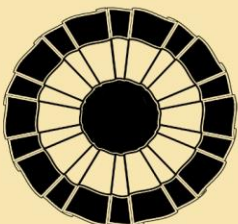


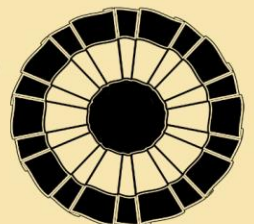
**WORK-STANDARD
ACCOUNTING PRACTICES
DUTY AND HONOR
UFSE SCHOOL TEXTBOOK**

**HANDBOOK OF WSA
ACCOUNTING AND
POLITICAL FINANCE
FOR BEGINNERS AND
PRACTITIONERS**

**STUDENT REFERENCE EDITION
UNABRIDGED REISSUE**



**FEDERALIST PARTY HEADQUARTERS,
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2023

Preface to the First Edition

Technology is not the only way in which ideologies can manifest themselves. Even mathematics can serve as a convenient vehicle to convey an ideology. In Economics, one employs mathematics to study economic performance, create statistics modelling past and future prospects for national economies, and forward reasonable arguments about its overall living standards. In Public Finance, it is to justify a budget, make changes to an existing one, and advocate for the introduction or elimination of domestic and foreign taxation policies. In Accounting, it is to record, process and track the movements of units of currency between persons, organizations, government bodies, financial systems, and nations.

For Political Science, mathematics is the primary means by which a political scientist gauge national life where quantitative analysis must corroborate their qualitative arguments. The right set of equations could enable one to provide statistical information outlining a variety of topics such as determining the extent of political participation, economic productivity, how well a nation could marshal its armed forces at a moment's notice, and how financial institutions react to implementations of national policies. Liberal Capitalist ideology has spent the 20th century trying to refine its mathematical models and concepts to suit its qualitative ideological aims. Key formulas like the GDP (Gross Domestic Product) and CPI (Consumer Price Index) are two notable ones. There are Political Rankings and Indices that model the proximity to which a developing country is close to realizing a Liberal Capitalist Parliamentary Democracy. And then there are accounting practices that enable a trained accountant to determine how much Kapital and Schuld is being created by someone or a group of persons within an allotted timeframe.

Non-Liberal Conservatives, Nationalists, Socialists, Traditionalists, Environmentalists, Catholic Ultramontanes, Militarists, Authoritarians, and Anarchs have been forced to play by the mathematical concepts set forth by the Liberal Capitalists. This has prevented them and the adherents of countless other non-Liberal ideologies from positing any proposals suited to their ideological aims. More importantly, anyone who tries to apply the Work-Standard will find out that attempts were made on my part to develop a series of formulas and equations specifically tailored to the interplay between Arbeit and Geld. As I had written repeatedly throughout *The Work-Standard* and *The Third Place*, the interplay between Arbeit and Geld functions distinctly from those that govern Kapital and Schuld. This is made possible by accounting practices that the Liberal Capitalists have employed for themselves and the apparent absence of one for adherents from ideologies compatible with the Work-Standard. Most Liberal Capitalist conceptions of accounting practices fall under the designation of "Generally Accepted Accounting Principles (GAAP)."

The need for Socialistic accounting standards cannot be overstated. Socialists and everyone else who is not a Liberal Capitalist lacked the necessary accounting standards required to govern their own nations. During the Cold War, the Soviet Union and the Eastern Bloc countries relied on their own accounting standards based on Marxist-Leninist principles known as Material Product System (MPS). MPS was designed as the Marxist-Leninist analogue to the Liberal Capitalist United Nations System of National Accounts (UNSNA). Both MPS and UNSNA were implemented during the Cold War to provide accountants, economic planners, economists, and political

scientists with accounting techniques to model the economic activities of their nations and compare them against those of other nations. Instead of using “Gross Domestic Product (GDP),” the Soviets and Eastern Bloc rely on the “Net Material Product (NMP).”

MPS was abandoned after the dissolution of the CMEA/Warsaw Pact countries and the Soviet Union. It was meant to be used in conjunction with Soviet-Type Economic Planning. Today’s remaining Socialist nations do not employ MPS, instead relying on the UNSNA. Even Maoist Chinese accounting methods have been replaced by the Liberal Capitalist version.

My efforts to articulate the Work-Standard have yielded many successes over the past two years. In the months since the publishing and dissemination of *The Third Place*, I have put all further research of the Work-Standard on hiatus between October 2022 and January 2023 to start planning for the creation of an accounting standard for the Work-Standard. The First and Second Editions of *The Work-Standard* featured basic conceptual formulas and equations to convey the Work-Standard itself mathematically and quantitatively. One will notice that, apart from the most basic equation employed by the Work-Standard, the TPP equation, *The Third Place* does not address the accounting and financial areas covered in *The Work-Standard*. The hiatus has enabled me to begin the development of accounting standards required to process, track, record and transmit Arbeit and Geld under the Work-Standard. I had adopted the designation “Nationally Socialized Accounting Practices (NSAPs)” to refer to the Work-Standard’s accounting standards and its methodology.

The purpose of this Treatise is two-fold: provide an historical overview of the accounting standards and financial practices of Neoliberalism and the Socialisms and outline the alternative versions employed by the Work-Standard. Familiar concepts and ideas discussed in *The Work-Standard* and *The Third Place* will be revisited and recurring equations and formulas slightly revised. The overarching goal is to provide a straightforward, accurate model for the average layman as well as political scientists, economists, accountants, economic planners, and government bureaucrats and officials to mathematically track the economic life of their Socialist Nation under the Work-Standard.

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Introduction: Is Accounting an Artform?

“Art of Accounting” or “Science of Accounting?”

Some might be surprised to discover that there is no real Science behind Accounting. It is in final analysis an Artform comparable to painting and sculpting. Unlike Political Science, the Social Sciences, or even the Natural Sciences like Physics, Chemistry and Biology, the Accounting Profession has no philosophical ideas or theoretical concepts for its accountants. Here, the overarching goal is to prepare, audit, analyze, and convey financial data to everyone outside of the Accounting Profession. Not everyone is going to be familiar with how any fixed unit of currency gets transferred between persons, organizations, governments, and nations. A trained accountant with a creative, imaginative mind will encounter the recurring logic within the numbers being recorded on a financial ledger, bestowing them their proper contextual meanings. When stripped of context, any number becomes abstract, arbitrary, ambiguous.

The people who employ accountants expect them to relay the true Value of an item and in turn their true Price. The accountant must provide them with the most reliable and accurate financial information to the best of their cognitive and creative knowledge. Thus, if the accountant is the artist—a practitioner of this Artform, then the auditor is the art critic. The auditor is an outside observer, someone whose judgments are not tied to the performance of the accountant. Like any art critic, they are expected to evaluate the accountant’s handiwork, criticize them for any flaws in their handiwork, and hold them accountable for failing to fulfill the Legal Duties of their Profession.

Yet from the standpoint of Political Science (and to a lesser extent, Economics), the political scientist must realize that accountants and auditors, like engineers and scientists, are far from apolitical. Similarly, the economist must ascertain the validity and reliability of the accountant and auditor’s handiwork. Both considerations become more apparent when compiling statistics based on financial data gathered from accountants and vetted by auditors. Having outdated, inaccurate financial data can undermine the political legitimacy of a nation’s government to its Totality as well as the governments of other nations. There may be contexts where accountants and auditors have political motivations to skew financial data to embezzle or commit fraud for personal gain. There may even be other contexts when the Artform’s existing methodologies of are woefully incompatible with something like the Work-Standard, where something as simple as basing a Currency around Arbeit and Geld requires its own set of accounting techniques. **Who audits the auditors, if not the accountants themselves?**

As a genuine Artform in itself, Accounting is capable of being imbued with a specific **Design Philosophy** governing its conventional parameters and techniques. A Design Philosophy demonstrates to its practitioners and observers a specific way in which something can be done. It conveys its own style, its own way of life that instructs the practitioners on its methodology and creates lasting perceptions in the minds of its observers. Where the observer and practitioner are both unable to recognize the influence of a Design Philosophy, the political scientist must expose its existence to them.

Hidden behind certain Design Philosophies is the Weltanschauung of a particular ideology. Any Artform is capable of becoming a potential vehicle through which someone could convey an

ideology of their choosing and convince its practitioner and observer into adopting it themselves through daily practice and observation. This phenomenon is not exclusive to the Accounting Profession, however; a comparable one has been discussed before in relation to two other Artforms, Technology and Democracy, in *The Third Place (1st Ed.)*. To reiterate an important conclusion from that Treatise, a given Technology represents just one way in which something could be done and should not be considered the only way. In Political Science, contrary to what some biased political scientists would have one believe, there is far more to Democracy than just Parliamentary Democracy.

What applies to Technology and Democracy deserves to be reapplied to accounting. There is more than one way to measure real wealth in order to uncover its true Value and by extension its true Price. There is more than one way for accountants and auditors to conduct themselves without resorting to the Double-Entry Account Bookkeeping System and the Fraction-Reserve Banking System.

Primer on Liberal Capitalist Accounting and Finance

The Accounting Profession has been under the sway of a Design Philosophy heavily skewed in favor of Liberal Capitalism. Most adherents of non-Liberal ideologies remain unaware of this, partly due to the failures of political scientists willing to inform and a lack of familiarity with the Accounting Profession. The Liberal Capitalist Design Philosophy within the Accounting Profession has contributed to the widespread implementation of the “Double-Entry Account Bookkeeping System” in everyday economic life. The Double-Entry Account Bookkeeping System is a centuries-old development that has seen many refinements since its introduction during the Renaissance and discovery of the Americas. Its Design Philosophy developed alongside the “Fractional-Reserve Banking System,” becoming the preferred methodology for Liberal Capitalists to determine the known Quantities of Kapital and Schuld (Debt/Guilt) earned by privatized commercial firms since the Enlightenment.

By the early 20th century, the Double-Entry Account Bookkeeping System and Fractional-Reserve Banking System underwent significant changes and expansions to support Liberal Capitalist efforts to adjust to the conditions of the State of Total Mobilization. It became possible in the last century to develop a “Chart of Accounts (CoA)” for all economic activities, consolidate them into a “System of National Accounts (SNA),” and provide enough information on the known Quantities of Kapital and Schuld in existence. With both sets of accounts, a political scientist or economist will also be able to know the Value and Price of Kapital and Schuld within a nation, the allocations of Kapital and Schuld between persons, organizations and governments, and the movements of Kapital and Schuld across international borders. They will even be able to know the Incentives behind these transmissions to Kapital and Schuld. The overarching aim of compiling the SNA is to find the “GDP (Gross Domestic Product)” and the “GNI (Gross National Income)” of a Liberal Capitalist nation.

The GDP and GNI are important in any Liberal Capitalist analysis of a national economy. A Liberal Capitalist economist could draw enough inferences from the statistical data to argue that this national economy is destined to accumulate more or less Kapital and Schuld over a set fiscal period. Backed by the Design Philosophy of the Double-Entry Account Bookkeeping System, they can develop their conclusions in a manner conducive to the foundational ideological aims of Neoliberalism without any scrutiny from anyone opposed to Neoliberalism. Why should anyone

opposed to Neoliberalism question the statistical data if they are incapable of challenging the Liberal Capitalist economist in this area? Without a comparable accounting system, how else could anyone accuse the data of being Neoliberal propaganda?

The idea of a standardized accounting system for Liberal Capitalist economic life is a fairly recent development that coincided with the Great Depression, the two World Wars, and of course the Bretton Woods System. In the 1950s, to provide a standardized international basis by which the Liberal Capitalists could measure the economic and social life of their world order, the “Liberal International Economic Order (LIEO)” or the “Empire of Liberty,” the United Nations (UN) introduced the “**United Nations System of National Accounts (UNSNA)**.” The term “SNA” stems from that proposal that has since become common practice in the IMF, World Bank, the OECD, the EU/NATO, and most Liberal Capitalist regimes.

UNSNA has undergone revisions in the decades since its introduction in 1953 to account for the Death of Bretton Woods, Deindustrialization, Automation and Globalization, the dissolution of the Soviet Union and Eastern Bloc countries, and the Chinese economic reforms. The most recent edition of the UNSNA was released in 2008, the same year as the Great Recession. As of this Treatise’s First Edition, the UN did not publish any new revised editions throughout the 2010s and early 2020s. Any Entries devoted to the “SNA” will be written in reference to the 2008 edition. The Treatise may receive a new Edition in response to the revisions made to the UNSNA by the UN.

It is worth noting that the UNSNA emerged during the Cold War because the validity UNSNA was in fact open to doubt for anyone who is not a Liberal Capitalist. The Soviet Union and the Eastern Bloc countries, fully aware of the Liberal Capitalist Design Philosophy behind the UNSNA, adopted a more formalized “**Material Product System (MPS)**” for nations aligned with the CMEA (Council of Mutual Economic Assistance). Like the Liberal Capitalists, the Soviets and Eastern Bloc countries would release annual financial reports of their economic activities with a Marxist-Leninist Design Philosophy in mind. MPS has since been phased out in the wake of the dissolution of CMEA, the Eastern Bloc, and the Soviet Union. Today, no nation employs in its purest form due to a number of inherent design flaws that have since been made apparent after the Death of Bretton Woods.

