

Globethics Repository



The Globe after Debt-Money

This page was generated automatically upon download from the Globethics Repository. More information on Globethics see <https://www.globethics.net>. Data and content policy of Globethics Repository see <https://repository.globethics.net/pages/policy>.

Item Type	Preprint
Authors	Egom, Peter
Rights	Creative Commons Copyright (CC 2.5)
Download date	2026-09-19 16:03:55
Link to Item	http://hdl.handle.net/20.500.12424/173172

The Globe after Debt-Money

Peter Alexander Egom
Consultant Academic Editor
Nigerian Institute of International affairs
13/15 Kofo Abayomi Street
Victoria Island, Lagos
March 9, 2009
Email: pae@accosco.net.

Before one can ever begin to dream of finding a solution to any problem, even putting up a shield against it, one must learn to know what the problem is. The global financial crisis of yesterday and today is the current number one problem of every nation of the globe. So, what is it? It is the global riot and rage of the runaway and bankrupt fractional reserve debt monies of the West. That is simply all. And this has arisen because, from December 1958, when the US dollar defaulted on its gold convertibility, to this very day, the fractional reserve nations of the West have thrown monetary prudence and caution to the wind and have been printing endless tons of their increasingly goldless, value-less and toxic reserve debt monies as if money is going out of fashion. And true to their greedy and careless monetary script, the current global financial crisis serves due notice to the globe that the era of debt money is over and that it is high time the fractional reserve debt monies of the West went out of global fashion and circulation. After all, they currently burn gaping holes of



PDF
Complete

Your complimentary
use period has ended.
Thank you for using
PDF Complete.

[Click Here to upgrade to
Unlimited Pages and Expanded Features](#)

inflation in the pockets of the unfortunate nations like China and the Gulf Oil states that must hold trillions of them as reserve currencies. And if the world does not sink the debt monies of the West now, they will sink the world soon enough, even before the end of this 2009.

Thus, contrary to what Ben Bernanke of the US Federal Reserve and Mervyn King of the Bank of England think and do, the solution to the current global financial crisis does not lie with the printing and pushing of more goldless and value-less US dollars and British Pound Sterlings into global circulation. This is like pouring petrol into a blazing inferno. It will lead very soon to a global run on the US dollar and the British Pound Sterling. Thus, every sane person on the globe today should enjoin Ben Bernanke and Mervyn King to restrain themselves from printing more of their toxic currencies. They should rather be in the lead of the effort of all the fractional reserve nations of the West, under the auspices of their twin Bretton Woods bailiffs, the IMF and the World Bank, to consolidate and liquidate their external monetary exposures. In short, all fractional reserve debt monies must be withdrawn from circulating outside their national systems of money-flows because the external reserve nations are done with funding the West .

However, the fractional reserve nations of the West have, over many decades since December 1958, been hooked on, and addicted to, the financial recklessness of imperial seigniorage. So, they will find it difficult to just stop printing and pushing more and more of their valueless and toxic reserve currencies into the global markets. It is, therefore, the job of the external reserve nations of the global South and Eastern Europe, which bear the *donor-funding* brunt and collateral damage of the West's addiction to imperial seigniorage to rise and wean the West away from their imperial and self-immolating monetary addiction and thereby hinder the West from dragging the globe to the total meltdown of the Argentinean syndrome. In

other words, it is in the interest of the whole world that the fractional reserve nations of the West are returned to the sane ways of domestic monetary prudence and caution. This is what the external reserve nations must do by declaring a total embargo on the use of any national currency, West on non-West, in mediating external trade, payments and investment relations between and among the trading and paying nations of the globe.

But, the external reserve nations cannot today speak with one voice and act in concert on this matter. This is so because the West has over the decades split them into two unequal groups. The new industrial capitalist nations of the G20 belong to the one group. And the old peripheral and extractive capitalist nations of the *G-Rest- of- the- World*, with Nigeria in the lead, belong to the other straggling group of external reserve nations. The new industrial capitalist nations see themselves as the emerging fractional reserve nations of tomorrow and therefore like to look at the global economy from the prism of the West. So, one cannot rely on this group of external reserve nations to shield the global financial system from the greed and folly of the runaway imperial seigniorage of the West. It is rather in the ranks of the old peripheral and extractive capitalist nations that one is able to find nations which are distant enough from the West to know that the West are currently dragging the global economy to the brink of total ruin. It is these nations of peripheral and extractive capitalism which must come forth, in unison, with an inclusionary global economic plan for reconstructing and restoring our runaway world of imperial seigniorage.

This group of peripheral and extractive capitalist nations must choose, from among them, an anchor nation which will prepare the global economic plan of inclusion, then test the workability, at home, of the national leg of this global economic shield against the current global financial tsunami, and then go on ,in this 2009,to spearhead the implementation, with the backing

of the UN, of the regional and global legs of this global economic shield against runaway imperial seigniorage and economic apartheid. And this is the role that Nigeria, the anchor nation of Africa and the black race, fits snugly into. Hence what follows underneath is a shot at the bare outlines of this type of bottom-to-top global economic plan for shielding every nation and every region of the globe from the destructive ill-wind of runaway imperial seigniorage which Nigeria is likely to submit to the UN, sometime in this 2009, on behalf of the *G- Rest- of-the- World*.

