EPICONOMICS: AN ALTERNATIVE ECONOMICS THEORY FOR NON-ECONOMISTS

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PREFACE

The purpose of this book is to explain what an economy is and how it works; and it will set out to do so in a way that aspires to make it understandable for just about everyone moderately educated. Since the subject of economics, as presently taught at the world's universities, is neither easy nor very straightforward, we obviously won't be going about it in quite the same manner. There is after all a reason why, after at least three centuries of trying to get the full picture, economists, even those on top of their game and writing text books, are still pretty much mystified about how it all hangs together. But by starting out with a very different set of first principles, we will be able to go beyond[1] and bypass just about all the theorization that went on before. And the intellectual exercise of getting it will be far easier than slugging through any of the existing textbooks and historiography, especially since no mathematical equations will be used.

Economists will think this is an impossibility. I know because I've been engaged in discussions with many of them for well over a couple of decades by now. Indeed one of the very first questions I was asked by an economist, when I first published an outline of my thoughts on the usenet group sci.econ in the early '90s and I need to paraphrase, as I'm going by memory: “You're so difficult to follow. Why don't you put what you're talking about in an equation first, explain the meaning of the equation and then move on to the next one; that's how we economists work”. Although I already knew at the time that my own approach to economics was rather different, I had no idea exactly how much it differed from the subject as it is currently being taught. Only that my theory was a form of the classical interpretation in line with that of the eminent but yet rather obscure historian and political economist J.C.L. Simonde de Sismondi, who already at the turn of the 19th century had rejected the idea that the essence of political economy could be expressed algebraically. Sismondi held onto the maxim that while the economy's purpose is wealth generation, its outcome can only be considered *wealth* when it exists for the net benefit of human beings. But neither Sismondi nor I then, recognized fully the implication of this perspective with respect to rigour when reasoning about the workings of an economy. For since the totality of available information contained within the components of a dynamic construct like an economy is invariably insufficient to derive its end-purpose from[2]; then, when the argument is turned around and now becomes posed in terms of a given or *certain* end-purpose, those components by necessity become *uncertain* or indeterminate at all points in time. Or, in other words, if all the

1. Hence the title of this work...
2. A telling example of this would be the universe itself; which may or may not have a purpose, but ascertaining it one way or the other is out.

elements in a domain are lacking a particular attribute, but that attribute is yet deemed to be essential to the value of those elements to the domain creators' underlying motives, then the domain's individual values in terms of the latter are indeterminate. Trying to model economic activities in sets of endogenous suppositions and equations that are wholly bereft of such an overall purpose, would only be sensible if a benefit to human beings is of no concern. And that additionally in the reality of a human-central world, rather than an adapted formalization of any current or projected state of affairs, no more than an exercise in wishful thinking that an enhancement to human well-being is indeed being conveyed. No need to worry if at this point you fail to grasp the significance of the above, and don't recognize that this type of critique against Mainstream economics goes far beyond what other heterodox as well as radical streams of persuasion will ever be able to conduct; since all of this will be much expanded upon in the introduction... So I didn't have a ready-made answer at the time and, just like most internet discussions, that one too quickly petered out without reaching any conclusion. Yet off and on I still converse with economists, at least with the ones having an open mind; and this part of the profession, small as it is, has never ceased to take me seriously. They still don't quite get it, or, what's likely much closer to the truth, is that by having a vested interested in not getting it, they aren't particularly eager in trying to do so. Economists of all persuasions have a certain turf to protect, so it can hardly be expected of them to wholeheartedly endorse my point of view; for that would mean having to repudiate years of hard-earned learning, even for the ones that are already leaning in my direction. Not going to happen... Aside from that, the making good of the extraordinary claim that almost an entire profession is totally wrong and that only a small portion of it barely has it half right, requires a ground swell of support; which naturally is far more than a single person could ever provide.

And that's were you come in. Since I've tried unsuccessfully to affect a change from the top down, it's time to try it from the bottom up. Maybe it will be successful, maybe it won't; but I have to make the effort, as there is so much at stake. Millions of people are presently suffering with little or no hope that life will ever change for the better. All of it totally unnecessary and only because the people supposedly in the know, neither have the foggiest idea what exactly caused the current economic malaise, nor the gumption to reverse it. As an example of this: according to former US president Obama, about 3 months after his inauguration and no doubt having been prompted by his own economic advisers,..."the *truth* is that a dollar of capital in a bank can *actually* result in $8 or $10 of loans to families and businesses. So that's a multiplier effect that can ultimately lead to a faster pace of economic growth. That's why we *have to* fix the banks." (*emphases* are mine) Excerpted from: http://www.whitehouse.gov/the-press-office/remarks-president-economy-georgetown-university

If this were indeed an at least likely to develop state of affairs, it would have meant up to a 1000% betterment for "families and businesses" to the extent of of the many trillions spent by the government in bail-out funds. And what has "actually" been the resulting benefit of this to these people in Main Street over the following years? Apart from the disturbing fact that whole sections of American society have been coming apart at the seams since that time, more directly with respect to the particulars of the above, virtually nothing at all! There has been a slight change, in that the overall percentage of the population employed no longer is falling and perhaps has increased a tiny bit, but at this rate it would probably take decades and likely to extend far beyond some future downturn, before the supposedly existing multiplier materializes Obama's prognostication of growth and everyone willing to work will be able to do so. I don't want to be sarcastic about it but is this what the president and his advisers, were meaning by "ultimate"?... In other words, society's leaders, the very people we put our fate in to change things for the better, not only were a bit off in their claim to disseminate "truth", they were stunningly wrong; indeed about as wrong as it is possible to be. Only a total misunderstanding of economic cause and effect can bring such diagnosis about. Resupplying banks with the wherewithal to provide loans has about as much effect as attempting to move an object with a string attached by pushing on that string. It simply cannot be done. We need a change in economic understanding in just about the worst possible way. And it is my promise that after having read this book, the vast majority of its readers will indeed know the nature and meaning of an economy; meaning that there cannot be anything inherently difficult to economics. A proposition that I myself have known for quite some time now. But the way things currently are, it is extremely urgent for this to become general knowledge. For if the ultimate simplicity, which underlies economics when observed from beyond, can be made obvious to the electorate, the latter will gain an immense power; change to believe in indeed.

The methodology used in our quest to establish how the economy of ours functions, involves persuasion by logical reasoning that existing theories either got it all wrong, or are at least lacking in consistency to be able to explain how an economy in a human-central world works. But what is it that forms the basis of logical human thinking? How can we as mere mortal human beings be certain whether something, in this case the workings of an economy, is true or not? This very question underlies all human effort to make sense of the world around us. And the short answer is that we can never do so absolutely, but that basically, when our surroundings tell us that something is real, we have two choices to go by. We can either simply and without any ado accept those appearances at face value, thereby forgoing all further reasoning, or we can try to develop a theory of how in the temporal physical reality that we find ourselves in, the workings of what we perceive, make sense. Non of the theories we come up with about those observations can be unequivocally true however. They are valid only until either another theory comes along that can explain observed situations in a more complete manner, or till an internal contradiction crops up that appears to throw the existing theory in disarray. The latter will then force us either into making modifications that will rectify the contradiction, or it will impel us start looking for an altogether new one; if the objective is indeed to gain a broader knowledge of any perceived reality at hand. At least that's the way it is supposed to work. But in any field of study there are vested interests that will vehemently resist such a change in the current status quo. And the leaders in any scientific discipline, by nature some of the smartest people around, are usually pretty good in coming up with all sorts of excuses why an existing theory, the one they're having a hand in formulating and benefiting from, has enough merit to be maintained. Things haven't changed very much, as far as that goes, since the times of Galileo. As the famous physicist Max Planck observed over a century ago, sometimes it takes a die-off of a whole generation of scientists before a revolutionary discovery can get a foothold and be generally accepted.

Now if economics were indeed a *science* in the ordinary meaning of the word, i.e. a study using theoretical models and data from experiments or observation of *the physical and natural world,* then no doubt we would be in for a long wait before the establishment decides it has no choice but to throw in the towel. But if, instead of being about a natural structure, economics is a study of an all human-made system, then the subject becomes limited to what we, and not the natural world, are capable of producing and reacting to; and now, with all natural influences occurring outside our system, the prospect for a relatively quick resolution suddenly becomes much brighter. If somehow we can, in addition to its *identity*, in axiomatic terms set the *purpose* and *scope* of an economic structure, and derive a logically true and complete theory from only those three premises; then any dissenting point of view either has to show a contradiction in the derived reasoning and thus make the whole untrue, or show[3] the basic assumptions themselves to be untrue or at least irrelevant. Disbelieving, or for whatever reason simply disagreeing with the stated assumptions, doesn't bear any weight on invalidating the proposed new theory. Thus whether conventionally educated and currently reigning economists like it or not, if the assumptions remain unchallenged or perhaps are reluctantly agreed with, then the theoretical consequences when logically deduced are beyond question and have to be accepted. Holdouts won't have a leg to stand on.

Although the explanation of any logically true theory has to commence with a stated set of axiomatic assumptions, I doubt very much that any novel theory starts out with its discoverer coming up with a set of axioms from which the theory fleshes out and takes shape. At least I know that the particular effort I undertook didn't develop in this manner. Instead, somehow out of nowhere, an intuitive idea crops up that forms the core truth of what one imagines to be fruitful if able to give some meaning to. As such it is in no way any type of analysis, but more like an epiphany of some kind. By just forming the very core however, it doesn't have any pertinent meaning all by itself either. If this seems in any way mystifying, think of the centre of a maze. That too all by itself, thus without its surroundings comprising its field, the paths including its multitude of dead ends leading up to it, is meaningless. Yet, even the fuzziest understanding of a maze (field) is sufficient in order to identify a core as such. So, having that however fuzzy understanding, to now make the economy's core truth meaningful in the larger context of the existing field of study, first of all a basic familiarity was required with how the

3. In terms of yet more basic, thought to be unchallengeable, assumptions. (i.e.) This is what the book will set out to do with respect to the economy's conventionally accepted premises.

state of knowledge about this particular subject area currently treats its supposed givens and variables to get to its truths. And thus enable one to make comparisons, with what one's own core *pre-analytically* conveys as being true. For me, as someone pretty much devoid of any prior knowledge about economics, this involved an immense amount of reading, from which some major tributaries to the subject could be dismissed almost right away as dead ends, while others appeared to have some similarities and worth retaining at least in part. It is only after having acquired a general oversight of what's already out there, and even more particularly getting a sense of what isn't yet, that it becomes possible to think of what axioms could possibly underlie the perceived core truth; which obviously need to be distinct from the assumptions held by the current theorists of the different existing branches of thought about the economy's field of study.

