

# Money

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# Money

Every living system exchanges matter, energy and information. Exchanges are vital and they require a medium a lymph.

In plants, the lymph that allows exchanges is water. Water flows from the roots upwards, through the conductive vessels that branch out in each leaf to reach the individual cells. In zoology, lymph is the liquid that circulates in invertebrates, also called hemolymph. In humans, the vital liquid flows both in the lymphatic system and in the circulatory system.

In human societies, the lymph is

money. It allows for exchanges and therefore has a central position in the life of every person and every nation. Whoever controls money actually holds power over society and individuals.

*But how does money work?*

With the formation of states, currencies were created as a tool for the exchange of goods and services, as well as for the payment of taxes. The earliest coins were usually made of metal and were minted in large quantities. Coins were then coupled by banknotes, which are easier and less expensive to produce and use.

Banknotes were first introduced in China in 806 AD. Those who had precious metals could deposit them with banks, for their conservation and protection, and the banks gave out receipts, banknotes. Banknotes could be exchanged and other people could collect the precious metals, including at other banks.

In Europe, the first account of banknotes was made by Marco Polo and the first banknotes appeared in 1661 in Sweden.

Banknotes were issued by commercial banks and were guaranteed by the gold or silver coins that had been deposited.

In 1694, in England, commercial

banknotes were replaced by national banknotes. This system devised by Charles Montagu gave birth to the first central bank: the Bank of England.

The Bank of England is the model upon which Western central banks are based.

By 1694 England could no longer finance the Nine Years War against France, and Montagu proposed to bring together the debt-holding banks on the board of the Bank of England, a private institution with long-term banking privileges, including the issuance of banknotes. The Bank of England grouped the main commercial banks, in which the

government had deposited valuables in exchange for banknotes. The Bank of England gave banknotes in exchange for gold and charged interests to cover the costs of storage and security.

Banknotes were in effect substitutes for gold, since the conversion into gold was certain.

This early stage, called the gold standard, allowed anyone to go to the central bank and convert banknotes into gold. At the same time, gold could be imported and exported freely.

The British government, thanks to its military might and its empire, was able to impose the gold standard as a



model of the international monetary system. Its advantages were undeniable. First of all, its inherent ability to stabilize exchange rates between the various currencies of the countries participating in this system. The currency of a country with a trade deficit depreciated and equilibrium was restored, while the currency of a country with a trade surplus appreciated and the surplus decreased. The gold standard was therefore a very effective system.

However, central banks concentrated immense power in the hands of a few bankers, turning them into greedy and unscrupulous people.

The War of Independence of the United States of America was a war of independence from the Bank of England and to prevent America from again falling under the dictatorship of a few greedy and unscrupulous bankers, the founding fathers of the United States prohibited in the first article of the Constitution the establishment of a private central bank.

In the United States, the first institution with central bank responsibility was founded in 1791 by Alexander Hamilton. However, Article 1, Section 8 of the United States Constitution prohibits the formation of private central banks:

*“Only the Congress shall have power ... to coin money, regulate the value thereof.”*

Consequently, in 1836 President Andrew Jackson (1829-1837) declared the Bank of the United States an unconstitutional aberration and an affront to popular sovereignty, as it concentrated immense powers in the hands of a small group of bankers not elected by the people, and abolished the Bank of the United States, arguing that it exerted a negative influence on the economy and the country.

Without a central bank, every commercial bank could print its own banknotes, the value of which

however had to be guaranteed by Treasury bills.

Here are some examples of the banknotes that commercial banks printed prior to the establishment of the Fed.



# **The Fed and the Western monetary system**

The absence of a central bank and the variety of banknotes that were printed in the United States made the dollar unattractive and for this reason the British pound was used in international transactions.

Thus began a war between bankers. The Astors, Guggenheim and Straus, the most powerful bankers of the time, were strong supporters of the first article of the constitution and were against the establishment of a central bank. Instead, the Rockefellers, Morgan and Rothschild

pushed for the creation of a central bank.

During his tenure, President William Taft continued to veto the creation of a central bank.

The bankers who opposed the creation of the central bank (Jacob Astor, Benjamin Guggenheim and Isidor Straus) died on April 15, 1912 in the sinking of the Titanic, the largest ocean liner of the time, while the bankers who were in favor of the creation of the central bank arrived late at the port of Southampton and did not board.

Shortly thereafter, on December 23, 1913, newly elected President Woodrow Wilson signed the Federal

Reserve Act, an act of Congress that initiated the Federal Reserve System (Fed), the central banking system of the United States that unified the US financial system into one privately owned entity.

Only the Fed was authorized to print dollars, regulate interest rates, the money supply, credit creation and inflation. The Fed could lend money to the government and ask for interests.

To overcome the fierce debate over central banks and the prohibition of Article 1, Section 8 of the United States Constitution, the word “Federal” was used intentionally to give the impression that the Fed was

a public entity. This ambiguity is still used on the Fed's website: *“The Federal Reserve System fulfills its public mission as an independent entity within government. It is not owned by anyone and is not a private, profit-making institution.”*<sup>1</sup>

In 1914, when the Fed began printing the first banknotes, the international trading system was under the rule of the British pound. However, only eight months later, in August 1914, the First World War turned the dollar into the main international currency.

The United States remained neutral until April 1917, when it declared war on Germany. With the war, US

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<sup>1</sup> [https://www.federalreserve.gov/faqs/about\\_14986.htm](https://www.federalreserve.gov/faqs/about_14986.htm)



government spending increased fifteenfold, resulting in indebtedness to the Fed. The same happened to the European allies to whom the Fed generously provided dollars, thus favoring their indebtedness.

In all countries, public spending exceeded tax revenues, war bonds were issued to raise additional funds, and the Fed assumed the central role, facilitating their sale.

Ten billion dollars' worth of war bonds were placed and this extensive borrowing caused the public debt to explode.

By the end of World War I, the Fed had become the main player on the international stage and the dollar was

the world's main currency, backed by gold that Europe had sent to pay off US ammunition, weapons and exports.

When the war hit Europe in 1914, huge military spending forced European nations to abandon the gold standard. The excess of banknotes that were printed could no longer be guaranteed by gold. This made the British pound and other European currencies unstable, and international traders began to use the dollar as a medium of exchange.

The war made trade credit more difficult to obtain, and dollars became the means to finance trade; this dramatically increased the power

and centrality of the Fed.

At the end of World War I, President Woodrow Wilson, who signed the Federal Reserve Act, declared:

*“I am a most unhappy man. I have unwittingly ruined my country. A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men. We have come to be one of the worst ruled, one of the most completely controlled and dominated governments in the civilized world. No longer a government by free opinion, no longer a government by conviction and the vote of the majority, but*

*a government by the opinion and duress of a small group of dominant men.”<sup>2</sup>*

The debt ensured the Fed’s domination of the European nations. The allies, mainly England and France, had received 8.8 billion dollars. The total sum of war debts, including loans granted in the period 1919-1921, amounted to over \$11 billion.

German industrialists began to sabotage the repair of war debts, refusing to pay taxes and moving capital abroad. The state budget deficit was covered by the issuance of

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<sup>2</sup> Woodrow W. “*The New Freedom*”, Doubleday Page Company, 1918, New York, under the chapter IX titled: BENEVOLENCE, OR JUSTICE?

unsecured marks, causing hyperinflation. In November 1922 the US dollar was worth 320 marks, a year later, in November 1923, it was worth 4,210,500,000,000 marks. The collapse of the German currency caused severe political instability, the occupation of the Ruhr by foreign troops and the misery of the population.

In 1924, the American banker Charles G. Dawes was commissioned by the Allied Reparations Committee to analyze the problem. His report, published in April 1924, proposed an annual payment plan and the reorganization of the German central bank into a

private central bank.

In the summer of 1924, the Dawes plan was approved at the London conference and, in August 1924, the old Deutsche Mark was replaced by a new stabilized banknote. The gold that Germany had paid in the form of war reparations was acquired by the Fed and returned to Germany in the form of an “aid” plan, granted by England and France, in turn to pay the war debt. This aid plan was covered by interests. Eventually, the entire German population lived in debt, under the blackmail of the Fed which could withdraw its loans at any time and cause the country to go bankrupt.

An unstoppable flow of Fed banknotes poured into Germany in the form of foreign investments which in the period 1924-1929 amounted to nearly 63 billion gold marks. In 1929, German industries ranked second in the world, but were largely in the hands of American financial groups. American cooperation with the German military-industrial complex was so intense that in 1933 the key sectors of German industries and large banks such as Deutsche Bank, Dresdner Bank and Donat Bank were under the control of the Fed.

In 1922, a meeting took place in Munich between Adolf Hitler and

the US military attaché in Germany, Captain Truman. Soon after, the financial miracle of the Nazi party occurred. Following important donations from abroad, in September 1930 the Nazi party obtained 6.4 million votes, thus taking second place in the Reichstag.

Heinrich Brüning, former German chancellor, wrote in his memoirs: “...since 1923, Hitler received large sums from abroad. Where they went is unknown, but they were received through Swiss and Swedish banks.”

Louis McFadden, Republican member of the United States House of Representatives from 1915 to 1935, principal sponsor of the



McFadden Act of 1927, described the Fed in the following words:

*“Some people think the Federal Reserve Banks are US government institutions. They are not... they are private credit monopolies which prey upon the people of the US for the benefit of themselves and their foreign and domestic swindlers, and rich and predatory money lenders. The sack of the United States by the Fed is the greatest crime in history. Every effort has been made by the Fed to conceal its powers, but the truth is the Fed has usurped the government. It controls everything here and it controls all our foreign relations. It makes and breaks governments at will.”*<sup>3</sup>

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<sup>3</sup> <https://www.azquotes.com/quote/1256098>

In the book “*A Monetary History of the United States*”, Milton Friedman and Anna Schwartz show that in the fall of 1929 the Fed intentionally reduced the money supply, thus triggering the collapse of the US stock market and causing the Great Depression.

The power of the Fed had become a danger to the United States and several bankers, together with the United States Treasury, were starting an alternative monetary system based on US Treasury silver-backed notes (*silver certificates*).

Friedman and Schwartz wrote: “*From the cyclical peak in August 1929 to a cyclical trough in March 1933, the stock*

*of money fell by over a third.”*

The result was what Friedman calls the *Great Contraction*, a period of falling prices and employment caused by the limited availability of money.

The American economy had already gone through a series of cycles of expansion and contraction. Depressions often seemed to be triggered by banking panic, the most significant having occurred in 1873, 1893, 1901 and 1907. Before the establishment of the Fed, the banks had dealt with these crises by suspending the convertibility of deposits and from 1893 the government intervened by providing liquidity to the banks and thus

reducing the panic that would lead to depression.

But in 1928-1932 the Fed did not provide liquidity to the banks. On the contrary, it accentuated the monetary contraction contributing to the banking crisis, causing the bankruptcy of a third of all US banks and their forced liquidation at very low prices. To be more precise, all the banks that were working on the new monetary system were wiped out by the Great Depression. The silver certificates disappeared and the Fed once again had the monopoly on the dollar.

The banking crisis and economic depression in the United States

spread to central Europe and, in September 1931, England abandoned the gold standard, thus destroying the international payment system and depriving the Weimar Republic of financial oxygen.

On January 4, 1932, a meeting was held between the major British bankers, Adolf Hitler and von Papen. The meeting was also attended by US politicians and the Dulles brothers, which their biographers do not like to mention. On January 14, 1933, a meeting took place between Hitler, Schröder, Papen and Kepler, where Hitler's program was approved. At this meeting the question of the transfer of power to the Nazis was

finally resolved, and on January 30 Hitler became Chancellor.

The attitude of the Anglo-American government towards the new German government was very tolerant. When Hitler refused to pay the war debts, neither Britain nor France made any requests. Furthermore, the Reichsbank, the German central bank, was now a private and independent central bank. In May 1933 the Reichsbank received a one billion dollar loan and the termination of old debt payments and the following month England awarded another two billion dollars.

Thus, the Nazis obtained what the Weimar Republic had failed to

achieve.

In the summer of 1934, Britain signed the Anglo-German Agreement which became one of the foundations of British policy towards the Third Reich, making Germany England's main trading partner. As Hitler himself admitted, his four-year plan was possible thanks to loans received from abroad.

In August 1934, American Standard Oil bought 730,000 acres of land in Germany and built large oil refineries that supplied the Nazi regime. At the same time, the Nazis received state-of-the-art technology from the United States, including military patents from Pratt & Whitney,

Douglas and Curtis Wright, used to build the Junkers-87, World War II bombers.

In 1941, as World War II raged, US investment in the German economy amounted to \$475 million. Standard Oil invested 120 million, General Motors 35 million, ITT 30 million and Ford 17.5 million.

The close economic and financial cooperation of the Anglo-Americans and the Nazis was the basis of the policy that led to the Second World War.

When the United States entered the war, the Fed declared that it was: “...*prepared to use its powers to assure at all times an ample supply of funds for*



*financing the war effort.*”<sup>4</sup> Financing the war was at the core of the Fed’s policies.

Before the war, the US military was small and its weapons were obsolete. The military needed to purchase thousands of ships, tens of thousands of airplanes, hundreds of thousands of vehicles, millions of guns, and hundreds of millions of shells and ammunition. The military needed to recruit, train and deploy millions of soldiers across six continents. These tasks involved paying contractors, inventors, and corporations so that they, in turn, could purchase supplies, pay

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<sup>4</sup> Fed, Board of Governors 1943, 2,  
[www.federalreservehistory.org/essays/feds-role-during-wwii](http://www.federalreservehistory.org/essays/feds-role-during-wwii)

workers, and produce weapons with which American soldiers would defeat their enemies. Military spending increased from a few hundred million dollars a year, before the war, to 85 billion in 1943 and 91 billion in 1944 (equivalent to 1.3 trillion dollars in 2018).

The plans to finance the war were devised by the Fed and were based on the sale of bonds that fit everyone's possibilities, from small savers to large corporations.

The Fed organized the Victory Fund committees and developed partnerships with banks, companies and volunteers.

