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Cameron Weber, Brooklyn, New York.

cameron_weber@hotmail.com

State-Money

What we have in the United States, and therefore throughout the World as we know it due to US monetary hegemony, is as Marx predicted *monopoly capital*. (Although this monetary hegemony is waning and only one could say supported by US military hegemony. What we are living today is the historian's "favorite curve," which is the hundreds of years build-up and decline of empire through its internal and external instability.) Modern monopoly capital supported by the State we can mark to the founding of the Federal Reserve Bank in 1914. The Fed was created to cartelize the Morgan and Rothschild banking interests both in the United States and abroad, and this it has done ever more successfully ever since. It is not unrelated that State-money was created in 1914 and the Great Depression occurred in the 1930s.

The cartelization of money has destroyed this money. Money is a means of exchange, it is a simple and efficient way for us to exchange the products of our labor (or most accurately our creativity mixed with our time and our labor) with the labor products of others. Of course from a communitarian libertarian life we can, and many of us do, exchange through barter and through gifts and through our love and our time and the sharing of our selves. But non-money means of exchange has only a limited geographic scope and many of us are so far down the line of debt and modern alienation that the necessary, essential and scarce, commodity of time is lacking for non-money exchange. Thus necessitating the best and worst of our life's essentials, money. This is not a reformist position, this is a real position.

When money is corrupted through the State, through the Fed, this money slowly, and sometimes not so slowly, becomes worthless. (When money becomes

worthless it has laid historically the foundations for fascism.) This weakening of the value of money hurts of course those who have less of it. State-money is an overt policy of subsidizing the rich over the poor. It creates a class of State-money slaves who have to work in conventional lifestyles and conventional jobs which kill creativity and charisma and offers a future of nothing but more drudgery as the money continues to deteriorate. This creates as Marcuse says a society of “one-dimensional man” (and women, especially women as this half of our being is valued less in the conventional workplace). This one-dimensionality is only re-enforced, to add insult to injury, through the taxes that the State-money chattel class pays for the right to slave in the State-money machine formal sector. If you don't believe this alienation exists and has taken its hold on person-kind, join the 'commute' for a day or two and witness the contented; the car horns blowing and the zombielike on the commuter train.

State-money is manifest in many ways. The most obvious example is the recent and on-going and foreseeable in to the indefinite future, bailouts of Wall Street investment firms. The cartel supports its own. These bailouts just add to the weakening of the money, to the inflation of the price of the essential commodities needed in our day-to-day lives. These commodities are money-commodities traded throughout the world. There is no alternative to money for foodstuffs for the urban poor, for mass-produced clothing, for housing, for electric and heat. The state-money keeps the average \$11.3 million per year salaries of CEOs in places while increasing the chattelization of the working, of those chained to one-dimensionality.

State-money is realized through the printing of ever more money (the dollar money supply increased more than 10% in 2007). More money in circulation drives up the prices of essentials. This money increase is invisible and unknown to most people, and in fact the Fed stopped officially reporting this money increase several years ago. This cost to society has become invisible, out of sight, out of mind. It is removed from mainstream economics but its effect on the working lives on, creating an ever-enlargening (or ever-tightening) one-dimensional box we live in in this world of State-money. The State finds yet ever more ways to hide itself from us.

Every time the Fed clicks up and down the interest rate it causes redistribution. Every time the interest rate clicks, either up or down, it creates a flurry in the money market as money-holders adjust their money holdings (savings, which are usually invested by the banks in the government bonds themselves) to account for the interest rate changes. Every time it clicks the cartelized money houses gain a profit in fees as people buy and sell bonds. These fees are another source of hidden redistribution from the poor to the rich, from the earnings of chattelized labor to the profits of the state-money cartel. These money clicks and fees and government bonds are, again Marx, the ‘illusionary’ economy. All this activity adds nothing to our lives but uncertainty and fear and ever increasing dependence on the ‘experts’ themselves who control this money.

The State-money cartel and the State are Bukharin’s “coupon-cutting pond scum”. The cartel depends on the State and the State on the cartel. Government debt is the needed body on which the parasite feeds. Government debt is needed for these money clicks up and down. The cartel buys and sells the bonds the State uses to fund its deficit, government bonds are the illusionary commodity. This debt is passed along to the next generation and the parasite prolongs its existence; it is unquestioned, it is accepted, it is welcomed.

The chattelization of the working increases. In the global knowledge economy “human capital” is the commodity bought and sold in the market. The State inflates the cost of this capital through the guaranteeing of student loans. Student loan guarantees do nothing but thrust the young into the State-money chattelization of labor. Distorting monies to universities does nothing but increase the money costs of the essentialized education. The universities themselves become part of the State-money cartel. Tuition prices have increased more than 300% the rate of inflation (the measure of inflation itself is an illusionary concept adjusted and maintained to suit the interests of State-money). People leave school with huge quantities of debt and are faced with nothing but the work-a-day to get out of this debt. The graduates are added to the one-dimensional production line of State-money support. The best way out of the chattel is to join the military-industrial complex, the growth industry in the post-civil society of the welfare state and Pure War. The corruption caused by State-money runs invisibly deep and whole-clothed, it is the historian’s curve.

The most insidious State-money policy is the guaranteeing of home mortgages 100% by Government Sponsored Enterprises, the cause of our current money crisis. The money cartel lends for mortgages, packages groups of these mortgages as bonds, and then sells these bonds to others in the cartel. These bonds are guaranteed by the government. There is no reason to enforce rationality in mortgage lending because the bonds are supported and, now, bailouts of the mortgage loans themselves are imminent State policy. The host of the parasite grows and grows as the crisis deepens. The illusionary economy becomes the real economy as the State-money loses its value during bailout and the money volume increases. Chattelized labor pays the price for the existence and growth of State-money. What is to be done?