At the core of this inclusionary global economic plan which will shield every casino capitalist nation, every industrial capitalist nation and every peripheral and extractive capitalist nation from the current ravages of the West-based global financial tsunami is the simple idea that no nation of the globe may henceforth produce and manage the monetary instrument for mediating international trade, payments and investment flows. In other words, *international money must simply be denationalized*. And what this entails is a paradigm shift in the global theory and practice of money. For where yesterday and today, the global regime of debt money has given rise to the convertible fractional reserve currencies of the imperial nations of North America and Western Europe, on the one hand, and to the non-convertible external reserve currencies of the neo-colonial nations of Latin America, Africa, the Middle East, Eastern Europe, South Asia and East Asia, on the other hand, tomorrow and thereafter, the global regime of equity money will give rise to the convertible full reserve currencies of the 192 independent nations of the UN.

In fact, the argument of this global economic plan of inclusion runs briefly as follows. *One*, debt money which divorces money from production as it weds money to debt sandcastles of speculation and gambling in urban-based stock exchanges is responsible for the past and current global regime of debt-financing and industrial outsourcing and for the current three-tier

structure in the international division of labour where the fractional reserve nations of the West are casino capitalists, the few external reserve nations of the G20 are industrial capitalists and the many external reserve nations of the *G- Rest -of- the- World* are peripheral and extractive capitalists. *Two*, the core problem of the current global financial crisis is precisely this hierarchy in the international division of labour. For this three-tier global regime of debt-financing and industrial outsourcing has so lost contact with the productive hard-ground of Mother Earth that it is now keeling over with *debt-top-heaviness* and *debt- light- headedness*. And, *three*, the solution to the current global financial crisis is the elimination of the extant three-tier hierarchy in the international division of labour which is the child of the global regime of debt-financing and industrial outsourcing. This is precisely where the theory and practice of equity money comes into the picture. For equity money, which divorces money from the debt sandcastles of the casino capitalism of the West as it weds money loyally to the production of goods and services will, from tomorrow, be responsible for the level-ground global regime of equity financing and industrial insourcing whereby every trading and paying nation of the globe must make and receive external payments in its own gold convertible currency!

The upshot of the above is that the current global financial crisis represents the total breakdown of the exclusionary global system of the gold exchange debt standard. Therefore, the globe must move lock, stock and barrel to the inclusionary global system of the gold payments standard. Hence, in what follows underneath, the currency market, financial market and commodity market structures which the gold payments standard demands in the national, regional and global legs of the proposed inclusionary global economic plan against the current ravages of runaway imperial seigniorage are reviewed in a compact form.

The key point of this plan is the observation that the current total breakdown of the exclusionary global system of the gold exchange debt standard provides every external reserve nation and every fractional reserve nation of the globe with the singular opportunity for beginning afresh to provide itself with such a road-map for economic development which will rope in everyone of its members in a transparent market network of balanced and ruralised economic exchanges. This roadmap for the balanced market development for each of the 192 member nations of the UN is the child of the global regime of equity financing and industrial insourcing and it has currency, financial and industrial market pillars spread evenly over the landmass of any nation of the globe. Thus the gold standard economic model for shielding any nation of the globe from the ravages of the runaway debt money of imperial seigniorage is the *Rural Industrialisation Road-Map*, RIROMAP. This RIROMAP has market management principles that are peculiar to it, has an institutional structure of moneyflows that is peculiar to it and has a closed-circuit network for trade in any nation's grid-specific financial and commodity market instruments that is singularly peculiar to it.

For, any market economy has the three interdependent currency, financial and industrial markets. And the specific principles which RIROMAP uses to establish level-ground in these markets are as follows. Money creation in the currency market of the gold standard economy is always private-sector-led, interest-free, asset-backed and targeted to either the consumption needs of people, or to the entrepreneurial project needs of people or to the infrastructural project needs of people. This integrity or direct-financing principle of money creation in the currency market of the gold standard economy echoes the *supply creates its own demand* principle of the classical economic thought of Jean Batiste Say. Then, savings management in the financial market of the gold standard economy is risk-taking and risk-sharing in line with its care, compassion and solidarity principle of interest-



PDF
Complete

Your complimentary
use period has ended.
Thank you for using
PDF Complete.

[Click Here to upgrade to
Unlimited Pages and Expanded Features](#)

free financial intermediation. And in the industrial market for work and reward of the gold standard economy, RIROMAP locates any industrial activity close to the sources of its major raw material inputs all in line with the subsidiarity principle of *transport cost minimization* in industrial location decisions.