To support the financing of the war,

the Fed asked Congress to amend the Federal Reserve Act allowing to purchase government bonds in unlimited quantities, without guaranteed deposits, thus indebting the US government beyond any measure.

At the end of World War II the gold standard no longer existed, and between 1 and 22 July 1944, 730 delegates from the 44 countries that were winning the war gathered at the Mount Washington Hotel in Bretton Woods, New Hampshire, in the United States, to redefine a new international monetary order.

The famous British economist John Maynard Keynes proposed the

creation of an international currency issued by an international central bank, a world body with the power to print banknotes. However, the idea was strongly opposed by the US delegation, and in particular by its chief economist Harry Dexter White, who explicitly referred to his country's military superiority.

Keynes's proposal, supported by the United Kingdom, to introduce a supranational currency did not prevail over the interests of the Fed.

The result of the Bretton Woods conference was to give the US dollar the role of the only international currency.

It took three weeks, but in the end

the Bretton Woods delegates had to accept the full triumph of the Fed. The dollar was the only currency backed by gold and all other currencies were backed by the dollar. The only limitation was that any country could ask the Fed to convert dollars into gold.

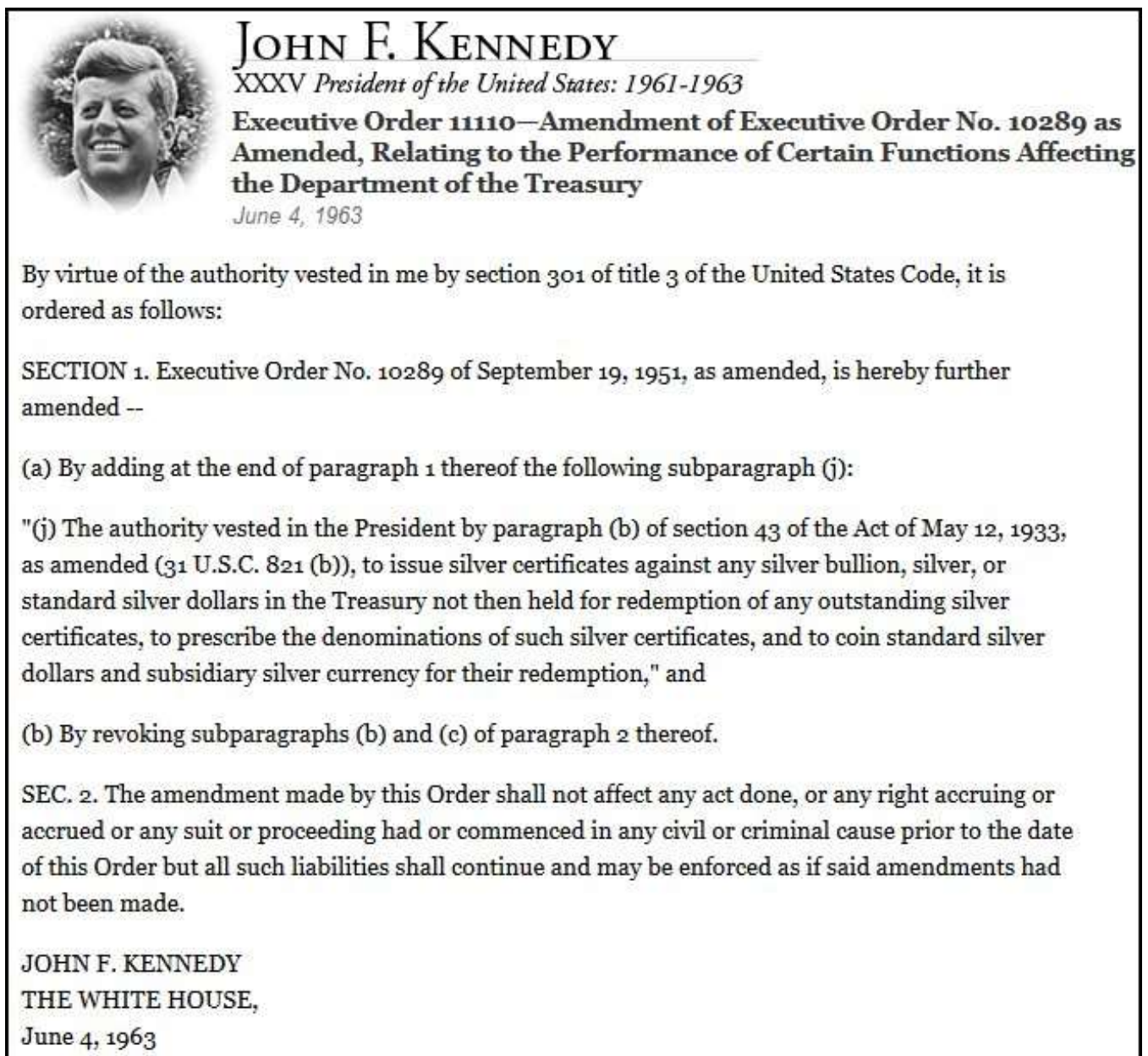
The dollar acquired a role of international hegemony, it was used in all important transactions, from food to raw materials, metals and, of course, the purchase and sale of oil, which at that time proved to be the most strategic market.

The American President John Fitzgerald Kennedy was well aware of this situation of excessive power

of the Fed, and with his executive order 11110 of June 4, 1963, he tried to rebalance the monetary policy by authorizing the Treasury of the United States of America to issue banknotes guaranteed by the deposits of silver. The intention was to shift the monetary control from the Fed to the Treasury. In addition, the Executive Order 11110 prevented the Federal Reserve Bank from asking interests to the US Federal Government. With a stroke of the pen, President Kennedy declared that the privately owned Federal Reserve Bank would soon go bankrupt.

More than 4 billion US banknotes

were put into circulation. Kennedy knew that the use of Federal Reserve notes as legal tender was contrary to the Constitution of the United States of America.





*Silver dollars* were similar to the Fed's banknotes, with the difference that instead of "Federal Reserve Note" they had "Silver Certificate" and the seal and serial number were red instead of green.





Five months later, on November 22, 1963, Kennedy was assassinated and the 4 billion silver certificate banknotes were immediately withdrawn, giving again full control of the dollar to the Fed.

Now the Fed also had total control of the US government, media and military establishment.

The Communist countries had not submitted to the Fed dictatorship and had become the number one enemy. This justified the war in Korea and Vietnam, which further increased the US government debt.

In 1959, the United States' foreign deficit and gold reserves amounted

to about \$20 billion. By 1967 the deficit had reached 36 billion and gold reserves had fallen to 12 billion, due to increasing demands from some central banks to convert dollars into gold.

On August 15, 1971, Richard Nixon made the unilateral decision to end the Bretton Woods Agreement. The gold reserves of the United States had fallen to a fraction of the external debt, while the demands for the conversion of dollars into gold had become unstoppable. The gold standard was replaced by a flexible trading system, while the institutions created in Bretton Woods survived. The International Monetary Fund

and the World Bank are still active and the GATT was replaced with the World Trade Organization.

At this point the world monetary system should have shifted from private central banks to state central banks, but the overwhelming US military superiority coupled with the interests of the oligarchs who controlled the Fed led to the birth of petrodollars.

The gold standard was replaced by petrodollars, where the dollar was backed by oil. The United States began to impose this system, based on private central banks, on the supremacy of the dollar and on the exclusive use of the dollar in the

purchase and sale of oil.

The first nation to be sanctioned for violating this policy was Chile. Salvador Allende, elected in November 1970, nationalized the central bank. The reaction was swift. On 11 September 1973 the world witnessed one of the bloodiest coups d'état.

In 1974 the petrodollar system was formalized in an agreement between the US administration and the Saudi regime which sanctioned the equivalence between dollars and oil. With this deal, Saudi Arabia could only sell its oil in dollars and the surplus, about 70%, was to be used to buy US treasury bonds. This

agreement signed with the Saudis was soon extended to all the other oil producing countries. Countries that imported oil were therefore obliged to keep large reserves of dollars.

The second oil crisis, that of 1979, strengthened the hegemonic role of the dollar. Oil prices rose 250% and the Fed reacted by significantly raising interest rates, attracting a huge flow of capitals.

Developing countries had already been drained by the debt created by international organizations. In Europe, public debt was limited by laws that prevented borrowing from central banks, but by the mid-1970s central banks managed to elude these

laws by starting to buy treasury bills that were not placed. In this way they could finance an unlimited public debt.

Within a few years, taxes were no longer used to finance public spending, but to pay interests on the debt. Citizens and nations were forced to sell their properties to pay interests on the debt and entire nations were subjugated.

In 2000, Saddam Hussein challenged this system, nationalizing the Iraqi central bank and selling oil in currencies other than the dollar. Economic sanctions and war were immediate. Other countries, including Syria, Venezuela, Russia,

Iran and Indonesia, began to consider the nationalization of their central banks and the use of currencies other than the dollar for the sale of oil.

Anyone trying to break away from the petrodollar system and the Fed dictatorship knew they would suffer the same fate as Saddam Hussein.

Mu'ammarr Gaddafi tried to break away from this system by establishing a supranational currency, the gold dinar, which would have unified Africa under the same currency, pushing it away from private central banks and debts. Support was widespread, but the revolutions of the 2011 Arab Spring in North Africa

and the assassination of Gaddafi stopped this project.

In 2005, Iranian President Ahmadinejad Mahomoud announced that the small island of Kirsh would soon host a stock exchange for hydrocarbons where oil and other hydrocarbons would be traded in euros or other currencies, but not dollars. Henry Kissinger summarized in an August 2006 interview: *“If Tehran insists a military confrontation with America is inevitable.”*

On December 8, 2007, the central bank of Iran, which is a public institution, officially announced its decision to convert all oil payments into currencies other than the dollar.



On 17 February 2008, shortly after the meeting in Davos, the Kirsh Stock Exchange was officially presented and became operational on 18 July 2011. On 31 December 2011, Obama signed a law requiring the United States Congress to punish any organization having financial transactions with the central bank of Iran, thus reaffirming the prohibition of breaking away from the system of petrodollars, the Fed and private central banks.

In 2018 Vladimir Putin was re-elected president of the Russian Federation with a mandate to bring the Russian central bank under the control of the Treasury and

parliament.

Putin is today the number one enemy of the Western world, the one who is leading countries to nationalize central banks and break away from the domination of the Fed, the leader of an international movement that is nationalizing central banks.

The Western world wants Putin to do the same fate as Saddam, Allende and Gaddafi. To this end, the Ukraine trap was arranged in 2014. The West organized a coup that led to the removal of the pro-Russian president Viktor Yanukovyč, replaced by an openly Nazi government that started the genocide

of the Russians population in Donbass. The genocide has been denounced several times in international fora and in response Europe and the United States have increased financial support and the supply of weapons to the militias and the neo-Nazi government, with the clear intention of pushing Putin to intervene. Putin did not fall into this trap and continued his policy of nationalization of central banks, increasingly becoming the main enemy of the West. In 2016, during the US presidential campaign, one of the main themes of Hillary Clinton was Putin who had to be eliminated even by resorting to a war against

Russia. The situation calmed down during the four years of Trump's presidency, but with Biden the tension started to grow again and in 2022 when Ukraine was about to annex itself to NATO, placing nuclear missiles close to the Russian border, a short distance from Moscow, and was developing biological weapons, specific for the Russian ethnical group, Putin was forced to intervene. In order to eliminate Putin, private central bankers are willing to lead the crisis into a Third World War with the use of nuclear weapons. The Western narrative describes Putin as a new Hitler, who absolutely must be

eliminated, whatever the cost is. In response, Putin tied the ruble to gold, thus restoring the gold standard and started selling gas, oil, wheat and other commodities only in rubles, that is, in gold.

# Representative democracy

The monetary system of private central banks is based on a scam.

Imagine a central bank (i.e., a typographer) commissioned by a match organizer to print 10,000 tickets.

Printing 10,000 tickets costs 50 dollars, but the central bank does not ask for the cost of printing, but the value printed on the ticket. If it prints 10,000 ten dollars banknotes, it asks for 100,000 dollars in Treasury bills, on the grounds that the banknotes are worth 10 dollars each.

It is true that they are worth 10

dollars each, but their value does not depend on the number printed on the banknote, but on their demand. The central bank knows this, but blackmails the organizers, the politicians, promising a generous gift to support their re-election. On the contrary, it will fund other candidates and discredit those honest people who have opposed it. This is what happens in all countries where central banks are private.

Those who own central banks also control the mass media and lawmakers and this gives them total power over the nations.

During the Bretton Woods meeting the victory of the US position and of the conditions that made the Fed the most important institution of the new monetary system, implied several other important facts which soon shaped the new world order. Probably the most important one has to do with representative democracy.

No one can disapprove the commitment of the US to free the world from dictators and establish democracies everywhere. But let us see more into what this implies.

The word democracy was coined in Athens in 507 BC, combining the words *demos* (people) and *kratos* (power) and means that the power is



in the hands of the people. Greek democracy was direct and it allowed all citizens to participate, speak and vote in the legislative assemblies.

Conversely we now use the word democracy to mean something different.

With democracy we denote a system that is based on the election of people's representatives. These representatives have the power to elect other representatives. In many countries they elect the president or the prime minister.

Yet few representatives have the financial resources to get elected. For example in the 2016 US Presidential campaign Hillary Clinton raised \$1.4

billion and spent most of it for the campaign and in 2020 Joe Biden spent more than \$10 billion.

It is self-evident that ordinary people are not able to raise this amount of money and if they would be able to they would not be supported by the establishment (the Fed) and they would be denied the access to the Main Stream Media (MSM).

In the 2016 US Presidential election, a President was elected without the support of the Fed. Donald Trump managed to win the 2016 US Presidential elections without receiving any financial support by the establishment and the main stream

media. It is quite natural that the establishment got into panic when Trump was elected and started a fierce campaign against him.