Moreover, the SNA is also designed to facilitate the ability to find the true Value and Price of Kapital and Schuld in spite of Currency Depreciation/Appreciation vis-à-vis the Inflation/Deflation Rate. It can be used to track how much Kapital and Schuld is being created from the Central Bank of a Fractional-Reserve Banking System. The SNA is ideal for monitoring how much Kapital and Schuld are accumulating from the issuances of “**Liberal Capitalist Financial Instruments (LCFIs)**” such as Stocks and Bonds.

Relation to the Modes of Production

The SNA of a Liberal Capitalist regime is particularly instructive in demonstrating how economic life under Neoliberalism operates according to a shared paradigm between “**Production for Profit**” and “**Production for Utility**.” Every economic activity recorded by the Double-Entry Account Bookkeeping System is related to Kapital Accumulation. There are economic activities done by privatized commercial firms and commercial banks to generate Kapital for the Market/Mixed Economy and Fractional-Reserve Banking, which could be taxed by the Parliament and spent on an OECD-Type Student Economy or digital infrastructure for accessing the World Wide Web (WWW). There are also other economic activities intended to promote the Utility of Civil Society at the behest of Parliament. Such activities may be done by philanthropies, charities, NGOs (Non-Governmental Organizations) and IGOs (Intergovernmental Organizations), think tanks, government agencies, parliamentarian lobbying groups, and others.

Terms like “for-profit” and “non-profit” become identification markers for economic organizations facilitating Neoliberalism’s Production for *Profit* and Production for *Utility*. The same can be said about the corresponding terms “Private Sector” and “Public Sector.” Economic organizations that function according to Production for *Profit* are intended to create Kapital and Schuld from the production and consumption of “Commodities,” goods and services. Conversely, economic organizations operating under Production for *Utility* implement the Welfare Capitalist policies of Parliament. While such economic organizations may be ‘privatized’, ‘contracted’ or ‘nationalized’ by Parliament, economic organizations under Liberal Capitalism are nevertheless accounted for in their nation’s SNA.

Whether they function according to Production for *Profit* or Production for *Utility*, all economic organizations under Neoliberalism rely on Kapital and Schuld for their everyday activities. SNA was designed early on by the UN to accommodate both Modes of Production but not the third Mode of Production from *The Work-Standard* (2nd Ed.) and *The Third Place* (1st Ed.), namely Production for *Dasein*. While glancing through a nation’s SNA, one should be able to uncover the known Quantities of Kapital and Schuld accumulated by “for-profit” and “non-profit” economic organizations, and the Incentives ultimately driving them vis-à-vis Supply and Demand. One should also be able to deduce how much Kapital and Schuld were accrued from Production for *Profit* and Production for *Utility*. Since every nation’s SNA is covered on an annual basis, these transactions and movements can be narrowed down to their original source and intended recipients.

Always remember that all of the information provided in a nation’s SNA comes from the CoAs for its economic organizations. All Liberal Capitalist economic organizations maintain their own CoA to track the sources of Revenues and expenses. The CoA itself is based on financial data gathered by means of the Double-Entry Bookkeeping System. However, the Double-Entry Account Bookkeeping is only designed to record Kapital and Schuld within the framework of the Fractional-Reserve Banking System. **It cannot record for instance the Value and Price of Cryptocurrencies such as Bitcoin or Ethereum and the Value and Price of Arbeit and Geld under the Work-Standard.**

Conventional Cryptocurrencies employ Blockchain Technology to bypass the Fractional-Reserve Banking System, which necessitated the need for an alternative accounting system to accommodate everyone else with access to the Blockchain. To reduce reliance on the Fractional-Reserve Banking System, the Blockchains of conventional Cryptocurrencies use a “**Triple-Entry**

Account Bookkeeping System.” A regular transaction within the Blockchain involves at least two or more persons: somebody sends a fixed unit of Cryptocurrency to another person, while the other person receives their Cryptocurrency. Everyone who has access to the Blockchain will be able to access the Timestamp of their transaction occurred without knowing too much about their identities or their locations. This was obviously intended to ensure that the persons involved in the transaction are acting in good faith.

Meanwhile, an entirely different conception of Currency, relying on its own Values and Prices, demands distinct accounting techniques to accommodate its own monetary system. The Work-Standard employs its own conceptions of Value and Price based on the “**Reciprocal Theory of Value (RTV)**” and “**Work Theory of Money (WTM)**.” Every aspect of economic life revolves around Arbeit and Geld, rendering any reapplications of the Double-Entry Account Bookkeeping System impractical. Anyone who tries to apply the Double-Entry Account Bookkeeping System will never be able to determine the Value of Arbeit and its close relationship to the Price of Geld.

Back in *The Work-Standard (2nd Ed.)*, attempts have been made on my part to develop mock drafts of accounting techniques. The result was the realization of “**Command-Obedience Account Bookkeeping**,” which could then be expanded further to incorporate its own equivalents to the “*Chart of Accounts* (CoA) and the “*System of National Accounts* (SNA).” The rejection of Double-Entry Account Bookkeeping warrants the need to develop alternatives. Prior to the writing of this Treatise, *Work-Standard Accounting Practices (1st Ed.)*, a rudimentary model has been developed. The following Entries concern the development and articulation of revolutionary accounting techniques designed to measure overall economic performance and growth for a Socialist Nation whose Currency is already pegged to the Work-Standard. Everything here will be straightforward enough to allow political scientists, economists, accountants, statisticians, and pretty much anyone opposed to Neoliberalism to replicate the techniques for themselves.

Section One: Liberal Capitalist Accounting Practices



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Fundamentals of Double-Entry Account Bookkeeping (Pt. 1 of 3)

In *Double-Entry Account Bookkeeping*, the most fundamental equation used to form the basis of all accounting and econometrics under Neoliberalism involves basic addition and subtraction. Practically anyone with a basic primary school education should be able to comprehend the following:

$$\boxed{\text{Asset}} = \boxed{\text{Liability}} + \boxed{\text{Equity}}$$

The above equation demonstrates that the “Assets” owned by a Private Citizen or privatized commercial firm represents the sum of all “Liabilities” and “Equities.” How does anyone even begin to fathom the beginnings of a Socialist conception of accounting compatible for the Scientific Socialisms (Marxist Socialisms) and the Artistic Socialisms (Non-Marxist Socialisms)?

It is only a simple arithmetic equation, so there is no point in trying to add anything more complex than that. Therefore, our deviations from Neoliberalism begin with replacing the variables or what is being measured by that equation. What is being measured under the variables “Asset,” “Liability,” and “Equity?”

The “Asset” refers to the Quantity of Kapital that someone or an economic organization possesses in order to create more Kapital. The “Liability” is the Quantity of Schuld that they will accrue over the course of creating new Kapital. The “Equity” denotes the Quantity of Kapital that remains after deducting the existing Quantity of Schuld.

Given the above equation, we can find the Liability from the difference of Asset and Equity or the Equity from the difference of Asset and Liability.

$$\boxed{\text{Asset}} = \boxed{\text{Liability}} + \boxed{\text{Equity}}$$

$$\text{Asset} - \text{Equity} = \text{Liability}$$

$$\text{Asset} - \text{Liability} = \text{Equity}$$

The second equation in particular is required to discover somebody’s Net Worth, which is equal to their Equity. This validates the earlier conclusion about viewing “Asset” and “Liability” as the Quantity of Kapital and the Quantity of Schuld respectively.

Asset - Liability = Equity = Net Worth

After developing familiarity with the basic fundamental equation of the Double-Entry Account Bookkeeping System, we can then determine how much Kapital and Schuld somebody receives as “Revenue,” “Expenses,” and “Drawings.”

$$\text{Asset} = \text{Liability} + (\text{Kapital} + \text{Revenue}) - (\text{Expenses} - \text{Drawings})$$

Here, Equity is expanded to encompass the existing Quantity of Kapital currently owned by a privatized commercial firm, the Quantity of Kapital earned from transactional sales, the Quantity of Schuld from the creation of new Kapital, and the Quantity of Schuld from removing Kapital for personal Incentives.

By knowing the “Assets,” “Liabilities,” “Equities,” “Revenues,” and “Expenses” of a privatized commercial firm, the “Balance Sheet” of a privatized commercial firm can then be compiled and its “Chart of Accounts (CoA)” established for the Fractional-Reserve Banking System. The Balance Sheet provides a privatized commercial firm with basic information abouts its own finances. The CoA, on the other hand, is a more detailed record documenting every known source of Kapital and Schuld.

Fundamentals of Double-Entry Account Bookkeeping (Pt. 2 of 3)

Accountants familiar with Double-Entry Account Bookkeeping record the everyday transactions and activities of their assigned economic organization in a “*Chart of Account (CoA)*.” In the financial ledger of an economic organization affiliated with Production for *Profit* and Production for *Utility*, the CoA serves as a physical document tracking the Quantities of Kapital and Schuld that the economic organization receives or spends. Every conceivable economic activity is affiliated with an account.

Recall earlier the variables of Double-Entry Account Bookkeeping mentioned in [Part I](#): Asset, Liability, Equity, Revenue, and Expense. The CoA should contain an “*Asset Account*,” a “*Liability Account*,” an “*Equity Account*,” a “*Revenue Account*,” and an “*Expense Account*.” Two additional Accounts, the “*Gains Account*” and the “*Loss Account*,” are also included in the CoA.

- The Asset Account lists the Quantity of Kapital that is currently owned by an economic organization.
- The Liability Account contains the Quantity of Schuld accumulated by the economic organization.
- The Equity Account is a recognition of the ownership equity related to the economic organization with regard to Production for *Profit* and Production for *Utility*. If the economic organization operates on Production for *Profit* (Read: “Private Sector”), the CoA will document this Account as Equity. Alternatively, if the economic organization operates on Production for *Utility* (Read: “Public Sector”), the CoA will list the Net Assets in this Account.
- The Revenue Account is the inflowing Quantity of Kapital that it receives from other economic organizations, Private Citizens, Civil Society, or Parliament.
- The Expense Account is the outflowing Quantity of Schuld that it receives from conducting its economic activities and rendering goods or services to other economic organizations, Private Citizens, Civil Society, or Parliament.
- The Gain Account denotes any Kapital beyond what an economic organization currently has in its Asset Account and the Kapital that it earns from its economic activities in the Revenue Account. Rents, Interest, Dividends, Royalties, and other sources of Kapital are covered here.
- Conversely, the Loss Account denotes any Schuld beyond what an economic organization already has in its Liability Account and the Schuld that it receives from its economic activities in the Expense Account.

When accountants need to provide a periodic check of an economic organization’s finances, they would compile its “*Balance Sheet*” from the Assets as sum of Liabilities and Equities. All transactions from every economic activity will usually be formatted as the following:

Account Number – Account Title – Balance: Debit (Dr) / Credit (Cr)

Accounts for specific transactions are listed under a designated “*Account Number*” and appropriate “*Account Title*.” A brief description of the Account may also be provided as well if necessary. Most CoAs in Production for *Profit* as well as Production for *Utility* will include a list containing the categories of all sources of Kapital and Schuld and the predetermined numerical codes for each.

Note that certain Accounts will describe any increases as “*Debit (Dr)*” or any decreases as “*Credit (Cr)*” and vice versa. The best way that I have found when determining which ones are Debits and which ones are Credits is to employ the acronyms “DEAL” for Debit and “CLIP” for Credit.

- Debits are for *DEALs (Drawings, Expenses, Assets, and Losses)*.
- Credits are for *CLIPs (Capital, Liabilities, Incomes or Revenues, and Profits)*.

Debit and Credit in Accounting

Account Type	Normal Balance	Increased By	Decreased By
Assets	Debit	Debit	Credit
Expenses	Debit	Debit	Credit
Dividend	Debit	Debit	Credit
Losses	Debit	Debit	Credit
Liabilities	Credit	Credit	Debit
Capital	Credit	Credit	Debit
Revenue	Credit	Credit	Debit
Gains	Credit	Credit	Debit

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Basically, any increases to Drawings, Expenses, Assets, and Losses are recorded as Debits. The decreases are to be documented as Credits. Increases to Capital, Liabilities, Revenues and Gains are to be recorded as Credits. Any decreases will be denoted as Credits.

Of course, what I have just described here is only the financial data for just one economic organization. An average Market/Mixed Economy will have thousands and thousands of economic organizations with their own Charts of Accounts. A compilation of their Charts of Accounts can then be assembled to provide only a sizeable portion of a particular Liberal Capitalist nation’s “*System of National Accounts (SNA)*.” The SNA is essentially a larger scale version of the methodology discussed here.

A Liberal Capitalist nation’s SNA should provide enough information for accountants, economists, and political scientists to determine its entire Quantity of Kapital and Quantity of Schuld in terms of “Production,” “Income,” and “Expenditure.” All three are employed to discover that country’s “*GDP (Gross Domestic Product)*” and “*Gross National Income (GNI)*.”

Fundamentals of Double-Entry Account Bookkeeping (Pt. 3 of 3)

The *System of National Accounts* (SNA) may seem overwhelming for anyone who is just beginning to comprehend how the Double-Entry Account Bookkeeping System. It is already a daunting task on its own to determine the Quantities of Kapital and Schuld for a single nation's OECD-Type Student Economy, the Market/Mixed Economy, the Fractional-Reserve Banking System, Parliament, or its digital infrastructure on the World Wide Web (WWW). To determine the Quantities of Kapital and Schuld for all five and how they compare against the rest of the Liberal International Economic Order (LIEO) makes things even more complicated. Fortunately, the United Nations (UN) was courteous enough to include a "sequence of accounts" in their 2008 edition of the United National System of National Accounts (UNSNA).