So much for what I recall to have been the early chronological development of the basic theory; which meant that aside from reading a lot, a fair bit of writing, building oneself theoretical platforms along the way from which the body of a new theory could take shape, also all occurred before a set of underlying axioms was conceived. Doing this writing, I was to a great extent able to fall back on certain sections from the magnum opus of the already mentioned Sismondi[4], that I decided to translate from French because no English translation was available at the time. For that provided me with a handy backdrop from which to write lengthy annotations in which my own theory, similar but yet significantly distinct from the one of Sismondi, could be made to develop. And in addition to that, I figured that it would provide a certain legitimacy to the thoughts coming from a complete neophyte to the field of study, one who never sat through a single course of conventionally taught economics. After all, I had found out from several sources that Sismondi's original ideas could be considered to be significantly fore-running those of two of the most revered economists ever, one living in the 19th and the other in the 20th century; namely, Marx and Keynes. It would be a mistake however to write-off this attempt to overturn current thought about economics as having a left-wing bias, as the forthcoming thesis is entirely deductive. So unless left-wing biases can be detected in its axiomatic underpinnings, there simply isn't a way for it to acquire ideologically political leanings one way or the other. It just so happens to be centred on the well-being of humanity as whole. And if that is considered to be left-wing by some, then a prejudice favouring elitism is showing in the form of posing as a valid critique.

No point in keeping anyone more or less in the dark however, regarding the set of premises this proposed alternative approach to economics is derived from. To wit: 1. our economy *is* an all human-made systematic construct of *accounts*, having boundaries that are open to a natural existence into which we are born and live as aspiring to better ourselves beings, and whose price to do so all the economy's accounts are made-up from; 2. it exists *for* the sole purpose of *adding* an extensive variety of use-values to humanity, that couldn't as commonly

4. "Nouveaux Principes d'Économie Politique" (2e éd. Paris 1827) www. vcn.bc.ca/~vertegaa/sismondi.pdf

be obtained in the absence of a formal economic structure, whereby the exogenously existent living standards of human beings are to be enhanced in perpetuity; and 3. no one can be denied the opportunity to participate *in* it on the supply side. Short of criminal behaviour towards the stated second axiom, there are no exceptions to the third one; since there are no longer opportunities for human beings to make a living outside of an economy, it is a human right's issue. What all this means in detail, and what options will be left open for both the private and the government sector to follow through on as a logical consequence, is going to be explored in the following work.

INTRODUCTION

The most difficult part of the entire discourse, no doubt will be encountered right here in this introduction. It involves first becoming cognizant of and then subsequently delving into the underlying philosophy of the subject; which is commonly reserved for the end of an academic study, hence doctorates (in philosophy) better known as PhDs. Dealing with the basis of truth-seeking from the very start however, is the only way I know of how to instill into a reader that because of the fundamental level the proffered argument finds its meaning, having to let go of deeply ingrained current beliefs about all matters economic is vital in order to gain a new and very different understanding of how the economy of ours works. In addition, it allows us to expose the key reason why the two main factions of economists, after being at it for well over a couple of centuries now, are still debating some of the most basic questions about the workings of our economy imaginable; such as for instance: whether or not economic supply creates its own demand, and why. In other words, what is the underlying reason for the continuing lack of consensus between these two groups of highly educated scholars? The short answer to this for now, is that for the orthodox group -- supply inherently creates its own demand -- because it rolls out of their economy's theoretical construct, when deduced from what they hold to be a plausible set of first principles; while for the heterodox group, logically basing their opinion on observable (empirical) evidence -- supply does not create its own demand. What is still missing from the latter though, is a rigorously valid or paradox-free "why so?". And the aim of this newly proposed alternative approach not only is to provide herewith an underpinning for the second group, so that at long last the available empirical evidence becomes properly backed up with an underlying theory, but also to show thereby why the orthodox set of first principles is inapplicable to our perception of economic reality in an economy where people not only matter, but where the well-being of all people is all that matters.

When the going at this early stage seems somewhat difficult to readily get one's mind around however, I would suggest to just read over the incomprehensible part of the narrative and take it up again as it gets easier to read. Once we get beyond the subject's foundation and become able to build the economy's superstructure, the content will be early high-school material; and as already indicated before, no mathematics will be used. Further to the reasoning as talked about in the preface, this is not just in order to make it easier for the average layperson to follow, but because there is absolutely no way to use mathematical formulations when in terms of its unit of account, all economic elements in question at any particular time aren't quite realistic enough to be known in full and thus are ascertainable by writing them up algebraically in advance. Instead it will soon be found that based on our own specific set of first principles, the actual present worth of everything on the supply side of the economy, rather than a determinable reality, is only a *potentiality*. And the outcome of potentialities is always conditional, i.e. they are depending on unrelated impulses, possibly but not necessarily coming about in the future. This in turn would mean that no perceived economy *is,* but rather that its reality is one of forever in the process of *becoming* and thus no present moment in the existence of an economy can ever be a *fait accompli*; which is a state of reality that no other existing approach to economics is either willing or able to capture.

In terms of our postulated axioms, the *realization* of everything supplied depends on causal forces that are unconnected to those particular supplies; and so, before its realization, nothing is *real*. Economics from this perspective is a study of how its *pulling* forces, i.e. economically created effective demand, effect outcomes; while all its pushing forces such as investments, proffered human input and other natural resources, remain essentially indeterminate in economic value and thus are not construable mathematically. This doesn't mean of course that those supply components aren't capable of being measured, as production capacity gets turned into goods for consumption over time; only that no mathematics, aside from the elementary arithmetic commonly used by cost accountants, is applicable to describe that ongoing process. Just like bookkeeping is in no need of algebraic equations to be useful in keeping track of what goes on in any particular business, neither is the type of economics (i.e. epiconomics) we're concerned with; both in keeping track of the nation's business and to make sensible forecasts on the level of the firm. And since just about all conventional economics that is currently taught is expressed in terms of mathematical formulas, so too is just about all of it no more than a *make-believe* exactitude. Following our set of primal assumptions, itself being sourced and finding its overall meaning in the domain of *justice*, our field of study becomes a form of macro-accounting following the first premise, and a type of social science following the other two. The contents of this book will be all about non-mathematical economics, able to indicate how the nation's business can be kept healthy and functioning as a going concern, wherein everyone willing and able to do so can participate and enjoy its output; and, what's perhaps even more important, point out when and why an economy cannot possibly be expected to function well.

Extending the above indicated out-of-the-box thinking, how does this alternative approach compare to formally taught economics? First of all not only the reasoning of all conventional economics branches including Marxian, but also that of the newfangled monetary-reform movements, the various past “occupy” drives' motives, as well as all the blogosphere punditry that I'm aware of, follows along determinate pathways. That is to say, if one initiates *certain* things, then, according to a set of preconceived notions, either desirable or undesirable effects cannot help but follow from that activity. The problem is that such linear cause and effect reasoning doesn't at all apply to an economic system best characterized as a “charged field”, as that could be said to roll out of our set of assumptions; wherein, with respect to the *intended* flow, neither cause nor effect is in any way certain at the point of supply, since the impulses that will *determine* the values of all economic activities have to originate both *separately* and *independently* from an exogeneity (i.e. from outside of presently happening endogenous flows) again. And as such, the entire economy, from the planned exploration stage of natural resources down to the retail level, could only be in a perpetual state of a charged potentiality, of which the globally booked pluses and minuses will net to zero; while its wealth realizing determinant in the form of a discharge current *only* becomes activated through the limit of numerous final (retail-level) returns in the form of intended personal consumption. After which, such meant to be forever ongoing process, the stage is set for an unencumbered reproduction to commence; which, colloquially could be said to be the economy's mojo and thus in essence, given adequate exogenously located natural resources, continuable ad infinitum.

This means for instance that neither capital investment (i.e. debit entries in account keeping, which under dynamic equilibrium conditions establishes a systematically to be resolved negative, or indebtedness), nor risk taking can be a cause of wealth creation anymore than building a new power-generating plant will *cause* some non-affiliated (economic) agents to plug additional home-appliances into the grid. But while the generally perceived reality of positively valued productive capital in essence is no more than capitalist hubris, it yet has been so persuasive that even Marx was convinced of capital's might. In terms of my set of first principles however, the actuality of that power is conditional and not in fact real. It comes into fruition only if indeed consumers act diametrically from capital investors (i.e. spend directly) by taking some debit embodied end-product off the market and thereby move it beyond the economy; and so allow the final *return*, that realizes wealth, to complete the circuit. In the mean time all economy-deep intermediate activity, thus whatever happens prior to these final returns, consists of carrying potentials from one level to the next; i.e., as stated before, the economy exists in a continual state of *becoming*. There are no determinately valued stocks computable along the way, when their goal orientated momentary value will only far into the uncertain future be *determined* by the effective demand for derivative final output. It can't be overemphasized that capital has no inherent value of its own, but is in absolute need of non-directly related *returns* to be considered as *having been* valuable in any pecuniary sense. Abstracting from the economy's intrinsically dynamic nature, calculated in the form of static and hence determinate representations, a methodology that all conventionally reasoned economics approaches utilize at present, defines away the reality we so desperately need to know; not only to make some sense of it, but also to be able to do justice to all.

If one yet abhors such an approach, because it puts a death knell to "doing" economics in the conventional sense, and one instead seeks to affect some kind of direct causation, in particular say by engaging money as a cause; for instance by positing that a certain amount of money can cause a quantity of goods many times the money's nominal value to roll over; then one *has* to define both monetary quantity and value in more basic terms, while not running into contradictions as one goes along. I'm not aware of any successful attempt in that regard. Some of the sharpest minds in the economics discipline on the heterodox side for instance can get no farther than stating “money is as money does"; which I'm afraid is about as vacuous an affirmation as can be imagined. So too, by the way, is the pseudo-intellectual approach of the various positive-money reform movements, hiding the fact that as long as they don't have a *theory* of money either, they can't possibly know what it *is* that they are talking about; let alone come up with a cure for whatever ails the economy. By a theory (of money) I mean: explicitly stating a set of premises and let the true meaning (of money) roll out of a logical delineation in its terms.

