Questioning the Ontology of Conventional Economics

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ABSTRACT

The disputation advanced in this paper is twofold. In the negative sense, it is that the inner workings of a fundamentally dynamic economy cannot be deduced from the static first principles of economics. And in the positive sense, what does work in discovering an economy's ontology, aside from starting out with compatible premises, is a dialectical-type argument in terms of a thesis, antithesis, and synthesis, regarding the acknowledged dynamics of a free-enterprise economy run by and for non-utopian human beings in a political setting. By holding the neoclassical or mainstream paradigm to be the antithesis of a newly introduced thesis, it will be able to render not only a truthful but also theoretically-closing explication of such an economy's synthesis. The meta domain of Justice is held to underlie the whole paradigmatic contestation, with a version of the "golden rule" (Sidgwick, 1893, pp. 378-9) as meta axiom underlying the thesis. Unfettered liberty is shown as meta axiom underlying the antithesis. During examining existing paradigms, while laying the groundwork for the new thesis, the concept of orthodox rationality, here in its meaning as axiomatically underlying the theorem of utility, is shown to be self-contradictory; and the utility principle of value itself is indicated to be unjust in terms of the golden rule. And a little more specific yet: when the purpose of endogenous-economic functioning is a seeking of monetary returns, a counterintuitive temporary inversion of an apparent material reality needs to happen within that domain – between the time that naturally-physical resources become induced in terms of a unit of account and when these, as having been compounded and embedded into final output, leave the endogeneity of that domain again in the form of intended personal consumption, no longer seeking monetary returns and now are re-materializing into living-standard enhancements. To wit, once having accepted endogenous-economic reasoning as valid within a greater reality that includes an existing exogeneity – the existence of the from that exogeneity induced components of an economy, from earlier having been positively valued as depletable and determinate natural resources, now becomes solely identifiable in terms of to be resolved negative values, as long as endogenously accounted for through booked debit entries. In other words, since no economy can in fact exist without it being accounted for, one has to accept for continuity reasons that, regardless of established institutional conventions, the entire economy is a means to an end only and that such purposeful end is located outside of its borders. As all purposeful systems are subsets to the surrounding set of public interests, it follows moreover that the functioning parameters (or attributes) of the non-material unit that is accounting for the formal system in its totality, to achieve such political end purpose, will need to be characterized within the public set's construct as well; as within the confines of the subset, the necessary information to do so purposefully cannot be complete. Hence why, in conventional economics, no one ever succeeded in writing a comprehensive and coherent theory of money.

Keywords: Alternative, Paradigm, Axioms, Justice, Orthodox, Heterodox, Subjective, Empirical, Reality, Indeterminate, Determinant, Thesis, Antithesis, Synthesis.

INTRODUCTION

A seemingly always threatening financial crisis notwithstanding; in order to build up a convincing argument, that something is seriously wrongheaded with all conventionally taught theories that insist on depicting economic reality as having static-positive or determinate points of departure in time, it is held necessary to begin the discourse by engaging some of the fundamental limitations of human reasoning. Why?.. Because critical deficiencies in conventional theories are not to be found to any great extent in inferred superstructures, otherwise (e.g.) neoclassical economic theory would never have been able to attract so many followers to their school. A much more likely to be successful criticism concerns their induced foundations, and philosophical principles are integral to a realistic evaluation of those. A Popperian integration of deduced rational thought followed by empirical verification is taken to underlie this critique; considering it imperative to depend upon both types of philosophical constructs so as to come up with a logical, meaningful, though not necessarily scientific, discovery of economic reality. Absent verification, as is the case with orthodox economic theory, the whole paradigm reduces to an *ignoratio elenchi* or an ignorance of what it is that clenches its meaning. Its fundamental position therefore is, while it certainly would be expedient if one could rely on firm ontological truths in any line of logical (here: economics') reasoning; due to infinite regress, or the underlying curse of all valid field-of-knowledge examinations, the highest generality of applicable economic truths is achievable by starting off with as few axioms, or smallest schedule of first principles, as possible upon which one's logically deduced thinking is based[1].

The proposed axioms of the new thesis are: (1) our economy *is*[2] an all human-made systematic construct of dynamic *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[3]; (2) it exists *for* the sole purpose of *adding* an extensive variety of use-values to humanity, that couldn't as commonly be obtained without 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 participating *in* it on the supply side, since generally no opportunities for human beings to make a living outside an economy exist, it is a human-rights issue. What options consequently will be left open for both the private and public sector to follow through on, by enlarge is beyond the scope of this particular paper.

The induction of these axioms themselves has to be understood to be an ideological (pre-analytical) course of action however[4], as regarding the economy's workings, it

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[1] "Keynes developed a theory that is more general than classical and mainstream economic theory because it is based on fewer restrictive fundamental axioms. The fewer the number of underlying axioms, the more general the theory." (Davidson, 2012)

[2] Note the ontological significance

[3] Dynamically and in the aggregate, no price or cost accounting is attributable to resources/materials by themselves.

[4] This modus operandi accords with Schumpeter's 'Vision'. "In every scientific venture, the thing that comes first is Vision. That is to say, before embarking upon analytic work of any kind we must first single out the set of phenomena we wish to investigate, and acquire 'intuitively' a preliminary notion of how they hang together or, in other words, of what

is impossible to test them to be true in their ontological sense a priori. In this particular case however, it will be argued that since its axioms are drawn from a specific domain within our reasoning capacity, they are already significant in and of themselves; that is insofar this particular domain (justice) is covered by these axioms that the sub-domain (the economy) is both derived and finds its boundary from. Axioms of the to be investigated sub-domain are to be considered applicable means toward the end of cohering a theorem in their terms. Their attributes are like those of a map, modeling the nature and extent of a territory. Apropos the map they are an induced conflation of means and ends; unprovable and unfalsifiable. But apropos the territory under investigation, while prior to the analytical framework to be construed in their terms and having to stay exogenous to it, and thus unidentifiable as (a-priori) axioms from any territorial elements, they are falsifiable and consequently valid until an empirically or theoretically obtained contradiction within the field of study makes its appearance. Any "axioms" however, that are identifiable as a territorial means towards some prospective end within the subject's theorem cannot be both cogent and lead to a field's complete explanation[5]; as its reasoning would be circular, while also predetermining territorial meanings that in deductive mapping terms still are pending.