The Who, The What, The Why, and The How

A country's SNA contains five accounts, which are understood to be Net Worth items. Recall earlier that the Net Worth represents Equities as the difference between Assets and Liabilities in Double-Entry Account Bookkeeping. Each account enables a political scientist, an economist, an accountant and auditor as well as a statistician to answer four questions from the economic and financial data:

1. "Who takes action in the economy?"
2. "What do they do?"
3. "Why do they take action?"
4. "How are the actions known?"

Question	Explanation	The 2008 SNA concepts
Who?	Refers to the economic agents (institutions, firms, individuals) that perform activities in the economy.	Institutional units Institutional sectors Total economy and the rest of the world
What?	Refers to the transactions and other flows and stocks, which are the objects of the economy.	Transactions and other flows Assets and liabilities Products and producing units
Why?	Refers to the reason why an economic agent takes an action	Classifications by purposes of expenditure
How?	Refers to the recording of who, what and why.	Accounting rules: – recording – time of recording – valuation – consolidation and netting

The "Who" refers to everyone who is capable of creating Kapital and Schuld within Production for *Profit* and Production for *Utility*. The 'everyone' in this context are identified as "institutional actors." An institutional actor has to be capable of generating Kapital from the provision of goods and services, create goods and services through its own economic activities, accept Schuld in form

of Liabilities, and has a complete Balance Sheet of Assets and Liabilities to provide a documentation of Equities as Net Worth. In both Production for *Profit* and Production for *Utility*, the UN identified the existences of five institutional actors. For the sake of reference, I am also including their closest equivalents for the Work-Standard's Production for *Dasein*:

- “Non-Financial Corporations” ↔ Market/Mixed Economy
- “Financial Corporations” ↔ Fractional-Reserve Banking System
- “General Government” ↔ Parliament
- “Households” ↔ OECD-Type Student Economy
- “Non-Profit Institutions Serving Households (NPISHs)”

What is really interesting about the fifth category is that it can encompass certain economic activities conducted by Parliament, the OECD-Type Student Economy, and the World Wide Web (WWW). A NPISH could be any charity, philanthropy, or other economic organization under Production for *Utility* whose intended function to provide goods and services to Households.

Sector Ownership	Non-financial corporations sector	Financial corporations sector	General government sector	Households sector	NPIs serving households sector
Public sector	Public non-financial corporations	Public financial corporations	All government units and government NPI		
National private sector	National private non-financial corporations	National private financial corporations		All households	All NPIs serving households
Foreign-controlled sector	Foreign-controlled non-financial corporations	Foreign-controlled financial corporations			

The “What” represents the production and consumption of goods and services as well as the Kapital and Schuld incurred on the associated production processes. It also denotes how much Kapital and Schuld were also incurred from the sales and purchasing of goods and services as well as the savings and incomes.

The “Why” will tell us the Incentives and aims of the production processes. In Liberal Capitalism, there are Incentives for every conceivable economic activity. Certain economic activities are facilitated to create a Profit, whereas others are designed to promote the Social Utility of Civil Society.

And the “How” is the methodology by which all economic activities as well as the Quantities of Kapital and Schuld are recorded for both Production for *Profit* and Production for *Utility*. For obvious reasons, the Double-Entry Account Bookkeeping System is employed to record all production processes and transactional sales. However, the specific accounting technique used to process them as part of the SNA is called the “Full Accrual Accounting Method,” which will be discussed in a later Entry. What can be said here is that the Full Accrual Accounting Method enables the ability to process both the Quantity of Kapital and Quantity of Schuld regardless of whether they are available or not. They can be recorded despite not being transferred between institutional actors because there are “financial obligations” which must be met. It is precisely

because of the “financial obligations” that people do not need to pay for something now with Kapital; they can always pay it back later by accepting Schuld as a result.

Note: keep in mind the term “financial obligations.” They will become relevant again in later Entries that describe the two main accounting techniques used in Neoliberalism.

The Five Primary Accounts

In any case, once all have been recognized, the next steps are to identify their economic activities for creating Kapital and Schuld, the Incentives governing their economic decision-making, and the means of production through which they are creating Kapital and Schuld. This should sound familiar to anyone who has read *The Work-Standard* (2nd Ed.), specifically all of the Entries that made the “Total Productive Potential (TPP)” entertainable under the Work-Standard. But instead of finding the Qualities of Arbeit and Geld to obtain the TPP, the SNA involves finding the known Quantities of Kapital and Schuld to find the GDP (Gross Domestic Product). Thus, the five primary accounts used in the SNA are:

1. Current Account
2. Accumulation Account
3. Balance Sheet
4. Goods and Services Account
5. Accounts for Rest of the World

The “**Current Account**” describes how Kapital and Schuld are being created within a nation from economic activities and how they are distributed across Civil Society as income. It is divided into the *Production Account*, the *Generation of Income Account*, two Allocation of Primary Income Accounts (*Entrepreneurial Income Account* and *Allocation of Other Primary Income Account*), the *Secondary Distribution of Income Account*, and two Use of Income Accounts (*Use of Disposable Income Account* and *Use of Adjusted Disposable Income Account*).

The “**Accumulation Account**” documents the changes in the valuations of Assets held by the economic and government organizations of Parliament, Civil Society, and Private Citizens. There are four secondary accounts. Those are the *Capital Account*, the *Financial Account*, the *Other Changes in Assets Account*, and the *Revaluation Account*. Changes to Prices, the number of Assets owned by economic organizations, and whether those changes are related to transactional sales or not are covered here. All four accounts are compiled together in the Balance Sheets.

The “**Balance Sheets**” provide details on the Value of Assets owned and the Liabilities that are owed by the five aforementioned institutional actors. They can be broken down to include individual Professions, Enterprises, Industries, and Economic Sectors of a Market/Mixed Economy. But overall, they will include the *Opening Balance Sheet*, the *Total Changes in Assets*, and the *Closing Balance Sheet*.

The “**Goods and Services Account**” places greater emphasis on the inputs and outputs of production and consumption for the Market/Mixed Economy. There is less emphasis on the Kapital and Schuld being created and more about how much is being created within a given timeframe. Therefore, the amount of goods and services consumed by the Market/Mixed Economy is equal to the amount of goods and services that the Market/Mixed Economy produces.

If the Market/Mixed Economy is importing or exporting as part of a Free Trade Agreement (FTA), the Balance of Trades and Payments will be included in a fifth primary account, the “**Accounts for the Rest of the World.**”

Account	Balancing items	
	Code	Name
Production account	B1	Value Added/ Domestic Product
	B11	External balance of goods and services
Generation of income account	B2	Operating Surplus
	B3	Mixed Income
Allocation of primary income account	B5	Balance of primary incomes/ National Income
Entrepreneurial income account	B4	Entrepreneurial income
Allocation of other primary income account	B5	Balance of primary incomes/ National Income
Secondary distribution of income account	B6	Disposable Income
Redistribution of income in kind account	B7	Adjusted disposable Income
Use of disposable income account	B8	Saving
	B12	Current external balance
Capital account Changes in assets Change in liabilities and net worth	B9	Net lending (+) / net borrowing (–)
	B101	Change in net worth due to saving and capital transfers
Financial account	B9	Net lending (+) / net borrowing (–)
Other change in the volume of assets account	B102	Changes in net worth due to other changes in volume of assets
Revaluation account	B103	Changes in net worth due to nominal holding gains/losses
Balance sheets	B10	Changes in net worth, total Net worth
	B90	Net worth

For their purposes (as opposed to our own), the Quantities of Kapital and Schuld are the most paramount. Based on the economic and financial data, the Liberal Capitalists would then proceed to determine a Liberal Capitalist regime’s Gross Domestic Product (GDP) and Gross National Income (GNI). They can expand their research further to include the annual extent to which the Inflation/Deflation is affecting the GNI and how much Kapital is spent on goods and services and saved for later expenses, both with and without Inflation/Deflation. Those are factored as the Net National Income (NNI), Gross National Disposable Income (GNDI) and Net National Disposable Income (NNDI) respectively.

Economic Indicators of Profit and Utility Maximization

All of the information obtained from a country's System of National Accounts (SNA) is then used for three economic indicators of Profit and Utility maximization. Each of the three economic indicators relies on their own formulas and equations. One provides statistical data on how much Kapital is being created by the OECD-Type Student Economy, the Market/Mixed Economy, the Fractional-Reserve Banking System, the Parliament, the digital infrastructure on the World Wide Web (WWW), active Free Trade Agreements (FTAs). The other two describe the Kapital owned by Civil Society and its Private Citizens as well as the Kapital that they are capable of spending on everyday goods and services in the Market/Mixed Economy as well as those from Parliament.

The Three Economic Indicators

The first economic indicator in the SNA should be the most easily recognized as it is the “**Gross Domestic Product (GDP)**.” The GDP serves as Neoliberalism's equivalent to the Work-Standard's TPP (Total Productive Potential). The GDP can be divided into three variants: the “*Expenditure Approach*,” the “*Income Approach*,” and the “*Output Approach*.”

1. The *Expenditure Approach* is GDP as the sum of Consumer Spending, Investments, Government Spending, and the difference between Exports and Imports.
2. The *Income Approach* is GDP as the sum of Wages & Salaries, Rents, Interest Payments, Profits, Taxes, Rate of Currency Depreciation, and Net Foreign Factor Income. The “Rate of Currency Depreciation” refers to any increases in Kapital Accumulation as a result of changes to the Inflation/Deflation Rate. And the Net Foreign Factor Income refers to the Quantity of Kapital earned from running economic activities abroad in foreign countries.
3. Lastly, the *Output Approach* is GDP as the difference between the Gross Value of Output and the Value of Intermediate Consumption. The two coefficients refer to the Value of all economic activities being done with Kapital and the Value of all goods and services being consumed with Kapital.

$$\text{GDP} = C + I + G + (X - M)$$

$$\text{GDP} = W + R + i + P + T + D + F$$

$$\text{GDP} = \text{Output} - \text{Consumption}$$

From top to bottom: Expenditure Approach, Income Approach, Output Approach.

The second economic indicator is the “**Gross National Income (GNI)**.” The GNI is used to discover the Quantities of Kapital earned domestically as well as internationally. It is supposed to be reused as part of a related subvariant known as the “**Gross National Product (GNP)**.” Both sets

of equations are intended to take the sum of GDP and the differences of Incomes earned domestically and abroad by Nationals as well as those earned by Foreigners.

$$\text{GNI} = \text{GDP} + (A - B)$$

$$\text{GNP} = \text{GDP} + (C - D)$$

For GNI, the “A” represents the Kapital that Civil Society and Parliament earned domestically, with “B” being the Schuld that they owe to Foreigners who had emigrated from their own countries. The Foreigners receive their Kapital in the Nationals’ currency, transferring them to their families through overseas accounts. Conversely, for GNP, the “C” denotes the Kapital that Civil Society and Parliament earned internationally, with “D” being the Schuld that they owe to Foreigners living in their own countries. These Foreigners are expecting to be paid in the local currency.

The third and final economic indicator is the “**Net National Income (NNI)**,” which uses the *Expenditure Approach* of GDP. In addition to finding the sum of GDP via the Expenditure Approach, the Net Foreign Factor Income, Taxes, and Rate of Currency Depreciation are also factored. It is then used to determine how Kapital that Parliament and Civil Society are able to spend on purchasing goods and services as well as other sources of spending. Both factors are related to the “**Gross National Disposable Income (GNDI)**” and the “**Net National Disposable Income (NNDI)**.” The former involves the sum of GNP and the Net Unilateral Transfers (NUT). The NUT encompasses all Kapital that has been voluntarily contributed through charities, philanthropies, foreign aid, Kapital transferred to other countries, and payments for membership in IGOs (Intergovernmental Organizations). The latter is meant to demonstrate the Quantity of Kapital that is capable of being earned by Parliament and Civil Society both at home and abroad.

$$\text{NNI} = C + I + G + (X - M) + F - T - D$$

$$\text{GNDI} = \text{GNP} + \text{NUT}$$

$$\text{NNDI} = \text{National Income} + \text{Net Indirect Taxes} + \text{Net Current Transfers}$$

The Taxes (as “T”) used in the Net National Income (NNI) are Indirect Taxes. Unlike Direct Taxes such Income Tax or Property Tax, Indirect Taxes are levied on the transactional sales of goods and services. The most common Indirect Taxes are the Sales Tax, the Excise Tax, the Value-Added Tax (VAT), and Tariffs. Similarly, for GNDI, the Net Current Transfers follow the same criteria as Net Unilateral Transfers, except they are meant for Civil Society and Parliament as opposed to foreign countries. Thus, GNDI and NNDI complement each other.

Implications of the Three Economic Indicators

Granted, there are plenty of proposed economic indicators which one may encounter online or in economics literature which are not covered in this Entry. The vast majority of them are the personal proposals of economists and others convinced of the apparent issues with relying on the three main economic indicators, of which there are too many to discuss in any detail here. What this Entry seeks to understand are the various formulas used to compile economic data for the SNA of a given country.

