



Mythical Money:

The Name and Law of the House

by
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As with regard to minted words, a minted coin should possess both a logical aspect (reflecting a ratio), and a mythic aspect (that reflects an essence that serves to catalyze and flavor). Money is based upon what are monistic assumptions, and minted fiat currencies are exclusive in that they are *solely mythic in character* — they lack that aspect associated with ratios and *logos*. The inverse has applied to vernacular words for at least the last century. When words lost their mythical essence, they expressed something far more specific (and words came to imply an *equivalence* with what they referred to . . . rather than a similarity). As noted by Michel Foucault in *The Order of Things*, “language no longer bears the mark of a time before Babel or the first cries that rang through the jungle.” As words and language came to be highly specific during the nineteenth century, coins and money came to lose all association with specie during the twentieth. When the Chairperson of the U.S. Federal Reserve responded to the question of whether or not gold is money, the chairperson correctly replied that gold was not the same as money.

In a strict and literal sense, gold (silver, platinum or any precious commodity) is not money, because, to truly be called money, that which circulates as money must be minted. As with a word-term that is introduced into everyday usage, in order for that term to be a true word, it must first be officially recognized and accepted (into the lexicon). Coinage must be formally and officially accepted as legal tender before any state or city may mint such coinage. Money (or what served as money before the word was coined) has been around for thousands of years . . . for as long as there have been cities and civilization.

What ‘passed for’ (and as) money took many forms, however the purpose of money has always been focused upon the need to circulate: transport

and livery pertained as much to money as it did to whatever goods were purchased with money (upon both sides of every transaction): the more easily transported and tendered, the more rapidly transactions could be completed (and, as the velocity and quantity increased, so also could the quantity of economic transactions). Economic activity (and economies) could now expand far more rapidly. A century ago populist radicals in rural and peripheral areas campaigned for a looser definition of money: the most radical of them were called 'greenbackers' (as they advocated for a fiat currency, backed only by the faith and credit of the issuing government). Whereas words became totally vernacular by the end the twentieth century, and lacked any real sense of *mythos*, coins and money (after 1963) came to lack any real sense of *logos*. Our congressman should have asked whether or not fiat currency was money. Money, real money, must have both a rational and a spiritual character: specie lacks *mythos*, whilst fiat lacks *logos*.

Fiat means 'that which became' (the third person singular, present subjunctive form of the Latin verb to become: as in *lux fiat*, or 'let there be light'). Fiat money is currency that has been 'created' by the authority of a city or state. 'Hard' money is minted by the same authority, as gold or silver coins struck of a specific purity; the relative purity reflected the *logos* or ratio of gold or silver to base metal. These coins, in classical cities, usually circulated only in the core or capital city, whereas coins minted in copper, bronze, or some other base metal circulated in the peripheral regions or provinces. In the same manner that words were distinctly coined in the vulgar sense (or in the vernacular tongue) relative to the coining of words in the literate tongue, so also was money coined. Although 'vulgar' money lacked an element of *logos*, its value was always fixed in a relativity

with standard units of 'literal' money. In this context the emergence of populist demands for a common currency (for 'free' silver, and even 'greenbacks' in modern North American history) is made comprehensible. Although all coinage was the same in modern times, as most gold coins tended to remain in civil centers, shortages of money was common in peripheral and rural areas until the twentieth century. *Mythos* is a somewhat more difficult notion to grasp (as it is more spiritual in nature). There emerges an interesting relativity between fiat currency and religion (wherein the sacred words are stripped of *mythos*, and all myth is judged less than valuable and dependable): myth comes to be interpreted as lacking in truth (or, ironically, as untrue).

Were one to look up the definitions of both *logos* and *mythos* in a good dictionary, one would note that both denote words: myth relates to the words of speech and stories, whereas logic (speaking) and logos relates to words of more measured and studied speech. Curiously, however, as in Christian theology, *Logos* is treated as the Word (of Jesus, as the second person of the Trinity). In this sense, *logos* and *Logos* are given a more spiritual and scriptive quality (whilst retaining much of the proportional and rational sense previously associated with *logia*). The significance of *mythos* was diminished as a function of the Christian Word (as *Logos*) now appeared to possess *both* a logical *and* a spiritual character). The 'weight' of words and of money, however, pertains as much to *logos* as to *mythos*. What the questioning congressman was attempting to draw out of the chairperson, when he asked if gold was money, was an admission that the economic distress of the nation was largely a function of monetary policy (and, presumably, of money that lacked intrinsic value and *logos*).