Economists as a rule don't differentiate between the figurative representation apropos its unit of account (the map of economic reality) and what they perceive to be its physical existence (the territory) itself. All argue as if the map *is* the territory, just like physicists conceptualizing in thought the existence and significance of the physical world. However, having added an extra layer of abstraction in this case by using conceptualizations in units of account, this territory for map conflation, while unproblematic in physics, is something that just cannot be done in economics while yet remaining coherent; as the appearance of capital aggregation problems (Cohen, Harcourt, 2003), and in fact unrealizable theories of money[6] and capital demonstrate. And the so often-extolled internal consistency of orthodox economic reasoning, would, as a result of having been expressed in unfounded money/capital concepts, turn out to be circularly reasoned, entirely trivial, and thereby meaningless as far as economic guidance is concerned.

One fundamental difference between orthodoxy and most heterodox approaches to economic science, appears to be whether its followers in the main consider their subject field to be a deductive or an inductive discipline. Generally, this would result in the disciples of orthodoxy dogmatically following the rigid static assumptions of an idealized economy, and in particular that a dynamic construct can be made sense of from static assumptions. So that when confronted with encountered (dynamic) diseconomies, policy advice tends to hark back to a

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appear from our standpoint to be their fundamental properties." (Schumpeter, 1954, pp. 561–2)

[5] Arguing otherwise would be in conflict with Gödel's incompleteness theorems. (Raatikainen, 2018)

[6] Within a formal coherent thesis, it is an impossibility for money to be both a non-thing (a unit of account, money's most essential if not its only attribute) and its philosophical opposite, i.e. a thing (physical means of exchange, store of material value, ...) simultaneously. This is somewhat further argued in the concluding remarks of: Vertegaal, 2018.

supposed non-conformation in practice with those fundamental (static) principles, and a requisite subsequent reorientation toward the ideal. Whereas heterodox economists encountering real-world diseconomies, by enlarge lacking such blind faith, have no qualms in questioning whether idealized assumptions are indeed general enough to always fit a non-ideal dynamic world; and thus are quite willing to make adjustments ad hoc, to better an empirically given circumstance. Orthodoxy seems most taken by what they consider proof that their discipline follows watertight deductive logic; dismissing as pure theory-envy of their adversaries in heterodox approaches, whenever the latter are claiming that the results of orthodox theoretical research projects are irrelevant to the real-world economy. Heterodoxy's response, when unable to come up with valid substitutes for orthodox axioms, has most often been a concession that although their own line of reasoning may well be based on the intellectually ambiguous methodology of induction, and thus indeed lacking an actual theory, it at least allows and/or suggests relevant ameliorations to empirically found economic malformations. This new and alternative approach on the other hand takes its raison d'être from the position that neither conceptualization can be sufficiently enlightening. It rejects the orthodox paradigm because, due to subjectivistic/inductive notions of capital and money, not only is it is entirely faux deductive, circular, and unverifiable, and thus unable to provide a meaningful guidance in any way, but also that its axioms are shown to be drawn from the same domain as the newly proposed paradigm and thus can be held to be its antithesis; making it too incomplete to be considered as true ontologically, from the perspective of the “higher stage of truth” emanating from a synthesis. And, while this alternate approach does share many of the heterodox conclusions, it objects to the methodologically inductive way of statically obtaining them.

METHODOLOGICAL REASONING AS TO WHY AN ONTOLOGY OF THE ORTHODOX PARADIGM EVEN IF EXISTING ISN'T VALID SINCE IT RELIES ON AN 'UNJUST' VERSION OF JUSTICE, A CARDINAL VIRTUE

Orthodox economics, or as it is known today as neoclassicism, dates back from the last third of the 19th century, when the elitist Marginalists made a clear break from the classical polemicists 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 was done here (Vertegaal, 2018)[7], a new theory, involving a meant to be

[7] 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

plausible alternative value concept, was founded on the benefit (utility) that consumers feel is derived from purchasing an extra unit of retail output; with such a marginal evaluation then setting the price they are willing to pay (Marshall, 1890, p. 62). Arrived at much later, but still based on what at that time was held to be an axiomatic utility principle[8], 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"* (Robbins, 1932, p.16), all apropos a utility function. Accordingly, the modern orthodoxy hasn't been occupying itself much with the coming into existence of production, exchange, distribution, nor even with consumption as such, as all these activities are taken as natural and hence material determinate givens within their market-restricted analysis. Instead, its main if not only concern is a specific part of purely human-motivated action; and its domain is an all-inclusive, and already established closed condition that statically functions within an operational equilibrium of rational utility values, encompassing both the means and its ends. But since the fully understood to be *subjective*[9] expected utility values (Savage, 1954) couldn't be conceived to preexist outside the as such posed and already operating economy; and the latter in its entirety, thus inclusive of "*economic man's*" rationality axioms underlying the utility values themselves, is yet purportedly explainable in terms of those same "axioms", the meaning of subjective utility is circular, not falsifiable, and hence 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 is indicated to go against our innate sense of justice, and economic rationality is inherently self-contradictory to boot.

Furthermore, in a state of existence that enfolds both means and ends there cannot be a detectable *overall purpose*[10] to its goings-on either; and so the orthodox

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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. In other words – we're finding that Marx put himself on a train of thought from here to there, and when he discovers there is no there, there, panics and sees no way out out but to fake his journey as having been successful; around the same time, from historical evidence, becoming deeply depressed in the process. 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 in *disequilibrium* existing *social* structure; the thus evidently well-grounded principle of socialism, rather than all too often denigrative, only becomes strengthened by the above elucidation.

[8] Post-war it was discovered that axioms of rationality had to underlie the axiom of utility, relegating the status of the latter to being an economic theorem. (von Neumann, Morgenstern, 1953)

[9] i.e. from within and as such running afoul of Gödel.

[10] A telling example of this is the universe itself.

theoretical edifice, though meaningless as far as providing guidance to taking alternative economic paths, conceivably could still be an independently true thesis if a purposelessly meandering through time economy is. If that were indeed so however, while it would yet of course be possible to detect individual investments going wrong, neither could any macroeconomic abnormalities be substantiated, nor could countervailing measures be enacted to prevent or correct those, as a benchmark of purposefulness would be needed to do so. But since there can be no doubt that not only crises are detectable but the ups and downs of general economic activity as well, an overall purpose has to be an unassailable feature of an economy in the macro sense. And hence, that purposeful *end* would have to be situated outside the economy's borders, thus making the entire economy strictly a set of *means*.