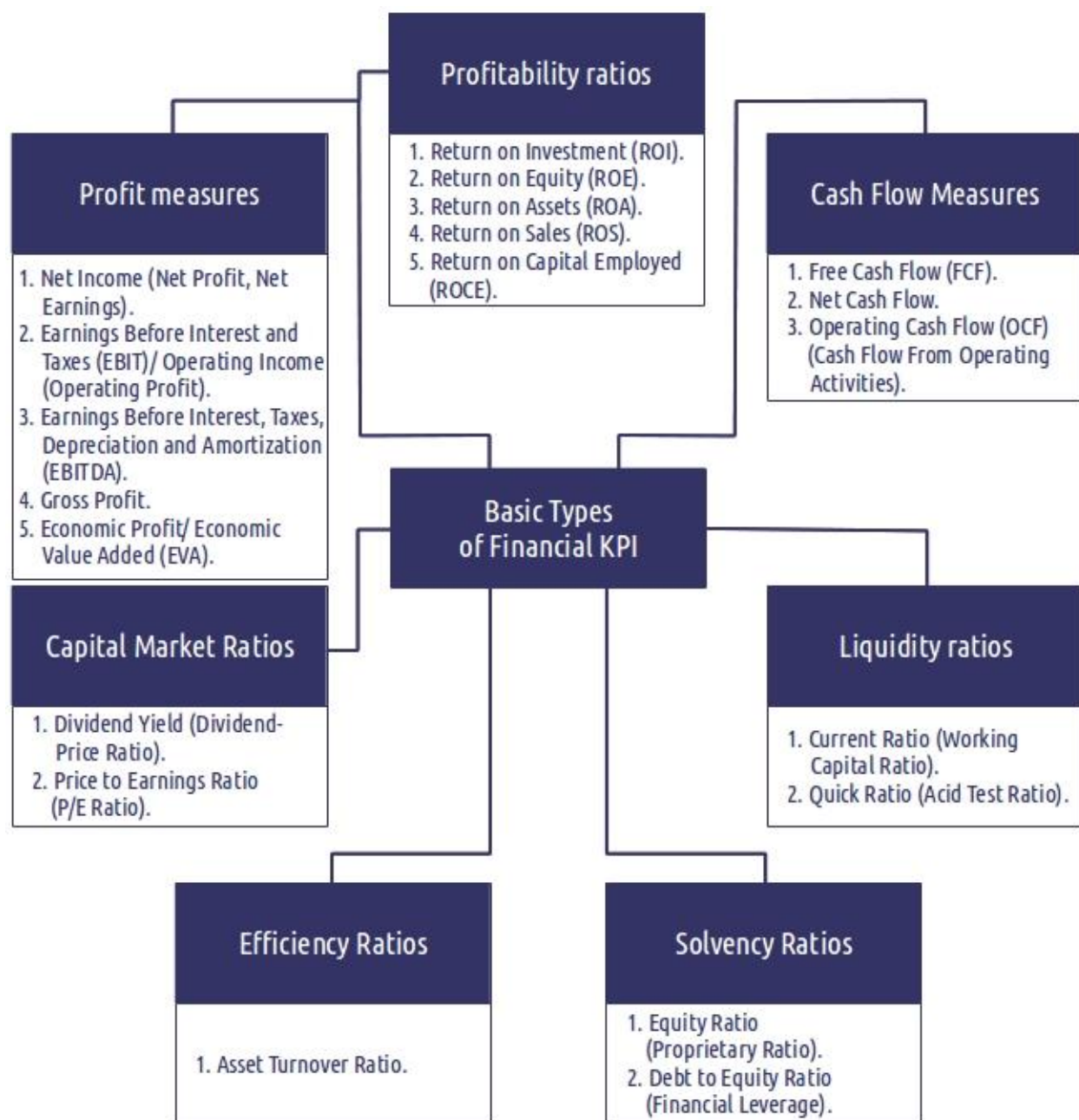
What else can be discerned from the equations and formulas employed by the SNA? It is clear that the SNA is designed to demonstrate the known sources of Kapital and Schuld as a shared variable. Here, the distinctions between Kapital and Schuld cease to exist. Nowhere is this trend more apparent than in the *Expenditure Approach*, which is subsequently used to calculate the Quantities of Kapital owned by Civil Society and Parliament. The other two methods, the *Income Approach* and the *Output Approach*, are ways of identifying the sources of Kapital Accumulation and how Kapital is being used in the production and consumption of everyday goods and services.

But the complexities of the SNA’s economic indicators, when compared against the Work-Standard’s TPP (Total Production Potential), does raise some implications. If Kapital and Schuld are capable of becoming indistinguishable from each other, which is what the *Expenditure Approach* of GDP and the other formulas that rely on it are trying to infer, then it becomes inevitable for economists to in turn determine the empirical effects to which Schuld affects all Kapital owned by Parliament and Civil Society. There needed to be a way to split Kapital and Schuld again to show the extent to which Schuld impacted Parliament and Civil Society’s ability to purchase goods and services domestically and internationally. What applies to the Nationals who constitute Civil Society has to also be applicable to the Foreigners who live, study, and work as members of Civil Society under the terms of Free Trade Agreements (FTAs).

Unlike Arbeit and Geld, which are both capable of avoiding Schuld whenever possible, Kapital is incapable of evading Schuld. Every conceivable economic activity requires Kapital to create more Kapital, which cannot be done without first obtaining Schuld from the Fractional-Reserve Banking System, and the Fractional-Reserve Banking System itself is governed by the Incentives of Supply and Demand. One cannot afford to live within their own means of production. Sometimes, one is compelled and even encouraged in countless different contexts to live beyond those means of production. How does anyone even contemplate the idea of controlling the means of production within the Market/Mixed Economy, if the means of production themselves could be foreclosed or repossessed by the Fractional-Reserve Banking System?

Thus, Schuld does not just affect how much Civil Society and Parliament are able to spend and consume. It also provides Incentives in the form of “financial obligations” that must be paid off in full with respect to the Inflation/Deflation and Interest Rates.

Financial Indicators of Profit and Utility Maximization



Are there any corresponding financial indicators related to Production for *Profit* and Production for *Utility*? If so, are there two separate sets, one for individual economic organizations and another for Parliament? Back in the previous Entry, we discussed the System of National Accounts, and how it was used to convey information about economic performance. The most important aspect is the inputs and outputs of Kapital and Schuld related to production processes and the distributions of income. Such economic indicators are going to be accompanied by corresponding financial indicators, which provide additional information about how those same Quantities of Kapital and

Schuld are being earned and spent, saved and invested, loaned and borrowed. The way to approach the question of financial indicators is to identify the ones relevant to individual economic organizations and how they are related to Parliament within Production for *Profit* and Production for *Utility*.

Some of the financial indicators used by Parliament have been described in *The Work-Standard* (2nd Ed.). The Inflation/Deflation Rate, the Interest Rate, and Taxation Rates are three notable examples. There is also the Foreign Direct Investment (FDI), the Sovereign Schuld, and the Exchange Rate. But what was not addressed in that Treatise is that those financial indicators are also capable of affecting the financial indicators employed by for-profit and non-profit firms.

Double-Entry Account Bookkeeping provides the framework for economic organizations in Production for *Profit* and Production for *Utility* to uncover financial data about its Kapital and Schuld. “Key Performance Indicators (KPIs)” are employed to identify not only the sources of Kapital and Schuld, but also the costs, expenditures, and expenses of conducting economic activities. The vast majority of KPIs involve using Double-Entry Account Bookkeeping to acquire financial data on how Kapital and Schuld are affecting the Profitability/Utility, Liquidity, Efficiency, Valuation, and Leverage of an economic organization.

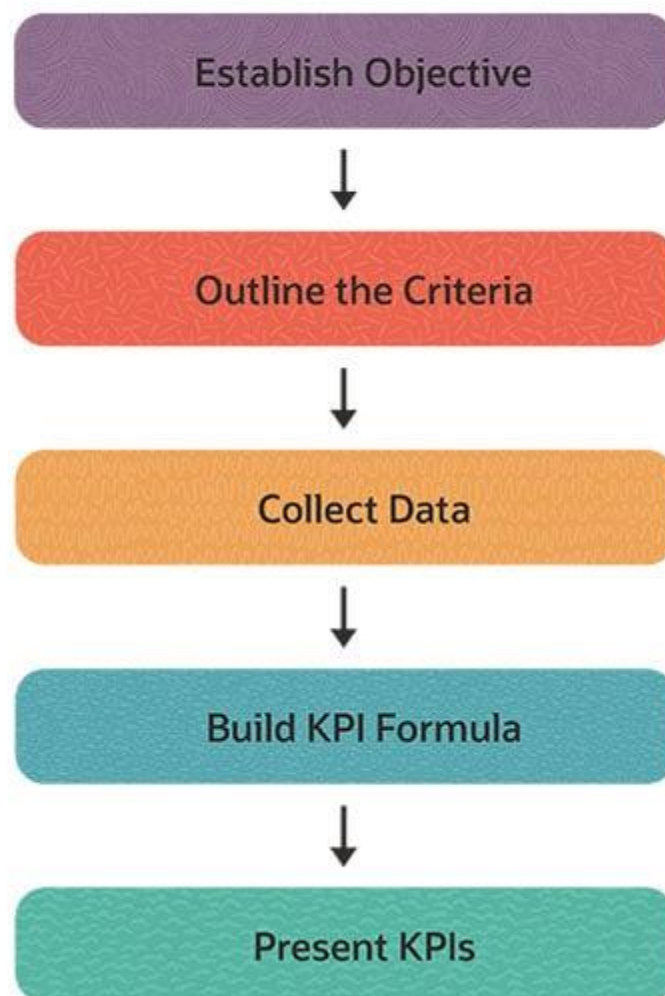
Certain indicators govern how much Kapital is accrued from transactional sales as “Earnings Before Interest & Taxes (EBIT),” such as the “Gross Profit Margin” and the “Net Profit Margin.” Some pertain to how well the economic organization is able to sustain its ongoing Liabilities relative to its own existing Assets. Three indicators are concerned with payments for the inputs and outputs of production processes. “Accounts Payable Turnover” records payments for resource inputs from sellers, whereas “Accounts Receivable Turnover” tracks payments for product outputs from buyers. Both are related to the “Inventory Turnover” of resource inputs and product outputs. Other indicators are related to “Debt-to-Equity Ratio,” the Value of Stocks as an LCFI in “Earnings per Share,” while the “Returns on Assets” and “Returns on Equities” depict how well an economic organization was able to profit with the resources that it already has.

Again, the obvious purpose of KPIs as part of a Chart of Accounts (CoAs) is to show how an economic organization is creating Kapital and Schuld from transactional sales. It also demonstrates how that same economic organization contends with the Interest Rate, the Inflation/Deflation Rate, the Unemployment/Employment Rate, Taxation Rates, and meeting its own “financial obligations” to privatized commercial banks and investors at the Financial Market.

But what would be the other purpose of acquiring such data? By gathering enough information on the finances of an economic organization, an accountant would be able to draw conclusions about its financial solvency. They can make projections based on past actions to describe what future awaits the economic organization if present trends continue uninterrupted. They will even be to argue why the budget of that economic organization will be affected by its expenditures and revenues as well as changes to its Assets, Liabilities, and Equities. Every possible conclusion reached by the accountant was made feasible because of the nature of Double-Entry Account Bookkeeping and because it demonstrates the relationship between Kapital and Schuld, Production for *Profit* and Production for *Utility*. Moreover, it also confirms that the Fractional-Reserve Banking System supports the Market/Mixed Economy, both of which are responsible for providing the economic and financial firepower wielded by Parliament and Civil Society.

The intended result of receiving financial data from the accountant is that economic organizations within Production for *Profit* and Production for *Utility* will be able to reevaluate their past decisions. The KPIs reveal the past decisions of economic organizations, allowing them to deduce how their current decisions as of late will impact their future decisions. In fact, the actions taken in the present may even affect whether the economic organizations themselves will survive over the short term or the long term. Thus, it becomes imperative on the part of those economic organizations to readjust their current decisions to ensure a more desirable outcome for their investors and lenders.

How to Create a KPI

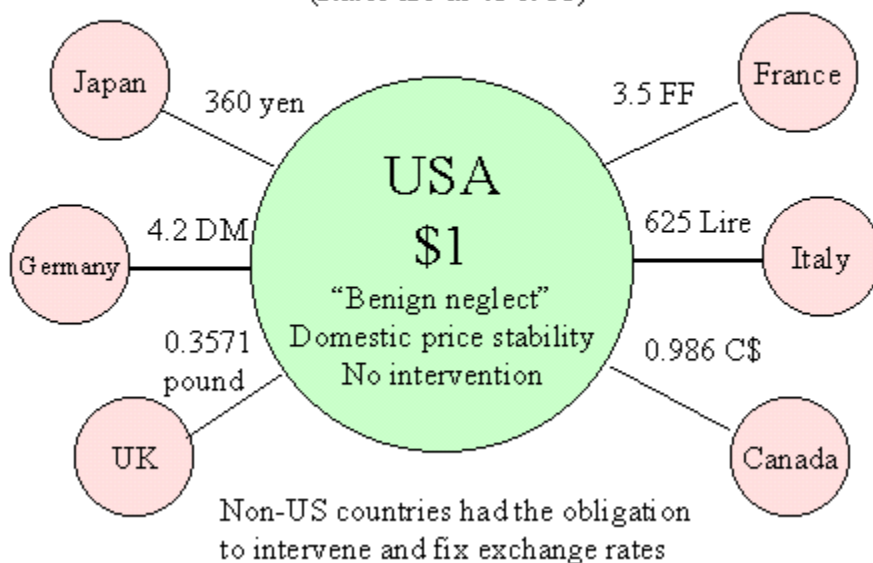


Accounting Standards (Pt. 1 of 2)

Much like the concept of a national educational system, contemporary understandings of the Accounting Profession are a byproduct of the two World Wars and the Great Depression. The Accounting Profession found itself pressed to assist in the allocations of their nation's resources toward the war effort. Everything from individual units of currency to the amounts of resources required to manufacture materiel fell under the purview of the Accounting Profession. In a way, the Accounting Profession itself represents the fundamental contradiction between the State of Total Mobilization and the State of Natural Rights that the former is still trying to overcome. This contradiction persisted throughout the 20th century and was fundamentally reshaped by the conditions introduced by the Death of Bretton Woods.