This is curious, as all intrinsic value (that of specie, or a specific value related to a rationed and standard weight of gold or silver) is absent with respect to fiat currencies . . . which is to say that money is now supported only by *mythos* (by the civil mint of spiritual credit or good faith). Historically, money has been 'backed' by, and coined of, specie (of whatever kind) . . . and banknotes were redeemable for 'hard' money (as promissary notes that promised to pay the bearer upon demand). Money is now entirely spiritual, as it circulates with the speed and facility of phantoms. Words are now described, and pictures are depicted, so that both now lack *mythos*; conversely, money (or monetary units) now are devoid of *logos*: are entirely pictive, fictive, scriptive, and relative only to the binding credo of civic legations and legislations (and is created as *lux fiat*).

Monetary policy is often thought of as outside the realm of economics: this is largely dependent upon how we view economics. In its most general sense, economics is concerned with all that pertains to unitarian realms, and to the laws 'of the house' (whereas ecology pertains to the study of the house). The chief purpose of monetary policy in modern nation-states is to control and regulate the supply and availability of money (as this effected both the rate of economic growth, as well as the relative value of money in terms of inflation and deflation). Throughout the history of money, inflation and deflation have been intimately associated with the availability or scarcity of money and specie. Today money is not subject to the inflationary or deflationary pressures associated with the supply of specie (or precious metals), and monetary policy came to consist of changes in interest rates and in the money supply: it appeared far easier to regulate (so long as all nations minted fiat currencies). Toward the end of the

twentieth century economists became convinced that economic cycles of boom and bust (along with fears of rampant inflation) was a 'thing' of the past. It was precisely this optimism (and our faith in new technologies) that enabled a massive expansion of the world economy (along with the building of a many tiered pyramid of debt that supported it without a fear of monetary instability).

Before the general acceptance of fiat currencies, the total value of banknotes in circulation within any national economy could exceed the value of specie kept by the respective governments. This capacity was possible because not all circulating banknotes were likely to be presented for collection at the same time . . . perhaps twenty percent of the value of banknotes in circulation was kept as gold and silver in national treasuries (or in the vaults of regional banks). Similarly, in the age of fiat currencies, an even smaller portion of the total value of money in circulation is now in the form of physical banknotes (and circulates instantaneously in digital transactions throughout the world). Furthermore, the velocity at which money could migrate or be transported was increased exponentially: this enabled an enormous increase in the quantity of digital monetary units . . . and, seemingly, without fear of rampant inflation.

This, along with a diversity of paper instruments, enabled an enormous increase in personal, institutional, and national indebtedness. The movement and conveyance of goods and properties takes far more time and expence than does the movement of money: there is a very considerable lag (and money rarely stays inert for very long in the current monetary regime). This brings us back to Ortega's inability to accept that a potential peso was the same as an actual peso . . . indeed (in the present) it would appear that all money is impossible to hold in one's hand.

The irony is extreme: fiat money is essentially religious . . . as in *fiat lux* (let there be money, and there was money – or ‘let there be light’). Like light, money may be repeatedly reflected and refracted (and cannot be held within a hand or within a vault). What is troublesome – what is the great fear – is that this mountain of debt (that may be thought of as a pyramid).

As with all confidence schemes, whilst our investments grow, and the scheme expands, all are confident that their wealth is growing also. As with a Ponzi scheme, so long as credit and credibility remains, the system will expand (as the economy expands) . . . the system comes to depend upon growth and credit (that is related to continued growth). When in crisis (as in the financial panics of the last century) the response to crisis has been (and is) to respond with more of that which caused the problem . . . further infusions of borrowed monetary units (that, after all, are not unlike photons seeking an appropriate orbit about which to momentarily circuit before moving on to the next). Perhaps ‘big’ science, and the isolation of Higgs boson will restore the faith. It would appear, however, that, having tried monetary stimulus, we would be making a very serious mistake to undertake a policy of austerity and economic tightening. This is not, however, to say that current monetary policy is fraudulent or illicit.

A Ponzi scheme may look very similar to any fiscal system of fiat money, however one must ask oneself what it is that constitutes redemption. The phrase ‘Ponzi scheme’ refers to a famous fraud, wherein those who accepted the good faith of one Mr. Ponzi were told in good faith that the appreciating value of their investment could be redeemed for coin of the realm. Investors were led to believe that the paper they held could be redeemed for actual money (in the amount of the stated value of each

share). With regard to the monetary scheme of fiat currencies, however, there is no implication that currency would be redeemable for anything . . . what is assumed, however, is that their units of fiat currency could be used to purchase food, services, merchandise, and housing (within an acceptable variability with regard to how much or how little a unit might purchase). The fear that such units may become effectively worthless is principally associated with faith in the providential power of the authority that mints it. In effect, all money has been religious in nature. Below is an image of Juno Moneda on the face of a Roman coin.