While the objection made by heterodox economists, that human activity cannot be neatly pressed to fit inside axiomatic-deductive structures, is indeed valid from the perspective of this alternative approach as well; as an inductively obtained assertion it sorely misses the power of persuasion to overturn the orthodox paradigm. To successfully challenge the latter it is necessary to go to a deeper level and remove the support from underneath the foundation of orthodoxy. And to do that it will need to be demonstrated that an economy's ontological paradigm can be shown to exist and thus is real; but with the human condition in all its complexity, apart from an axiomatic quest for betterment, falling entirely outside of what the current discourse pertains to. Ultimately though, pure *deductive* reasoning about the economy as it *is*, is incomplete within itself and thus, as a human-made system, cannot be ontologically true. In no way however, should this be construed as some fatal flaw. For no atomistic examination of all the components, identifiable in the causation process through time of any natural entity, a system, or a field-of-knowledge like the kind this discourse is concerned with, can ever be complete enough to be able to detect the reason for its existence, or, as mentioned before, its purpose in part or as a whole. To gain that extended cognition, all-important in finding out the how and why an economy works, an entirely separate level is required; which is the same basic principle that applies to straight deductive reasoning of any kind. The essence of what this entails in this particular case, will be returned 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 the economic structure, so too will effects become detectable that do not find their ultimate cause in those axioms. These effects derive from a number of acted-upon human propensities (tolerated and even enabled if not outright encouraged institutionally) like greed, satiation, indolence – because of "having it made", applied undue power, a disposition toward fraud, as well as the familiar "expectations"; all flowing from the innate human spirit, rational or not, that seeks to maintain or better its own material well-being, but remaining unaware and/or is even totally indifferent to all the consequences this entails regarding the economic system as a whole. These types of ultimate causes, just like the one of the basic thesis as governing a valid quest for betterment and also all situated outside a human-made economy as natural propensities, are in need to be analyzed as antithetically true. And their effects, quite possibly perceivable as catastrophic to an economic system and thus in dire need to be judged and dealt with, are the clues that fitting the behavior of non-utopian human beings within a specifically chosen

axiomatic composition, requires an ultimate synthesis from the thesis and the collective of its counter indications within the antithesis.
Thesis, antithesis, synthesis, these notions may well be recognized as having sprouted from ancient Greek philosophy involving the concept of dialectics; or, perhaps more pertinent here, from Marx reputedly having co-opted Hegel though more likely, Fichte. However, a definite distinction between the line of thought as introduced above, with Marx's linear development of society through time can be pointed out to exist. It could be concluded that Marx was feigning to be highbrow in philosophy when he wrote about the antithesis (capitalism) as the negation of the thesis (feudalism) and the synthesis (communism) as the negation of the negation. To wit, nothing at all is dialectical about the supposedly inevitable course that a society takes toward communism. Quite the contrary, as from all manifestations seems to be the case, in dialectics no end point, conclusion, or absolute truth to an opinion of any kind can become apparent. Dialectics can only be understood as implemental in its application whenever a fundamental uncertainty reigns, in that not only the establishment of absolutes (i.e. negating the analytical limit of infinite regress) runs counter to the human condition, but that this incertitude even extends to the impossibility of independently determining the meaning of higher-order philosophical concepts like “true” and its opposite – “false”. The closest one can ultimately come to, thus as having transcended the infinite regress of logical dependencies, is by referencing one to the other, as in: true is not its opposite, and, false is not its opposite; signifying that individually, both true and false are meaningless terms and impossible to be extant just by themselves. This implies, as the ancient Greek philosophers already discovered, that on our level of existence both sides of a “truth” hypothesis 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 provide a substantiation of an at least temporal truth. The same above-said limitation applies to “right” and “wrong”, “good” and “bad”, and all other primal dichotomous concepts one can think of. So that fact-finding a lower-order “true” position of an opinion about an as yet inconclusive subject requires an approachability from both ends of a scalar reference. These opposite sides are assigned to be the subject's thesis and its antithesis, and they each need to be developed 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.

If the objective of a synthesis is truth seeking about a specific opinion, then, while the above indicated complementation of straight deduction is a more in-depth method of approaching any case-specific truth, it all still takes place at the same two levels of validity where straight deduction from exogenously derived premises occurs; and so there can be no transcending to a yet higher one to clear up any possibly remaining ambiguities. What happens is that from somewhere within the full domain of our reasoning capacity, what appears to be self-evident premises but meaningless in and of themselves are hauled in from outside the to be conducted investigation of the field of study, and held to be true, for the purpose of determining through deduction the truth of a domainal opinion or status concerning a particular element; after which confirmation the premises share a one-way connection to a specific, in its terms arrived at, "truth" and 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 are: (1) individualistic human rationality, toward an expected betterment in obtainable utility, determines all economic outcomes; (2) the total of all such economic outcomes 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, it is yet 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[11], 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.

Time now to postulate the involvement of the underlying axioms of the new thesis as cited earlier. And while neither would be meaningful at the outset without having a meta-domain comprising justice underlying the set of three; it could be argued that all three, apropos associated justice principles like: protection of rights, upholding obligations, and shielding from harm, either obviously or even if only concordantly[12], are *already meaningful before starting a deductive process* insofar that meta-domain would be *purposely* covered by them, and their to be deduced field of study later. Justice however, even though claimed to have a version of the "golden rule" underpinning it[13], before applied isn't just held to be true but is intrinsically beyond the question of 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;

[11] 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" (ed: Meek, Rafael, &Stein, 1982), 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 willfully 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.

[12] Meaning that some form of judicialness needs to co-occur in conjunction with an economy's "What" and "Why" axioms.

[13] 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'.

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 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 the in this particular instance 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[14], 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[15]. 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.

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) apropos its commonality of premises, that would underlie applied justice. Micro-syntheses thus can be construed within the bounded domain of our reasoning capacity, but as such are unable to 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 fields 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.

[14] 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, 1793, p. 311)

[15] 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.

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 application of justice as indicated by the thesis. It is obvious that unconditional individual liberty cannot possibly be a valid axiom underlying the full domain of justice, for be that the case e.g. criminal law could never be adjudicated. Note its significance, as it prevents orthodoxy from turning the tables on the new thesis by proclaiming its principle of justice to be overriding. But aside that the notion "free" is 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. While an unrestricted freedom 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. So putting any restrictions on the extent of freedom in that world or conditionality to the truth of those axioms would neither be pertinent, nor called-for in the first place. 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 therefore, given the meta-domain of justice underlying it, the placement of the freedom limiting golden rule at one end of it and unconditional individual liberty at the other fits perfectly.