Bretton Woods: US Dollar at Center

(Rates are as of 1955)



The Death of Bretton Woods affected the Accounting Profession as much as it did to the Fractional-Reserve Banking System. While the latter contended with the abandonment of the Gold Standard and the rise of Financialization commensurate with Deindustrialization, the Accounting Profession remained split between the Western Bloc countries and the Eastern Bloc countries. Barring the Eastern Bloc countries, which relied on accounting standards more in line with Marxism-Leninism, the Western Bloc countries sought to implement an accounting standard that was in line with Neoliberalism. The proposed accounting standard would be worldwide in scope, adopted for use in all economic and financial activities within the Empire of Liberty or the Liberal International Economic Order (LIEO). Since the German-speaking world after 1945 is no longer a hegemony, its significance to be made apparent in Section Two, it is unsurprising that most pivotal developments in Liberal Capitalist accounting practices occurred in the English-speaking world.

In 1973, Sir Henry Alexander Benson, Baron Benson, established the International Accounting Standards Committee (IASC), which was in final analysis a sort of Non-Governmental Organization (NGO) tasked with establishing a uniform set of accounting practices for Liberal

Capitalist regimes. The multiplicity of accounting practices employed by various nations prior to the Death of Bretton Woods warranted the need to develop standardized accounting practices. It was an international convention of the Accounting Profession across various Western and non-Western countries, the purpose of which was to establish “International Accounting Standards (IAS)” that Parliamentary Democracies, Market/Mixed Economies, and Fractional-Reserve Banking Systems would employ and provide more reliable financial data between themselves and Inter-Governmental Organizations (IGOs) like the IMF, the World Bank, the European Union (and its precursor, the European Economic Community), and the OECD.

From its inception in 1973 to its dissolution in 2001, IASC presided over the IAS and set the basis for contemporary accounting practices throughout the Western world. Its membership consisted of national organizations representing the Accounting Professions of mostly Western countries. The size and composition of the NGO was ultimately dependent on the Accounting Profession of which nation had the most clout and influence over the Financial Markets and Fractional-Reserve Banking Systems after the Death of Bretton Woods. As Financial Technologies, Globalization, and Deindustrialization accelerated around the 1980s, the American Accounting Profession would take greater precedence over the Accounting Profession of other Liberal Capitalist regimes.

In 1983, the Liberal International Economic Order (LIEO) formed the International Organization of Securities Commissions (IOSCO), an international commission responsible for the regulation of LCFIs (Liberal Capitalist Financial Instruments) across Liberal Capitalist regimes. This IGO represented the various regulatory agencies throughout the LIEO such as the American SEC (Securities and Exchange Commission). IOSCO would eventually encourage IASC to expand the IAS to include financial reporting of LCFIs at Financial Markets, rather than just the economic activities of Market/Mixed Economies or the governmental activities of Parliamentary Democracies. As the worldwide center of gravity for LCFIs became situated in the US, specifically in New York’s Wall Street, the IASC would later attempt to bring its IAS more in line with those of the American Accounting Profession. The American Profession’s implementation of IAS, the “Generally Accepted Accounting Principles (GAAP),” was adopted by the Securities and Exchange Commission (SEC). To gain the approval of SEC, the IASC brought its IAS in line with accounting practices commonly associated with the American Accounting Profession.

It should be noted that the revisions, while initiated in the late 1980s (around 1987 and 1988), it was until the late 1990s that they were finally implemented. IASC would continue to exist until 2001, when it was superseded by a successor, the International Accounting Standards Board (IASB). The IASB also inherited the IAS, which would later undergo subsequent developments to become the “International Financial Reporting Standards (IFRS).”

There can be no doubts that the Accounting Profession, like the Fractional-Reserve Banking System and the Financial Markets, was shaped by the economic history of the late 20th century and the early 21st century. The collapse of the Eastern Bloc countries and the Soviet Union meant that Marxist Theory lost whatever foothold it still had within the Accounting Profession. In fact, aside from Marxist Theory, no other ideology besides Neoliberalism has been making any serious contributions to the Accounting Profession. The consequence of this is that the fate of the Accounting Profession was impacted by a lot of terrible accounting mistakes and scandals in the 2000s.

The Accounting Profession was seriously impacted by the 9/11 Attacks. The US, in conjunction with the LIEO, implemented many financial reforms with the goal of preventing the Fractional-

Reserve Banking System and Financial Markets from sponsoring terrorist activities. Curtailing “terrorist financing” and “money laundering” between terrorist groups became important initiatives for IOSCO and the IASB.



The International Symbol of IFRS, successor to the IAS. This Symbol should also be what frequently comes to mind when discussing Double-Entry Account Bookkeeping.

But 9/11 itself was not the only incident in the early 2000s that compelled IOSCO and IASB to seriously consider reforming the Accounting Profession. Aside from the People’s Republic China’s entry to the World Trade Organization (WTO), the early 2000s also saw the infamous Worldcom, Enron, Parmalat, and Vivendi scandals. An argument can even be made that the Great Recession had forced additional reforms of the Accounting Profession and its interactions with the Fractional-Reserve Banking System. The IOSCO would later author the “[CPSS-IOSCO Principles for Financial Market Infrastructures](#)” in 2012 with the Bank of International Settlements (BIS).

The purpose of discussing the recent history of the Accounting Profession is to demonstrate how the procedural practices of the Accounting Profession can be influenced by an ideology. Unlike the economic activities that its members record on a daily basis, the Accounting Profession is governed by rules and regulations that are decided and acted upon at either the national or international level. The methodologies of the Accounting Profession can become nationalized to such an extent that they reflect the methods employed by the accountants of a particular nation.

The worldwide adoption of a particular accounting practice represents the introduction of values reflecting the National Consciousness of the nation that developed it. It goes back to an important argument discussed earlier in the Treatise, which is the belief that without any contextual meanings behind the numbers on a financial ledger, the numbers themselves become arbitrary and abstract. Here, the implication of this realization should be obvious: is it possible to devise an accounting standard that does not embody the Weltanschauung of Neoliberalism? Clearly, Marxism-Leninism was arriving at similar conclusions in the 20th century, even though its 21st century adherents have lost sight of this fact.

What I am trying to imply is whether some other ideology besides Marxism-Leninism is capable of imparting its Weltanschauung to the accounting practices of the Accounting Profession whilst still retaining some basis in mathematic reality. Are there any ideologies out there in the world that have made their own strides? One might argue that Feminism and Environmentalism were arriving at comparable conclusions around the late 20th century, but they, Marxism-Leninism and Neoliberalism cannot be the only ones worthy of mention for the Accounting Profession. For other ideologies, the solution has to come in the form of completely distinct accounting practices, an endeavor already being pursued by Cryptocurrencies, as evidenced by the concepts and principles found in Blockchain Technology. But for ideologies that find Cryptocurrencies to be unattractive, repulsive or even incompatible with their own understandings of finance and currency, an alternative accounting practice is the only way forward.

Accounting Standards (Pt. 2 of 2)

Is it tenable to envisage the adoption of alternative accounting practices in non-Liberal Capitalist conceptions of world order? If one has already entertained a world order where nations adhering to Scientific and Artistic Socialism (Marxist and non-Marxist respectively) coexist, is it possible to consider those nations relying on a universally adopted set of accounting practices? Could the same be said about nations with Corporatist and Syndicalist economies? Are these ideologies too distinct within the State of Total Mobilization that such an idea would be impossible? Or is there a way for the Accounting Profession to accommodate the multiplicity of different ideologies that are unrelated to Neoliberalism?

These questions are simpler than they actually appear at first. Even though Marxism-Leninism had its own conception of accounting practices at one point, it is not as if other ideologies besides Neoliberalism are incapable of promoting their own versions. Everything depends on whether a new international consensus can be reached regarding the very definition of what constitutes wealth. After all, the Liberal Capitalist conception of “wealth” is very different from how wealth is described by other ideologies. The real challenge is ascertaining whether an international consensus could be reached on the definition of wealth.

Fortunately, the Work-Standard provides the necessary answers. Wealth stems from the *Arbeit* and *Geld* of any given nation. It does not come from the mere desire for the accumulation of *Kapital* and *Schuld*, but from the actual ability of a nation to create *Arbeit* and *Geld* for itself and others. The necessity for a universally adopted set of accounting practices, applicable to all nations under the Work-Standard, emerges in Real Trade Agreements (RTAs). Unlike the Free Trade Agreements (FTAs) in Production for *Profit* and Production for *Utility*, the RTAs of Production for *Dasein* essentially involve compromising on how much *Arbeit* and *Geld* should belong with the Exporter and how much *Arbeit* and *Geld* remain with the Importer. A nation might receive more in *Arbeit*, more in *Geld*, or balanced increments of *Arbeit* and *Geld*.

Moreover, there may be contexts where one Enterprise’s economic activities are occurring outside the national borders of its homeland. It might have facilities and personnel in another country, contributing *Arbeit* and *Geld* there and sending it back to the Life-Energy Reserve in the homeland. Certain Natural Sector economic activities cannot be done at home due to local geography and climate being undesirable or the absence of required natural resources. Rubber production and rare mineral extraction are two cases.

There may even be other contexts where one Enterprise is authorized to recruit Foreigners to work alongside Nationals within their production processes. Since the concept of “cheap labor” is unacceptable for the purposes of the Work-Standard, the Foreigners involved may have technical skills or expertise that the Nationals lack, with the purpose of the former being to train and educate the latter. Other contexts could involve the exportation of firearms and ammunition for recreational, hunting, sports, police, and military applications, the deliveries of automobiles, boats, and aircraft and their spare parts, or even the provision of eCommerce services on the National Intranet. Ways of determining the Values of *Arbeit* and *Geld* need to be ascertained for any and all economic activities done by Foreigners on behalf of the Nationals.

There needs to be a way for the Accounting Professions of the involved nations to determine how much *Arbeit* and *Geld* everyone is receiving from the RTA. Personnel, organizations, and governments will yield different sources of *Arbeit* and *Geld* within their own economic activities,

each containing different Values. Arrangements also need to be made regarding how much an Equipmentality, the components of an unfinished product, a finished good, or a rendered service should be Priced. Even changes to the Values of the Sociable Currencies involved need to be accounted for. Those changes may be related to the Attrition/Inaction Rate (AIR), the Mechanization Rate (MR), the Central Bank's decision to reset the Exchange Rate, and so forth. Whichever the case may be, accountants need to be able to make periodic adjustments as needed.

But are RTAs the only the prerequisite for the establishment of a universally adopted set of accounting practices in what is otherwise a "Socialist World Order?" Another aspect of this challenge pertains to the ownership of units of Sociable Currency and NSFIs (National-Socialized Financial Instruments) among Foreigners. Foreigners will at some point be in the position to procure the Sociable Currencies and NSFIs of other nations upon achieving the prerequisite "**Social Rank**." Some may eventually obtain them through participation in the economic activities of another SSE or the VCS Economy. While the former becomes permissible through a "Student Exchange" between Student Governments, the latter often occurs under the terms of an RTA.

Foreigners possessing the prerequisite Social Ranks should be expected to familiarize themselves with the National Consciousness of the Totality that they are studying and working with. They need to know the language, respect the cultures, traditions, social norms and customs of the Totality. If they have ancestral ties to the Totality's homeland, they should make the most of that fact to the best of their ability.

The deliberate pursuit of owning the NSFIs of a given nation by a Foreigner deserves to be recontextualized as them being interested in contributing to the Life-Energy Reserve of its State and Totality. By purchasing "**Fiefs**" or "**Work-Plans**" at the Kontor *and* receiving payment upon satisfactory completion, they have demonstrated a willingness to invest in that Totality and their State. It is precisely within the foreign ownership of NSFIs that a distinguishable characteristic arises, setting NSFIs apart from the LCFIs (Liberal Capitalist Financial Instruments) of Neoliberalism's IASB and IOSCO. Stocks and Bonds do not require the tangible inputs of the Self in order to accrue Value, even if said Valid happens to be denoted in terms of Kapital and Schuld. With Fiefs and Work-Plans, however, the Self has to literally strive toward prescribing Value to them through their own contributions of Arbeit and Geld.

The same pattern also occurs when it comes to the issuances of Interest-free "**Work-Tenures**," which are special loans exclusive to the Work-Standard's Reciprocal-Reserve Banking System. Contrast that with the Interest-laden loans offered by the Fractional-Reserve Banking System, where Interest Rates serve as the safety valve against the Inflation/Deflation Rate. Like all other NSFIs, Work-Tenures are governed by the Mechanization Rate (MR) and the Attrition/Inaction Rate (AIR).