Separating out conventional economics by itself, insofar as being markedly different from this newly proposed approach; broadly speaking, and as already mentioned earlier, there are two very distinct branches of economic thinking that are formally being taught in universities world-wide. There is the laissez-faire approach of orthodoxy, which basically holds that a free market is always sustaining an optimal equilibrium already and thus any kind of government interference is overall merit reducing. And then there is the heterodox approach, which holds that the market isn't really free but governed by powerful factions mainly looking out for their own particular interests; so that government interference in the economy, keeping the latter in check and thereby countervail any undue influence, is indispensable. But since very few schools exist where the latter is taught at the undergraduate level, virtually everyone studying economics starts out with an understanding that equilibrium reigns outright. And even while heterodox approaches later deviate from mainstream thinking in that respect, virtually all of them yet maintain that even though not always in effect, equilibrium remains the underlying state of the economy. Hence their reliance on static equilibrium depicting equations as the only possible point of departure as well.

We however will reach the very opposite conclusion. Not equilibrium but disequilibrium is the economy's natural state of being. Equilibrium can only be thought of as possibly existing in a dynamic sense. But for that desirable situation to indeed prevail over time, some very specific conditions, unheard of in orthodoxy and only vaguely guessed at by heterodoxy, will have to be met. Analytically at any and all particular points in time, and this even includes hypothesized points of departure, and not dissimilar to a moving bicycle which is naturally falling from the get-go and requires constant external corrective activity not to crash, the economy is in a state of disequilibrium. This again is another aspect of the reason why all mathematical equations, describing the economy as statically existing in time, are fallacious. A most serious accusation indeed, as it posits virtually all practising economists as incompetent mechanical engineers trying to identify the forces that are involved in keeping a bike upright with a set of static equations.

There is a strength in the orthodox approach to economics however, and it lies in being fully deductive, at least potentially. This means that when a set of assumptions is put in place, the entire theory follows as having to be true as long as no internal contradictions prove it to be false. Deductive reasoning far surpasses inductive reasoning as a methodology we mortals can use in order to come to the conclusion whether something is true. But while the methodology adopted in this work, makes use of this prime philosophical principle as well; as very soon will be made clear, a preemptive step is taken in answer to the valid objection of heterodox economists that human activity cannot be neatly pressed to fit inside axiomatic structures. In any case though, the legitimate applicability of deductive reasoning regarding an entire field of study depends on whether the initially chosen axioms or premises, while these can be construed to be self-evident within the capacity of our reasoning, at least conceptually preexist outside of the particular field of study that is to be investigated. Taken from that exogeneity, those axioms will then both delimit the entire field of investigation and set out proving the latter to be true in its terms. And last but not least, the arrived-at truth ought to be apt enough to be both meaningful and relevant as far as their practicality toward real-world events is concerned; with the argument below setting out to show why in my opinion, orthodox economic theory falls flat on its face.

Orthodox economics, as we know it today, dates back from the last third of the 19th century, when the so-called Marginalists made a clear break from the classical polemists on the subject who had called themselves political economists. The impetus for this break-away had likely been Marx, who had taken the classical *labour theory of value* into a direction that was most upsetting to the ruling class of the time. But instead of dealing with Marx's value argument head-on as is done in this work[5], a new theory, involving a very different but meant to be plausible value concept, was founded on the benefit (utility) that consumers feel is derived from purchasing an extra unit of retail output; with such evaluation then setting the price they are willing to pay. No need to worry if this explanation is about as clear as mud to you. For, as will become clear soon, this contrived and highfalutin argument about consumer motivation that seems to deliberately obfuscate rather than clarify, is all muddled and meaningless reasoning anyway. Arrived at much later, but still based on what at that time was held to be an

5 In short: the diametricality of historical materialism (Marx's premise of a determinate and *positively* valued *static* point of departure) and the *accounting* for existing capital values as previously spent and thereafter, for a continuity, *dynamically* in need to be resolved expenditures (or *negatives*), never leaving the debit side of a booked ledger and consequently without an attributable return, remaining *less than valueless* in the stark reality of business accounts; has had Marx needing to resort to gibberish in his conclusion as to how, yet *accounting-wise*, the value of worn-out (capital) means of production gets replaced under *equilibrium* conditions, *in addition to* capturing new profits during the same investigative period. (i.e.) Marx's "reality" whereby a continued renewal of already existent and *deemed* positively valued material means of producing becomes assured, as new and determinate starting point to a wearing-out process in perpetuity, is a fake reality regarding such operations in any accounted-for economy. And while his exposition of an inherent conundrum in capitalism's workings, unrecognized as such by capitalists as well, indirectly proved the manifest nature of capital, he couldn't accept the result as his entire oeuvre thus far had derived from the opposite perspective. Even though yet more devastating to capitalist ideology than his own, his pre-analytical premise prevented him from grasping the true answer within his reach. Consequently Marxism, regardless of its well-demonstrated merit in awakening class consciousness and resistance to oppression, isn't a viable economics' alternative when the essential point of contention is an at any time reigning determinateness (is it already ex ante, or only ex post?) of capital values, and as to how these come about in the first place; and ulteriorly, as being accumulable positives. But with the present discourse irrefutably confirming that any economy, capitalist or not, inherently is a chronically being in *disequilibrium* social structure; the thus naturally valid principle of socialism, rather than all too often denigrative, only becomes strengthened by the above elucidation.

axiomatic utility principle[6], the most often cited and agreed-upon definition of the economics discipline is that "*it is a science which studies human behaviour as a relationship between given ends and scarce means which have alternative uses*"[7] [all in terms of a utility measure]. Accordingly, the modern orthodoxy hasn't been occupying itself much with how production, exchange, and distribution arises, nor even with consumption as such; as all of these activities are taken as natural givens within their market-restricted analysis. Instead, its main if not only concern is a specific portion of purely natural human action; and its domain is an all inclusive, and already established, closed human condition inside a physical structure that functions within an operational equilibrium of utility values, encompassing both the means and its ends. But since there is no possible way that the fully understood to be *subjective*[8] expected utility principle of value could be conceived to preexist outside the as such posed and already operating economy; and the latter in its entirety, as inclusive of the utility principle itself, is yet purportedly explainable in terms of that very same principle, its meaning is circular. (i.e.) The axiomatically derived utility principle is meaningless as far as having any clarification potential whatsoever. And it gets even worse, for, as we'll find out later, a reliance on utility as a fundamental measure of value can be shown to go against our innate sense of justice.

Furthermore, in a state of existence that enfolds both means and ends there cannot be a detectable *overall purpose*[9] to its goings-on either, and so the orthodox edifice though meaningless could possibly still be true if a purposelessly meandering through time economy is. If that were indeed so however, while we would of course be able to detect individual investments going wrong, we neither would be able to substantiate any macroeconomic abnormalities, nor take measures to prevent or correct those, as we would need a benchmark of purposefulness in order to do so. But since there can be no doubt that we can detect not only crises but the ups and downs of general economic activity as well, an overall purpose has to be an unassailable feature of an economy. And hence, that purposeful *end* will need to be situated outside of the economy's borders, thus making the entire economy strictly a set of *means* and the orthodox edifice false. Non of this logic apparently ever entered the radar screen of orthodox economists. So for example, there is nothing counter-purposeful to an ever widening income gap between the proverbial 1% and the rest of society; and even if such "wealth" acquisition would extend all the way to serfdom for its populace, so be it. Thus in spite of self-proclaiming to be the "queen of social sciences" economics as currently taught doesn't even reach the level of any social science like anthropology, sociology, psychology, etc., as those fields of study can at least be said to have defined purposes. When meant to convey an ability to make positive changes to the human condition, through a deeper understanding of its nature, orthodox economics, ever since marginalism took a hold of it, has been fakery;

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6. Modern (post-war) research has proven that axioms of rationality have to underlie utility. But while no longer an axiom, it's still a crucial principle without which neoclassicism falls apart.
7. L. Robbins "An Essay on the Nature and Significance of Economic Science." London: Macmillan. 1932 (p. 16)
8. i.e. from within
9. As already mentioned in the Preface, a telling example of this is the universe itself.

and that holds true despite its supposed “hardness”, as an ability to model the very existence of a society in figures. For as we'll get to soon, the only medium for those figures to be manifested in is a unit of account whose “hardness” is intrinsically *elastic*; and by holding its value invariant over any length of time, that too defines away the dynamic essence of our economic structure; so, bye-bye rigour! And to top it off for now, while it's true that the other social sciences are having some use for mathematics, this is a relatively recent phenomenon and hardly an essential feature, just about all economists somehow take it for granted that their field of knowledge cannot do without. So, meaningless -- axiomatically; untrue -- as shown empirically; and faking rigour -- (both as already indicated in the preface and to be extended upon later); some queen indeed...

Now, since no one in their right mind would claim that any of the above listed sciences can be more or less fully explained in a relatively tiny book like this one; it follows that the human condition, in all its complexity, has to fall almost entirely outside of what we are going to be concerned with here. That is, except in one very important and overriding aspect -- in the final analysis, economic deductive reasoning is incomplete within itself. In no way however, should this be construed as being some fatal flaw, for all it needs is an extra level of reasoning. Just as was hinted at above, no atomistic examination of all the components that are identifiable in the causation process through time of any natural entity, system, or a field of knowledge like the kind we're concerned with here, can ever be complete enough to be able to detect the reason for its existence, or its purpose in part or as a whole. To gain that particular knowledge, an entirely different level is required, and the same principle applies to straight deductive reasoning. The essence of what this entails in our case, we'll get to shortly. But for now, just like its fundamental premises in terms of which the entire system becomes explained have to find their origin outside of the economic structure, so too will effects be detected that do not find their ultimate cause in those axioms. These effects derive from a number of acted-upon human propensities like greed, satiation, indolence -- because of "having it made", applied undue institutional power, disposition towards crime, as well as the familiar "expectations"; all flowing from the innate human spirit, held by its owners to be rational, that seeks to maintain or better its own material well-being, but yet remains unaware and/or is even totally indifferent to all the consequences that this could possibly entail with respect to the economic system as a whole. These types of ultimate causes, also all situated outside the economy as such, will need to be considered as being antithetical to the basic thesis. And its effects, quite possibly catastrophic to the system as a whole and therefore in dire need to be judged and dealt with, are the clues that fitting the behaviour of non-utopian humans within a specifically chosen axiomatic composition, requires an ultimate synthesis from the thesis and the collective of its counter indicants comprising the antithesis. Hence this parlays the otherwise valid objection made by heterodox economists, that human activity cannot be neatly pressed to fit inside axiomatic-deductive structures.