This may be all fine and well but are there any other philosophical options open to us 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 crop 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 unenviable position of having to prove a (considered to be) negative, or else stick solely 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 won by financial corporations against individuals, (Stauffer, 2016), 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 to be served. 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, so that normative arguments aren't required to achieve justice. But the why and how of it all has to be for some other time.

What moreover all micro- and macro-syntheses do share, is that any attempts to in one way or another combine the premises that underlie a thesis with the ones of its antithesis would immediately result in a tangled mess of self-contradiction; and any such parameters are thus invalid from the outset of 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 superseded it. Also, until both the thesis and the antithesis of an entire field of study are substantially identified, a macro-synthesis cannot be meaningfully conducted. From the above it 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.

A more specifically applied argument exposing the unjustness of the utility theorem of value, insofar it underlies orthodox economic thought, can be shown by considering the following thought experiment as an indication of its bias to prevail under current directives. "For loan agreements to be valid generally, both lenders and borrowers must inherently be able to honor the terms of a contract" (Rawls, 1999, p. 153). Meaning, that whatever payback conditions are agreed upon and also regardless of any future uncertainty, at the outset of lending the possibility of loan redemption must always remain intact or justice won't be served; and an economy both in conflict with its underlying accountancy principles and without 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 fully paid back, then an unfaltering reliance on utility in it being a just or fair socioeconomic principle is illegitimate, and all its granted loans ultimately based on that same principle would judicially have to become null and void and indubitably then be subject to a jubilee. Explicating in full the why and how of the above indicated *impossibility* of aggregate loan redemption is beyond the scope of this paper however, and thus has to be for another time and place. But what can be said for now, without providing much substantiation, is that it involves the real-world modus operandi of sunk costs; and that in a vertically integrated economic system, consisting of to be resolved (passed-on down) accounts for the sole purpose of exogenous final consumption, the sum of all loans that are lent out at interest in the micro sense doesn't equal repayability in the macro sense. Economy-deep obtained income is equal to the total of *assumed* to be resolvable costs of the retail sector over time. And the "money supply", coherently reasoned as strictly representing units of account[16], isn't a substantial *thing,* whose parts can be rolled over a number of times to resolve any acquired and *accounted-for* debts; which makes the utility for money values a non-reality economy-wise, as it initially disequilibrates any firm that is disbursing income and is an impediment to its equilibrating functioning, systemically. Consequently, the only possible way to resolve incurred financial costs would be for the beneficiaries of those particular costs to do a turn around and engage in direct spending, as no one else within the economy after having dealt with their financial obligations still has the wherewithal, or effective purchasing power, to do any of the necessary direct spending and its concomitant inherent cost resolution for them[17]. Good riddance "invisible hand"[18]... All meaning that the current financial set up, and judicially sanctioned as such, actually *causes* defaults. And, as a logically deduced fact, especially odious and unjust when student loans are involved and subsequent bankruptcies are outlawed; not to more than mention at this point, a consequent rise in the rate of unemployment.

Issues, Controversies, Problems

Prior to making the decision to follow a deductive methodology in any field of knowledge, the causal agency of its subject is in need to have been settled upon as uncontroversial. In physics, as far as I know, no one questions its universal law: F=Ma. However economic forces are far less clear cut. To wit: does its ontology involve (a), a natural state of existence, of which we its agents form an integral part; or is it (b), a totally human-made system with boundaries open to Nature

[16] Op. cit. Footnote #5

[17] Note that the *unjust-utility* argument may well be extended to include the rentier sector inclusive of authoritative housing corporations controlling rents, as these structural entities too have propensities to extract income from the real-goods producing economy far beyond what subsequently is spent back into it; and to that extent solely contribute to asset inflation, while simultaneously and irreversibly preventing a judicious re-equilibration of the dynamically structured real-goods economy from taking place.

[18] With all due respect to Adam Smith, the modern economic concept of non-neutral money was way beyond his ratiocinative horizon.

including ourselves, to from there impute outside influences towards an equally exogenous end? There can be no conflation of the two sought realities. It is an either-or question; with entirely different epistemologies for each. The fundamental problem is that logic is powerless in this matter to provide us with any answers, except that it cannot be imposed; since inexplicable irrealities invariably will appear if it doesn't conform to a however obscure ontological reality imposing its unique determinant. All marginalist-based theories and no doubt Marxism as well, consider it to be (a); with the other heterodox approaches by enlarge[19] having to remain agnostic about its ontology altogether, to at least function inductively rational. For what cannot be proven true, and thus may well be false, cannot be ontological; (i.e.) if the ontology of our economic system is about what *is* its determinant, then it isn't about what only *may be* its determinant. In this alternative (b) approach however, not only is deduction methodologically feasible (subject to all the limitations as mentioned above) and will thus be able to produce meaningful (read: paradox free) results; but objectivity can be claimed here as well, therefore potentially making it extremely powerful in clearing up any ambiguities. Economists however, apparently scared stiff of losing the power to *determine* the value of endogenous factor inputs, as inevitably would be resulting from all exogenous-axiomatic impulses; yet eager to show off their skill apropos such determination, have dealt with their academic discipline by considering it a science, i.e. a collection of epistemologies *in search of* an ontology, and as such as if no firm ontological choice were available to them anteriorly. And consequently, according to this alternative approach, they have found themselves stuck in the quagmire of orthodox irrelevance and heterodox paradoxes, thrown at them by real-world events ever since Sismondi's first hinted at: disequilibrium political economy[20].

Economic investment is carried out because of a "belief" that a return gaining a profit is in the offing. An investor extends credit (which is just another lingual expression of belief) to its recipients whom he believes will aid him in obtaining a return that exceeds his initial outlay. This belief seems to be well grounded, in that it has been happening often enough to those in the position to extend credit since time immemorial, to entice making such investments. The corollary belief by economists that all this can be shown through sets of lagged, or even time eliminating simultaneous equations however, requires a fundamental neutrality of the implicit unit of account; which, as will be found out soon, reduces to just wishful thinking in day to day economic operations. Yet, and despite "belief" being antonymous to the "certainty" of economic equations and prognosticating supply

[19] An exception in this regard is found in the works of Tony Lawson, whose study of the system as *it exists* is notably different from the one promulgated here as a system of accounts however. While (in agreement with this author) putting an emphasis on what it is *not*, a structure amenable to mathematical-deductivist methodological modeling, he holds the answer to lie purely within the social make-up of its agents (Lawson, 2006) and so by necessity again falls back into the (a) category.