If there is going to be any disagreements between the Socialisms, Corporatism and Syndicalism over the definition of tangible wealth under the Work-Standard, it will be in regard to which economic activities should yield Arbeit and Geld. There will always be some point of contention over which economic activities are supposed to count towards the Arbeit and Geld of a Totality. The contention is not so much over mundane economic activities but instead over those which are applicable to the National Consciousness of a Totality. What is considered Arbeit and Geld in the English-speaking world or the German-speaking world may not necessarily be the same throughout the Arab-speaking world, Russia, China, Korea, or Japan. This goes back to the Domains of the Work-World, where only economic activities connected to a Domain are capable

of contributing Arbeit and Geld to the Life-Energy Reserve. It is of course an important aspect of the Work-Standard's "**Political Organization Problem**," whose solutions are meant to be open-ended and not close-ended like the so-called "Economic Calculation Problem."

How would the Work-Standard's accounting practices be formalized at the international level for the purposes of facilitating Real Trade Agreements? Instead of establishing an NGO, the Work-Standard advocates for an IGO, the "**World State Organization (WSO)**," that would be in the best position to introduce the Work-Standard and its accounting practices to the rest of the world.

The Cash and Accrual Methods

Total Quantity of Kapital = All Revenue Sources

Total Quantity of Schuld = All Expense Sources

Economic organizations and Parliaments in Production for *Profit* or Production for *Utility* tend to rely on one of two accounting techniques. Those are the “**Cash-Basis Accounting Method**” and the “**Full Accrual Accounting Method**.” Both techniques are employed to determine the Quantity of Kapital and Quantity of Schuld as well as to identify their sources. While the transactions are going to be recorded, no Kapital or Schuld will be received until an economic activity has been committed to render goods or services.

Cash Basis		Accrual Basis	
INCOME STATEMENT		INCOME STATEMENT	
1. Revenue	\$ -	1. Revenue	\$ -
2. Expenses	\$ -	2. Expenses	\$ -
3. Income	<u>\$ -</u>	3. Income	<u>\$ -</u>
BALANCE SHEET		BALANCE SHEET	
ASSETS		ASSETS	
4. Cash	\$ 600	4. Cash	\$ 600
5. Receivables-Not Recognized	\$ -	5. Receivables	\$ -
LIABILITIES		LIABILITIES	
6. Payables-Not Recognized	<u>\$ -</u>	6. Payables	<u>\$ -</u>
EQUITY		EQUITY	
7. Owners' Equity	<u>\$ 600</u>	7. Owners' Equity	<u>\$ 600</u>

In the *Cash-Basis Method*, the Revenues are recorded by the accountant as the Quantity of Kapital. Kapital is received from the provision of a good or service in a transaction. Likewise, the Expenses are recorded as the Quantity of Schuld. Schuld is created from providing a good or service within the aforementioned transaction as part of that economic activity.

The best way to understand the *Cash-Basis Method* is to think of it as being akin to a person's checking account in the Fractional-Reserve Banking System. The Civil Society of a Liberal Capitalist regime maintains the checking accounts of its Private Citizens within the Fractional-Reserve Banking System. Take the Kapital earned from Revenues to find the sum of an account as that Kapital becomes available. Conversely, deduct the Kapital from Revenue as soon as Schuld becomes available.

In the *Full Accrual Method*, Revenues are only recorded when Kapital has actually been transferred to the economic organization providing a good or service within a transaction as part

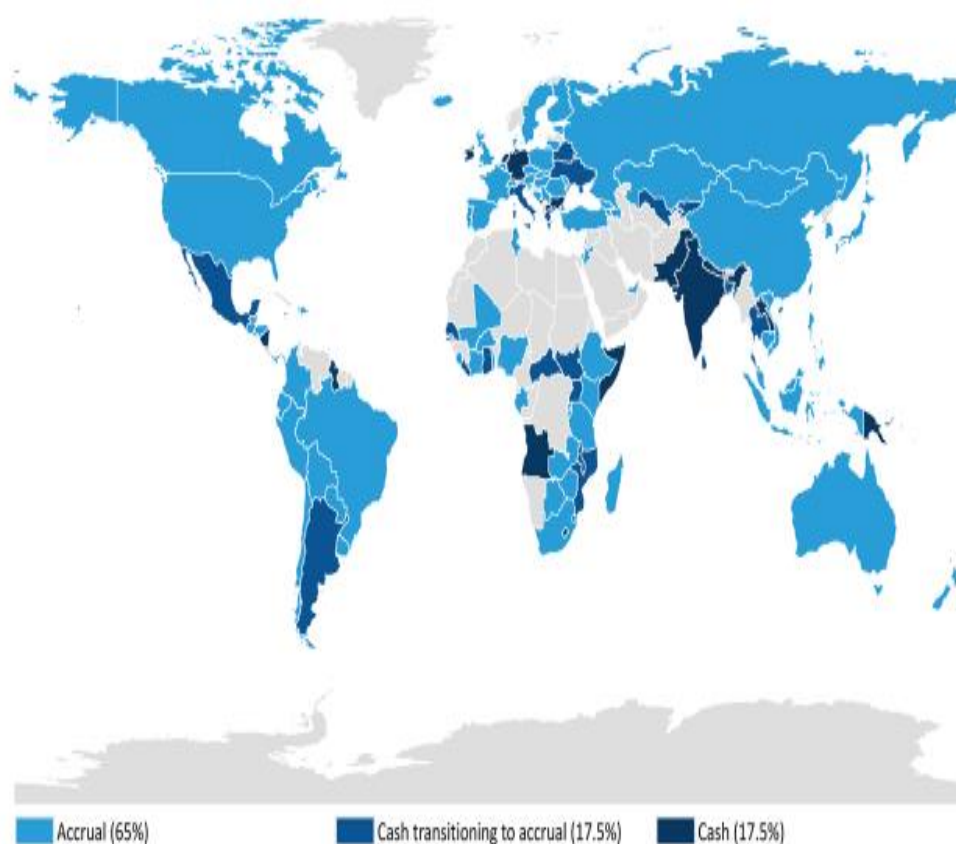
of an economic activity. The Quantity of Schuld, as Expenses, is revealed as “financial obligations” that must be paid back in full. In essence, all Revenues are accounted for, regardless whether the Kapital has been transferred across the Fractional-Reserve Banking System.

The biggest distinction for the *Full Accrual Method* is that the Kapital is recorded before it has been received by the economic organization rendering any given good or service. Suppose that somebody had sent a fixed amount of Kapital to a privatized commercial firm in order to pay a bill in exchange for continuing to receive a service. Any Kapital sent to that privatized commercial firm will be recorded in its financial ledger, documenting that they will be receiving Kapital from someone as one of their Revenue sources. If there is any Schuld, it will also be automatically included.

CASH	ACCRUAL
Revenue is recorded when cash is received	Revenue is recorded when it is earned
Expenses are recorded when cash is spent	Expenses are recorded when they are incurred
Income is taxed only when cash has been received	Income is taxed even if cash has not been received

By Liberal Capitalist accounting standards, which of those two techniques would be considered as the most accurate and thus the most used in Double-Entry Account Bookkeeping? If one assumed that it was the *Cash-Basis Method*, then one would be sorely mistaken. Most economic organizations and Parliaments rely on the *Full Accrual Method* in order to acquire timely, reliable financial data from their own economic activities. For Parliaments, the *Full Accrual Method* enables them to process all transfers of Kapital and Schuld ahead of time due to the “financial obligation” attached to a rendering of a good or service. Whosoever provides the good or service becomes legally obliged to provide that good or service, making the *Full Accrual Method* ideal for collecting taxes and allocating investments.

However, it should be noted that not all Parliaments rely on the *Full Accrual Method*. For the purposes of budgeting, some tend to employ the *Cash-Basis Method*.

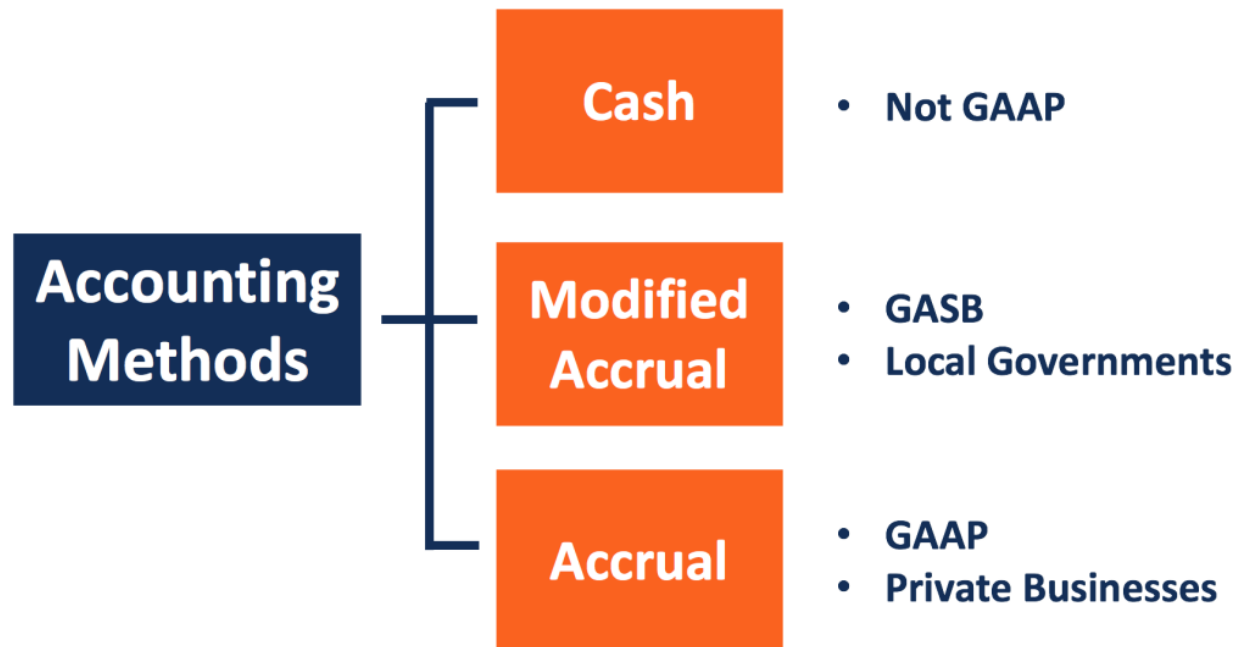


This world map, [commissioned by the International Monetary Fund \(IMF\) in late 2018](#), depicts the known extent of governments relying on the Full Accrual and Cash-Basis Methods in their accounting practices. Most countries are transitioning to the Full Accrual Method based on the reasons that I had outlined.

In the contexts of Production for *Profit* and Production for *Utility*, the *Full Accrual Method* is most compatible with Production for *Profit*. The *Full Accrual Method* enables the accountant to balance the Quantity of Kapital and the Quantity of Schuld to discover the true values of Assets, Liabilities, and Equities. The same could be said for the *Cash-Basis Method*, which explains why it is understandable to expect certain Parliaments to employ the *Cash-Basis Method* and others to rely on the *Full Accrual Method*. After all, the key differences distinguishing the two accounting techniques is precisely *where* it becomes necessary for Kapital and Schuld to be recorded on the financial ledger and *when* Kapital and Schuld should be processed as part of a given transaction.

If the *Cash-Basis Method* and the *Full Accrual Method* are applicable to Production for *Profit*, what can be said about Production for *Utility*? Two other accounting techniques have been employed, which are the “***Modified Accrual Method***” and what can be described as a “***Hybrid Method***.” Over the course of the next Entry, we will explore those two and how they in turn differ from the accounting techniques described here.

The Modified Accrual Method



Economic organizations operating in Production for *Utility* may record their economic activities with the “**Modified Accrual Method**.” The *Modified Accrual Method* is a combination of the two aforementioned accounting techniques discussed in the previous Entry, the *Cash-Basis Method* and the *Full Accrual Method*. In terms of applications, the *Modified Accrual Method* is similar to the *Cash-Basis Method*, albeit with the intended functions of the *Full Accrual Method*. What distinguishes it from the other two accounting techniques is how the Quantity of Kapital and Quantity of Schuld are recorded and processed by accountants assigned to economic organizations whose Mode of Production is Production for *Utility*.

An accountant would record the transactions of economic activities as soon as Kapital and Schuld become “measurable” and “available.” By “measurable,” the Quantity of Kapital denoted as Revenue should be given reasonable estimations. And by “available,” the Quantity of Kapital itself should also be enough to pay off any outstanding Quantity of Schuld as Expenses within the next sixty to one hundred twenty (60-120) days. The justification for this accounting technique is to account for any Kapital donated to non-profit economic organizations in the “Public Sector,” which is to say Kapital accumulated from economic activities in Production for *Utility*. Any Kapital donated to economic organizations operating in Production for *Utility* needs to be recorded and processed by the accountants even though the Kapital itself is going to be immediately obtained by the receiving economic organizations.

Such parameters are made feasible because of the fact that the Quantity of Kapital and the means by which the economic organization receives the Kapital is readily known to the accountant in their financial ledger. Similar to the *Full Accrual Method*, the *Modified Accrual Method* has “financial obligations” attached to all Kapital and Schuld in every transaction. This means that the Quantity of Schuld itself does not appear until somebody voluntarily agrees in principle to spend Kapital on behalf of an economic organization operating in Production for *Utility*.