In 1911 Robert Michels in the book “*Political Parties. A Sociological Study of the Oligarchical Tendencies of Modern Democracy*” wrote that the costs of electoral campaigns and the organization of the party have transformed representative democracies into the dictatorship of a small elite, pursuing different objectives and in conflict with those of the people and the nation. An example was provided by Adolf Hitler. Thanks to financial and media support, he won 11 million votes in

the 1932 elections and this enabled him to become Chancellor.

According to Michels the function of representative democracy is to put servants of the private central banks (the establishment) in key positions.

These politicians inevitably end increasing the public debt and work for the hegemonic interests of the few that own the central banks.

In 2008 I conducted a study on the Chinese community in Italy on behalf of the Ministry of the Interior and IOM (International Organization for Migration). This is the largest study that has been carried out in this field in Italy. The Chinese

community was a mystery. During this investigation, I came into contact with many Chinese people and developed relationships of friendship and trust with some of them. To the question I have often asked about how it feels to live in a dictatorship, all the Chinese replied that the West is in a dictatorship, while their system is transparent. In China they know who decides, while in the West the decisions that matter are taken elsewhere. This became clear during the Covid pandemic; in Italy the vote of confidence was systematically used, preventing parliament from discussing laws and thus imposing decisions that were taken elsewhere.

Deepening the Chinese system, I discovered that it is a mix of direct democracy and meritocracy, a system that allows highly qualified people to be in right places in government and administrations. During this investigation, people from the Chinese community pointed out to me that representative democracy is a hoax, a scam that serves the interests of the money-controlling oligarchs.

# The debt scam

The *2008 Emergency Economic Stabilization Act*, commonly referred to as a bailout of the U.S. financial system, a law enacted in response to the subprime mortgage crisis, which authorized the United States Secretary of the Treasury to spend up to \$700 billion to purchase distressed assets, especially mortgage-backed securities, and supply cash directly to banks, can be seen as the last step of a premeditated strategy aimed to drastically increase the public debt.

The Act was proposed by US Treasury Secretary Henry Paulson

during the global financial crisis of 2008, it was signed into law by President George W. Bush on October 3 and immediately ratified by the newly elected president, Barak Obama.

The money to finance this operation was borrowed from the Fed, doubling the public debt of many Western countries within a few days.

The financial crisis had been cleverly prepared with the 1999 repeal of the Glass-Steagall Act.

The Glass-Steagall Act had proved fundamental in solving the Great Depression of 1929 and was adopted by all Western economies.

The Great Depression shook the



world economy and lead to a sharp reduction of international trade, income, tax revenues, prices and profits. Major cities around the world were badly hit, the construction sector halted, the agricultural and rural areas suffered from the collapse of prices, mining and forestry areas saw a dramatic drop in demand for natural resources and raw materials.

The beginning of the Great Depression occurred on 24 October 1929 (Black Thursday) with the crisis of Wall Street, which was followed by the final collapse of securities on 29 October (Black Tuesday) that provoked a wave of panic among small investors, who rushed to

withdraw their savings from banks.

The withdrawal of money from banks caused the failure of many banks which were forced to close or scale back. Industrial production fell by almost 50%, layoffs increased unemployment and consumption declined. The economy was almost completely paralyzed.

The Glass-Steagall Act was passed by the United States Congress on June 16, 1933, to solve the problems that led to the Great Depression.

In practice, this law restricted the activities of commercial banks and the affiliations between commercial banks and investment banks, and established the Federal Deposit

Insurance Corporation (FDIC), an independent agency of the federal US government created to maintain stability and public confidence, which guarantees the deposit accounts of commercial banks and thus avoids the panic and rush to withdraw savings which had triggered the Great Depression.

The distinction between investment banks, that gain on stocks and securities, and commercial banks, that produce revenues managing deposits, was based on the principle that hazards must be at your own risk. Bankers were forbidden to hold positions in investment banks and commercial banks. Who worked in

securities could not hold positions in commercial banks.

The government guaranteed deposits of commercial banks, but not the activities of investment banks.

The Glass-Steagall Act was repealed in 1999 with the Gramm-Leach-Bliley Act that cancelled the distinction between investment banks and commercial banks and removed the conflict of interest that prevented bankers of investment banks to work also for commercial banks.

The Gramm-Leach-Bliley Act, introduced in the Senate as the Financial Service Modernization Act

removed the prohibitions of the Glass-Steagall Act and opened the way to the speculative use of savings and deposit accounts, forcing the Government to intervene in the rescue of investment banks (as it then happened in the 2008 bailout act).

The distinction between investment and commercial banks had been introduced in all Western countries and was gradually removed starting from the beginning of the 1990s.

In Italy the distinction between commercial banks and investment banks had been established by the Banking Law of 1936 which defined the banking system of public interest. In 1993 this distinction was cancelled

with the Banking Act, which introduced the concept of the Universal Bank, and repealed the distinction between commercial banks and investment banks by effectively shifting the risk of financial investments to the State.

The merge between commercial banks and investment banks allowed the flow of large amounts of money into stock exchanges. Stock prices soared, attracting the savings of millions of families. However, in early March 2000 the rise of the dot-com stocks stopped suddenly and shortly after share prices started to fall ever more rapidly.

At the same time real estate prices,

which had stagnated for nearly a decade, began to rise, while mortgages were offered at very low rates to people without guarantees (the subprime mortgages that almost anyone could receive).

American families, deprived of their savings by the fall of dot-com stock prices, moved towards real estate investments in the belief that, unlike dot-com, these would be safe investments.

Interest rates remained low until 2005. This led to a gradual and steady growth in property values, together with a gradual and steady growth of subprime mortgages and of the debt of American house owners.

In 2006, with the succession of Ben Bernanke to Alan Greenspan at the head of the Fed, interest rates began to rise, and mortgages suddenly became expensive causing the first signs of difficulties for indebted families. Real estate markets began to stagnate and families suddenly found themselves with mortgages that were worth more than the property they had purchased. Families who were no longer able to pay the ever-increasing mortgages rates declared bankruptcy.

Banks were forced to tighten loans terms, making it harder for people to get and renew mortgages, in the belief that house prices would keep



falling and the economy would continue to slow.

The credit crunch depressed the real estate market and the economy, reduced the liquidity of house owners, raising unemployment and triggering insolvency.

The repeal of the Glass-Steagall Act allowed the securitization, the transformation of subprime mortgages into bonds, thus leading people and banks to buy bonds which were not redeemable, the famous toxic assets. These securities were sold around the world, often mixed with low-risk investments. The growing insolvency of house owners froze these bonds and

plagued the banking systems.

The subprime crisis broke out in the U.S. in August of 2007, but securitization caused the crisis to occur officially on 16 September 2008 with the bankruptcy of Lehman Brothers. The failure of Lehman Brothers marked the beginning of the collapse of the financial markets and of soaring interbank rates. Millions of Americans lost their jobs. The prospect of a generalized crisis and of the meltdown of the financial systems forced the American presidents (Bush and immediately after Obama) to intervene with a rescue program (Bank Bailout), which increased the indebtedness by

\$700 billion. In this way the bank debt was nationalized and spread over all U.S. citizens. Europe followed suit, suddenly increasing the public debt.

The repeal of the Glass-Steagall Act has given rise to derivatives which have reached the stratospheric figure of more than \$700 trillion, compared to a world GDP of \$63 trillion (as at June 2011).

The subprime mortgage crisis which started in the United States in August 2007, brought major banks to the brink of bankruptcy and consolidated the hegemony of the Fed.

During the annual World Economic

Forum in Davos, 2008, internationally renowned bankers demanded that their banks be nationalized.

The United States and other governments, first of all Britain, instead of nationalizing the banks, nationalized their debts.

Debts became public, but gains remained private. Almost all banks were saved unconditionally.

When the topic is the welfare of the citizens, governments consistently refuse to spend public money, whereas for the debts of the banks there are no limits in allocating public money and spreading the debt on the community.

On 5 December 2008, the Fed had provided the U.S. banking system \$1.2 trillion, with the Financial Stability Board, whose rules were dictated not by governments but by the bankers and brokers who caused the crisis. Bankers imposed their rules.

A huge amount of money was converted into public debt. In 2008 the bank bailout, the nationalization of the debt of the banks, led nations already stifled by a strong debt to find themselves faced with the specter of default, a situation unimaginable just a few years before.

Policies of “*tears and blood*” included tax increases, reduced welfare, later

retirement age and reduction in the protection of workers.

On 21 February 2012, Greece reached an agreement with the Troika, the European Central Bank (ECB), the International Monetary Fund (IMF) and the European Union (EU), in order to receive €130 billion.

Greece was forced to add another €107 billion reduction of interest on loans previously granted, which meant a loss of more than 70% in the savings of individuals who had Greek bonds.

According to the Troika, these policies were intended to reinvigorate the Greek economy, but

they took the economy to the brink of default, allowing in the meantime banks and financial institutions to regain their money and a good slice of the Hellenic sovereignty.

In exchange for financial aid the Troika requested the inclusion of a provision in the Greek Constitution which gives repaying the debt absolute priority over any other type of public spending (health, schools, pensions), and which will allow banks and financial institutions to seize the immense Greek heritage (cultural and natural), reducing the people into a state of semi-slavery and extreme poverty, with the creation of low cost labor and with

the explosion of illegal and irregular work.

This situation decreased the Hellenic GDP and increased public debt, making it even more dramatic.

Only ten days after the agreement between Greece and the Troika, Moody's cut Greece's rating to "junk", reducing it from Ca to C, the last step before default. Similarly Standard & Poor's cut Greece's rating to "selective default", whereas Fitch reduced it from C to CCC stating in this way "default in the short term."

Before the banking crisis, Greek public debt was equal to 112% of GDP, it is now over 180% and it is



expected to rise as a result of the measures imposed by the ECB and IMF.

These measures were strongly recessive and lead to decrease the denominator (GDP) and, consequently, the proportion of public debt became greater, making the Greek crisis even more serious and unmanageable.

*In Postcapitalism a Guide Tour to Our Future* Paul Mason states:

*“After the left party Syriza won the election in January 2015, the European Central Bank, whose job was to promote the stability of the Greek banks, pulled the plug*

*on those banks, triggering €20 billion run on deposits. That forced the left-wing government to choose between bankruptcy and submission. You will find no minutes, no voting record, no explanation for what the ECB did. It was left to the right-wing German newspaper Stern to explain: they had smashed Greece... Then I watched euphoria turn to anguish as a population that had voted left for the first time in seventy years saw its democratic wishes trashed by the European Central Bank... the struggle for justice collided with the real power that runs the world... The Central Banks, whose operations most people have no clue about, are prepared to sabotage democracy by triggering bank runs where anti-neoliberal movements threaten to win —*

*as they did with Cyprus in 2013, then Scotland and now Greece... the bad news is that they control nearly every government in the world.”*<sup>5</sup>

In this win-lose system illnesses, wars, conflicts, tensions and natural disasters provide value to money, and this is the reason behind the limitless amount of money that is allocated for wars and for crises that predate on people and nations, whereas there is always no or little money for the promotion of wellbeing.

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<sup>5</sup> Paul Mason, *PostCapitalism: A Guide to Our Future*, [www.amazon.it/dp/0141975296](http://www.amazon.it/dp/0141975296)

# Direct Democracy

With the advent of Internet, Iceland became a paradise for investment banks that offered high interest rates. This formula attracted a considerable amount of foreign capital, which in 2007 exceeded by nine times the Icelandic gross domestic product (GDP).

With the 2008 meltdown of the financial markets, investment banks entered in a crisis, and the conservative Prime Minister Geir Haarde did not hesitate to nationalize their debt, thus transforming a private debt, nine times greater than

the GDP of the country, into a public debt.

The Icelandic króna was immediately devalued by 85%, thereby increasing the foreign debt of the online investment banks to more than 90 times the Icelandic GDP.

To repay this debt Iceland obtained a loan of over \$2 billion from the International Monetary Fund and other \$2 billion from countries of northern Europe.

In return it had to enforce austerity measures and to impose a tax of more than 18,000 euro for each Icelandic citizen, including children. This tax would have been paid in 15 years at an interest rate of 5.5% per

year.

The international financial authorities urged to adopt more drastic measures which would have reduced civil rights and the welfare of Icelanders. At this point citizens started a popular uprising.

The Icelanders did not understand why they should pay the debt contracted by financial speculators who became rich beyond belief with their unscrupulous investments. Why should the debt contracted by these unscrupulous bankers and brokers fall on the citizens? Why did the Icelandic government not ask the bankers to return the money they had stolen from the investment banks?

The Icelanders rejected the idea that the debt of these private banks could be transferred and become a sovereign debt which would have sacrificed the lives and future of all the citizens and of the nation.

Based on these considerations and because of the mounting public pressure, the head of state Ólafur Ragnar Grímsson refused to ratify the nationalization law wanted by Prime Minister Geir Haarde and called for a referendum.

The international community increased the pressure on Iceland. Great Britain and Holland threatened dire reprisals that would isolate the country.

As Icelanders went to vote, foreign bankers threatened to block any aid from the IMF. The British government threatened to freeze Icelandic savings and deposit accounts.

The head of state, Ólafur Grímsson, recalls: “*We were told that if we refused the international community’s conditions, we would become the Cuba of the North. But if we had accepted, we would have become the Haiti of the North.*”

In the March 2010 referendum, 93% of the population voted against repaying the debt. The IMF immediately froze its loan. But the revolution (though not televised in the United States and in Europe),



would not be intimidated.

With the support of a furious citizenry, the government launched civil and penal investigations into those responsible for the financial crisis.

Interpol put out an international arrest warrant for the ex-president of Kaupthing, Sigurdur Einarsson, as the other bankers implicated in the crash fled the country. A total of about 5 thousand people left the island.

But Icelanders didn't stop there: they decided to draft a new constitution that would free the country from the exaggerated power of international finance. To write the

new constitution, the people of Iceland elected twenty-five citizens from among 522 adults not belonging to any political party but recommended by at least thirty citizens. The final document was not the work of a handful of politicians, but was written on the internet.

The constituent's meetings were streamed on-line, and citizens could send their comments and suggestions, witnessing the document as it took shape. The way in which the new constitution was drafted was the real innovation, which overturned the notion that the foundations of a nation are dictated by few wise men.