[20] Sismondi (1827, p. 220) "Let us be wary of this dangerous theory of equilibrium, as supposedly reestablishing itself automatically... An inevitable equilibrium, it is true, is reestablished in the long run, but it is only by way of a frightful amount of suffering." (translation by author)

and demand curves as depicted in time[21], it has been gripping enough to convince countless economists of the fundamental rightness of their tack. The causation of all these investments in the aggregate, remains indeed a mystery that equally haunts both orthodox and heterodox explanations of the economy; as empirically found results end up contradicting the theoretical indicatives of both approaches far more often than its followers care to admit (Denison, 1962). Clearing up the how and why of this phenomenon will substantially lead to a full understanding of what equity is and how the economy works. Or what no doubt is even more important in regard to altering the status quo for the better; showing how it cannot work, at least optimally, under currently accepted directives.

An impetus fueled by an (exogenously) inspired belief, or animal spirit, that once undertaken, things will turn out for the better, is quite common in human contact with the natural world; as an applied forward motion overcomes a motionless imbalance and consequent backslide to an inferior position. Indeed, this same principle of a static indeterminateness may very well underlie the living natural world as a whole, in it being inherently dynamic, too. The spatial relation of a bicycle at any time is one of falling, and of a human body in water, that of drowning; with both conditions signifying a disequilibrium in lack of a forward motion. A similar principle is involved as far as investing is concerned, but with an extremely important and most often overlooked difference. A return on investment (or the apparent valorization of economic growth), rather than a self-induced reaction against an imbalance, requires that someone else's impetus altogether takes the investment's output off the market; and no return will materialize at least in a first instance when such output is forsaken for additional investments, by those in receipt of any additional income from the investments' aggregate disbursements. The field's dynamics is thus not confined to a 2-dimensional linear or non-linear chaotic path, but instead encompasses an economy-wide reciprocality. And individual investments therein are as it were thrown up in space like trial balloons, to be determined and valorized bit by bit over time; not as having an inherent own-rate of return, but, while this is obscured by illogical though conventionally fully accepted monetary assumptions, only through a *reaction* to them from the disbursed means of other thrown-up trial balloons altogether.

Although the uncertainty of a free market system may indeed be ontological, as for instance the Post Keynesian posited "open economy" would have it, but about which nothing logical is conveyable and, as abiding by an inductive methodology, its followers are lacking the means to convince an opposition in debate; it can instead be said to logically follow from the apparent fact that economic agents are free to either *determine* the value of previously made investments, or keep a disequilibrium condition (i.e. a growth attempt through more investing) going for yet another round and thereby withholding its determinant potentially for later. Nothing is ambiguous or inscrutable at the level of to be resolved accounts. Concepts like multipliers, accelerators, or compound growth, inherently lack material identities there. So unless something critical is missing from an analytical close of such an economic system, as solely comprising accounts, the only

[21] Robinson (1971, p. 104) "Time, so to say, runs at right angles to the page at each point on the curve."

pertinent reality left is that once the investment jump is made, investors themselves are powerless to affect their outcomes and ultimately depend on non-investors behaving contrary-wise for their monetary returns. Rationality axioms of orthodoxy, as determinate responses to facing risk, thereby become internally self-contradictory. For, under conditions as sketched out above, investing and its logical antonym consumption cannot both be rational endogenous determinants of utility; making the Keynesian “Y=C+I”, as a primal static identity being applied to a dynamic economy, demonstrably erroneous too. This is a (theoretical time-invoking) logical refutation of those axioms, and as such is subject to empirical confirmation later. The economy’s statically projected causal structure therefore becomes invalid in an essentially dynamic environment, and with it the crucial notion that investment is the indisputable *cause* of economic advancement. It still may be, at least until a more fundamental cause of economic growth becomes identifiable, but it isn't necessarily so. Instead, all that can be said for the moment is that the achievement of a forward motion towards economic betterment, by its instigator, is undecided when its initiation occurs; and any act of investment is thus a disequilibrium impulse, whose resulting return in terms of the economy's unit of account is still of indeterminate value. How many burst bubbles with equity losses in the billions does it take anyway, for economists to realize that equilibrium modeling of the economy is nonsensical?

AN ALTERNATIVE ONTOLOGY

An economy incorporating the fundamentally different (b) ontology is best described as a “charged field” toward a resolution of final output, in a continual state of becoming, whose present is a non-linear and never completable *process* of overlapping happenings, simultaneously concerning both past and future activity. A depiction in real terms, with money strictly functioning as a veil, would thus be impossible; making a numeraire absolutely indispensable in the abstract valorization of the aggregate supply matrix, determined by its multiplicative inverse, bit by bit over time. And that's not even the end of it either, for, under natural (solely experience induced) growth conditions, to clear the market, this numeraire needs to be elastic as well. Yet no economics’ approach that the author is aware of has anywhere near a sufficient understanding as to why, how, and to what extent, uncertainty affects those supposedly fixed econometric coefficients. To put it more bluntly yet: “Thinking like an Economist”, those almost hallowed words ingraining students first entering Econ 101, is far more akin to a fundamentalist appeal to suspend reason, than evidencing a path to enlightenment. For if economic value is always statically indeterminate, “doing economics” at least in the conventional mathematical sense of formalized micro conditions becomes impossible therewith as well. It should be clarified immediately however, that this similarity with the heterodox branch of Austrian economics is just about the only one that could be thought to exist. For since this marginalist offshoot of orthodox economics considers all factor inputs to exist endogenously and holds all macro concerns to be fake, it requires its very own (pseudo-scientific) branch of philosophy called praxeology or the logic of individual human activity to make some sense a priori; while this alternative approach on the other hand follows the same logic as that of scientific falsification, dismisses the determinateness of all microeconomic values, considers governmental economic activity as potentially overall benefit increasing rather than an invariably occurring drain on the benefits of others; and thus differs from the Austrian micro-approach on a very fundamental level indeed.