Furthermore, it is possible for certain Liberal Capitalist regimes to employ a “*Hybrid Method*,” which involves employing a combination of the *Cash-Basis Method*, the *Modified Accrual Method* and/or the *Full Accrual Method*. Certain sources of Kapital and Schuld would be recorded using the *Cash-Basis Method*, whereas other sources are recorded with the *Modified Accrual Method*. This arrangement becomes relevant in a Liberal Capitalist regime where the delicate paradigm between Production for *Profit* and Production for *Utility* is at its most apparent. It is possible to encounter the Parliament itself employing the *Cash-Basis Method*, while the local Municipalities subordinate to them are relying on the *Modified Accrual Method* and/or the *Full Accrual Method*.

The *Hybrid Method* and the recent adoptions of the *Full Accrual Method* across the “Liberal International Economic Order (LIEO)” throughout the early 21st century does raise some important implications for the Work-Standard and its own conceptions of accounting practices. How important is the precise timing in which Kapital and Schuld is processed between the accounts of persons, economic organizations, and governments? Does the timing itself provide subtle indications about Liberal Capitalist conceptions of Currency, the Fractional-Reserve Banking? What about the relationships between Kapital and Schuld as well as Production for *Profit* and Production for *Utility*?

In essence, there are accounting techniques within the Double-Entry Account Bookkeeping System that allow someone to record and process the real-time transactions of Kapital and Schuld. One technique is ideal before the rendering of a good or service (*Full Accrual Method*), another set in the midst of rendering a good or service (*Cash-Basis Method*), and another for after the rendering of a good or service (*Modified Accrual Method*). Clearly, someone is not always going to pay the Kapital now, so they will gladly accept the Schuld and pay it off later if it means receiving a good or service.

If so, then the chronological order in which those accounting techniques would become applicable has to look something like this:

Full Accrual >> Hybrid >> Cash-Basis >> Hybrid Method >> Modified Accrual

One cannot help but wonder whether all three accounting techniques are related to the inherent characteristics of the Post-Bretton Woods Debt Standard and the worldwide adoption of Fiat Currencies since the 1970s, not to mention the Fractional-Reserve Banking System. Thanks to Financialization, Globalization, and the Financial Technologies introduced during that same decade, it is now feasible for someone to use a Credit Card to purchase items beyond the Kapital that they already have in exchange for obtaining Schuld. Massive sums of Kapital and Schuld can be created within a very short timeframe by untold numbers of people interacting with their country’s Fractional-Reserve Banking System. The “financial obligations” inherent in both the *Full Accrual* and *Modified Accrual Methods* are what makes this analogy entertainable. And because most Kapital and Schuld in existence in the 21st century is not backed by Gold, Silver, or any other tangible “Commodities,” such “financial obligations” can then be easily converted into social control mechanisms through financial means.

The *Hybrid Model* in particular only reinforces this consideration, seeing how it is a combination of the other three accounting techniques. Not only does it reflect the paradigm shared by Production for *Profit* and Production for *Utility*, it also demonstrates how Parliamentary Democracies tend to have different priorities on exactly when they would need Kapital and where

they could sustain Schuld as part of their economic policies. There may be a Parliament somewhere in the LIEO that would need an instant inflow of Kapital sooner rather than later in order to balance its Parliamentary Budget. Any Schuld incurred from governing the Liberal Capitalist regime could then be paid off, at least that is how it would appear on paper. Subordinate Municipalities can afford to wait for their Kapital and Schuld, especially if the Parliament itself is allocating Kapital to their governments.

This raises the question of the Fractional-Reserve Banking System, its relation to the aforementioned accounting techniques, and the Fiat Currencies that are being recorded and processed by the accountants. The Kapital and Schuld are abstract enough to not always represent physical units of currency. They are merely numbers on the financial ledger which were given meaning by the accountants and their interactions with the Fractional-Reserve Banking System. For the Fractional-Reserve Banking System, it matters very little whether the units of currency are in banknotes and coins, gold and silver, or digital currencies. What is giving those units of currency its inherent Value and therefore its Price, as Kapital, is Schuld itself.

Here, we come full circle to the question that I had posed in the beginnings of *The Work-Standard* (2nd Ed.) and *The Third Place* (1st Ed.): who or what ascribes to any conception of Currency its Value and Price? This sort of question is related to a Theory of Value and a corresponding Theory of Money. What is expected of the accountant is find the true Value and the true Price based on those Theories.

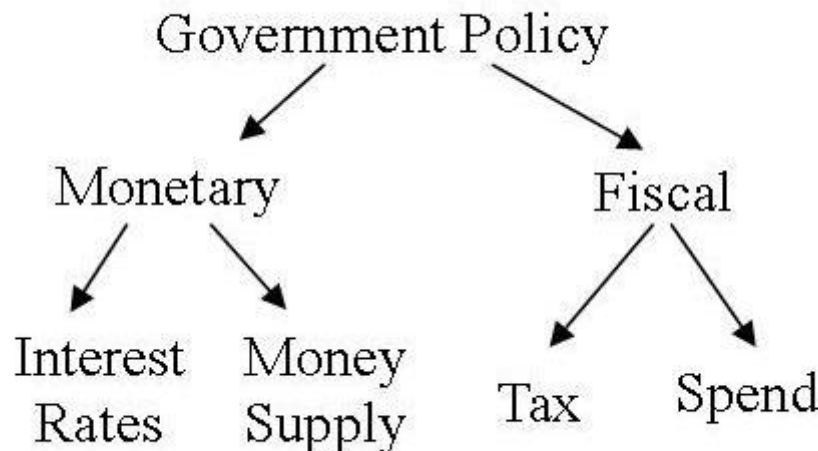
Moreover, the accounting techniques also imply the presences of two important characteristics exhibited by Parliamentary Democracy which ultimately differ from those of Council Democracy:

- A Parliament maintains its own “***Parliamentary Budget***” where Kapital and Schuld are distributed across a series of “***Parliamentary Funds***” intended for the budgets of its governmental organizations and any economic organizations under its purview in Production for *Utility*.
- These *Parliamentary Funds* have their own sources of Kapital and Schuld, which may or may not necessarily originate from the Parliament itself.

The Parliamentary Budget

The Parliamentary Budget (not to be mistaken with the Work-Standard's "State Budget") operates within the shared Neoliberal paradigm of Production for *Profit* and Production for *Utility*. The Parliamentary Budget not only refers to the Quantity of Kapital that a Parliament could allocate to its own governmental and economic organizations, but also the Quantity of Schuld that it incurs on itself as part of its daily operations running a Liberal Capitalist regime.

The concept of Kapital in the Parliamentary Budget takes on a distinctive meaning, as the Kapital that a Parliament is capable of accumulating for its own purposes is through the usual methods allowed in Production for *Profit* and Production for *Utility*: impose taxation policies, deficit spending or "debt servicing," Interest Rates, adjustments to the "Money Supply." Of the four methods, one of them is directly impacted by the Quantity of Kapital vis-à-vis directly borrowing from the Central Bank and the issuances of an LCFI (Liberal Capitalist Financial Instrument) known as "Government Bonds." Another closely affects the Quantity of Schuld by running budgetary deficits and spending more than what Parliament has.



Going back to the Double-Entry Account Bookkeeping System and the four accounting techniques outlined earlier in Section One, there are at least three notable formats employed by Liberal Capitalist to determine the Quantities of Kapital and Schuld for a Parliamentary Budget. They are applicable to both Production for *Profit* and Production for *Utility*. Those three are the "**Line-Item Budget**," the "**Program Budget**," and the "**Performance Budget**."

- The *Line-Item Budget* will provide information on how many Quantities of Kapital will be required by government organizations, including how their actual expenditures in one year and estimated expenditures over the next year or more. Individual items on a *Line-Item Budget* pertain to the Kapital needed to pay to pay for the continued operations of government organizations.
- The *Program Budget* describes where the Quantities of Kapital should be allocated toward. The individual items on record are the programs run and operated by government organizations. Short descriptions of the program's mission and the activities associated with it are also outlined in order to justify further funding from the Parliament.

- The *Performance Budget* documents the intended purposes of a government organization's program and its activities. The individual items on record include the known expenses of running the program in the current year, how much Kapital would be 'recommended' in the next year, and the projected expenses in the next two years or more. It also runs a tally of how many times a program's goals were met within a given year.

Each subvariant of the Parliamentary Budget has its own purposes for accountants. The *Line-Item Budget* is used to allocate Kapital toward the general needs of a government organization. The *Program Budget* facilitates Kapital allocations to the programs of government organizations. And the *Performance Budget* denotes the outputs and outcomes of government organizations meeting the goals of their active programs.

Regardless of how Parliament obtained its Kapital, be it through fiscal or monetary policies, the Parliamentary Budget will be filled with Kapital. If not, Schuld will take its place in the form of a budgetary deficit. When Kapital does fill the Parliamentary Budget, the Parliament proceeds to allocate it toward a series of Funds that it controls. Two of them are identified as the "*Fiduciary Fund*" and the "*Proprietary Fund*." A third Fund, referred to in this Treatise as the "*Parliament Fund*," is a more generalized set of Funds that Parliament maintains for its everyday purposes. I will be discussing all three Funds over the course of the next three Entries.

“Proprietary Fund”

The “Proprietary Fund” is considered one among the various examples in which Production for *Profit* and Production for *Utility* are closely intertwined. On paper, it resembles a Fund related to the so-called “Public Sector” (Read: Production for *Utility*). In actual practice, however, the *Proprietary Fund* is meant to be operated in a manner akin to that of the so-called “Private Sector” (Read: Production for *Profit*). Parliament employs the *Proprietary Fund* in order to govern the economic activities of “*Public Utilities*,” which are any economic organizations that Parliament has operating under Production for *Utility*. Such “*Public Utilities*” may be nationalized or partially privatized in a “Public-Private Partnership (P3),” which oftentimes involves a government organization owning its related program and letting a privatized commercial firm run it on their behalf.

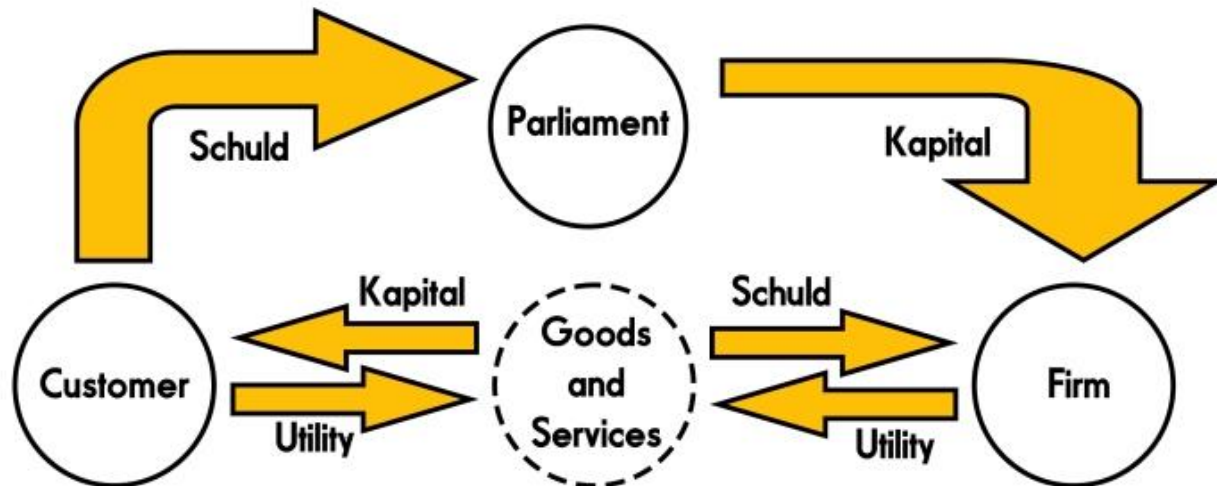
The precise type of economic activities conducted by a Public Utility is broad to encompass anything that is capable of being nationalized and operated by Parliament for its own purposes as opposed to those of Civil Society. This explains the political opposition to nationalization among specific Liberal Capitalist factions within Neoliberalism. When Parliament decides to nationalize something, it is essentially purchasing the Private Properties-as-Wealth, Assets and Liabilities of an economic organization and using it to enrich itself in the process. The personnel fall under the leadership of the bureaucracy overseeing a government organization.

In the context of Parliamentary Democracy, one is asked to wonder how such decisions by Parliament will benefit the Social Utility of Civil Society. If Parliament decides to perform economic activities for its own benefit, what does that say about the shared paradigm between Production for *Profit* and Production for *Utility*? Does one not realize that Parliament has not changed anything in the slightest except to adopt the roles performed by a privatized commercial firm?

The accountant should realize the implications of those questions within their own financial ledgers, especially when studying the *Proprietary Funds* of such economic organizations. Thus, two variants of Proprietary Funds are of interest in this Entry, the “Enterprise Fund” and the “Internal Service Fund.”

- The *Enterprise Fund* refers to the Quantity of Kapital that is given to Parliament by Civil Society in order to obtain a particular good or service. Each Private Citizen from Civil Society is expected to pay a fee in exchange for the good or service.
- The *Internal Service Fund* refers to the Quantity of Kapital that government organizations must spend to obtain goods and services from each other. Any government organization requiring the goods or services of another is expected to pay a fee in exchange for them.