The results speak for themselves. Just 6 years after the crisis, Iceland was growing by 5% and unemployment was less than 6%. Iceland ranks fourth in the United Nations Human Development Index and fourth in per capita productivity.

Iceland has recovered from this terrible economic crisis and is performing in a way opposite to what is usually said to be inevitable in these situations.

No bailouts by the IMF, ECB or EU, no sale of popular sovereignty to financial institutions, but rather a process of appropriation of the rights of participation.

In contrast, European countries

following the International Monetary Fund and the European Central Bank measures show an increase in unemployment and depressed productivity.

In Greece, unemployment is now 22% and in Spain 18% and is expected to increase due to the contraction of the economy.

The figures are staggering, and Iceland shows that the nation that strongly opposed the blackmail of the financial institutions, which has reaffirmed the principle of popular sovereignty by refusing to pay the debt which was contracted by private bankers and unscrupulous and unethical brokers, is also the county

which is performing better after the terrible financial crisis that started in 2008.

The financial elite of the world said that Iceland was going to be the Cuba of the North and condemned the country to a fate of extreme poverty, if its citizens did not follow what IMF and ECB dictated. But Icelanders with two referendums and with a plebiscitary result argued that private debts cannot be nationalized.

The facts proved that Icelanders were right and that IMF and ECB were not looking after the interests of the citizens.

The people of Iceland have shown that representative democracy can be

changed into participatory democracy and have started what they call a “*silent revolution*”.

They now have a new constitution, drafted by an assembly democratically elected with the help of internet and the continuous involvement of citizens. Some towns, including the capital Reykjavik, now have online platforms for direct democracy, seeking to increasingly involve citizens in the decision making process of the government, in a virtuous cycle of social participation.

Iceland reaffirmed the basic principle that it is the will of the sovereign people which determines

the welfare and the destiny of a nation. Iceland has shown how a nation can reaffirm the principle of the sovereign of the will of the people, which must prevail over the claims of any international financial institution.

# State owned central banks

On 29 September, 2010, India launched the UIDAI (Unique Identification Authority of India), the Indian government agency responsible for the centralized database that provides bioelectronic identification to citizens.

The biometric parameters allow instant and certain identification of people.

Each Indian citizen received a 12-character identification number, associated with biometric information (photograph, fingerprint and iris), demographic information



and an electronic deposit account. This system does not include information that could lead to discrimination such as caste, religion, political beliefs, vaccinations and health status.

UIDAI was inaugurated by Prime Minister Manmohan Singh and the initial goal was to develop a system which permits to distribute aid directly to the people without intermediaries, providing money in the electronic deposit accounts, and solving the problems encountered during elections, where a few people were able to manipulate results by playing on the uncertainty of identity.

In the West we usually associate identification with the reduction of freedom, but according to the Indian project just the opposite happens. A person with no identity is, in fact, a person deprived of rights who cannot vote, receive welfare benefits, work regularly and be protected by the law. Identification opens the door to rights and security and allows citizens to become part of a modern economy.

Indians collaborated with great enthusiasm in the UIDAI system and in the aftermath of the 2016 withdrawal of 87% of paper money, bioelectronic digital payments have become an instant hit.

A key condition at the foundation of this system is the fact that the RBI (the Reserve Bank of India), originally a private entity, was nationalized in 1949, when India became independent from the British Empire. The directors of RBI are appointed by the government and the RBI is owned by the state. This ensures that the electronic identification system and the new electronic money are managed for the good of the people and the nation. The situation that arises when the central bank is private is quite different, as it happens in Western countries, where the identification systems, associated with electronic

accounts, become a tool of control and limitation of rights, a dictatorship in the hands of those few who control private central banks.

It is important to underline this difference:

1. When the central bank is state-owned, bioelectronic identification and electronic money are tools for including citizens and guaranteeing their rights.
2. When the central bank is private, bioelectronic identification and electronic money become instruments of control that allow

citizens to be excluded from their rights when they do not compel to the requests, such as vaccinations.

In India, bioelectronic identification guarantees citizens with rights and at the same time the government receives useful information for planning policies such as those relating to the distribution of food, water and energy, infrastructure, housing, urban mobility, hospitals and schools.

India is a country in which a part of the population still lives in conditions of poverty and which is not yet able to meet the basic needs of part of the

population. Bioelectronic identification favors welfare, cooperation and wellbeing policies and reduces illegality. For example, real estate sales were often split in two parts: a small amount, reported to the government and paid by checks, and a large, undeclared amount paid in cash.

The end of banknotes and anonymous transactions reduced illegality and restored trust between citizens and the state. It is now impossible for a public official to ask for bribes, or steal money and act against the common good. Illegal immigration has become impossible as every individual needs

bioelectronic identification in order to access to money.

- *Guānxi and social credit.*

A similar system was created in China and is known as *social credit*. It was started experimentally in 2009, and it adds to bioelectronic identification and electronic money the principles of *guānxi*, one of the pillars of Chinese culture that has its roots in Confucius' teachings. This system requires that the central bank is state-owned and works for the good of the citizens and the nation. In the West, where central banks are

private, social credit turns into a ruthless system of dictatorship.

Guānxi means network of intimate relationships. Chinese children learn that *a finger alone can do nothing, but in one hand it gains power*. By sharing food, toys and money, kids build relationships of trust, honesty, fairness and reciprocity which over time will become their network of intimate relationships, their guānxi. Guānxis are the pillar of the Chinese society and make China so incomprehensible to Westerners. Every Chinese gives total dedication to his guānxi and knows that, when needed, he will receive any help from it. Guānxis are the strength of every



Chinese. This system of sharing and cooperation has its roots in the rice farming tradition: “*a history of farming rice makes people more interdependent, whereas farming wheat makes individuals more independent, and these agricultural legacies continue to affect people in the modern world.*”<sup>6</sup>

Rice farming is extremely labor-intensive, requiring about twice the number of hours from planting to harvest as does wheat. Because most rice is grown on irrigated land, it requires the sharing of water and the building of dams and canals that

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<sup>6</sup> Talhelm T, Zhang X, Oishi S, Shimin C, Duan D, Lan X and Kitayama S (2014), Large-Scale Psychological Differences Within China Explained by Rice Versus Wheat Agriculture, *Science*, 9 May 2014: vol. 344, no. 6184, pp. 603-608, DOI:10.1126/science.1246850.

constantly need maintenance. Rice farmers must work together to develop and maintain an infrastructure upon which all depend and this leads to a cooperative and collective mindset. Wheat, on the other hand, is grown on dry land, it relies on rain for moisture. Farmers are able to depend more on themselves and this leads to a more individualistic mindset.

During holidays, anniversaries and birthdays Chinese give red envelopes containing money. Since the spring of 2015 red envelopes have also become electronic, and in the first 24 hours of 2016 WeChat, the Chinese

messaging system, has seen sending 2.3 billion electronic red envelopes.

In marriages red envelopes reach their peak. Invitees deliver the offer for the newlyweds in a red envelope. A cashier at the entrance of the restaurant opens the envelope and writes in a public register the name and surname of the guest and the amount. Chinese spouses receive on average (in Europe) between 250 thousand and 400 thousand euros. Enough to buy a house or start a business.

Red envelopes are an example of the traditional Chinese culture of sharing and cooperation that originates from rice.

The average Chinese puts aside at least one third of the income. The money saved, however, does not end in the bank, but is given to those in the guānxi, who want to start a new activity. When a Chinese ventures into the world his guānxi provides support and money. The Guānxi is the social capital, the wealth on which every Chinese relies.

Guānxis are built on trust and reciprocity. Who receives without giving is a 黑人 *hei rén*, a corrupt person, decadent and reactionary, contrary to the principle of sharing. For Chinese *hei rén* is the ultimate infamy and leads to exclusion, “*a finger alone that can do nothing.*”

The ability to build guānxis guarantees the success and future of individuals and organizations. For this reason, it is more important for the Chinese to give than to receive. However, as long as there is no *feeling in the heart*, relationships remain formal and people are not allowed into the guānxi. Guānxis are built on the heart, which in China is considered the central element. Guānxis cannot be improvised. They are built with patience and last a lifetime. These are extended families that involve a series of ways of mutual aid through which Chinese build their future together. It is a principle of reciprocity that manifests

itself in the long term and that usually occurs at the right time, perhaps with demonstrations of generosity, in a sort of *escalation of gratitude*.

In China, trust is a central element of any *guānxi*. For this reason contracts are seen as a sign of decadence. On the contrary, in the West the social fabric has disintegrated, trust has disappeared and exchanges are based on contracts that are often not honored. Chinese people have a hard time understanding Westerners who behave like *hei rén*, corrupt, decadent and reactionary people.

The *guānxi* system allows to grow, it is a safety net, but also an obligation

always present: *“I am an entrepreneur, I have twenty employees, but when a worker wishes to start his own activity I am obliged to give my contribution. (...) Two months ago one of my workers bought an appliance store. He received from me 12,000 Euros.”*

While in the West the savings rate is around zero, or in some countries even negative, because people spend more than they earn, borrowing money from the banks, average Chinese sets aside half of their income. The money which is saved, however, is not put in a bank, but invested in the *guānxi*. This will allow, at the appropriate time, to receive help to open a restaurant or start a business.

It is in difficult moments that guānxis give their best. For example, during the SARS<sup>7</sup> many owners of restaurants found themselves with no customers and with very big financial problems. If they had been exposed with banks they would have lost the restaurants. The guānxi system solved the crisis, but it also has requirements. The important thing is that the entrepreneur demonstrates to their guānxi that he is putting his heart into his activity. It is clear that such a system can only work if all the individuals are going in the same direction, if there is total

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<sup>7</sup> Severe Acute Respiratory Syndrome (SARS) a form of atypical pneumonia which appeared for the first time in November 2002 in the Guangdong province of China



trust, and common aims are shared. Success is based on the utmost confidence and cooperation.

Working with Westerners is an ongoing challenge to the guānxi system. Chinese manufacturers usually ship goods, even an entire container, without asking for upfront payments or signing contracts. In recent years, however, an increasing number of Chinese have found themselves in difficulty due to the unreliability of Western customers who often do not pay or pay late. Some Chinese have not been able to pay for goods received from China, thus contravening the principle of trust that underlies guānxi and

forcing Chinese suppliers to ask for advance payments, especially for goods shipped to countries where not paying has become a practice. As a result, Chinese manufacturers are now demanding a deposit of at least half the value of the goods when they send the containers to Europe.

In guānxis, interests and debts do not exist. The person who has received does not have a debt and does not have to pay interests, but when other people of the guānxi are in need, they will contribute freely according to their means.

The guānxi system of giving and receiving is at the basis of the incredible ability of Chinese people

to produce wealth. It is a win-win system, where everyone wins, since the risks and benefits are shared. The Western system, on the other hand, is a “risk transfer” system, in which the creditor always wins even when the debtor loses.

The social credit system is the modern and technological translation of the *guānxi*. Each Chinese citizen receives a score based on his or her trustworthiness. This allows others to know how much you can trust a person or how much that person is a *bei rén*. The social implications are important, as this system allows to limit and prevent scams, and on the other hand it reduces disputes and

pushes people to be honest and to respect the rules. The social credit system is combined with identity and electronic money. While social credit is described in the West as mass reporting that gives the government unprecedented power, the Chinese are enthusiastic about it and are providing total collaboration since they are sure that the Government and the central bank work for the good of the people and that the benefits and advantages of social credit are countless: greater social harmony, a decrease in crime and the ability of the government to promptly identify situations of need. on which to intervene. This system

has enabled China to defeat poverty and raise the wellbeing and wealth of all citizens.

# Supercausality and finality

Monetary systems based on private central banks increase the debt of states by promoting wars, crises, diseases, pandemics, environmental and social disasters, chaos and death, while monetary systems based on state central banks favor the virtuosity of the nation, the wellbeing of society and people, harmony and life. Private central banks are based on a mechanistic view of reality, while state central banks are founded on a supercausal view in which syntropy and entropy interact and life is finalized.

Supercausality and finality are described in a precise way by the fundamental equations of the universe, and have been verified thanks to a large number of experiments that can be replicated with relative ease.

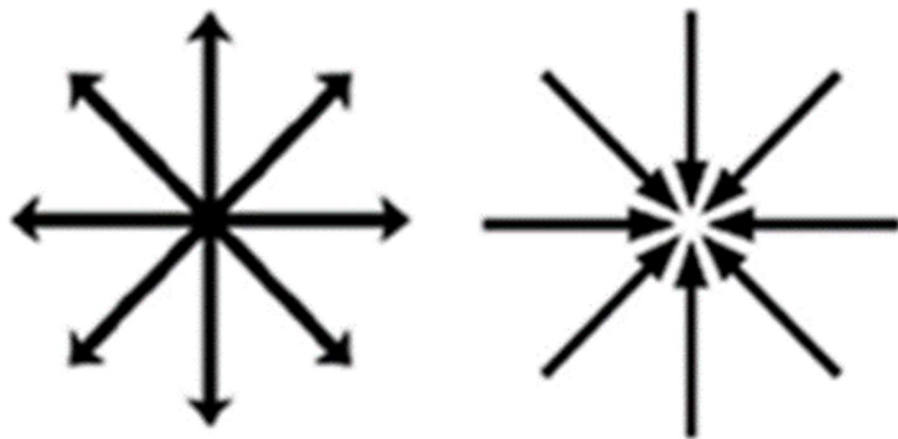
The famous energy-mass relation,  $E=mc^2$ , which we all associate with Einstein was previously published by Oliver Heaviside in 1890, then by Henri Poincaré in 1900 and by Olinto De Pretto in 1904. It seems that this equation arrived to Einstein through his Father Hermann who, as director of the “*Privilegiata Impresa Elettrica Einstein*”, had frequent contacts with the De Pretto Foundry

which built turbines for the production of electricity. However,  $E=mc^2$  does not take into account the momentum, which is an important element of energy, and in 1905 Einstein added the momentum ( $p$ ), thus obtaining the energy, momentum, mass equation:  $E^2=m^2c^4+p^2c^2$ . Since energy is squared ( $E^2$ ) and in the momentum ( $p$ ) there is time, a square root must be used and thus two energy solutions are obtained: negative time energy and positive time energy.