The Robbins' (1932) definition of what economics is underlies all orthodox approaches, and those yet concurring on an (a) ontology as well. Logically occupying themselves with studying the underlying *human motives* towards their economic activities as a science, they thereby equate economic health with human nature and, perhaps unwittingly, would thus dismiss out of hand the sunk-costs factors of production, exchange, distribution and what that disbursed income means apropos any current retail market and the only later in time occurring resolution of those sunk costs through a then existing final-output consumption. Moreover by assuming that human beings are inherently rational in deciding for themselves what is best for them, the common to us all trait of fallibility is barred from being significant to the economic structure as well. But, as heterodox economists, in spite of their confusion and openness to endure paradoxes, yet never tire to point out is that in the real world, the sunk-costs of production, exchange, distribution and the subsequent ability to consume, matter a great deal. Unlike human motives they all require a numeraire to be evaluated. And it is because of this essential numeraire, as well as the accounting map drawn up in its terms, that a chasm opens up between individually definable sunk costs and human nature in a social setting; but a chasm that will need to, and indeed can be bridged from the perspective of a (b) ontology. Worthless as inputs to human beings in and of themselves, given that, regardless of orthodox-economic implications, no one as a rule accepts their own output as a reward for supplying input; these factors acquire meaning, and become determinate so that the process can continue indefinitely, only in their achievable relation with one another, and these relationships require the concept of time. They are meaningless non-determinants in a non-dynamic, individually inspired, setting. Yet, according to conventional theory, the setting of output prices, inclusive of an established rate of profit, together with the (heterodox potential) ability to meet them determines their worth instantaneously. This simultaneous determination of supply and demand, either real or only potential, lies at the root of economic misunderstanding according to this alternative approach; for by axiomatically conflating means and ends, all conventional economic theories create the false reality of determinate points of departure in time.

Aside from conditions wherein monopoly combined with an inelasticity of demand rule, very few if any individuals in the position of setting output prices in our economy are deluded about their indeterminacy apropos their realization. And while accountants too are in need of the value of money remaining fixed during any given time period to remain coherent as far as their deductive theory of accountancy is concerned, they are neither fixated on the idea that money is strictly a veil, nor on its neutrality; and they have no problems at all considering their output values to be notional representations only, and always subject to adjustments by shifts in the demand for them. Also, when prices and the economic values they stand for are understood to be indeterminate at any time in an economy's evolution toward a given end, possibly the most hotly contested conjecture held by orthodox and heterodox economists, as to how these prices are set in the first place (cost plus, or supply and demand) becomes a lot less less significant as well. Instead, the question switches to how the varied profit portion of prices becomes determined; the answer to which, as will soon become clear, proving to be in sharp contrast to what both sides[22] preach.

Present-day accountants (and economists in their position as macro-accountants), aside from limitations set by the availability of natural resources including labour, have to deal with at least a couple of human traits totally beyond their control, yet somehow require a nominal endogenous balancing with economic factors. First, the tendency to "learn-by-doing" resulting in ever greater outputs, both quantitatively and qualitatively, per cost of unit input, as experience accumulates. And second, the accompanying quest for betterment; expressed not only through a demand for larger commodity bundles, but also in the request for more leisure time at any given propensity to be useful to ones own, and to society's interests. If these managing directors can get their balancing act straight, the economy will remain healthy and society will progress accordingly. In a soundly operating economy, all accounted-for costs are transferred downward; till, with added profits, they become resolved through the direct spending of personal income (cost or profit[23] sourced) as the economy's exclusive determinant at the retail level. The bulk of final output feasibly accounted for is thus the sole criterion of the economy's workings in its entirety. It is furthermore important to realize that all those involved in experience induced growth production, of such a vertically integrated economy, do so at the "cost" of currently available living-standard provisions. So that factually as deduced from first principles, the entire economy, whether declining, stationary, or even naturally growing, can be understood to be "financed" for an unencumbered rebirth, through the timely (creditor-set) resolution of accumulated costs and profits at the retail level. This proposition is in sharp contrast with all current conventional theories, having reached the conclusion from erroneous determinants that only about 2/3 can be said to do so, with the remainder having to be taken care of by investments into capital goods (infrastructure); disregarding the *fact* that for a successful continuation or dynamic equilibrium of the entire economy over time, the total expenditures involved *all* need to be passed on down the line to the retail level. Households do indeed fully rule an economy![24]

Since these economic costs include charged depreciation allowances for employed means of production; accounting for a physical replacement of the latter at a later time already has occurred automatically. The introduction of additional investment accounts for which returns are sought therefore doubles the return seeking process (i.e revenue from capital, through a final-output cost-resolution), resulting in society's managing (CB) directors losing control over the value of their unit of account. For all new means-of-production investment accounts, whether conducted via the private sector or whether initiated from government sources, and whether these are new and additional or would be replacing an infrastructure already in place, promptly puts additional personal income into the hands of those toiling in

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[22] That this would also include the radical or Marxist cognition goes without saying.

[23] (i.e.) as distributed returns on invested-in capital

[24] Note the interesting wordplay here: as the etymological origin of the word *oikonomia=house rules,* again can be seen to cover the rulings of the entire economy.

its creation. With the presently available crop of final output already fully claimed however, by those having had a hand in establishing its current productivity conditions continuing into the future, retailers may well sense a quickening in the pace of their stock turning over and decide to raise prices. But whether they do or leave their prices the same, the result is a sharing of final goods with the newcomers. And so the risk of the new investments paying off in terms of enhanced future living standards is always borne by the former already legitimate claimants to current final output; i.e. whether, due to additional investments, their present paychecks will now become diluted. Thus Marx's grudging admiration for the accumulation prowess of capitalism is entirely misplaced. The institutionalized (savvy or not) risk-taking by investors arguably boils down to no more than "phony money" disbursements, and government initiatives wouldn't be substantially different either.

As a consequence of accrued experience, as was indicated previously, production-potential creation happens at ever-greater efficiencies without needing additional investment; to be dealt with discretionary (given plentiful resources) either by larger baskets, or with more time off. Furthermore, and regardless under what pretext they are charged, it serves well to remember that all taxes are paid out of income; and since all income, not only that from accrued financing but from taxation charges as well, is accounted for in the accumulated to be resolved costs of retail output, the entire upkeep of governmental expenditures and the subsequent direct spending of their final recipients is explicated by this circuit as well. This also means, irrespective of now having scrapped the "G" from being a separable GDP component, that governments are free to step in whenever the private sector fails to provide full employment. Relatively higher taxes may also well correspond with higher living standards[25]. Retailers couldn't care less, nor do they have any way of knowing, to what extent taxes are embedded in their assumed costs of higher economic level outputs. Their only concern corresponds with that of the economy itself, its feasible resolution. And consumers would only be affected if a sudden increase in the size of the public sector, as over and above a possibly having decreased private sector, would snap up retail output; leaving the employees of the existing private sector facing empty shelves, before that sector can adjust in providing additional final goods. Hence, all so-called "financial capital", created as additional to the natural experienced-induced rate of growth, is inflationary when new money is involved and deflationary when old money is recycled in that manner. This reality and the one depicted in the preceding paragraphs would make the inherent power of the entire clique of financial wizards to increase society's wealth, about as significant as a single magician pulling a coin out of somebody's ear. The conventional way of associating inflation solely with a rising commodity-price level is therefore critically incomplete (Minsky, 1978, p. 858); which has obvious repercussions regarding common CB practices that, while thought to fight inflation by raising the costs of borrowing, remain yet clueless as to how those