This old Roman coin shows an image of Juno appropriately invested in goatskin, and holding her scepter in her right hand and the Palladium in the left. To Romans, Juno appeared as both the mother goddess and the goddess of sex; clearly, there is something sexy about money (and especially coins). Technically, only coins are minted (and only those coins struck of specie). What I would emphasize to readers is the reproductive character of minted money, but I would also point out that there is a warlike quality associated with Juno (as competition and conflict are inherent in both finance and reproduction). This association between money and combat is artfully expressed by the Palladium on the left hand and the scepter in the right; Juno (like her Greek counterpart, Athena) is commonly

identified by her warlike attire: cloaked and invested in her goatskin (or *aigis*). In order for money (or for gods or people) to be productive, it must not be inert___ the reproductive potential is realized only in rhythmic and reciprocating activity.

It should not be surprising to find a close relationship between sex, violence, and money, and such a combination should be sufficient to grab the reader's interest. Although I have drawn upon mythical references, there is no suggestion that physical and historical references are any more or less applicable or reliable. *The advantage of a mythic approach is found in its capacity to engender a more comprehensive awareness of how these relations interact.* Interest (in the sense of what is paid or accumulated, as well as in the sense of what we focus our attention upon) is basic to sex, conflict, and money . . . in both historical and in mythological progressions. Interest transcends all that is material and spiritual. Assets, and that which is assessed, are relative to what we sit on (and that includes more than our buttocks).

If men fight more (or are more war-like), it is a function of their perceived role of guardianship over the family, the tribe, or the commonwealth. Females, however, have historically made the greater investment (in their children, in the 'play,' and in their worldly investments). It may seem strange, in this context, to see 'the Mother of all' invested in goatskins; however quite natural to see her holding a scepter or a spear in one hand, and the symbol of civil power and protection (and fertility) in the other. As an old goat, I can tell you that there is no joy in being fleeced (however, being relieved of such that we carry can be quite liberating).

Like it or not, there is a religious quality to all money . . . and, with regard to fiat money, the faith we may or may not have is (as Martin Luther famously held) everything . . . it 'power' depends upon faith alone.

We hardly comprehend the physics of monetary 'being' . . . and are quite in the dark with respect to the metaphysics of fiat money. To his credit, our enquiring Congressman understood that the economic situation we suddenly found ourselves confronted with was firmly rooted in monetary policy (and especially with a lack of credibility and fiat money); also to his credit, he exhibited considerable courage in attempting to address what he saw as source of the problem. For this he was made to look like he was 'off with the faeries.'

Please understand: I am not an authority in matters economic (and have never been economically successful). I am but an historian with a very poor memory, and what I offer here is but one person's view of systemic change and dysfunction. Demands for contraction and austerity are far too late to have any effect apart from a further (and more rapid) decline in faith . . . and a catastrophic consequence that some may feel they may be able to control. To those who may think that they might consolidate their power (and enforce their orthodoxy) in the wake of such catastrophe, I implore you to comprehend the mirrored shield (and that there will be no winners should you fail to restore confidence).

It may have been folly to have changed the world's reserve currency to fiat under the Kennedy administration, however once done there was no going back. To the good congressman who inquired as to whether or not gold was money, I would say that the Great Depression of the past century really began when the United Kingdom returned to the gold standard. What

was possible then, even with great and extreme suffering, is simply not an option today . . . the world population is far greater now, as is the extent to which almost all people are dependent upon systems and subsystems that are quite beyond their control. The extent of suffering would be horrific and enduring.

In 2003 I wrote the following:

“My fear is that conflict between modern interest groups has already gone beyond a potential for resolution, and that the effects of past conflict (and its resultant economic effects) has brought the world economy to a point of a credit implosion. In other words, that severe economic depression is now considered likely (and all that can be done is to redirect the blame). If so, then the west is also in for an extensive and rapid change in its culture . . . and a loss of its most valued freedoms. The following is offered not as prediction, but in the hope that, if people are more aware of the critical nature of this crisis, we may yet be able to avoid the storm that is upon us.

At the time I wrote that it was apparent (to some, at least) that the cause was a conflict between two centres of finance capital . . . I needn't name them (as they would know of what and whom I write). For myself, I am now an old man . . . and have already lived almost all of my natural life; in making this plea to cease this folly whilst it may still be possible to avoid its most horrific consequences I do not think of myself. I address the following paragraphs to those captains of finance and politics who appear willing to risk all in this conflict that threatens to consume all of us.”