Positive time energy describes energy that diverges forward in time from a source, from a cause, while negative time energy describes



energy that diverges backward in time and which for us moving forward in time is energy converging towards an attractor:



Positive-time energy implies the existence of causes that act from the past, while negative-time energy implies the existence of attractors that retroact from the future. However, since the future does not yet exist, this energy was deemed impossible. Einstein removed it from

his equation stating that “*since the speed of physical bodies is practically equal to zero when compared to the speed of light ( $c$ ), we can consider the momentum equal to zero ( $p=0$ )*”. In this way, he returned to the  $E=mc^2$ . However, in 1924 the spin of the electron was discovered; an angular momentum, a rotation of the electron on itself at a speed close to that of light. Since this speed is very fast, the momentum cannot be considered equal to zero and in quantum mechanics the energy-momentum-mass equation must be used with its dual solution.

The first equation that combined Einstein’s special relativity and quantum mechanics was formulated

in 1926 by Oskar Klein and Walter Gordon. This equation has two solutions: advanced waves and delayed waves. Advanced waves were considered impossible, since they involve retrocausality. The second equation, formulated in 1928 by Paul Dirac, also has two solutions: electrons and neg-electrons (now named positrons). The existence of positrons (which propagate backward in time) was demonstrated in 1932 by Carl Andersen. Shortly after Wolfgang Pauli and Carl Gustav Jung formulated the theory of synchronicities: starting from the dual solution of energy, they came to the conclusion that reality is

supercausal, with causes that act from the past and attractors that act from the future. However, in 1933 Heisenberg, who had a strong charismatic personality and a leading position in the institutions and academia, declared the negative time solution impossible. From that moment on, anyone who ventures into the study of the finalistic energy loses the academic position, the ability to publish and to speak at conferences.

Luigi Fantappiè had studied pure mathematics at the Normale di Pisa, where he had been a classmate of Enrico Fermi. He was so popular among physicists that in 1951

Oppenheimer invited him to become a member of Princeton's exclusive "Institute for Advanced Study" and to work directly with Einstein. As a mathematician Fantappiè could not accept that physicists had rejected half of the solutions of the fundamental equations and in 1941, while listing the properties of the positive time and negative time energy, he discovered that positive time energy is governed by the law of entropy, while negative time energy is governed by a complementary law which he named *syntropy*, combining the Greek words *syn* which means converging and *tropos* which means tendency. Entropy is the tendency of

energy to dissipate, the famous second law of thermodynamics, also known as the law of thermal death. On the contrary, syntropy is the tendency of energy to concentrate, to increase differentiation, complexity and structures. These are the mysterious properties of life! In 1944 Fantappiè published the book *“Principles of a Unitary Theory of the Physical and Biological World”* in which he suggested that the physical-material world is governed by entropy and evolves towards chaos, while the biological world is governed by syntropy and evolves towards finalities that are represented by attractors. Since we cannot see the

future, the dual energy solution suggests the existence of a visible reality (causal and entropic) and an invisible one (finalistic and syntropic).

The dual solution of energy implies three types of time:

- *Causal time*: when the positive time solution prevails, that is, when systems diverge, as in the case of our expanding universe, entropy dominates, causes always precede their effects and time flows forward, from the past to the future.
- *Retrocausal time*: when the negative

time solution prevails, that is, when systems converge, as in the case of black holes, retrocausality dominates, the effects always precede the causes and time flows backwards, from the future to the past.

- *Supercausal time*: when the diverging and converging forces are balanced, as in the case of atoms and quantum mechanics, causality and retrocausality coexist and time is unitary.

This classification of time was already known in ancient Greece where causal time was referred to as *Kronos*, retrocausal time as *Kairos* and



supercausal time as *Aion*.

At this point a question arises: How does syntropy flow from the quantum level to the macroscopic level, transforming inorganic matter into organic matter? In 1925 Wolfgang Pauli discovered the hydrogen bond. In water molecules, hydrogen atoms are located in an intermediate position between the subatomic (quantum) and molecular (macrocosm) levels, and provide a bridge that allows syntropy (cohesive forces) to flow from the micro to the macro. Hydrogen bonds increase cohesive forces (syntropy) and make water different from all other liquids.

Due to these cohesive forces ten times stronger than the van der Waals forces that hold other liquids together, water exhibits anomalous properties. For example, when it solidifies it expands and floats; on the contrary, other liquids become denser, heavier and sink. The uniqueness of water derives from the cohesive properties of syntropy that allow the construction of large-scale networks and structures. Hydrogen bonds allow syntropy to flow from micro to macro making water essential for life. Ultimately, water is the lifeblood, the necessary element for the manifestation and evolution of any biological structure.

The dual energy solution suggests that the present is the meeting point of causes that act from the past (causality) and attractors that act from the future (finality).

In the physical, entropic world, a great cause is needed to achieve a great effect. This is due to the fact that energy diverges and tends to disperse. On the contrary, in the biological, syntropic world, the smaller the cause, the more it is amplified by the attractors and the greater the effect. This oddity of attractors was discovered in 1963 by meteorologist Edward Lorenz. When dealing with water, as it happens in meteorology, a small

variation can produce an effect that is amplified. Lorenz described this situation with the famous phrase: *“The flapping of a butterfly’s wings in the Amazon can cause a hurricane in the United States.”* For this to happen it is necessary that the small flap of wings is in line with the attractor, otherwise entropy prevails and energy is dispersed. When the small flap of wings is in line with the attractor it is amplified to produce incredible effects.

Obviously, for this to happen, the contribution of the attractor, that is of the final causes, is necessary.

All living systems are powered by attractors. Promoting the evolution

towards attractors produces wellbeing, harmony and wealth and this is the mission that distinguishes the monetary systems founded on state central banks from the private central banks.

# **Needs and value**

## **the game between entropy and syntropy**

Needs are the source of value. For example, we all need water and this gives value to water. We all need food and this provides value to food. Needs are at the basis of demand, for example for: food, water, energy and security. The balance between supply and demand determines the market value. When water is abundant, its market value is low, on the contrary when water is scarce, like in a desert, the value can be immense. Needs are combined with suffering: when we

need water, we are thirsty, when we need food, we are hungry.

In this chapter we will see that in addition to material needs, there are also intangible and invisible vital needs which, when unsatisfied, warn us with sufferings that are widespread today, such as depression and anguish.

We are often not aware of invisible needs. Consequently they give rise to secondary needs which become sources of value for a very broad category of consumptions and behaviors.

## ***- Vital Needs***

Water is the lymph that provides syntropy, vital energy. Without water, life is unable to counteract the destructive effects of entropy which result in death. Water can therefore be listed among the vital needs. Life also needs energy, which is why the Sun is so important. Chlorophyll absorbs energy from the Sun and without it life could not exist on this planet. Life dies when water freezes; heat is therefore vital to keep life away from freezing temperatures. Living systems are unable to feed directly on syntropy; therefore, they must meet conditions such as the



acquisition of food.

When needs are not met, alarm bells are activated, such as thirst for the need for water, hunger for the need for food and cold for the need for heat.

These alarm bells are well known to all. We know how to associate them with the needs that must be satisfied and we know what we must do.

But we also have invisible vital needs.

The source of syntropy (the attractor) is connected to our physical body through the solar plexus and the autonomic nervous

system. Since syntropy is converging energy, a good connection with the attractor is perceived as warmth and wellbeing in the solar plexus. Conversely, a weak connection is felt as emptiness and pain which we usually refer to as anxiety, distress or anguish. In the absence of the connection with the attractor, the autonomic nervous system is unable to provide syntropy to the vital functions, and the organism dies. We can therefore die not only because of unmet material needs, but also due to the lack of connection with the attractor. The need for connection with the attractor is usually perceived as a need for love and cohesion.

To meet our needs, we build maps of the physical environment. In this way we discover that we live in a world that tends to infinity. On the contrary, consciousness focuses on the infinitely small. Thus the identity conflict arises between *being and not being*. This conflict can be represented as follows:

$$\frac{I}{\text{Outside World}} = 0$$

*When I compare myself to the outside world, I am equal to zero*

Comparing ourselves with the outside world we realize that we are equal to zero, but this is incompatible with the feeling of existing. This conflict is well described in

Shakespeare's Hamlet with the phrase "*to be or not to be*". Not being is incompatible with being. To continue responding to the challenges of life we must resolve this identity conflict, finding a purpose, a meaning. The identity conflict thus leads to a ***vital need for meaning*** which, when not satisfied, causes feelings of worthlessness and depression. Depression is unsustainable and people try to solve it by expanding their ego, limiting the size of the outside world or simply erasing the outside world. But, by manipulating the numerator and the denominator of the identity conflict equation, the result continues to be

equal to zero. The need for meaning is an invisible but vital need that most people are unaware of.

The identity conflict equation suggests a solution:

$$\frac{I \times \cancel{\text{Outside World}}}{\cancel{\text{Outside World}}} = I$$

*When I compare myself to the outside world  
and I am united to it through love, I am equal to myself*

When I compare myself to the outside world and I am united to it through love, I am equal to myself. This solution is named the *Theorem of Love* and shows that:

- only when we unite with the outside world through love, do we overcome the identity

conflict between being and non-being.

- Love provides unity ( $I \propto \textit{Outside World}$ ) and it is therefore vital: it gives meaning to life.
- Love allows to shift from duality ( $I=0$ ) to unity ( $I=I$ ).

When we love, we converge towards unity and our hearts are filled with warmth, well-being and happiness. When we don't love, we diverge and feel pain, emptiness and loneliness and our life has no meaning.

In summary:

- The first group of vital needs is commonly known as ***material needs***. To combat the dissipative effects of entropy, living systems must acquire syntropy through water, energy and food, they must protect themselves from the dissipative and destructive effects of entropy, for example by eliminating the wastes, the remains of the destruction of structures. These conditions include shelter, clothing, waste disposal and hygiene. Partial satisfaction of material needs is signaled by hunger, thirst and various forms of

suffering. Total dissatisfaction leads to death.

- The second group of vital needs is immaterial. Responding to material needs does not prevent entropy from destroying the structures of life. For example, cells die and need to be replaced. To repair the damage caused by entropy, we must draw on the regenerative properties of syntropy that allow us to create order, rebuild structures and increase organization. The autonomic nervous system, which supports vital functions, acquires syntropy. Since syntropy acts as an absorber and an energy



concentrator, the intake of syntropy is felt in the thoracic area of the autonomic nervous system, in the form of warmth and wellbeing that we usually refer to as love; the lack of syntropy is perceived as emptiness and pain in the thoracic area, usually referred to as anxiety. In short, the need to acquire syntropy is felt as a ***need for love***. When this need is not sufficiently satisfied, there is suffering, emptiness and pain. When it is totally dissatisfied, we are unable to regenerate our cells and structures and entropy takes over, leading the system to death.

– The third vital need is commonly

named the *need for meaning*. To meet material needs, we produce maps of the environment. These maps give rise to the identity conflict. Entropy has inflated the physical universe towards infinity, while syntropy concentrates the feeling of being in extremely limited spaces. Consequently, when we compare ourselves with the infinity of the universe, we discover that we are equal to zero. On the one hand we feel we exist, on the other we are aware that we are equal to zero. These two opposing considerations “*to be or not to be*” cannot coexist. The identity conflict is characterized by

lack of meaning, lack of energy, existential crisis and depression, generally perceived in the form of tensions accompanied by anxiety and distress. Being equal to zero is equivalent to death, which is incompatible with our feeling of existing. From this arises the vital need for meaning

The solution that provides wellbeing and happiness is the *Theorem of Love*.

## *Secondary Needs*

We are generally not aware of the needs for meaning and love. This translates into our inability to respond effectively to these needs and the rise of secondary needs that we perceive as vital, but which only serve to calm our depression and anguish. These secondary needs become sources of value, behaviors and consumptions that we reiterate incessantly in the illusion of calming our suffering. Let's see some examples.

- *Secondary needs that arise from the need for meaning*

We have seen that depression arises from the identity conflict between being and not being:

$$\frac{I}{\text{Outside World}} = 0$$

and that the solution is provided by the *Theorem of Love*.

However, few are aware of the Theorem of Love and the strategies they use try to cope with depression by increasing or decreasing the numerator and the denominator of the identity conflict equation.

Basically three strategies are used: (1) *Increase the numerator*, (2) *Reduce the denominator*, (3) *Cancel the denominator*.

### *1. Increase the numerator*

To reduce depression, we try to expand our Ego through wealth, power, approval and popularity.

$$\frac{I + \text{judgment} + \text{wealth} + \text{popularity} + \text{power} \dots}{\text{Universe}} = 0$$

When we expand our Ego depression vanishes for a few seconds. This brief relief leads us to repeat this strategy.

For example, if we expand our Ego thanks to the approval of others, we will want more and more approval and to this end we will try to meet the expectations of others by behaving in ways that others consider positive, such as certain styles of consumption, behavior and fashion. This will make us feel less spontaneous and more isolated increasing the identity conflict, and will make us fall into a vicious circle:

*The more we need approval, the more we use masks, the more we use masks the more we feel alone, the more we feel alone and the more the identity conflict increases, the more*

*the identity conflict increases and the more we need approval.*

Approval is given by others. Without others it is impossible to receive positive judgments. Others become the source of our value and this is the basis of social pressure and the fear of being rejected.

In a famous experiment, Stanley Milgram<sup>8</sup> studied to what extent people obey orders which are clearly wrong. Milgram used volunteers divided into pairs, the first volunteer was asked to play the role of the teacher, while the second volunteer was the student. The student was

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<sup>8</sup>Milgram S. (1974), *Obedience to Authority: An Experimental View*, Harpercollins, New York, 1974.



taken to a nearby room and seated on a kind of electric chair, then entrusted with the task of memorizing a list of words. The teacher was given the task of listening to the student and of sending electric shocks when he was wrong.