Thesis, antithesis, synthesis, perhaps these terms are already vaguely familiar to you. But it doesn't really matter as the concept is neither overly difficult nor essential in order to grasp its meaning with respect to what we're concerned with, i.e. epiconomics. The concept got its origin in ancient Greek philosophy and was then and now associated with the method of argumentation called dialectics. Marx latched on to it also, as he thought that it would give his theory a scientific backing. But when he wrote about the antithesis (capitalism) being the negation of the thesis (feudalism) and the synthesis (communism) being the negation of the negation, as a linear progression in time, he made a mockery of dialectics instead. For there is nothing at all dialectical about the supposedly inevitable course that a society takes toward communism. In dialectics specifically there is no end point, a final conclusion, or absolute truth to an opinion of any kind. Quite the contrary, as from all manifestations seems to be the case, dialectics can only be understood in terms of the fundamental uncertainty that forever befalls the human condition. The Greeks were already quite aware that the establishment of absolutes (or negating the limit of infinite regress) will always remain beyond us. Dialectics as practically applied takes this even a step further, by the realization that independently determining the absolute meaning of higher-order philosophical concepts like “true” and its opposite -- “false” is impossible also. The closest human beings can ultimately come to in that respect is by referencing one to the other, as in: true is not its opposite, and, false is not its opposite. This is quite significant for it would imply that individually, both true and false are meaningless terms and impossible to exist just by themselves. So that on the level of human existence both sides of a particular issue at hand could be said to be required, to then step-by-step move towards some middle position in order to arrive at a single meaning; i.e. by dialectic logic substantiate the truth of something under investigation, at least until further evidence from either side again moves that "middle" position either to one way or toward the other. Fact-finding a lower-order “true” position of an opinion about an as yet inconclusive subject, at least according to dialectic reasoning, thus requires an approachability from both sides. These opposite sides of any subject under investigation are assigned the terms thesis and antithesis, and they each need to be developed in order to produce a refinement to straight deduction called a synthesis. The latter is yet destined to remain forever short of an absolute. Because the tools of philosophy with which any debate is conducted on a human level are fundamentally unable to be defined independently in time, later arguments may well alter or refine what earlier was synthesized as true. So ultimately no certain point of departure in time, from which a sought to be true answer is linearly derivable, exists. Hence another reason why all deduction is incomplete.

But regardless whether truth-seeking about a specific opinion (say e.g. about austerity) is the limiting/ad hoc deductive thesis method, or the more in-depth synthesis seeking through dialectical argumentation is being utilized, their methodology invariably involves the same two levels of validity. Since both methods incur exogenously derived premises, there can be no transcending to a higher one, and thereby conceivably overrule the findings of one thesis with respect to any other one. In approaching any case-specific truth deductively, i.e. thesis-wise, what happens is that from somewhere within the full domain of our reasoning capacity, what appears to be self-evident premises are hauled in from outside or beyond the to be conducted investigation of the field of study, and, though unverifiable as indeed meaningful, held to be true for the purpose of logically determining the truth of a particular domainal opinion or status; after which confirmation the chosen premises share a connection to a specific, in its terms arrived at, “truth” and thereby become now *meaningfully* true, but only for as long as no contradiction is discovered to occur somewhere within the field of study. Examples of such frequently posed axioms by the reigning mainstream or in neoclassical economics (leaving untouched for the time being the question about the location of the endogeneity border) are: (1) individualistic human rationality toward an expected betterment invariably determines all economic outcomes in terms of their obtainable utility; (2) the total of available utility is equal to the sum of its determinate individual parts (hence a.k.a. the micro-foundations of macro); (3) an economy comprising individualistic human rationality has to be in, or at least is tending toward, a static equilibrium; and (4) money is a veil, obscuring the realities of axioms 1-3. And while no doubt this list isn't complete, as in fact new axioms are added all the time in order to try staying coherent in the face of both internal and external criticisms, it's held to be complete enough for our purpose. Note, that while a common underlying meta-field from which the above axioms are taken isn’t self-evident, and as such escaping the cognition of the axioms’ discoverers as well[10], it changes the argument a great deal from a situation where axioms are drawn from somewhere within the non-specific entire domain of our reasoning capacity. So next it will be further argued that, obvious or not, such a meta-field as a bounded part within our human capacity to reason, can indeed be held to exist.

But for now let's deal with when the underlying premises of the proposed thesis under consideration. And while neither would be meaningful at the outset and in isolation without having a meta-domain comprising justice underlying the set of three; it could be argued that all three, in terms of associated justice principles like: the protection of rights, upholding obligations, and shielding from harm, either obviously or even if only concordantly with societal norms and business law, are already meaningful *before* starting a deductive process from them in the quest of discovering how an economy works, insofar that meta-domain would be purposely covered by those premises, and their to be deduced field of study later. Apropos the meta-axiomatic cardinal virtue, justice, however; even though this may have axioms like a version of the “golden rule” underpinning it[11], it isn't just held to be true but is

10 In their determination to revolutionize the classical political economy of their predecessors, the concept that Adam Smith’s “Wealth of Nations” found its origin as a part of his earlier “Lectures on Jurisprudence”, thereby inspiring and convincing all his contemporaries and later followers in the classical tradition he had fathered that political economy was rooted in Law, was either forgotten or wilfully ignored by the original Marginalists. But regardless of what is closer to the truth, the omission to acknowledge more than a century of accumulated wisdom unwittingly set the stage for modern Neoclassicists, who, with unbounded hubris, are now going all out to convince Law faculties world-wide of microeconomic principles’ efficacy on jurisprudence, whereby thus setting Smith’s opus on its head. The absurdity of it all will become clear soon.

11 The philosopher Henry Sidgwick's axiom of justice: ‘whatever action any of us judges to be right for himself, he implicitly judges to be right for all similar persons in similar circumstances’.

intrinsically beyond the question of being true or false. Put differently, unlike any sub-domain or decision-making process derived from it, justice itself, as it resides deep within the human psyche as an a-priori cardinal virtue, neither requires a synthesis to discover its ontology, nor could it be identified as an a-posteriori normativity; and so, any underlying axiom(s) can only be held to exist because of its potentially fallible *application* toward truth seeking. Thus, while as far as the validity of the newly proposed thesis as a whole is concerned, the dichotomy of true and false has yet to remain operational and the chosen premises themselves are only true for as long as no contradiction appears within the (case-specific) deductive process from that in this particular case already meaningful set of premises, the "thesis" conception has also acquired a macro meaning. That is to repeat again in different words, instead of the thesis limiting itself to concern the self-contained domain of an economy, using deductive logic while seeking to determine how it works; the domain of justice to the extent of comprising that part of jurisprudence forming the body of law applicable to (political) economics[12], and from which the set of premises used for thesis-building of the now sub-domain is taken, becomes included as an extended (macro-)thesis as well[13]. And what governs the extended nature of a thesis also has to govern the essence of its antithesis, and hence the essence of the synthesis as well. The significance of being able to use this extra layer in rational investigation would be coming to the fore, not only when a thesis held to be steeped in a meta-axiomatic golden rule can show a competing thesis to be unjust; but, if that same thesis is shown to be an antithesis, while the latter's arguments are still valid case-specifically, they are invalid to overturn the meta-field discovery of justice underlying all economic thought. And what governs the dual nature of a thesis also has to govern the essence of its antithesis, and hence the essence of the synthesis as well. The significance of being to use this extra layer in rational investigation would be coming to the fore, not only when a thesis held to be steeped in a meta-axiomatic golden rule can show a competing thesis to be unjust; but, if that same thesis is shown to be an antithesis, while the latter's arguments are still valid case-specifically, they are invalid to overturn the meta-field discovery of justice underlying all economic thought.

So, as opposed to the micro status of a synthesis whose purpose is case-specific truth seeking as alluded to in the narrative above, a synthesis in its macro identity governs the entire field of study as bounded by the premises of the thesis, and whose purpose is a seeking of whether the entire field under investigation is true (or, what amounts here to the same thing, not false) in terms of the underlying premises' nature, e.g. justice. Micro-syntheses thus can be construed within the bounded domain of our reasoning capacity, but as such are unable to

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12 Cf. "To direct the policy of nations with respect to one most important class of its laws, those which form its system of political economy, is the great aim of Mr Smith's Inquiry". Stewart, D. Account of the Life and Writings of Adam Smith, LL.D. *Presentation to the Royal Society of Edinburgh. 1793,* (p. 311 as retrieved from: http://competitionandappropriation.com/wp-content/uploads/1970/01/DStewart_LifeSmith.pdf)

13 No such (macro-)thesis extension can be made logically when normal circumstances rule, i.e. where axioms are drawn from somewhere within the unspecific domain of our reasoning capacity as a whole; and as such are in lack of a specifically underlying and identifiable (meta) field, having axioms of its own.

determine whether, as a single-case truth seeking effort, our reasoning capacity over the whole field of study will remain objectively true; as a contradiction cropping up during a future seeking of a specific truth may yet throw the whole field in disarray. Macro-syntheses on the other hand however, as having transcended any bounded field of study, effectively determine whether a specific field of study in its entirety is or remains true apropos the axiom(s) of its meta field. Since the “golden rule” was already identified as a possible axiom underlying the applied virtue of justice, and, for a substantial synthesis-seeking, the field of the thesis and antithesis both covering the same ground (i.e. the question of how an economy works) necessarily have to have a commonality on which the argument rests, the meta-field of the antithesis must be “justice” also. Except, instead of its axiom covering the economy's workings as its sub-domain comprising the golden rule, its axiom as far as covering the same field would have to be the opposite of the golden rule, i.e. an unconditional individual liberty.

The stage has now been set to probe the validity of the neoclassical thesis as constituting the antithesis in a synthesis seeking of it and the herewith newly proposed thesis. And the first thing to be reiterated is that we are working with a sub-domain of justice as indicated by the thesis. It's obvious that unconditional individual liberty cannot possibly be a valid axiom underlying the full domain of justice, for in that case e.g. criminal law could never be adjudicated. But aside from the notion of “free” being a crucial component in the vernacular of economics, think *free*-market system; non of the three main axioms underlying neoclassicism, while meaningless without the freedom of its agents to act and thus unequivocally relying on this never stated meta-axiom to be true, can be associated with common justice principles like rights, obligations, and protection against harm; since, as far as requiring a conjunction with *others*, these are all nonsensical concepts to the solitary individual of orthodox concern. Thus putting any restrictions whatsoever on the extent of that freedom or conditionality to the truth of those axioms would never even enter the picture. But while an unrestricted freedom to act is certainly pertinent in Robinson Crusoe’s world of selfish utility maximizing, (i.e.) the starting point in neoclassical marginal-utility theorizing, justice as identified by our inner psyche is meaningless there. And this would mean in turn that every economic concept derived from its axioms, or the entire orthodox paradigm, not only is solely valid when an unrestricted freedom to act is sanctioned judicially, but the latter is demonstrably relied on for its validation as well. On the linearly ordered reference to truth finding about the economy's workings, given the meta-domain of justice underlying it, there is therefore a perfect fit between the placement on the one end of it the freedom limiting golden rule, and the other end being occupied by unconditional individual liberty.