[25] Witness the overall elevated standard of living in a higher taxed EU as compared to the lower taxed USA. Ceteris paribus, but singling out public- at half the cost of private healthcare with better outcomes according to Reuters Health (Rapaport, 2018), potentially yielding a lot of additional living-standard provisions.

costs, at least in the evinced reality of economic determination and unencumbered continuity, get resolved.

The essence of the numeraire as a unit of account to mark and distribute claims, combined with the natural economic growth attribute, rules out an economic system without profit setting. As those who obtain income through charged costs, exchange it amongst themselves to allow a continual production to take place, there wouldn't be enough income available to distribute any of the natural growth in that output. For, while economy-deep incurred costs can be seen to simply cancel one another out; directly spent profit income from returns on capital adds a horizontal component through time, and thus is potentially allowing the realization of *all* preset profits, *at any wage level and acting fully independent of it*, while the retail market is clearing inclusive of its natural growth. It should be understood however, because determination is not self-induced but is done by others, the aggregate realization of profits above the level of natural growth, is inflationary; (i.e.) it would be “money” creating through demand-pull. Profit determination is also a reason underlying the complexity of the market; because two intertwined but separate determinant streams are operating within the economy's abstract matrix, while both are numerated in the same units of account. Yet in an unencumbered reproduction process, *demand determines supply* (ask any accountant); thereby providing the solid platform on which pertinent economics’ reasoning is to be conducted, both in a theoretical and practical sense. To put this formally however, involving an ex ante determinant, would require a mathematics that this author doubts can exist at all.

The consequences of this alternative ontology are far too numerous to mention, let alone work out, in this concise paper; but perhaps a few more salient points can yet be noted. First, in no way does the above elucidation imply that a command market, without the possibility of entrepreneurial failure, should supplant a free-market economy. Entrepreneurs have to be kept on their toes, and the potential to root out deadwood should remain; this in itself constitutes an important part of the antithesis' right to influence the workings of the economy for the better. But also note that the above paragraphs are a good first approximation of the limit that indirect spending[26], or investing and saving, can have on the latter, and thus the relatively minute influence of valid antithesis' arguments as compared to the argumentation brought forward by the thesis. The main line of reasoning holding that, since disbursed income is a to be resolved aggregate economic debt already, *net* saving within a dynamic equilibrium is an impossibility. But, given the level of borrowing, as long as savers directly spend their interest income within the time limit of discretionary plug-pulling by creditors, this would at least initially be having a neutral effect on the health of the economy as a whole. Hence the devastation wrought by the proverbial 1% of income receivers, whose net savings out of that income is about half! (Dynan, Skinner, & Zeldes, 2000, p. 27); never mind their conviction, backed up by orthodox theory, that their money was “made” encumbrance-free and appeared as it were out of a vacuum. Thus, the ubiquitous occurrences of entrepreneurial failure due to profit and unearned income obtained

[26] Defined as applied purchasing power to acquire financial assets, so as both to defer and instead of purchasing final output at present.

by others and thereafter in the main redirected toward asset inflation, rather than valorizing economy-deep existent productive output, should therefore be recognized as an attribute of non-neutral money in a free-enterprise economy. The concomitantly derived final output has disappeared, but vacuous “claims” to it now have taken on a life of their own as “liquidity”, or “wealth” additional to what can be bought with it; so that authoritarian thwarting measures are in need of implementation to keep it all in check. Ensuring that the value of the unit of account not only remains as close to neutral as possible over time, but eliminating inherent upheaval potentialities along with it, would become an indisputable goal of governmental economic policy; and this despite all monetary policy now having become invalid and thus wholly needing to be replaced by appropriate fiscal measures. For, from the perspective of economic determination accomplished solely through the effective purchasing power of final-goods' consumers, interest is just another cost to be resolved at that level, and all monetary manipulation has to be seen in that light.

Reiterating for emphasis that no economic present is a *fait accompli*: the logic underlying “productive-capital” creation is that those drawing an income from the capital-goods’ industry cannot possibly be rewarded at any time according to what their current output is worth as embodiments in improved future retail output. Their ongoing reward, while potentially conceiving yet further enhancements for implementation later, is always limited to be in currently available retail output, resolving previously assumed debt; while simultaneously their inputs are accounted for in newly to be resolved debts, whereby thus setting the conditions for a determination through enhanced future retail output to occur later. Future workers, enjoying that improved output, will at that time be acting similarly for others still further into the future. The ongoing production process thus creates an ontological reality of systemic indebtedness, to be resolved later. (i.e.) A*ll capital is a to be resolved debt* and, without effective countervailing institutional influences, would in fact be powerless ex ante its resolution (through determinants); which is a counter-intuitive conclusion in the extreme for just about everyone, but likely disconcerting only for economists, capitalists, pundits, and as shown before also for Marxists. From essentially dynamic first principles however deduced as true, this lacking a material existence in economic theory is witnessed by the fact that all past attempts to substantiate capital otherwise have failed[27]; rendering capitalism a make-believe lever as its fulcrum to effect growth a priori is unfounded in logic. And a posteriori, over the last couple of generations or so in the OECD, the average per capita annual rate of economic growth of well under 2% (World Bank, 2019) has been the empirical result of *indirect* spending; itself sized, at least in the U.S.[28], about an order of magnitude greater. Thus investments, far from indispensably growth *causing*, have been proven to be minimally an 80% *wasted* effort! This provides an incipient confirmation that a natural learning-by-doing has been (nearly) exclusively causal of ostensibly capitalist growth all along (Denison, 1962). Managerial skills however are deemed to be at least as requisite as those of

[27] Op. cit. (Cohen, Harcourt, 2003), and also somewhat in (Vertegaal, 2018)
[28] Assumed as approximating the FIRE sector’s share of GDP (Palley, 2007). Another indication of its size are the gross national savings entries in the CIA’s World Factbook (2017).

lower-level employees. But since all systematic rewards are expressible only in financially-transcendental standard of living, determined not by their own but from other capitals altogether, the spread in their remunerations economy-deep are necessarily to be limited through progressive taxation rates; so as to become substantially in line with remunerations expended within Mondragon cooperatives (Heales, Hodgson, & Rich, 2017). This would be in order to minimize indirect spending and consequently a creeping asset inflation, a deflation of the real economy, and waste; as well as by enlarge being in line with the cost difference of producing luxury goods including those of housing, as compared to the more basic goods commonly produced within an economy.