The teacher used a switch. At the first error he was asked to send a shock of 15 volts, then 30 volts for the second error, 45 volts for the third error and so on, with regular successions up to 450 volts. Every six increases in the intensity of the shock a voice warned: *weak shock, medium shock, strong shock, dangerous shock*.

Milgram explained to the teacher that the intensity of the shock had to

be increased with each error. When the list was long and difficult, the answers were often wrong and the teacher was asked to send stronger and stronger shocks. At 75 volts the students started complaining, at 150 volts they asked to interrupt the experiment, but Milgram ordered to continue. At 180 volts, the students started screaming because they couldn't stand the pain anymore. If the teacher showed any hesitation, Milgram ordered to continue, even when the students, at 300 volts, shouted desperately to be freed.

The purpose of the experiment was to study to what extent the teacher was willing to follow orders. The

teacher did not know that the student was a collaborator of Milgram and that he received no electric shocks. The student was in another room, his prayers and screams were not real but they were recorded.

A group of psychiatrists estimated in advance that most teachers would stop at 150 volts, when the students started shouting for help. The results of the experiment, however, were surprisingly different: over 80% of the teachers continued the experiment even after 150 volts, and 62% continued up to 450 volts.

However, it was not easy to obey. Many teachers began to sweat, but were ordered to continue to increase

the intensity of the shocks. Disobedience was easier when Milgram was not present and when orders were given by telephone, from a nearby room. Many teachers claimed to execute orders, but the students received weaker shocks than they should have. On the other hand, teachers obeyed more easily if the victims were far away; 30% agreed to force students to hold hands on a metal plate that was supposed to transmit very strong shocks, but if the victim was in another room and the protest was limited to kicking the wall, the percentage of obedience exceeded 60%.

Results showed that the “need for approval” was so strong that teachers were unable to disobey orders which were clearly wrong.

Without other people it is impossible to receive approval. Others are the source of our approval and this generates a deep need for consent and the fear of being rejected. To be accepted we conform to others, their priorities, lifestyles and consumption styles. The fear of being isolated leads to obeying the group, even going against fundamental ethical principles. This creates a very wide range of secondary needs that acquire value and importance for us.

Another way to expand our Ego is the equivalence “*I am what I have*”. Examples are money, popularity, power and beauty. But, even when we expand our Ego to the highest limits, comparing ourselves to the infinity of the physical reality we are equal to zero. We can become the emperors of the planet, but we feel depressed and meaningless. We can decide the life or death of people, but we still continue to feel equal to zero.

The brief relief from depression turns these strategies into needs. Everything we use to increase our Ego, when it provides a brief relief from depression, becomes vital and we reiterate it. If we receive value

through money, we want more money, if we receive it through beauty, we want more beauty, if through power, we will seek more power.

Power, wealth, popularity and beauty are based on the equivalence: “*I am what I have*”.

Many psychologists and sociologists have suggested specific needs for power, wealth and popularity <sup>9</sup>. The theory of vital needs instead shows that these are secondary needs that arise from the dissatisfaction of the need for meaning.

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<sup>9</sup> For example, the Need of Power (nPow) model developed by McClelland in 1975.

Everything we use to provide meaning to our life becomes vital and consequently acquires value.

Ideologies, cultural systems and religions also provide meaning and can therefore generate secondary needs that are perceived as vital sources of value that we are willing to defend causing conflicts and tensions.

People are trapped in their sources of value, and when faced with diversity, a shock can arise.

The unprepared visitor can experience culture shock when immersed in another culture. Immigrants often suffer from cultural shocks, depression and



existential crises. Cultural shock is what happens to a traveler who suddenly finds himself in a place where yes means no, where fixed prices are replaced by bargaining, where keeping people waiting is not an offense, where laughter can indicate anger and where the psychological signals familiar to us are replaced with new signals unknown and incomprehensible to us.<sup>10</sup>

When a strategy provides brief relief from depression, we repeat it. If we get relief through money we will want more money, if through beauty we want more beauty, if through

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<sup>10</sup>Toffler A, *Future Shock*, [www.amazon.com/dp/0553277375](http://www.amazon.com/dp/0553277375)

power we will seek more power. Power, wealth and popularity are secondary needs that are based on equivalence: *I am because I have.*

Erich Fromm in the book “*To Have or to Be?*” writes: “*So, if I am what I have, and what I have is lost, who am I? Nothing but a pathetic witness to a wrong lifestyle. Because I can lose what I have I live constantly in the fear of being deprived of what I own. I am afraid of thieves, of economic crises, I fear revolutions, diseases, death, love, freedom, changes and the unknown.*”<sup>11</sup>

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<sup>11</sup> Fromm E (1974), *To Have or to Be?*  
[www.amazon.com/dp/B00BBPWBAK](http://www.amazon.com/dp/B00BBPWBAK)

## *2. Reduce the denominator*

The second strategy tries to solve the identity conflict by decreasing the denominator, for example:

$$\frac{I}{Group} = 0$$

This generates the need to be totally accepted by the group, as it is only by becoming totally part of the group that the identity conflict reduces and depression vanishes:

$$\frac{I \times \cancel{Group}}{\cancel{Group}} = I$$

The need for meaning is thus transformed into the need to belong to a group. It becomes vital to be part of the group and to be totally accepted by it. People can do anything to be accepted by the group. Many examples have been provided by history.

One famous example dates back to November 18<sup>th</sup>, 1978, when 918 Americans decided to die in the Peoples Temple, led by Jim Jones. The Peoples Temple was founded in Indianapolis in the mid-1950s. After criticisms of its ideas, the Temple moved to Redwood Valley, California, and in the early 1970s it opened other centers in San

Fernando and San Francisco. In the fall of 1973, after a series of articles and the defection of eight members from the Temple, Jones prepared an “immediate action” plan that listed various options, including the flight to Canada or a mission to the Caribbean, to Barbados or Trinidad. The Temple chose Guyana and in 1974, after visiting northwestern Guyana, Jones negotiated a lease for over 15.4 square kilometers of land, located 240 kms west of the capital of Guyana, Georgetown.

Members of the Temple began building Jonestown and Jones encouraged people to move to what

was called the Peoples Agricultural Project.

The relatively large number of Americans who arrived in Guyana tested the government's small but severe immigration infrastructure in a country where most people wanted to leave. Jones reached an agreement to ensure that Guyana would allow mass migration of Temple members, in exchange for investing most of the church's assets in Guyana. Immigration was asked to inhibit the departure of the deserters of the Temple and to reduce visas to opponents.

In the summer of 1976, Jones and several hundred members of the

Temple moved to Jonestown to escape media investigations. After the mass migration, Jonestown had a population of just under a thousand people. Temple members attended study activities in a pavilion, including lectures on revolution and enemies. Entertainment activities were prohibited. Jones released long monologues about how his people had to “read” events. No TV and no films, no matter how harmless or seemingly politically neutral, were allowed. Jonestown’s only means of communication with the outside world was a shortwave radio.

Although Jonestown did not have prisons, various forms of

punishment were used against members considered unruly. The methods included torture and beatings, and this became the subject of rumors that spread among the locals in Guyana. Members who tried to escape were administered Thorazine, Pentathol, Demerol and Valium in “care units”. Armed guards patrolled the area day and night to enforce the rules.

Children were delivered to the care of the community and turned to Jones as “Dad” and could only see their parents during the night. Jones was called “Father” or “Dad” even by adults.



Money that arrived every month as payment for pensions ended up in the Temple coffer, and the Temple's wealth was estimated at 26 million US dollars.

Jones often spoke of the risk that the CIA and other intelligence agencies were preparing plans to destroy Jonestown and eliminate its inhabitants. Mass suicide was regularly simulated: *“Everyone, including children, was told to queue up to get a glass of red drinking liquid. We were told that the liquid contained poison and that we would die within 45 minutes. We did everything we were told.”*

The Temple received half a kilo of cyanide per month for the jewelry

workshop. In May 1978, a Temple doctor wrote to Jones asking for permission to test cyanide on Jonestown pigs, as their metabolism was similar to that of humans.

Jones was becoming increasingly paranoid and kept long monologues on the drastic escalation of repression.

According to Odell Rhodes, one of the escaped members of the Temple, the first to take the poison was Ruletta Paul and her one-year-old child. A syringe with the needle removed was used to spray the poison into the baby's mouth and then Ruletta took her dose. Mothers with their children approached the

table and Jones encouraged them to take the poison. The poison caused death within five minutes. After ingesting the poison, people were escorted along a wooden walkway that led out of the pavilion. Jones repeated: “*Die with dignity, do not die with tears and anguish ... death is a million times better than ten other days of this life. If only you knew what they are preparing, you’d be glad to die tonight.*”

Odell Rhodes stated that while the poison was being sprayed into the children’s mouth, he did not observe panic, people seemed in a trance.

Jones was found dead lying in his chair between two other bodies, his head sprawled on a pillow.

The mass suicide of Jonestown shows how far people can come to be accepted by the group and how they can become temporarily blind, in a state of trance, and commit otherwise unthinkable acts.

The Jonestown events constitute the largest loss of American civilians in an unnatural disaster until September 11, 2001.

### *3. Cancel the denominator*

When increasing our value and reducing the outside world is no longer enough, another strategy is to cancel the outside world.

The identity conflict formula turns into:

$$\frac{I \times I}{I} = I$$

This strategy explains 3 types of psychiatric disorders:

- when the love for ourselves (I x I) prevails, people can develop a *narcissistic personality disorder*.
- When the comparison with ourselves (I/I) prevails, people can develop a *paranoid personality disorder*.
- When the love for ourselves (I x I) and the comparison with ourselves

(I/I) have similar weights, we have a *psychotic disorder*.

A characteristic common to these disorders is the closure in oneself and the perception of the world as threatening or inappropriate in relation to one's expectations.

In *narcissistic personality disorder*, love for oneself (I x I) dominates. Individuals who develop Narcissistic Personality Disorder believe they are special and unique. They expect to receive approval and praise for their superior qualities and often have proud and arrogant attitudes. By virtue of the personal values they

believe they possess, they only want to be with prestigious people of high social or intellectual level. Finally, they are often filled with fantasies of unlimited success, power, beauty, or ideal love. As the external world has been replaced by their Ego, these individuals show a lack of sensitivity to the needs and feelings of others. They lack empathy and can easily abuse others with no regard for the consequences. Furthermore, others are idealized as long as they satisfy their need for admiration and gratification. Relationships tend to be emotionally cold and detached, regardless of the pain they generate

in others. These people tend to break rather than strengthen bonds.

In *paranoid personality disorder* the I/I comparison dominates and we replace the outside world. But because we live in the identity conflict, we perceive the outside world as threatening and find it difficult to distinguish the inner world of depression from the outside world. The sense of threat is considered objective, absolute and certain, not a subjective experience, a fantasy or a hypothesis. Sometimes our inner feelings are one of derision, and other times they are derogatory or provocative and we start to believe



that we are, unfairly, victims of a hostile and humiliating world. We begin to experience anger, resentment and irritation and react aggressively. When, on the other hand, the impression is that of being excluded, feelings of anxiety and sadness prevail, accompanied by withdrawal from the world. Individuals with this disorder can also be insanely jealous and may suspect, for no real reason, that their spouse or partner is unfaithful. These individuals are unable to put themselves in the perspective of others and distinguish their points of view from those of other people.

In the *psychotic disorders* the comparison I/I and the union IxI prevail. People replace external reality with their own inner world. They project their suffering and fears outside of themselves in the form of hallucinations and ideas of being unworthy, incapable and unsuitable. These considerations can take the form of delusions, illogical thinking supported by beliefs and absurdities that are not accepted by others. The outside world turns into threatening and persecutory voices that are a constant reminder of the total lack of meaning in one's existence. The persecutory voices are often characterized by paranoid beliefs of a

world conspiring against us, combined with hallucinations typical of schizophrenia and psychosis that lead to unbearable levels of suffering, so high as to push the person towards suicide, which is perceived as the only way out.

Since the numerator of the identity conflict is  $I \times I$ , people who suffer from hallucinations are also characterized by extreme social withdrawal and isolate in themselves and in their imaginary world. Social withdrawal, in turn, leads to becoming self-centered, and these people begin to worry only about the symptoms of their own illness. Additional traits typical of psychosis

and schizophrenia are selfishness, insensitivity and lack of interest in the feelings of others.

*- Secondary needs that arise from the need for love*

The autonomic nervous system acquires syntropy to nourish the vital functions of the organism. As a result, the feelings associated with the autonomic nervous system can:

– *inform* on the acquisition of syntropy. When the intake of syntropy is positive, feelings of warmth and wellbeing similar to

love are perceived in the areas regulated by the autonomic nervous system; on the contrary, when the acquisition of syntropy is insufficient, emptiness, pain and feelings of death are felt, often referred to with the terms anxiety and anguish;

- *anticipate the future.* Syntropy propagates backwards in time and allows us to “feel” our future states, but not the information associated with them. Anxiety is similar to fear, but without an object, without information associated with it. Thanks to the autonomic nervous system we can perceive our suffering in advance.

Obviously, anxiety can be caused by traumatic memories of the past or simply by the fear of past events that could happen again. We therefore have to distinguish between anticipatory anxiety and anxiety caused by the past.

According to the Theory of Vital Needs, anxiety and anguish indicate a lack of syntropy, while love indicates a good inflow of syntropy. Love acts like the Sun that dispels the clouds of anxiety and depression.

People try to cover anxiety and anguish in countless ways:

- *Substances* like alcohol and heroin induce feelings of warmth similar to love in the solar plexus (the thoracic area), thus replacing the vital need for love and causing addiction. A typical example is provided by heroin. Heroin is described as “*the cold lover*” and consumers speak of a “*honeymoon with heroin*”. Heroin artificially satisfies the need for love, and this causes addiction.
- *Alcohol* causes feelings of warmth, similar to love. Alcohol has become endemic among young people and the effects are devastating. Since 2010 there has been a sharp increase in the

mortality of the population between the ages of 15 and 45 in all Western countries, and almost all of these deaths are related to alcohol abuse.