Again, any market economy must have an institutional structure of moneyflows. But, whereas a national regime of debt-financing and industrial outsourcing creates national financial institutions of elitist sovereignty such as interest-based and top-to-bottom central banks, commercial banks, and other financial intermediaries plus top-to-bottom official and private regulators of an economy's currency and financial markets, all of this in the service of debt-money's urbanization road-map for any economy, we notice that the regime of equity financing and industrial insourcing creates in any national economy, national financial institutions of popular sovereignty such as interest-free and bottom-to-top central banks, micro-finance banks, equity- financing banks plus bottom-to-top official and largely private regulators of the economy's currency and financial markets and all of this in the service of equity money's rural industrialisation road-map for any economy. So, financial institutions of elitist sovereignty are to the regime of debt-financing and industrial outsourcing what financial institutions of popular sovereignty are to the regime of equity-financing and industrial insourcing.

And again, the market institution which equity money uses to spread industrial activity evenly across the landmass of any economy is its network of ruralised and back-to-back stock and commodity exchanges. This is the economy-wide and CCTV-like network of warehousing and electronic marketing sites, or stock and commodity exchanges, SCE, for closed circuit trade and investments in an economy's grid-specific financial and commodity Electronic Warehouse Receipts, EWRs. It is the stock-broking

and commodity-broking activities by an economy's financial institutions of popular sovereignty at these grid-specific warehousing and electronic marketing sites that RIROMAP uses in any economy of the globe to *arrest its rural-urban drift of resources*.

So, the core mechanism of the gold standard national economic shield against the current global financial tsunami is the electronic market world and platform for back-to-back stock-broking and commodity-broking transactions in an economy's grid-specific financial and commodity EWRs. And this is only proper because equity money divorces money from the debt sandcastles of speculation and gambling in urban-based stock exchanges as it weds money loyally to the level-ground production of goods and services through the ruralised and electronic platform of back-to-back stock and commodity exchanges.

Now, the Latin American Liberation theologian, Enrique Dussel, tells us in his "*A History of the Church in Latin America*", 1981, that there were seven natural regions of the globe before the West embarked in 1503 on their imperial rape of the rest of the world. These seven natural regions of the globe were: North America, South America, Europe: East and West, Africa, Middle East, South Asia and East Asia. So, building on this insight of Dussel, the second regional leg of the gold standard global economic shield against runaway imperial seigniorage is concerned with building the gold standard common currency canopy above the nations of each of the seven Dusselian regions of the globe. The procedure for so doing runs as follows, with the African region as the illustrative example.

What RIROMAP uses the industrial subsidiarity principle to demand of any economy is the *minimization of transportation costs* in the production processes of the economy's industrial establishments. In other words, the industrial location programme of RIROMAP says that maximum local use of local resources for the satisfaction of local needs is the industrial rule of the

game. Accordingly, the regional gold standard economic shield against runaway imperial seigniorage does emphasize the maximum use of the contiguous national resources for the satisfaction of the contiguous national needs of each region. This industrial objective is achieved for any of the seven regions of the globe through the *Regional Integration Road-Map*, REGIROMAP. REGIROMAP is the web of the contiguous RIROMAPs of the inclusive member nations of any of the seven regions of the globe.

Thus in Africa, for example, REGIROMAP uses the African popular sovereignty central bank, *Bank for African Settlements*, BAS, to build and operate the intra-African and electronic market matrices of currency community and industrial complementarity between and among the 53 African and *gold-convertible- currency* member nations of the African Union, AU. BAS, the producer and manager of the *virtual* gold convertible African common currency, the *Gold Mandela*, uses its wholly owned and controlled Pan-African network of back-to-back stock and commodity exchanges to broker, clear and manage intra-African trade, payments and investment flows . In other words, BAS uses REGIROMAP to build and operate an inclusionary *Gold Mandela* common currency area among the 53 equal and self-contained RIROMAPs of Africa.

And, last, we come to our global economy of seven regions. Since we used the REGIROMAP to insulate each of the seven regions of the globe from the hazards of runaway imperial seigniorage, we will use the *Global Integration Road-Map*, GIROMAP , to insulate the global economy of seven regions and 192 nations from the ravages of runaway imperial seigniorage. What the global popular sovereignty central bank, *Bank for Global Settlements*, BGS, does in this regard is to use GIROMAP to build and operate the inter-regional and electronic market matrices of global currency community and industrial complementarity between and among the *seven equal common currency regions* of the globe. BGS is the producer and manager of the



PDF
Complete

Your complimentary
use period has ended.
Thank you for using
PDF Complete.

[Click Here to upgrade to
Unlimited Pages and Expanded Features](#)

virtual and gold convertible global common currency, the *Gold Franc*, and uses its wholly owned and controlled interregional network of back-to-back stock and commodity exchanges to broker, clear and manage inter-regional trade, payments and investment flows. In effect, BGS uses GIROMAP to build and operate an inclusionary and global *Gold Franc* common currency area among the seven equal and self-contained REGIROMAPs and the 192 equal and self-contained RIROMAPS of the globe.

In sum, the global gold standard economic shield against the current rage and carnage of the global financial tsunami of debt-money is the three-layered structure of: 192 RIROMAPs at the *bottom national layer*, seven REGIROMAPs at the *middle regional layer* and the one GIROMAP at the *top global layer*. This is the level-ground and equity-money economic package of care, compassion and charity which Nigeria, on behalf of the *G-Rest-of – the- World* of external reserve nations, is slated to give, before the end of this 2009, to our incredible rainbow world of humanity. And so it is written.