This may all be fine and well, but how significant is it? Are there any other philosophical options open to us that are more direct, less involved and thus more obvious? If we would simply make the golden rule axiomatic within the thesis and not only forget justice in the sense of comprising its meta-field, but try to deal with a competing thesis without signifying it as its antithesis, a problem is most likely to come up. For in a well-grounded analysis and until a contradiction shows up, the logic of any thesis is equally valid to any other one. This would mean for instance that, until a contradiction in the neoclassical paradigm can be pointed out, there can be no legitimate logical argument invalidating “greed is good”, that well-known shibboleth of the financial sector ruling class. Instead, anyone who opposes the validity of that position would either be stuck in the insurmountable position of having to prove a (considered to be) negative, or else stick to normative argumentation, i.e. a movement away from a positive what *is*, to a *what ought to be.* And, when the opposition in persuasion is having a powerful standing in society, thus setting themselves up to (as a rule) lose the argument that way. Witness (e.g.) the countless court cases as a rule won by financial corporations against individuals[14], because the overriding freedom of the former to buy up debt for pennies on the dollar, while charging and trying to collect from debtors the full amount owed, is *judged* to be paramount; i.e. justice is held as served, regardless of potentially devastating consequences. In synthesis seeking on the other hand, both sides of the argument would have to agree, that at least to some extent the slogan mentioned above can indeed influence the seeking of truth as to what is, and that normative arguments aren't necessary to achieve the latter. But the why and how of it all has to be for later.

But as a short extension to the above for now, the crux of the matter is that while we can pre-designate whatever we like, we can never be sure that the presently powerful influences from the deemed to be antithesis side won't come up with a valid argument at some time regarding a specific case, that shows a contradiction in the logic of the newly proposed thesis and thus be able to throw the whole of it in disarray. By introducing a meta level however, while yet keeping the antithesis arguments valid level-wise with the thesis, the onus from then on forward is on the antithesis side to show a contradiction while truth seeking, due to the subject of economics being a sub-domain of justice. Up until that happens, the macro-synthesis, being steeped in justice, rules; and the antithesis, i.e. orthodoxy, both as a whole and concerning individual specific cases of disagreement with heterodox thought, because of being just as incomplete as the thesis cannot be true all by itself in an overriding capacity.

What both the micro- and macro-syntheses hold in common though, is that any attempts to in one way or another combine the premises that underlie a thesis with the ones of its antithesis, i.e. a pick and choosing of premises from both sides, would immediately result in a tangled mess of self-contradiction; and any such parameters are thus invalid from the outset in seeking a truth. Therefore, presently conducted heterodox reasoning holding normative sentiments as binding that, although concordant with the conclusions of this alternate approach, are yet retaining some orthodox axioms, is doomed to failure. So regardless the valiance of trying to get opinions changed using a hitherto available tool set, a more likely to succeed attack on the status quo has now superceded it. Also, until both the thesis and the

14 Stauffer, B. (2016) *Rubber stamp justice: US courts, debt buying corporations, and the poor;* Human Rights Watch. https://www.hrw.org/report/2016/01/20/rubber-stamp-justice/us-courts-debt-buying-corporations-and-poor

antithesis of an entire field of study are substantially identified, a macro-synthesis cannot be meaningfully conducted. From the above also follows too, that an antithesis in no way has the power or quality to negate anything as a complex whole (thesis). So that the linearity of negation when invoked as such, as was encountered earlier in Marx's argument, is a seriously misconstrued representation of the dialectic thought process as rudimentarily outlined above, and thus is highly misleading.

Further to the argument against forgoing a meta-level synthesis seeking would be pointing out that while perhaps unlikely, it's never a sure thing that the presently powerful influences from what is deemed to be the antithesis side won't come up with a valid argument at some time regarding a specific case, that shows a contradiction in the logic of the thesis; and thus an alteration or refinement of its axioms would be required. But by having introduced a meta level, while yet keeping the antithesis' arguments valid level-wise with the thesis, the onus from then on is on the antithesis side to show a contradiction while truth seeking, due to the discipline of economics having been identified as a sub-domain of justice, with the latter's application having the golden rule as its underlying (meta) axiom. Until that happens, the macro-synthesis, steeped in justice, rules; and the antithesis, i.e. orthodox thought, both as a whole and concerning individual specific cases of disagreement with heterodox cogitates, because of at best being just as incomplete as the thesis, cannot be ontologically true all by itself. Holding that proposition as valid, are there any options left for orthodoxy to counter the above analysis and still proclaim its dominance in economic thought? Perhaps, but a continued contestation to that effect is probably best left to the other side to take up; time will tell.

Interesting in this respect as well, is to bring in a quote of Keynes's opinion regarding the limitation of pure deduction (i.e., that what follows from a thesis alone): "The theory of economics does not furnish a body of settled conclusions immediately applicable to policy." He went on to say that: "It is a method rather than a doctrine, an apparatus of the mind, a technique for thinking, which helps the possessor to draw correct conclusions". Or, in other words, while the composition of the economist's toolkit is an all tangible affair, attaining the goal of its successful application doesn't follow directly from the properties of those tools but involves a separate objective entity, existing on a different plane, altogether. He didn't go so far however as proposing that a synthesis of the economy as subject, with the economists' toolkit would be necessary, to see to it that those "conclusions" are indeed "correct" or fair to all concerned. By taking that unsubstantiated position, Keynes placed his own attempt to formulate a complete economic theory somewhere between both the Orthodox approach and the Marxian doctrine.

For Mainstream economists claim that by holding onto their their set of axioms: hands-off the market, cut-backs, austerity and the like, follow directly from their proffered thesis. And a -- *from each according to his ability, to each according to his needs!* shibboleth is claimed by

Marxian economists to inherently roll out of their "synthesis". This alternative approach could be seen, in this respect, as furthering Keynes's thought and reject the conclusions of both the currently in charge Mainstream economists and that of their Marxian adversaries, by proposing that in order to arrive at equitability, a philosophically sound synthesis is needed to indeed furnish a body of settled conclusions immediately applicable to policy. Economics will thereby be positioned to regain the meaning it had for such Classical political economists as Smith, Sismondi, and Mill; to wit: being a subset of Law, or perhaps better expressed now as Justice. And thus in spite of Keynes's often expressed antagonism toward Classical thinking, this proposed alternative approach ought to provide his followers with the wherewithal to dethrone those currently in charge of economics' faculties world-wide; but not without seizing its new-found principles and make them their own, and with a powerful justification for the latter to follow later in this introduction.

Also, not only could the audience or readership of this work be considered to be identical with the one for whom the Classicals wrote: i.e., literate non-economists; but holding the cardinal virtue -- justice, or fairness for everyone, to be the overarching conception whereunder all economic principles find their source and are meaningful, is far more profound than putting one's faith on the principle of utility to be able to provide meaning in full to the entire field of investigation. And all the more so, if, as alluded to in the set of arguments already dealt with it can be shown, even without any of the immediate foregoing, that a reliance on utility as a measure of value is in severe conflict with one's innate sense of justice. (e.g.) Consider the following thought experiment as indicating herewith a possible case in point... For loan agreements to be valid in general, both the lenders and borrowers must inherently be able to honour the terms of the contract[15] they have entered into. Meaning, that whatever payback conditions are agreed upon and regardless of any future uncertainty, the possibility of loan redemption must remain intact or justice won't be served; and an economy both in conflict with its underlying accountancy principles and without applied justice cannot possibly sustain a betterment of society. So if the utility function governing the value-seeking reactions of its lenders (a.k.a. the financial industry, incl. CBs, IMF, WB) upon returns on their investments, in the aggregate over time, can be shown to truly interfere with the workings of the economy to the extent of making it wholly *impossible* for a number of agreed-upon loan contracts to indeed be paid back in full, then an unfaltering reliance on rationally derived utility as being a just or fair socioeconomic underlying principle is illegitimate, and all its granted loans ultimately based on that same principle would judicially have to be declared as null and void and indubitably then be subject to a form of jubilee[16]. The circumstances of this particular point as well as that of closely related situations, like an ever increasing inequality that yet further delegitimize the orthodox utility principle, will be explored later on in this work. Not to more than reiterate at this time, the devastating consequences that the conceivable quashing

15. Cf. John Rawls "A Theory of Justice", rev. ed. pg. 153
16. A from antiquity dating form of justice, whereby successive rulers nullified the accumulated and having become unpayable debts incurred by the population at large during the reign of their predecessor.

of the subjective utility principle of value, in addition to the above already voided definition of economics, would entail with respect to the entire orthodox edifice.

Regardless of the ultimate importance of the synthesis however, it is the analysis of the far more extensive thesis that will need to be dealt with first. And to make that relevant, our economics will concern itself with just about everything that orthodox economics neglects; as it most definitely pertains to all facets of production, exchange, distribution and consumption, and how these factor conditions evolve over time as our knowledge about them increases. Indeed *increasing experience*, or how the above as parametric quantities are influenced to grow from having *learned by doing*, will be found to be the sole engine of physical progress; while just about the entire investment sector, instead of holding the holy grail to this growth, will be identified for what it truly is – a parasitic killer of enterprise and advancement. And while future generations may well have to deal with a curtailment of economic enterprise due to the availability of natural resources and especially fossil-fuel derived energy and food not keeping pace with the needs and wants of a growing population; the only reason why now, for the very first time since living memory[17], the upcoming generation of those economically active isn't likely to be a little better off than the one now retiring, is because during the baby-boomers heyday and just beyond, under the ruse of being responsible for and having caused economic growth to occur, the financial sector has been ever greedier enlarging its allocated share of the pie to the detriment of almost everyone else, while having produced absolutely nothing tangible toward that growth itself.

Getting back to the orthodox assumption of an always recurring equilibrium: in terms of a given set of artifacts or (natural) resources, this would all be fine and well. No economic crisis, however severe, is going to deteriorate the physical value of nature's output surrounding and including us, and the same goes for the existence of production capacity and economically produced output of all kinds. But while this sort of measureless equilibrium observation is critical for the other social sciences, so as to be able to establish a point of reference for further study; not only is it trivial as far as the origin of a lasting disequilibrium or outright economic crisis is concerned, but it has potentially disastrous consequences in terms of inferred policy advice (details to be submitted later). Only in terms of its *unit of account* regarding obtainable revenue can an economy be shown to be out of kilter. No economic output, whether existing as intermediate means of production or for sale as final consumption goods, is worth anything unless a *return* is in the offing; and this return is never readily forthcoming in terms of bartering any presently existing other goods, but only in terms of an

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17 My interpretation of living memory in effect about doubles the time that it usually is considered to entail, all the way up to a period of 150 years or six generations, as spanning the distance in time of children learning about the living conditions of their grandparents when these were children, and relating these same stories, heard in their own childhood, as much as 75 years later, to their grandchildren in turn. In the trust of course that the lucky “first-handers” will impart their knowledge to those not so lucky in having got communicative grandparents.

economy's unit of account.