- *Activities.* When we are calm and relaxed, our attention shifts inward, into the solar plexus. Therefore to avoid feeling the inner pain we fill ourselves with commitments, we spend all our time working, we get involved in volunteer activities, political, religious, ideological or sports groups. We don't allow us a moment to relax, we turn on the TV, check our smartphone,



smoke, drink, or feel the need to compulsively eat.

- *Avoid silence.* When the suffering becomes unbearable we try to avoid silence. Silence makes us feel our inner feelings of anguish and anxiety.

These strategies lead to secondary needs, which however do not solve the need for love. The lack of syntropy continues and this leads to a number of consequences, such as:

- *Chronic dissatisfaction.* The body enters a state of chronic lack of syntropy, it is more vulnerable to

diseases and to the destructive effects of entropy.

- *Decision-making deficits.* When we artificially reduce anxiety and anguish, we also reduce our ability to connect to the Attractor, to the future and to choose advantageously. This severely impairs our decision-making abilities, affecting wellbeing and happiness.
- *Relational deficits.* By artificially limiting the painful experiences of anguish and anxiety, we also reduce empathy. In this way, insensitivity and loneliness increase and this hinders social relations.

In our path towards wellbeing and happiness it is necessary to focus on the inner feelings of the heart and the solar plexus, in the most precise and clear way. Anxiety and distress, even if painful, are important signs that we must learn to listen and understand.

The acquisition of syntropy produces endorphins, and it is therefore easy to fall into the trap of trying to respond to the vital need for love through the consumption of opioids. When someone falls into this trap, opioids replace natural endorphins and take the place of the vital need for love, becoming vital. This explains why drug addicts are

willing to do anything, to pay any amount, even at the risk of killing, in order to secure their doses.

## Some examples of finality

On November 11, 1918, the First World War ended with the signing of the armistice by Germany. At the same time, an apparently disconnected and inexplicable fact happened. The Spanish flu, which in the previous months had killed almost 3% and infected 30% of the world population, suddenly lost power. The peak was reached at the end of October 1918, but after the signing of the armistice, mortality plummeted, until it disappeared completely in early December. For example, in Philadelphia the week

before the armistice there were 4,597 deaths, but from 11 November the flu no longer caused deaths and soon disappeared from all over the city. The waves of the Spanish flu were mainly three: in the spring of 1918, in the autumn of 1918 and finally in the winter of 1918-1919. After the second wave, in autumn 1918, the number of fatalities dropped sharply, almost to zero.

The Spanish flu killed people all over the world, including the inhabitants of remote islands in the Pacific Ocean and the Arctic Ocean. It was given the name “Spanish” since Spanish newspapers wrote about it. Spain did not take part in the

war and the newspapers were not censored as it happened in the belligerent countries, where the rapid spread of the disease was described as an epidemic limited to Spain.

While most flu epidemics kill almost exclusively elderly or weakened patients, the Spanish flu killed mainly young, healthy males, mostly soldiers exposed to freezing temperatures and incessant rains.

The special circumstances of the First World War, such as malnutrition, field hospitals and poor hygiene, contributed to the spread of the Spanish flu which killed most of the soldiers in a few months. Those with a severe form of the flu were

sent on crowded trains to equally crowded hospitals, spreading the virus even more. By 1918, the conflict had been going on for four years and had turned into a war of position that could have continued forever. Millions of soldiers were massed in trenches on various fronts. The Spanish flu emptied the trenches, bringing the First World War to an end.

Was this concomitance just a coincidence or did it contain a finality within it?

The question seems absurd, since the existence of a finality implies an



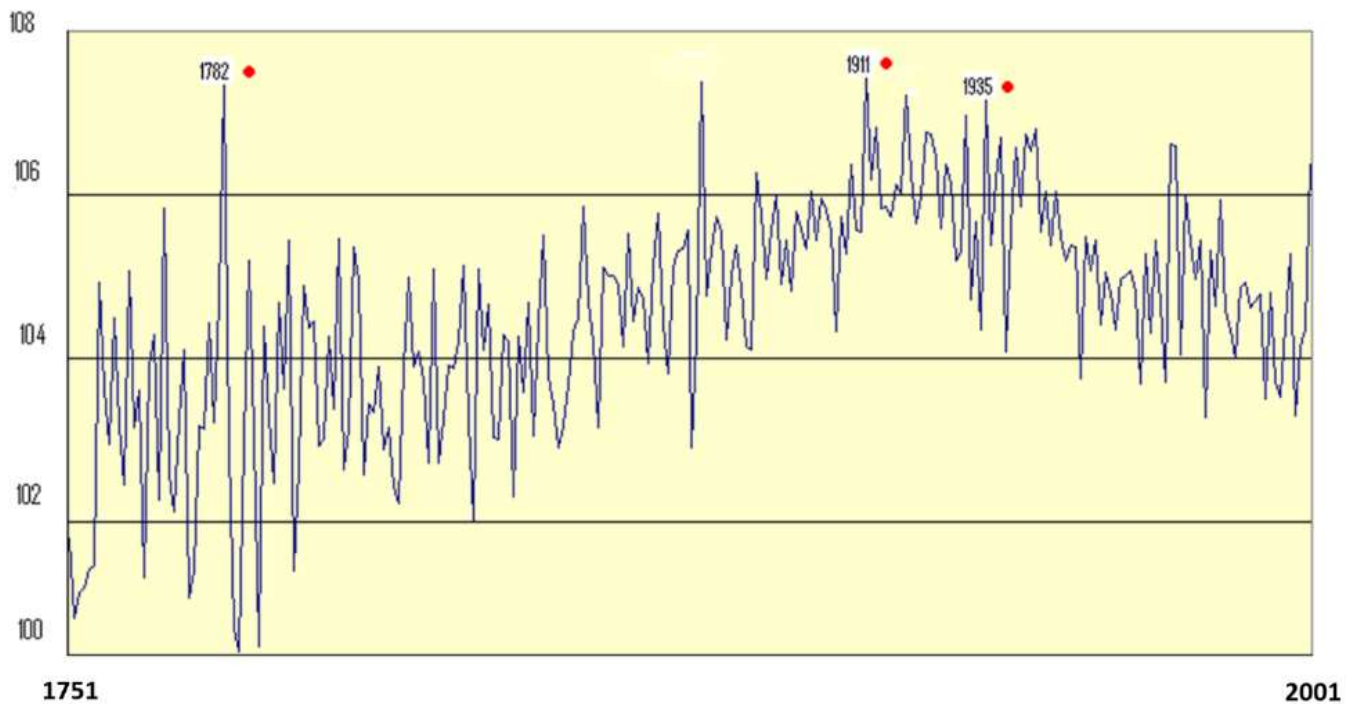
invisible, intelligent plane, capable of acting in ways that are difficult for us to understand. Before excluding this possibility, however, I would like to present another case in which the intelligent action of an invisible plane emerges.

Males are naturally subject to greater mortality, and this happens because their genetic information (XY) is reduced compared to that of females (XX), the jobs they carry out tend to be riskier and often they participate in wars and social conflicts. To ensure that there is an equal number of males and females during the procreation period, the number of

males that will die is offset by a greater number of males at birth. Under the law of probabilities, an equal number of males and females would be expected at birth; on the other hand, in industrialized countries, on average, 105 males are born for every 100 females.

This imbalance in favor of males adjusts in advance of wars or crises that would lead to a greater male mortality.

This dynamism can be seen in the distribution of the male/female ratio at birth in Finland from 1751 to 2001.



In 1751 the ratio was just below 102% and then increased to over 105%, probably because male mortality increased during the industrial revolution.

In 1782, 6 years before the War with Russia (1788), the male/female ratio suddenly went from an average of 103% to 107.38%. Subsequently in 1911, 7 years before the bloody civil

war and the Spanish flu (1918), which mainly affected young males, the value went from an average of 105.5% to 107.46%. Finally, in 1935, 4 years before the war with the Soviet Union (1939) the ratio went from an average value of 105.5% to 107.15%.

These strange variations seem to show a predictive power in the regulation of the male/female ratio, not only in Finland, but also in other countries.

But how can a community of individuals know in advance the number of males who will die before reaching the reproductive age? How do individuals manage to act in unison?

It seems that the male/female ratio at birth is regulated by information that arrives from the future, from an invisible plane that unites individuals in a whole.

The predictive power of the male/female ratio at birth is only one of the many manifestations of the purposeful properties of life.

The fundamental equations of the universe show that while causes act from the past, attractors act from the future. Attractors are the final ends towards which we are converging. The unity is due to the fact that several individuals share the same attractor. For example, the “*human beings*” attractor. This would lead

individuals to behave according to the same logic and to share its finalities. Vital energy propagates backwards in time, from the future to the past, informing in an invisible way. Likewise, a virus like the Spanish flu also has an attractor. This is why billions of viruses act as a unity, showing intelligent behaviors difficult to understand.

The same logic applies to a monetary system and a central bank aimed at achieving the wellbeing of people and the nation. It is necessary to develop the ability to perceive the future, moving from a purely rational approach to an approach in which

the heart, the ability to intuit, is taken into consideration.

# The centrality of the heart

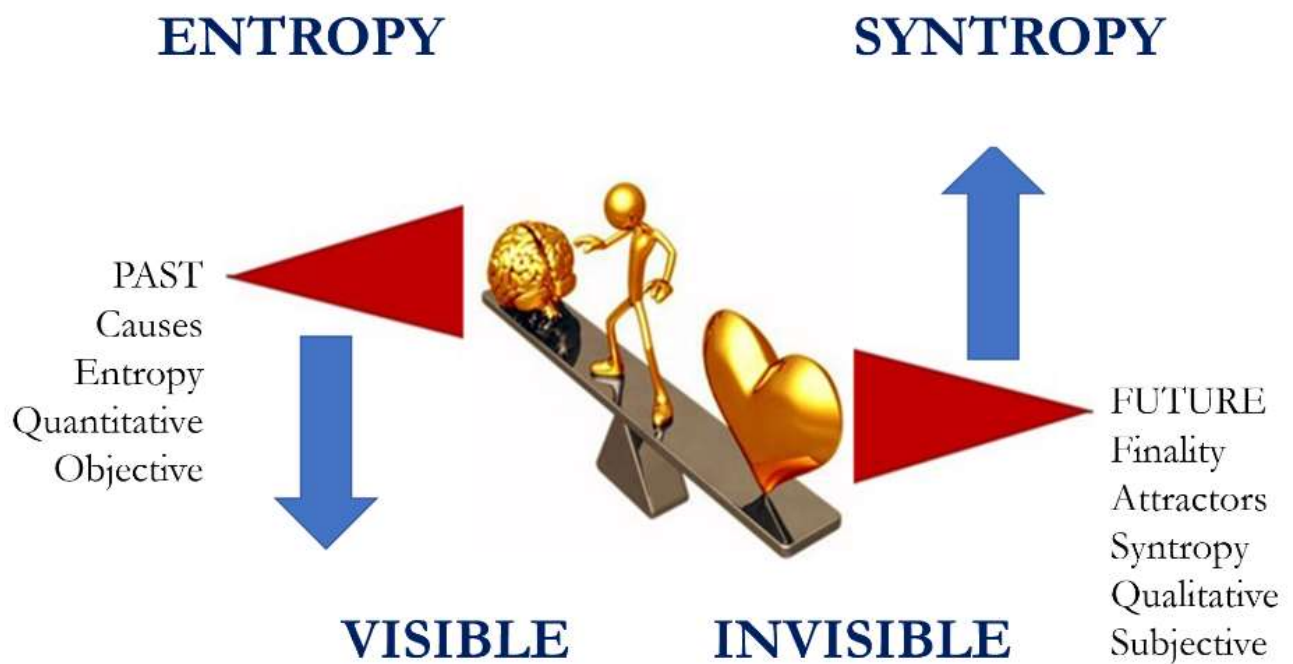
The experiments on retrocausality<sup>12</sup> and on syntropy show that we come into contact with the visible entropic world through the five physical senses; on the contrary, we come into contact with the invisible syntropic world through the feelings of the heart, what is commonly referred to as the sixth sense.

Should we follow the heart or the brain? This is one of the main differences between the West and the East.

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<sup>12</sup> Vannini A. e Di Corpo U., Retrocausality, experiments and theory, <http://www.sintropia.it/en/Retrocausality.pdf>





The West is centered on the brain while Asia and, in particular China, is centered on the heart. An example is provided by the term consciousness. If we copy the ideogram 心 and insert it in a translator, we get the following words: heart, center, core, feeling, thought and intelligence. These are some of the properties that in the West we attribute to

consciousness, but the ideogram 心 indicates the heart! Chinese ideograms associate consciousness with the heart!

In China, a person is considered alive and conscious as long as the heart beats. The removal of organs from hot bodies is considered murder. This is why organs for transplants in China can only be provided by inmates who, before execution, agree to donate their organs.

In China, when we talk about consciousness, the ideogram of the heart 心 (xin) and the ideogram of the head 头 (tou) are used: 心头 The

heart is placed in the first position, which means that the seat of consciousness is the heart, while the head is placed in the second position, thus suggesting that it is a tool of consciousness.

It is also remarkable that an idea is the combination of the heart on the left and thinking 想 on the right, and that thinking contains the ideogram of the heart as a radical: 心想

When we communicate our thoughts we find message on the left 信 and the heart on the right. In other words, our thoughts are messages from the heart: 信心

For the enthusiasm on the left there is warmth and on the right the heart

to indicate the feeling of warmth in the heart that accompanies the enthusiasm: 热心

Being diligent, attentive, dedicated to a project is described as an eye of the heart: 目 心

When in the course of our business we are sensitive, we use the ideogram many associated with the heart: 多心

When we become actors of our choices, of our free will, we use the ideogram strength associated with the heart, a strong heart: 心力

However, when we are depressed we speak of a gray heart or heart without color: 心灰

When we have achieved peace of the

mind we speak of a peaceful heart: 心安

The ideograms show that when it comes to consciousness in China, the focus is on the heart. Even in ancient Greek, Latin, Indian, Arab and Jewish civilizations, the scientific, medical, philosophical and mystical systems considered the heart the seat of consciousness, while the brain was an instrument, the tool of the heart.