Can you not see that there will be no winners? Do you really think your plans are so well laid that you might consolidate your power and emerge so as to reverse the revolt of the masses? In your planning you must at least have considered the very real probability of igniting a war that would truly end all wars (and very possibly a great deal more).

I am not one to ask favours of people or of institutions, however I beg you to make peace with your adversary . . . it is not nations or cultures that are at odds with each other here: it is two contending financial powers that seek to control and monopolize a global empire. It is not your respective ideologies that divide you (as they are really not that distinct). Ordinary people are not so simple as to excuse one or the other: both of you get blamed (and with justification). If you think yourselves champions of civility, demonstrate that you can be civil. That is about all I have to say . . . except to mention that you might consider proving C.P. Snow wrong.

Logic alone is insufficient. As with regard to words that lack *mythos* or money that lacks *logos*, all that evolves upon one side of the 'aisle' will rotate clockwise (whilst all that evolves upon the other side will rotate in opposition, or anti-clockwise.) This is more than an analogy: it enables a clear representation that is directly observable between the southern and the northern hemispheres. We are speaking here of torsion or twisting . . . of torrents and of informational 'bit-torrents' that twist (words, money, and all that is coined or cloven) in opposite directions about a central 'eye' of depression. Here is the 'god' that we all fear: Typhoon. There is a very close relationship between logic and logistics, and it is about time we came to comprehend this (and all relationships).

Logistics has to do with quartering; it is a military term for the quartering (and supplying) of soldiers. This requires the transportation of troops, munitions, and equipment. The ideal apportionment of logs has long been thought of as splitting them into rational quarters. Where I have referenced the importance of monist assumptions (and monads) in this and earlier works, I refer to a system of interpretation that we would be familiar with in a context of numbers, counting, and arithmetic. In the context of the insane conflict between two streams of finance and power, it is almost as if the 'prize' being fought over may be thought of as possession of the third quartered log (in a base of four quarters) . . . which is to say, each hemispheric 'side' seeks to have it all. No system (physical or metaphysical) can function in the absence of an 'off-sider.'

In the absence of comprehension, debate and reasoned discussion can serve only to particularize and separate. What really upsets me is when ordinary families, or any group of friends, get drawn into these bi-polar debates (and the tempest spins them off as a centrifuge separates). It hurts me to see friendships and families split and polarized (as was the case in the 1970's). At least the currency of the Congressman's nation bears the sentence, 'In God we trust' . . . as if you have faith in the future, and faith in a fully spiritual currency, than we all are (in effect) expressing a faith in the Creator. It would appear our essential choice (should we wish to avoid chaos).

A cyclone, like a centrifuge, may spin or rotate in either direction, however the differentiating effect is quite the same (regardless of hemisphere). In the same sense that the sides of any boat or ship must be held apart and kept together by a central keel, should either side (of the vortex) be

divorced from the other (such that the keel is removed), the entire vessel (and her crew) cease to be.

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This paper is offered as appendix to a larger work that I have called “The Cruise of The Sundowner.” I append this because it would appear that general comprehension – or a capacity for such comprehension – will continue to elude us unless and until we manage to grasp the relationship between monads, money, monetization, and the import of how we measure and value a unit (and the unit people are most interested in is a unit of currency). In that larger work I made reference to the essential significance we attach to the notion of purity, and hinted to the effect that mint and myth (or all that is essential) serve an important role in the dynamic of all actual and potential unitary systems (especially in the context of motivation, and the capacity to keep such systems from stasis and entropy). I also spoke of transactions, and of the need to transpose and transport in the wake of all such sealed transactions. For those who may attempt to read “Cruise of The Sundowner” I must warn that the paper is written in a mode that is as reflective of myth as it is of logic . . . it is in a mode that few would be familiar with . . . however it is not all that difficult to understand.

This is not an addendum: this is as an appendix. I had assumed that that if people knew anything at all, they knew what money was. In this I was mistaken (at least in part). What I am getting at here is that I can think of no better means by which to comprehend a unit of anything than through a unit of currency.

This relates directly to Ortega’s inability to accept that (as he put it) ‘a potential peso was not the same as an actual peso.’ In this paper I focus upon this difference (and the critical importance of minting and of myth). I recently heard a United States Congressional Representative ask the Chairperson of the U.S. Federal Reserve if gold was money: the chairperson correctly replied that gold was not the same as money. Gold and silver are specie when units of money are gauged or measured with respect and regard to the standard by which value (the quantifiable value of money) has historically been measured. This is the context of this paper. Its purpose, however, is to make a plea for comprehension . . . and for sanity with regard to the limits of power, wealth, and our assumed capacity for control.