And finally it should be understood, that economic final output, bought and paid for and taken off the market, no longer has any "economic" value; as the former has disappeared into economic exogeneity. Although it may of course make its return in a "pre-owned" condition, limits to its marketability in a soundly progressing economy exist. For it is restricted insofar the resolvability of currently produced output is delayed, beyond the discretion of its creditors able to pull the plug on insolvent producers. The basic principle of an economy, whether this is construed as initiating a structure or as an addition to it, is that available extra-economic goods (resource and/or labor) is taken into an economy, where accounts of to be resolved *negatives* are set up in the form of values in exchange; following which a creative process then constructs economic output, to be taken off the books again as derived final output exits the economy in the condition of non-economic *positive* use-values. This principle holds true regarding re-marketed and/or remortgaged real-estate as well. No positive economic value is releasable upon return in this case either. Since a direct spending of the proceeds[29] by the sellers on productive output, with all that output embedded with existing claims already for its continual production later, is potentially inflationary there; while it's simply asset inflationary, also without any additional benefit providing, when staying in that market. And the renewed resolution of that now higher priced realty will subsequently hinder/delay the resolution of currently produced output; perhaps beyond the patience of creditors, whose income wittingly or not is a part of that to be carried out aggregate resolution process as well.

As long as a return is sought, under double-entry bookkeeping prescripts, no such thing as *net* economic equity can exist. All net wealth lies outside the economy, and when it enters or returns becomes a to be resolvable debt. Hence the economy works through an acquisition and resolution of debt, and not through an accumulation and subsequent depletion of positive capital. Moreover, the time limit set by institutional creditors to protect themselves is a Damocles' sword, ready to drop whenever these economic-rent collectors refuse to either directly spend their income, or with it extend credit to hire the unemployed; within the same time frame, they themselves decrease effective aggregate purchasing power. As indicated before, the affordability of interest costs and other finance fees in the aggregate becomes determined by its collectors' resolution of produced final output into an economic exogeneity over time. No financial wizardry in general (or Wall Street in particular) can conceivably be powerful enough to countermand the

[29] Likely loaned into existence by the buyers

essential solvency requirement as determinant of economic viability. Within the reality of the economy being fully a human-made system, and existing due to individual motivations to be productive in order to acquire and make use of the inherent productivities of others over time, as a means to mutually live better, these insufficiently regulated "power brokers" are clueless as to what all this entails in connection with their own obtained remunerative rewards; at least, when the "golden rule" is meant to prevail and waste is to be minimized.

Does the realization that the economy is statically imbalanced, and all its equations pretending otherwise false, mean the death knell for economics? Far from it, it's a harbinger of its rebirth. It explains the economy not only the 95% of the time when things are basically going alright, but also the remaining 5% when equilibrium theories and their quasi substitutes miss the necessary tools to explain why it doesn't. The consequent question is not however whether the economics' discipline is in any way ready for this revolutionary thought. It most certainly won't be, because almost all what economists have been taught to believe will need to be restated[30]. Instead it is whether society, when understanding the relative merits of this alternative approach, is fed up enough with its unexplainable losses, shameful inequities in income, and lack of employment opportunities that it is going to force economists into compliance; or, instead remains content with any theory that can boast to be "right" about 95% of the time, when it doesn't matter in the least whether economic values are determinate or not. After all, non-recessionary "normal" times are a lot more prevalent than slumps; and even during the gloomiest depressions, most economic agents will by enlarge remain insulated from their worst effects.

CONCLUSION

While this severely abridged rendition of how the economy works, perhaps does not entirely rule out an ontology wherein capital values, subject to accumulation and depletion, exist as a self-definable stock; as long as capital is indisputably understood to be valueless without some return to it however, the latter made possible only from other capital values altogether and thereby minimally ruling out any *own-rate* of return[31], a definition of capital will need to follow from more basic axioms so as to be cogent. Until that happens, and given that the above introduced paradigm is coherent, the efficacy of a capitalist economy generally, with its fundamentally inept but extremely lucrative financial sector specifically, is therefore highly suspect to say the very least. And despite the latter's temporal institutional power, in effect until in the face of reality the institutions themselves fail, the hallowed "market forces" of capitalism should be understood to be no more than evanescent self-fulfilling prophecies. A conditional result of solely false determinants that meanwhile had been aggregatively cannibalizing the wealth creating potential of the real-goods producing economy benefiting only a relatively tiny minority. Effectual indeed until the unresolvable debt foisted upon the entire

[30] A Washington Post op-ed piece, though for somewhat different reasons, indeed says it all. "It's time we tear up our economics textbooks and start over." (Samuelson, 2019)
[31] The indirect proof of this assertion is provided by considering the *reductio ad absurdum* thought experiment of a single capitalist owning the entire "stock" of capital.

system no longer can provide financial capitalists with their unearned incomes, and the realization sets in that the bulk of their "trillions" couldn't have self-mortgaged, i.e. elevating a pertinent standard of living, beyond economy-exogenous final-goods' usance by others anyway; and thus, regardless of micro pretenses, had always been fictitious by any rationale.

Having dug deeply below the foundations of conventional economic thought in general and that of mainstream economics in particular, the foregoing critique is potentially far more damaging to the latter than that any other heterodox persuasion could ever hope to muster. The reason that the conflicting policy advice on offer from the established orthodox and most heterodox factions in the economics profession is ongoing, is precisely because the best both sides can do is to try to convince one another, convictions are out. But this always thought to be existential limitation doesn't necessarily hold true for this alternative approach to economic reality. If no serious philosophical error was made, and/or it can be shown methodologically that the utility principle of value conflicts with justice, then the door would indeed become opened to enable a conviction of those who promulgate and base their theory on that same principle. And the verdict would have to be a banishment from the noble profession, that most of its students had likely entered with the real aspiration of becoming helpful to society, but who ended up deceived, if not corrupted, by those lecturing them.

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