On the contrary, the opinion is widespread in the West that when the brain stops functioning, consciousness ends and the person can be considered dead.

The concept of brain death was officially formalized in 1968 at the

time of the first organ transplants, since the criteria of natural death (end of heart activity and blood circulation) do not allow for organ transplants. The first definition of brain death was developed by an ad hoc committee set up at Harvard Medical School. The 1968 *Harvard criteria* for determining brain death are now the basis of organ transplant laws, since organs are removed while the heart is still beating. These criteria establish when it is permissible to switch off and consider the patient legally dead.

However, countless facts question this criterion, for example: when organs are removed from a legally

dead person (brain death), the person begins to defend and screams and must be tied to the operating table to allow for the removal of the organs; in addition, a staggering number of people diagnosed with brain death have awakened in full consciousness.

In 1985, with a statement of the Pontifical Academy of Sciences, the Vatican accepted the Harvard Report and in 1989 Pope John Paul II talked in several occasions on the topic legitimating the removal of organs from warm bodies, despite the fact that they are still breathing and with their hearts beating.

On September 3, 2008, “*L’Osservatore Romano*”, the Vatican

newspaper, dedicated the editorial to the fortieth anniversary of the Harvard Report. In this editorial Lucetta Scaraffia declared that brain death cannot be used to assert the end of a life and the definition of death should be reviewed in the name of new scientific assumptions. A few days after the publication of Scaraffia's editorial a note from the Vatican Press Office stated "*an article does not change the doctrine: it is an editorial in L'Osservatore Romano, signed by a person who brings the authority of that person.*"

The reactions of the medical and scientific world were immediate: "*The criteria for brain death is the only*



*scientifically valid criteria in order to sanction the death of an individual.”* Moreover, *“the worldwide scientific community approves the criteria established by the Harvard report and the criticism that comes from fringe minority, are based essentially on non-scientific considerations.”* Finally, *“scientifically advanced countries have accepted as the norm all the criteria of brain death.”*

However, the debate within the scientific Catholic world continues to grow. A whole chapter in a book edited by Paolo Becchi: *“Brain death and organ transplantation. A question of legal ethics,”* published by Morcelliana of Brescia illustrates the ambiguity of the Vatican and contains the

statement of Hans Jonas's who argues that the new definition of death established by the Harvard report was not motivated by any real scientific discovery, but by the need for organs for transplantation.

In 1989, the Pontifical Academy of Sciences had addressed the question and Professor Josef Seifert, Dean of the International Philosophical Academy of Liechtenstein, was the only one to object to the definition of brain death.

But, when the Pontifical Academy of Sciences met again to discuss the issue, on 3-4 January 2005, the positions reversed. The participants, philosophers, jurists and neurologists

from various countries, agreed in considering that brain death is not death of the human being and that the criterion of brain death is not scientifically credible and should therefore be abandoned.

For the Vatican officials who subscribed the Harvard report these results were unacceptable and Bishop Marcelo Sánchez Sorondo, chancellor of the Pontifical Academy of Sciences, ordered not to publish the proceedings of the meeting.

A number of speakers gave their papers to an outside publisher, Rubbettino, and a book was published with the Latin title “*Finis*

*Vitae*”<sup>13</sup>, edited by Professor Roberto de Mattei, deputy director of the Italian National Research Council. The book was published in two editions, in Italian and English and contained eighteen essays, half of whom have been written by scholars who did not attend the meeting of the Pontifical Academy of Sciences, but shared its views, among which that of Professor Becchi.

Experiments on the autonomic nervous system suggest that consciousness resides in the heart area, and not in the brain. Rita Levi-Montalcini describes this fact with the following words: “*Everyone says*

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<sup>13</sup> *Finis vitae. La morte cerebrale è ancora vita?* a cura di R. De Mattei, editore Rubbettino, [www.amazon.it/dp/8849820267/](http://www.amazon.it/dp/8849820267/)

*that the brain is the most complex organ in the human body, as a doctor I might even agree. But as a woman I assure you that there is nothing more complex than the heart, even today its mechanisms are not known. In the reasoning of the brain there is logic, in the reasoning of the heart there are emotions.”*<sup>14</sup>

Heart or brain? This is one of the main differences between the West and the East. The West is centered on the brain while Asia and in particular China is centered on the heart. The ideograms show that when it comes to consciousness in China, the focus is on the heart.

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<sup>14</sup> [www.goodreads.com/quotes/717706](http://www.goodreads.com/quotes/717706)

*- The centrality of the heart in a successful company*

A famous example was offered by Steve Jobs who, thanks to an inner work that led him to focus on the feelings of the heart and to prefer a frugal lifestyle, managed to reduce entropy, thus activating the potentialities of the invisible world.

Steve Jobs was raised in an foster family and the fact that he had been abandoned by his natural parents was the drama of his life. He was tormented and he never accepted being abandoned. He was restless, a soul in pain. He left university the

first semester of the first year and ventured to India, from which he returned with a changed world view: *“People in the Indian countryside don’t use their intellect as we do, but they use intuition. Intuitions are much more developed than in the rest of the world ... Intuition is a very powerful thing, more powerful than the intellect, in my opinion.”*

Jobs began to cultivate insights and have visions of the future. In 1976, at the home of his friend Steve Wozniak, he saw a motherboard and had the intuition of the smartphone. Going against the opinion of others, he asked Wozniak to develop a computer prototype, which he named Apple I. He managed to sell a

few hundred and this sudden success gave way to a more advanced model, oriented to ordinary people: the Apple II. Jobs wasn't an engineer, he didn't have a technical mentality, but his intuitions combined aesthetics, technology and minimalism. He wanted a product that, in addition to being technologically perfect, had to be a piece of art of extreme simplicity. Apple II became an unprecedented commercial success and led Jobs' company, Apple Computers, to go public and become one of the world's leading companies.

Jobs was vegan, practiced Zen meditation, and led a simple life,



immersed in nature; low entropy choices which allowed him to enhance his intuitions, but which also made him emotional and irrational. He was constantly in conflict with the “rationalists” and in 1985 when the clash with John Sculley, the manager he himself had led to the management of Apple Computer, became excessive, the board of directors decided to oust Jobs from the company that he himself had founded. Apple continued to live on the products that Jobs had developed, but after a few years the decline began. In the mid-1990s, Apple was on the verge of bankruptcy and on December 21,

1996, the board of directors asked Jobs to return as personal advisor to the president. Jobs accepted. He asked for a salary of one dollar a year in exchange for the guarantee that his insights, even if crazy, would be accepted without conditions. Within months he revolutionized the product line and on September 16, 1997, became interim CEO (Chief Executive Officer). In less than a year he resurrected Apple Computer. How did he do it? Jobs repeated: *“Don’t let the noise of other people’s opinions cloud your inner voice. And most importantly, have the courage to follow your heart and your intuitions. Somehow they already know what you really want to*

*become. Everything else is secondary.”*

Jobs led a life so minimalist that it made his children think he was poor. He talked about important business while walking in parks or in the middle of nature. To celebrate a success he invited to restaurants for ten dollars a person. He didn't drink alcohol and when he had to give a gift he collected flowers in a field. Even if he was able to generate immense wealth, he believed that these were not for him, but that they served to achieve an end. At the time of the Apple I he already repeated that his mission was a computer that could be held in one hand.

The ability to intuit was his source

of success and wealth. It was the ingredient of his creativity, genius and innovation. Einstein had repeatedly stressed that *“The intuitive mind is a sacred gift and the rational mind is his faithful servant. However, we have created a society that honors the servant and has forgotten the gift.”*

Thanks to Zen meditation, Jobs silenced the chatter of the mind and the attention moved to the heart. *“Almost everything ... all expectations ... pride ... all fears of failure ... simply vanish in the face of death .... leaving only what is truly important. Remembering that we must die is the best way I know to avoid the trap of thinking we have something to lose. You are already naked ... there is no reason not*

*to follow your heart.”*

Jobs built the headquarters of his companies around a central space, a large square where everyone passed or stopped if they wanted to eat something or use the services. This favored casual encounters, giving rise to the invisible process of synchronicities. For Jobs, chance does not exist, on the contrary, thanks to intuitions and synchronicities, it makes possible to make visible what is not yet visible. As Michelangelo said: *“In each block of marble, I see a statue as clear as if it were standing in front of me. I just have to tear off the rough walls that imprison that lovely apparition.”*

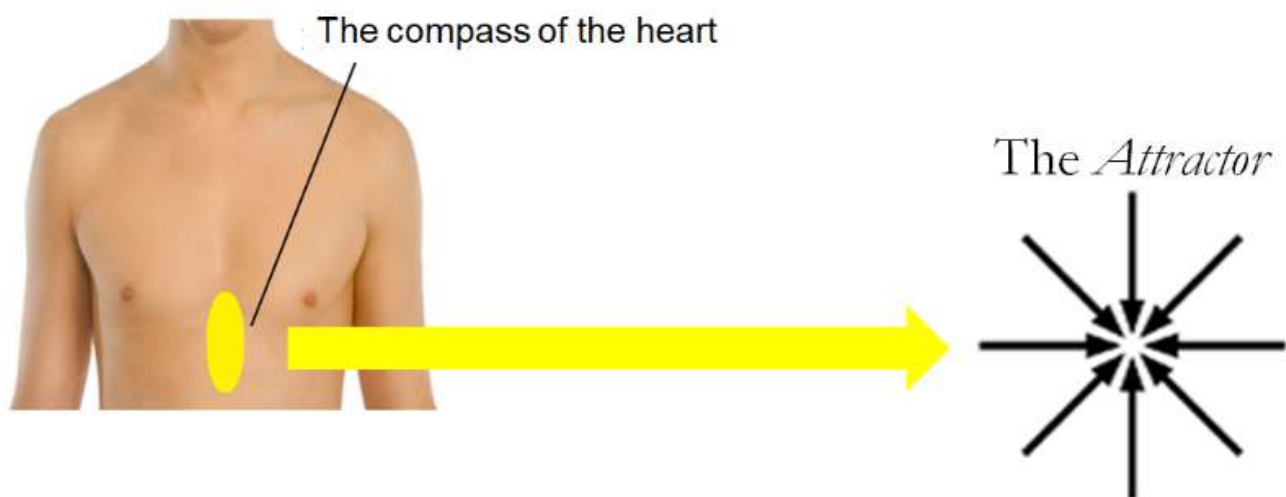
Jobs made visible what he saw through his own intuitions. He died a few months after presenting the iPhone, the computer that is held in one hand, the mission of his life.

Jobs' life testifies that wealth is generated by the invisible world, by intuitions and synchronicities that allow to feel the future. He also testifies that in order not to fall back into entropy we must carry out a profound inner transformation and live a simple and minimalist life. However, his suffering highlights how difficult it is to harmonize the visible and rational world with the invisible inner world of intuitions.

- *The compass of the heart*

Syntropy is emanated from attractors and coincides with vital energy. It is converging energy that nourishes the processes of life. We feel it as warmth (concentration of energy) and wellbeing (since it nourishes life). Conversely, the lack of syntropy is felt as emptiness, pain, anxiety and distress.

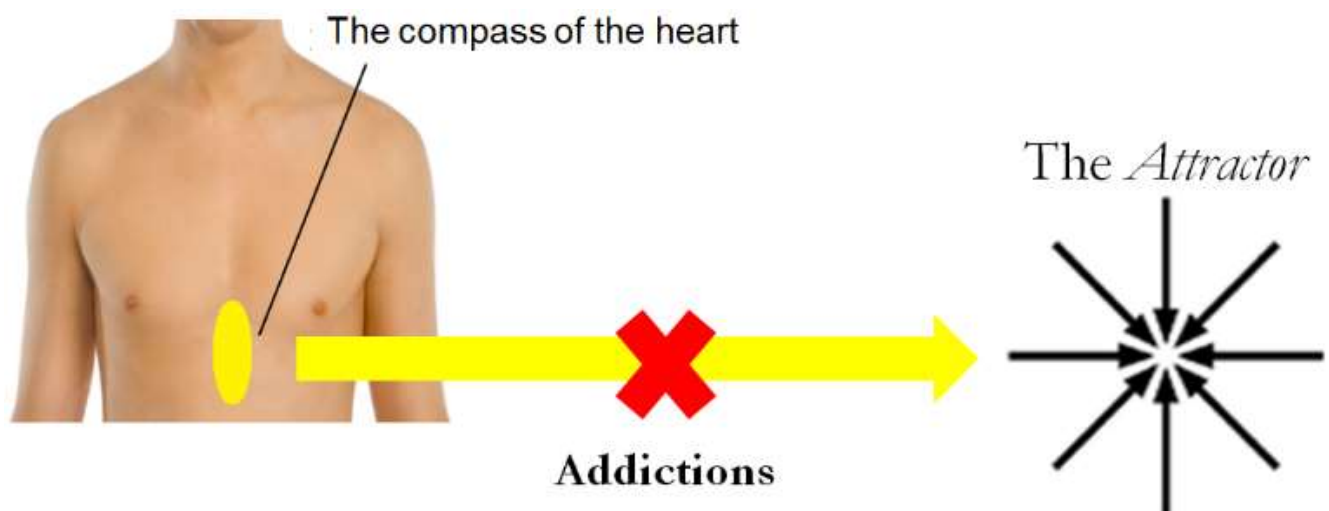
These feelings work like the needle of a compass that guide towards the source of the vital energy (i.e., the attractor).



Most people are not aware of the compass of the heart and instead of using it to pursue their own wellbeing, they tend to suffocate it to avoid the unbearable feelings of anxiety and anguish. This explains, for example, the mechanism of drug addiction, alcoholism and the need for what acts on the autonomic nervous system. The compass of the heart indicates the direction, but in order to use it we must clean



ourselves of everything that interferes with the perception of the heart. To this end, it is essential to abandon any kind of addiction:



In conclusion, to promote wellbeing, wealth and happiness it is necessary to put the heart at the center of our life, of our relations, of our activities, of our communities, of our companies and organization, and central banks and monetary systems

aimed at the wellbeing of people and nations.