise of redemption in gold or silver specie at some future date. Although issued at par with locally circulating specie, they were nearly always abused and eventually discounted as their number grew. If there were a positive aspect to this issue of paper, it could be used in the payment of taxes. No, America has never known a true gold or silver standard.

18. Pierre-Joseph Proudhon. *Qu'est-ce que la propriété? Ou, Recherche sur le principe du Droit et du Gouvernement.* Premier Mémoire. Paris, 1840. The following translation is widely regarded as reliable: Proudhon, Pierre-Joseph. *What is Property? Or, an Inquiry into the Principle of Right and of Government.* Translated by Benjamin R. Tucker. New York: Humboldt Publishing Company, 1890.

19. Although gold, among the precious metals, is the demonstrably superior energy embodiment, silver may be, politically speaking, a better alternative to gold. It is a matter for another paper. Important is that we do not fall into the trap of bimetallism.

20. Thomas Jefferson, et al. *Declaration of Independence*, 1776. `https://www.archives.gov/founding-docs/declaration-transcript`

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