In our type of economy, that is to say one in which monetary returns (revenues) are held to be paramount, certain procedures will have to be followed through time. So that cost covering returns, and inherently with that: a dynamic equilibrium, always remains at least a feasibility. And it so happens that orthodox economics has no way to establish whether this feasibility is indeed being maintained, or not. As the Mainstream isn't concerned with what was expended as costs in the past, for why should it since the present if not exactly at, is at least always tending towards an equilibrium anyway, it isn't equipped to take on the task of prescribing solutions for when economic activity disequilibrates to stay so, or things obviously went wrong in terms of feasible returns. Thus orthodox economists, i.e. the ones either advocating a hands-off policy, or cutting back on supply-side spending, specifically by enforced austerity of a government sector in debt, are as useless as physicians who either are strictly relying on the fact that virtually everyone recovers from most illnesses anyway even without their hard learned intervention, or who'd resort to bleeding their patients as a matter of course. The salient point being that for a profession to be useful, it has to understand cause and effect within its own field of knowledge well enough to recognize why things go wrong; in order to either prevent these wrongs from happening, or to come up with a cure and thus drastically curtail misery.

Aside from all reasoning being vacuous without an at least plausible string of cause and effect, there isn't a single human discipline or skill that doesn't concern itself with causation. The mechanical arts and trades for instance are all about mastering a cause, or usually a set of several causes, so that certain desirable and predictable effects can be made to ensue from those. Mechanistic uncertainty, at least above the quantum level, is a contradiction in terms. Hit a nail on its head but, because of inexperience not quite squarely, and the nail will bend. All causal forces, including the inertias involved, are indeed discoverable through study and experience, and thus ascertainable in advance; and the effect is linear and immediate, without any space in terms of time for anything to worm itself in between the end of cause(s) and the beginning of effect(s). An immutable law governs those forces; and because Nature is being imposed on us by some higher power over which we have no control, we cannot legitimately question the "reason", "purpose", or “rightfulness” of cause and effect in nature. But how valid is this restriction where it concerns economic forces? Conventional economics may well presuppose that the economy's endogenous cause and effect relationships result from innate human behaviour. But what if the economy is thought of as purely a human-made system? For in that case we can step outside of what we wrought and look at the whole objectively. Now not only can we discover why things are the way they are, but, by having set their supposed meaning in terms of justice for ourselves, we thereby became enabled to determine whether and why a particular outcome of cause and effect is as expected or not; i.e., is the activity part of the thesis or of the antithesis. Unconsciously perhaps but yet, an understanding in full has now effectively become within our grasp. Within our self-made system, no immutably set cause and effect is being imposed on us from higher up. The only existing impositions are both the limited availability of natural resources, which we import into our system, and a naturally evolving expertise to rework those resources for a particular purpose.

By setting the *purpose* of the economic system as providing all of us with a sense of well-being, or, if that is too amorphous, perhaps more rigorously expressed as a *standard of living,* that is almost infinitely more augmentable than we could possibly hope to achieve without the economy's systematic help, as well as by quantitatively accounting for systemic activity in terms of a denominator or numeraire, a somewhat peculiar but very profound change in the nature of cause and effect takes place. For cause and effect, the dynamic activity from one to the other being known as causation, no longer is straightforward as we normally observe causative action to behave in the natural world, but this causation has now become *inverted*. How so? Think of it this way...what are you yourself as an active economic participant in it for? What motivates you to get out of bed in the morning, so as to function and participate economically to as such cause output to happen? The answer I think is pretty clear-cut. It is to be able to obtain a share of the collective economic output of *others*. No one economically active would at all be interested in being compensated for inputs in the form of their own, nor of anyone's else, specific periodical output. Meaning that in terms of one's purpose, the own-values of both input and output (i.e. labour, usually, but not always, mixed with other natural resources) are worthless not only to any pertaining individual, but, as a whole, to all individuals.

The exception that proves the rule being individuals involved in the direct production of food, who would possibly have some use for a tiny portion of their output. But on the basis of straight-forward usance of anyone's resulting output only, no economic inputs would ever be initiated to form a cause of anything. Thus instead of anyone's activity at any particular time being the cause of its own reward or effect, which as we'll soon see happens outside the confines of an economy, the hoped-for economic effect is caused by the activities of a multitude of others in causing the reward to be materialized over time. This in turn would mean that the effective demand propensities of a substantive portion of economic participants now occupies the space in time between the end of cause and the beginning of effect; and the economy, from beginning to end, *functions* as a waiting game to a final resolution that will be conducted at the retail level, from there adding to or maintaining one's living-standard. Expressing the determination of causal input in more or less simplified terms, while furthermore abstracting from any normally operating systemic lags and overlaps (i.e. every production period is mono-level and complete within itself): within an economy of say ten active participants, the effect of anyone's periodical *causal* input isn't its own output, but now becomes one-tenth's of everyone's causal outputs; as that is the reason why anyone's own input becomes initiated, and also therefore is its economic value under the conditions of a dynamically reigning overall systemic equilibrium.

The economy is thus a dynamic *social* structure at its very core, wherein all statically observed individual *action* is abstract or as being in a state of suspended animation until a *reaction* toward it either *determines* its value, thereby setting the stage for a continued reproduction, or rejects it as having been valueless all along. This conclusion goes as such diametrically not only against the orthodox dogma of individual activity, both by itself and in the aggregate, as inherently being able to create determinate production and utility "functions", but also goes against Marx's point of departure, that he expressed as: the inherent value of the production capability of individuals at any particular time. Within the former conceptualization, known as the "micro-foundations of macroeconomics", the engine of economic progression at all times comprises individual input; both directly, and indirectly by way of the owned input in whole or in part of determinately valued productive capital[18]; while the latter forms the opening line of Marx's "Grundrisse" (Ground-floor/outline), as a consequence of him having the "labour theory of value" in mind. Instead, the above reasoning establishes a prior condition to both contestations, which is the rational hope and expectation of, through as yet indeterminately valued personal input, being able to lay a claim on the fractional output of countless others within the existing economic system. It is therefore even more social than as envisaged by Marx.

As shown already before, the underlying reason for the orthodox misunderstanding of the value of economic output, is holding an agent's *utility* to be the determinant of value. But in full accordance with the axioms as set forth in this alternative approach: utility, or value-in-use, resides in a different world altogether. Use-values, inclusive of their underlying rational motives to obtain them, are thus supra-economic. The "free" best things in life, such as the value of all *unpaid* family work and domesticities like gardening (for food or pleasure), helping one another out in various social relationships and settings, our interaction with the commons, a life-invigorating hike, etc., have no numeraire through which they are, or can become, *added* to anyone's sense of well-being, yet tangibles and intangibles alike, they all add up to effect our standard of living. This means that the sum total of what such contentment in life is made up from, in no way can be numerated; and that therefore *all* values generated numerically, as happens within the confines of an economy under the form of a value-in-exchange, have to resolve to *zero* before these can become use-values and thus be addable to our sense of well-being. If the latter is indeed the end-purpose of *all* individual effort expended in an economy, as premised above, then the economy is strictly a dynamic

18. Even though it's been well over half a century now that *admittedly* there is no way to independently determine the value of productive capital, textbooks still take it for granted that a determinate capital production function isn't problematic at all. For a good layman's explanation of the so-called Cambridge Capital Controversy see: https://libcom.org/forums/theory/cambridge-capital-controversy-laymen-15012016 To which I might add that while the Post Keynesians were victorious in pointing out a critical failure in neoclassical equilibrium economics, (the neoclassical essential production function is: $Q = A \cdot f(K, L)$ where Q is output, A is the factor representing technology, K is the sum of the value of capital goods, and L is the labour input) they haven't been able to come up with a valid alternative capital-value theory either ever since.

means without the ability to generate a positive and depletable stock of capital with a net economic value as existing *in* time; thus making all booked values that cannot over time be turned into added human contentment, fictitious. In other words, the rational expectation of capital owners, that their ability to generate a positive and depletable stock is a true fact, was made from incomplete knowledge. However if someone could make a case logically, and from a different set of first principles, that the economy-exogenous contentment of human beings is not the total end-purpose of all economic effort, then the particular reasoning of capital having a depletable positive nature would indeed be valid too. But also be reminded that in spite of countless hours of research by top in their field economists, not one of them has yet been able to establish a theory of what capital actually is; which is an absolute requirement to determine the logic of a positive net capital value. Thus an empirical fact exists that puts all conventionally reasoned economic approaches behind the eight-ball right from the very start.

To recap as well as expand a bit: generating economy-exogenous use-values for the purpose of contentment acquisition requires human input, call it labour, creativity, skill, management, whatever. It may be as little as picking up or gathering natural output. But repose without input doesn't keep one alive for very long and certainly not long enough to propagate as a species. So ascribing the source of value to be Nature, rather than human labour, in no way is enlightening to show how we as human beings endure the lives we live. When, as having been performed outside the economy altogether, this input never acquires a numerical value, there is a direct and linear relationship between cause and effect; exactly the same as does happen throughout Nature. Meaning in this case that outputs are for self-, or one's family/communal use, and because supply and demand occur instantaneously, a supply of inputs cannot ever deviate from a demand for outputs. Never mind the fact also that Nature plays a big role in acquiring that value; since there is no way for a denominator to enter into the overall economy-exogenous value generating process, as far as the well-being of humanity is concerned, it is an impossibility to quantify the input of Nature as being distinct from natural human inputs. All inputs are natural inputs.

The outputs of Nature entering an economy are just as significant as they are in the use-value world. Nature however doesn't draw an income for its inputs, only human beings do, and thus here too: Nature's input is impossible to quantify numerically. Everything accounted for in terms of a unit of account, or money, is somebody's income or the price of anyone's economic activity; both earned and unearned, a distinction that usually makes its appearance in anyone's to be filled-out tax form. In the macroeconomic sphere there is no cost of materials. Thanks to being the denominator of all economic activity, money is far more than just a veil that obscures unequivocal real-world economic activity, as orthodox theory wants you to have it; for, when it is generally accepted as a unit of accounting for one's output in order to acquire the output of *others*, it alters economic causation. Or in other words, there is a determinable effect to anyone's causal economic activity, *only* if there is a demand for it by others; as, in the absence of a demand, all *economic* effort comes to nought in a void and so there is no *determinable* value just in a supply. And the same reasoning can be extended to the supply of a stock of so-called productive capital. Since capital without a return is valueless to its owners and a capital stock by itself is intrinsically unable to demand any output, it is up to the owners of that capital on whose behalf a return is charged to step up to the plate and either directly demand final output, or proxy it through an addition in the workforce doing the final-goods purchasing for them; while in the absence of, or an insufficient demand for, as such having been consigned final goods, an aggregate loss in resolvability, economic downturn, and a persistent disequilibrium is effected. Therefore no activity on the supply side, including (e.g.) the taking of risks and/or the provision of loans as being the starting point of much of current conventional theorizing, can ever be said to have been the *cause* of having enhanced any living standard already in effect. This is a paradigm shattering conclusion and means of course that lending, especially by financial institutions empowered to create new money as well as the profits that supposedly arise from that, does now have to be explained very differently.

But how fundamental is this observation? Well, it certainly doesn't follow logically from the orthodox assumption that the economy is all human activity as it relates to ends and scarce means which have alternative uses. There all the elements involved, both on the supply and the demand side, are given as real *without an obscuring veil of money* and thus are factually determinate components having a physical presence. Instead our conclusion that causation inverts in an enclosed, human-made and accounted-for system is factual, in that it follows from an altogether different set of axioms; the ones that underlie the alternate economic paradigm as exposed in the preface, alluded to before, and that we will talk about as far as its consequences are concerned in more detail later. So even though the heterodox critique of orthodoxy may well be broader in scope by questioning a greater number of its specific notions; since scarcity being implicit in value determination is also a heterodox assumption, the conflict that this new approach has with orthodox (mainstream) theory goes yet a fair bit deeper, for, as already pointed out, it questions the validity of orthodoxy's axioms to arrive at a meaningful and just truth. This means that there is no need to prove any of them wrong, and the fact that axioms can only be proven wrong by pointing out that an internal contradiction follows from them doesn't apply. On the other hand and according to Keynes however, "great care has been taken that its superstructure isn't at odds with itself". So, as far as being able to dismiss orthodox laissez-faire thought out of hand, the part of the existing heterodoxy that follows Keynes's concession cannot escape a severe handicap. This is also the reason why the conflicting policy advice on offer from the established orthodox and most heterodox factions in the economics profession is ongoing, precisely because the best that both sides can do is trying to convince one another, conviction is out. But again, this limitation doesn't hold true for this alternative approach. If no philosophical error was made and/or it can be shown deductively that the utility principle is in conflict with justice, then the door would indeed become opened to enable conviction. Relevance is quite another matter though. While the questioning of relevance can't be as convincing as being able to point out the existence of a contradiction or vacuity; the threshold for making a good relevancy case, by just applying some good common sense, is much lower. Hence the resolute endeavour of heterodoxy to stay in the game has to be applauded, even without that persuasion having much to show for so far.

Since there are already a number of excellent books and especially articles[19] available that, from a heterodox perspective, delve a fair bit broader into the inadequacy of orthodox economic theory to deal with our perceived reality, I'll leave it at this for now. But what about heterodox economics itself? It is after all the perspective from which the just lauded effort springs. And this alternative approach to explain economics too has been shaped and refined by countless discussions and long debates with heterodox economists. The main drawback of established heterodoxy, as I see it, is that the different streams of economic though calling themselves heterodox, rely on inductive thinking. So, instead of starting out with a stated set of first principles, the full extent of the latter remains unknown or at least is unacknowledged, although some orthodox deductions like: supply and demand are independent from each other statically determinable quantities, and its unit of account is also a physical means of exchange, are all retained as basically valid. Subsequent to that, observations are then made from within the economic structure, and become applied in theory as if these are indisputable truths themselves; i.e. they become either axiomatically added to the orthodox assumptions held onto, or now replace one or more of those. This, I'm afraid, is a cardinal sin philosophically. Philosophy – being the set of principles by which we are enabled, within limitations, to discern truth from falsity. For, while it is highly sensible to judge a deduced opinion to be meaningless in the face of empirical evidence; using it as an endogenously situated stepping stone to an alternative theory, I'm afraid, it is just as meaningless. Instead, the truth of an alternate theory has to start with the philosophical principle of all its axioms needing to be arrived at from outside the field of investigation.

While axioms, premises, postulates, basic assumptions, a set of first principles, or whatever expression one cares to choose in order to convey that theoretical elements and/or empirical observations are to be true in terms of those, self-evidently true, fundamentals; as primal "truths" these have to exist conceptually prior to the existence of the theoretical structure, with all its components, itself. One cannot start with a half-baked theory and then subsequently proceed with making valid observations from within, ostensibly all self-evidently true by themselves. Either the observations are true in terms of given underlying axioms, or the former can be held to be true prior to the existence of the theoretical structure one is trying to clarify; in which case they are axiomatic and arrived at from outside the economic structure as such, say (e.g.) in terms of justice or what we as human beings hold to be fair. In other words and again, all axioms, in terms of which the entire theoretical structure under scrutiny becomes explained, have to be derived from outside the particular field of study in question.

19. For a great selection see: http://www.paecon.net/PAEReview/

The commonly held attributes of money: to wit, being a unit of account, means of exchange, and store of value, are a telling case in point of how easy it is for credulous theoreticians to get themselves into trouble when the above isn't heeded and empirical appearances are (mis)taken for truths. First, as creators of the economic system, it is meta-axiomatic that we don't act in that pursuit knowingly irrational; and that effective reasoning about the truth of something, i.e. coherency, cannot be done from incomplete knowledge. Second, we know from Gödel's incompleteness theorem that regardless of how meticulously all the substantial elements of a system are examined, there simply cannot be enough information available, *within* any through arithmetic formalized systems, to prove both its consistency <u>and</u> its completeness. It's a matter of either-or. Thus given that the movers and shakers of the economic system have in mind the goal of fulfilling the economy's output for their own benefit, a truth that requires both coherency and completeness to define; in order to achieve that purpose, a system of double-entry accounts needs to be employed that as a tool, with its arithmetic in terms of units of account, over-arches the whole physical structure objectively. But also note that this truth-seeking redress only impositions upward the intrinsic incompleteness on the unprovable fundamental assumptions of accountancy; and while this doesn't need to concern us here as far as it goes, aside from the current argument it also has crucial implications for those economists who are used to hanging their hats on the absolute trueness of accounting identities.

While with the elementary units of account, being introduced from outside the physical structure in order to express all the economy's values, it will now be possible to obtain the economy's full and true picture; this also indicates that these specific non-physical elementary units of the utilized accounting system, cannot also be physical “*things”* on a lower level. The underlying philosophical reason for this is that subjective-deductive reasoning, which in this case involving the axiom of the economic system in its entirety being represented in terms of a system of accounts, requires that all its axioms be obtained entirely exogenous from the deductive probings with regard to how the economic system hangs together. So that money, as a fundamental element of the accounting system, cannot also preexist within the economic system being deduced in terms of accounts. This means that the empirically induced two other attributes of money, i.e. as a means of exchange and as store of value because it seems so obviously true, would instead render the “reasoning” as to how an economy works, incoherent. The upshot of it all is that not only Keynesians, as the inheritors of the set of triple monetary attributes, have found themselves working in a theory permeated with paradoxes; but that a coherently true theory of money couldn't be written conventionally either, as the many attempts to do the latter demonstrates.

As mere mortals and as touched on above, we are quite limited in our ability to discern what is true and what isn't; and it's all because infinite regress is a condition that we cannot escape. So truth is never absolute but hinges on what is previously assumed to be true, usually axioms, and only then for as long as no contradictions make an appearance. Thus the absence of internal contradictions, also known as paradoxes, is extremely important in being the only way to let us know whether we are still on the right theoretical path. The showing up of a paradox is the proof that at least one of our assumptions, either acknowledged or unbeknownst consciously, is false. When this happens it is imperative that we examine which assumption(s) could be involved. So that these can then be altered in such a way that the contradiction no longer occurs, lest our thus far carefully constructed theoretical structure becomes useless for explaining the truth of anything. The just referred to Keynes, no doubt the best-known and probably most widely admired economist of the last century, while being firmly ensconced in the heterodox camp, made the unforgivable error of not adequately heeding the appearance of paradoxes. This in turn has given the orthodox Mainstream of economists the valid excuse that Keynesianism in its pure form isn't a theory at all, and, since it requires a theory in order to supplant any reigning theory, pure Keynesianism is useless. But since dismissing Keynes altogether didn't seem quite right either, a good number of them set out to cherry-pick some of his ideas in order to combine those with the existing orthodox theory. At a later time we will come back to the particulars of this.

One of the recurrent arguments of this alternative approach to economics, is that the commonly presumed applicability of mathematics to all economic problems has stifled the very progress that mathematical logic has sought to achieve. For when one forces a state of being certain or determinacy to economic components, that in terms of everyone's reason for participating in economic activity, are still very much up in the air until that goal becomes achievable, then, since within a causative field -- undetermined causes are meaningless, a fundamental contradiction enters into economic cause and effect in general and the reasoning loses its logicality. Virtually all of us, even by far most of the 1% whom common sense tells us are to blame for the current malaise we find ourselves in, are economically active because it supplies the participant as well as any of their dependants with a standard of living. Even misers get their miserable standard of living condition from the output that others provide. And all economists too are engaged in their job, because of the beneficial living standard it provides them with. When the simple truism becomes acknowledged that no one's own economic output can *directly* provide or is the cause for anyone's living standard but that a unit of account is sought in order to acquire the output of others as well as give one thereby the option to indefinitely postpone such acquisition, the brunt of the all the consequences that this entails cannot be ignored.

To repeat for emphasis: anything done strictly for self-benefit and without making use of still to be resolved inputs done by others happens outside the economy. But this also means that everything anyone does within a free-market economy is done in the hope and expectation that someone else will appreciate that particular effort, by later resolving its booked cost on the retail level in terms of acquiring some part of one's living standard provision. A living that we enjoy again outside of the economic structure and where economically obtained goods and services only *add* to the best things in life; which, as the popular saying goes, are free. Up until that happens, all incurred costs are being passed on down by firms, which need to do so in order to remain viable, and all economic values in terms of a final goal that is going to be obtainable on the retail level, are uncertain or undetermined as yet. Once this fundamental principle becomes established, it allows one to draw a vast set of consequences in a logical way; whereby just about everything considered to be part of the economic realm becomes explainable, and conclusions fall into reach that are unheard of in conventional economics.

Continuing to repeat: in order to be able to *add* the output, in the way of goods and services, produced within the economic sphere to those of the previously indicated non-economic ones, the former have to be denominated in the same terms as the latter. As another truism goes: apples and oranges can't be added together. But this also means that since the non-economic productive effort, like applied domesticities or (e.g.) taking a life-enhancing walk on the beach cannot be expressed monetarily, then by the time the adding process takes place (i.e. outside the structure we call the economy), the economic output must have lost all its monetary meaning also. And for this to have happened, a *resolution* of all the booked costs that are associated with the production of those goods and services must have taken place. In other words, since no business can survive unless it's able to pass on all its cost to the buyer of its output, the entire successful part of the economic process being accounted for in booked debits and credits has to net to zero in terms of final output, that is then consumed outside the economy by all of us. Or, to say the same in other words again, the entire set of economic *means* that enables this process to come about is valuable only to the extent that its totality resolves to zero in monetary terms for a given exogenous *end*.

Are you starting to get a sense of getting it, even though the details no doubt remain obscure? Much of the foregoing has been trying to point out that within the enclosure of a system set up to produce a result in principle, the meaning of its components take on an identity that is most different from the meaning that those very same components would have outside of that system. A bought and (partially) paid-for house, furniture and other household items, tools, food, etc., now form a depletable stock that has a positive utility value. Those very same items still for sale within the economic system are booked as expenditures, or as negatives, by those who are in the possession of them. Only a return on these items will commutate them as *having been* of a positive value to the extent of the pertaining return. And such a return can only materialize if other and totally unrelated economic goods providers have booked and made similar to be resolved expenditures; in the process of having provided personal income to someone, who now is in a position to resolve those booked and passed on expenditures of the first seller. Even a one-time sale of a particular item, with not much chance of ever selling another one, although not booked as such, is still viewed as a negative indicator of sorts. The name of the economic game is <u>re</u>production, or an overlapping through-put of resources in perpetuity.

Ostensibly this happens by creating positively valued economic assets; but in actual fact, meaning in a reality accorded by the assumed underpinnings of how the economy indeed functions, only as to be resolved expenditures having a negative connotation. No kind of *economic* production has a positive outcome right from the start, as opposed to what extra-economic, leisure, or hobby-time productivity would create. Instead, within an economy, the production of both final output or consumables and intermediate goods or capital puts the entire system in the position of having to rectify a just created *obligation* to its producers, to be compensated for their output in the form of living-standard provisions; which is a negative, or a to be resolved debt. This doesn't of course mean that *each* obligation thus created needs to be resolved for the *entire* system to function, but that a critical mass of such unresolved (or unresolvable) obligations will cause the system, as deduced to exist from its axioms, to crash. All created capital assets are thus countervailed by liabilities or debt. The former aren't able to be amassed in excess of the latter and neither can the latter outgrow the former. The rules of double-entry bookkeeping simply won't allow it. And if it yet appears that a surplus of assets in monetary terms has been created, then those pertinent assets are fictitious because the offsetting debts are impossible to be repaid. A jubilee or debt forgiveness is then the only proper way out. A subject we will certainly return to, as holding a stock of money to be an asset that is additional to the totality of assets the unit of account is able to lay claim to and keep track of, is probably the most deep-seated confusion of all matters economic, both among economists of all stripes as well as the general public.

In the mean time consider yourself having arrived at the very centre of the intellectual maze identified as epiconomics. It is likely that your surroundings will still look rather hazy, but that will clear up as we go along. Most of the book will be concerned with exploring a path as it were from the inside out, but from time to time we will for short periods return back to the centre and explore its connotations there. In any case, whatever conditions we will encounter along the way cannot negate the central truth, that the overall booked value of the economy has to resolve to zero to in order to achieve its goal of providing all of us with a living standard; in accordance with our ever increasing ability to do work on the available and freely by nature provided natural resources. And as the overall total value can never exceed zero, this happens to mean that *no* economic assets can exist in the aggregate as determinate ends or as depletable *stocks* in time. Having presumed contrariwise their existence as a given, as all streams of conventional economic thought do at present, is the reason why, after countless dedicated man hours during about three centuries of research, substantial pieces of understanding economics are still deemed missing; and the whole subject has thus acquired an aura of impenetrable complexity. It is my contention that by specifying the end goal to have zero *economic* value and thus the values of all its internal economic components continually adjust in *flow* to achieve that overall zero condition and thereby inherently becoming of an indeterminate value as stocks, the economy is now an open book ready to be explored in full; as the formerly complex reality has been replaced by a relatively simple, though forthwith indeterminately valued, reality.

Because economists of all persuasions currently hold that the economy in all its aspects is far too complicated to fully understand, and thus are unable to come up with unambiguous advice; my entirely different approach is on offer as a guide to policymakers, and ensure them that the implementation of problem-solving solutions is going to be successful. And that the direction those solutions will need to take, has to involve the rectification of the acquired mismatch between economic “assets” and liabilities. As was already mentioned a few times before, in the reality of the economy being an enclosed set of means toward exogenously located ends, there is no possible way of amassing realized assets beyond the consumption propensities of society; and any attempt to do so not only creates wholly fictitious assets, but permanently puts the system in a non-self-recoverable mode. In the end, economic creativity without resolvability, as exemplified in those newfangled financial instruments, isn't the least bit constructive but is entirely destructive instead. If this weren't true, there would be plenty success stories of asset creation, that those financial “wizards” and their economist exculpators could be pointing out as examples of their theories having been instrumental in that creativity's achievements. To the contrary, much if not the entire current mess of massive economic drop-outs in addition to conventionally measured unemployment, infrastructure deterioration, as well as life-ruining foreclosures can be traced back to ill-conceived financial-market advice on the creation of so-called asset values proffered by highly ranked economists; who now by enlarge are still at a loss both in trying to figure out how it all could have happened in the first place and how to come up with paying for themselves means to rectify the situation. All that too will be examined in detail as we go along.

So what have we discovered about the essence of an economy up until now? Axiomatically true until proven to be self-contradictory, it is a human-made system put in place by us for the purpose of *adding* material comfort and a sense of well-being to our natural existence. And probably the first cognition to roll out of the postulated reality connoted by the two axioms recalled here, is that when human beings invent a system, any kind of system, their constituent part of humanity exists outside the system it just created. It is obviously preposterous to suggest that when bookkeeping, i.e. a system of accounts, was invented, the from now on affected part of humanity lives within those accounts. Yet the entire economics profession takes it for granted that we're not just making a living, but that we actually spend our whole lives being inside our economy; which therefore includes the environment in which we perform our leisure activities as well. Second, that a profound distinction needs to be made between the physical existence of resources that nature provides us to work with and the systemic value (or price) human beings place on those freely provided resources while reworking them in order to fulfill a human-set purpose within an economy. The first are territorial identities, governed by natural laws of existence that are mysterious and outside of our controls, and the second takes place and is mapped according to a set convention. And while natural laws inherently are immutable forever, we can change a mapped conventionality at any time we wish to do so. The basic idea of the difference between products of Nature created without any human intervention and human-produced goods goes back about as far as the subject of philosophy itself, as it were the ancient Greek sophists who made it one of their founding principles.

A telling example of its significance comes to the fore by pointing out again that the physical nature of goods, existing within any economy, remains totally impervious as to whether the system of accounting for those goods is in a moving equilibrium condition, or has either fully or partially fallen apart due to a so-called economic crash. What changes in such a calamitous and ever dreaded event is not the material condition of the items involved, but only that the process of fulfilling a human-set purpose for producing those items has come to a crashing halt. The natural physical values are all still there and thus remain fully applicable toward our tangible standard of living, but the account-keeping values toward that given end-purpose have disintegrated. Thus, as far as a natural reality is concerned, everything concerning account-keeping is fake. From the perspective of Nature, or more to the point from our existence within it, the economy is no more than a world of make-believe. Non of the presently accepted and taught approaches to economic reality explicitly recognize the above pointed out distinction between the map and the territory. Some may argue that Marx did with his argument that an apparently immutable capitalist "territory" is only so, because it was "mapped" that way due to historical contingencies that are changeable under a different set of directives; but elsewhere I hope to have made it clear that the concept was yet very much muddled up in his mind as well. Hence the inability of Marxian economics to make a convincing case for itself also.

The currently leading scholars who are questioning the validity of Mainstream (i.e. orthodox with some Keynesian influences) economics understand the non-natural reality of economic values even less than Marx. As was discussed previously, their ideas stem from the Keynesian induced premise that money, while understood to be created out of nothing as a to be resolved debt, *is* yet a store of real physical value. But by that supposed "fact", these economists conflate natural values with human-made economic ones. All of this means is that if we indeed want to get to the root of how the economy actually works, we have no choice but to reinvent the wheel, as the old saying goes, and go to the very bottom of setting up an alternate theory; one that is altogether different from anything already existing. Once that is done and the newly depicted reality no longer leaves anything open to question, applying the right policies on how to keep common measures in place to prevent not only crashes but even the possibility that economic downturns will continue to do serious damage to the lives of people, will roll out of this exposé as a matter of course. Whereby it should become obvious to all so exposed what kind of changes will need to be implemented, so that the mapped reality of economic costs at all times remains a true reflection of the territorial one; and a new era of available, to a large extent recyclable, and now universally shared natural resources can commence. Yet, all will be construed as having sprouted from within the realm of truly free enterprise, wherein those resources become distributed at a valuation of demand for the particular human input that went into the process of bringing them to market; which, as will become clear later however, is a non-capitalist one. Unlike presently accepted gospel, free-enterprise and capitalism are *not* synonymous; which goes doubly so for free enterprise and neoliberal/financialized capitalism.

Before ending this introduction it is probably helpful to remind you once again that as a consequence of having inverted causation, and the at any moment reigning indeterminacy of values this implies, just about all economic components that we think we already have an adequate understanding of, like: wealth, money (funds), debt, equity, capital, profit, inflation, etc., are now going to acquire a meaning that is at least somewhat different, sometimes even as much as to turn into its very opposite. Getting rid of what we always held to be their true meaning, either because of another set of underlying assumptions or perhaps that's what real-world experience tells us their meaning is, no doubt is going to be the hardest part of gaining an understanding of this new set of ideas. So, hypothesizing that this alternative set of assumptions in the end will give one indeed a far better grasp of what's really[20] going on in our economy, try to suspend any up-cropping disbelief and keep an open mind.

20 i.e. true, in terms of a set of underlying premises, until an inherent contradiction can be pointed out to exist.