The key distinguishing characteristic shared by both *Proprietary Funds* is the buyer within the transactional sale. *Enterprise Funds* record the Kapital earned from Civil Society, whereas the *Internal Service Fund* denotes the Kapital earned from the government organizations that act on behalf of Parliament. Since government organizations are going to be funded by Parliament anyway, it is natural to expect them to pay for their functions and receive them from other government organizations. But chances are, the government organizations rendering those Public Utilities will probably be relying on some level of support from privatized commercial firms fulfilling the terms of a “Government Contract.”



Production for Utility Diagram from The Third Place

All of this validates the Author's suspicions about the relationship between Production for *Profit* and Production for *Utility*, a conclusion that was posited back in *The Third Place* (1st Ed.). The pervasiveness of Neoliberalism in economic life, particularly in the Western world, is made possible by a delicate balance of Economic Liberalization, Social Liberalization, and Political Liberalization. One finds this relationship inherent in the coalescence of Liberal Capitalist factions in Parliament that constitute as the "Center-Left," the "Center," and "Center-Right" on a Left-Right Political Spectrum. It is a relationship that stems from the philosophical underpinnings of Neoliberalism, that "State of Natural Rights" which came to fruition during the Enlightenment.

With Neoliberalism's "State of Natural Rights" in mind, it is rather unsurprising to find Liberal Capitalist factions constantly debating in circles over the most ideal balance of Production for *Profit* and Production for *Utility*. The accountant is made aware of this in the financial statements of the *Proprietary Fund*.

“Fiduciary Fund”

The “*Fiduciary Fund*” is comprised of Kapital earned from Revenues and intended for the personnel of government organizations acting on behalf of Parliament. If the *Proprietary Fund* is intended for the economic activities of government organization and any privatized commercial firms fulfilling the terms of a “*Government Contract*” for their programs, then the *Fiduciary Fund* is meant as a special reserve of Kapital. The Kapital stored in one is meant to be held in trust by Parliament, which has its own financial obligations to ensure that the Kapital kept in a *Fiduciary Fund* will continue to exist when personnel require them. Maintaining the Pension Trust Funds, the Investment Trust Funds, and the Organizational Funds of the government organizations themselves are obvious instances where a *Fiduciary Fund* is necessary.

The *Pension Trust Fund* is a stockpile of Kapital paid for by the personnel of a government organization. Personnel pour Kapital into it throughout the course of their professional life, which they would then spend on after they retire. Thus, it is considered the largest and most well-recognized Fiduciary Fund for the accountant. As the number of elderly people in the Western world grows, given increased life expectancy rates, more drawings from the Pension Trust Fund are expected to occur. Sometime later in the 21st century, there is going to be a future situation where that particular *Fiduciary Fund* may become emptier than usual as a result of too many people drawing Pensions from it.

The *Investment Trust Fund* is another stockpile of Kapital intended by Parliament for government organizations to invest in their future activities. Parliament expects the government organizations that draw from it to reap additional Quantities of Kapital. This one should be self-explanatory compared to the other variants of the Fiduciary Fund.

Back in the previous Entry, I mentioned the term “*Public-Private Partnerships (P3s)*” and how certain economic organizations “from the Private Sector” (Read: operating under Production for Profit) under the terms of a *Government Contract*. Parliament has to be maintaining some kind of Fund intended for those privatized commercial firms contracted by government organizations. As expected, the *Private-Purpose Trust Fund* is intended to be the Kapital stockpile for that specific purpose. Any Kapital stored here is meant to be kept for any Private Citizens and privatized commercial firms contracted by the government organizations at the behest of Parliament.

The last and also self-explanatory variant of the Fiduciary Fund is the “*Agency Trust Fund*.” It denotes a stockpile of Kapital reserved for the government organizations that draw Kapital from it for their own activities. Parliament would allocate Kapital from its own Parliamentary Budget to this Fiduciary Fund for the government organization attached to it.

“Parliament Fund”

The “*Parliament Fund*” refers to the Kapital earned from Revenues and are required by Parliament to function and govern Civil Society, hence its name. The *Parliament Fund* is where the rest of the Kapital in the Parliamentary Budget goes if it has not yet been transferred to the *Proprietary and Fiduciary Funds* described in the two preceding Entries. Taxation policies are oftentimes used to acquire the Kapital for the *Parliament Fund*. And compared to the other two Funds, the ones found in the *Parliament Fund* tend to be the largest items in the Parliamentary Budget. There are five variants: “*General Fund*,” “*Special Service Fund*,” “*Debt Service Fund*,” “*Capital Project Fund*,” and “*Permanent Fund*.”

The *General Fund* is the stockpile of Kapital not designated for any specified purpose. Most Kapital earned from taxation policies tend to be stored here. It is considered the largest of the five Parliament Funds.

The *Special Service Fund* is the stockpile of Kapital that has been designated by Parliament to be allocated toward a particular aim. Kapital earned from specific taxation policies, such as Excise Taxes or Petroleum Taxes for instance, are recorded in the Special Service Fund. If Parliament needs to provide a “Grant” to an economic organization “from the Public Sector” (Read: operating on Production for *Utility*), it will withdraw Kapital from the Special Service Fund.

The *Debt Service Fund* is for allocations of Kapital that Parliament will need to pay off its Quantity of Schuld. Parliament sets Kapital aside to facilitate long-term repayments of Schuld to investors and the Fractional-Reserve Banking System for sustaining any fiscal deficits in its Parliamentary Budget. The fact that there is no physical limit on how much Kapital can be allocated toward the repayment of Schuld has been picked up by proponents of Modern Monetary Theory (MMT) to justify their conception of Currency.

The *Capital Project Fund* contains Kapital intended for the conduct of “Capital Projects.” A “Capital Project” refers to the establishment of new economic activities and organizations that could potentially be used to create more Kapital. The *Capital Project Fund* is how the Parliament finds the Kapital to embark on public works, construction and infrastructure projects, and other large scale endeavors deemed beneficial to the long-term investments of the Market/Mixed Economy. This particular Parliament Fund has been the object of praise for Keynesians who believe that Parliament should play a dominant role in the Market/Mixed Economy.

The *Permanent Fund* is Kapital that can only be spent on designated functions and activities. The Kapital earned may be donated to Parliament by Civil Society on a voluntary basis. Additionally, any Kapital that was earned from the conduct of that aforementioned function or activity cannot be spent on anything else in the Parliamentary Budget. That also includes any investments allocated to it by Parliament.

We now know how Parliament finances and sustains itself as part of its official functions and activities. For the accountant, it is necessary to compile the financial data and provide the information to those who require them to make financial decisions. The auditor will periodically evaluate their handiwork to ensure the best-possible accuracy and reliability. This endeavor is known as “*Financial Reporting*.” The goal is to gather relevant financial data throughout Parliament, its government organizations and anyone contracted to work on their programs to create a “*Financial Statement*.”

Financial Reporting for Profit and Utility Maximization

The financial data intended for the Chart of Accounts (CoA) is oftentimes drawn from the financial reports compiled by accountants and vetted by the auditors. The concept of financial reporting becomes dependent on whether the Accounting Profession is focusing on Kapital and Schuld or Arbeit and Geld. In Production for Profit and Production for Utility, an average privatized commercial firm would compile five sets of financial reports that are of interest to the following “stakeholders”: the executive leadership, management and employees; the Fractional-Reserve Banking System and Financial Markets; the regulatory bodies of Parliament; and the Market itself.

Investors and creditors from the Fractional-Reserve Banking System and Financial Markets supply the privatized commercial firm with Kapital. Interest-laden Loans, as well as LCFIs (Liberal Capitalist Financial Instruments) such as Stocks and Bonds provide Kapital in exchange for Schuld. They need financial reports to assess how well the privatized commercial firm, as a debtor, is paying off their Schuld.

The executive leadership and managerial staff rely on periodic financial reports to evaluate the overall performance of their privatized commercial firms. Information obtained from those financial reports allows them to make more informed decisions that will yield more Kapital from the transactional sales.

As for the employees themselves, they need financial reports to determine whether they are being paid fairly. If they happen to be unionized and are not being paid enough Kapital by the executive leadership and managerial staff, those financial reports will become the catalyst behind their subsequent decision to go on strike and demand more Kapital.

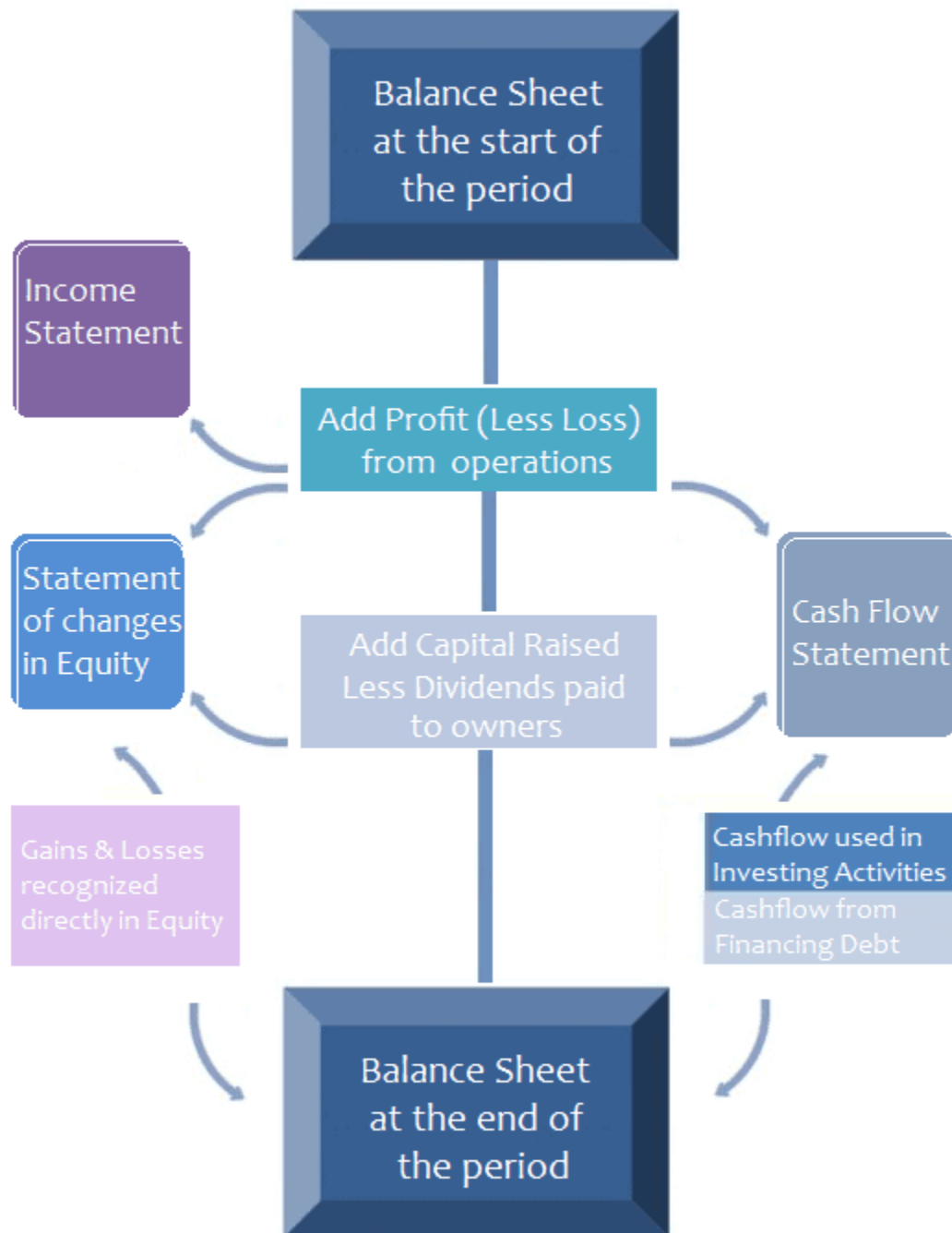
Parliament receives a set of financial reports as part of its own efforts to enforce tax compliance from the privatized commercial firm. Any Kapital owed to Parliament in taxes are to be recorded and paid in full. In addition to taxation authorities, regulatory authorities are also relying on those financial reports to determine if the privatized commercial firm is complying with any regulations set by Parliament.

Lastly, in Production for *Profit* and Production for *Utility*, the concept of the “Market” is the institutional actor behind the Market/Mixed Economy. Production processes and the transactional sales for finished goods and services stem from the *Market*. This Market differs from the Financial Market as it is more concerned about the sales of goods and services to Households and other privatized commercial firms. We will discuss more about the Work-Standard’s equivalent in a later Entry.

Types of Liberal Capitalist Financial Reports

There are four major types of financial reports that the Accounting Profession uses in Production for *Profit* and Production for *Utility*. All four rely on the Double-Entry Account Bookkeeping System for their calculations. Only one of the financial reports is a broad overview of the privatized commercial firm’s Assets, Liabilities, and Equities. The other three provide greater emphasis on its Assets, its Liabilities, and its Equities. These financial reports will eventually be consolidated into the Chart of Accounts (CoA), which statisticians would later compile, eventually establishing the System of National Accounts (SNA) for economists and political scientists to evaluate the performance of a given Liberal Capitalist regime.

The four financial reports are the “*Balance Sheet*,” the “*Income Statement*,” the “*Cashflow Statement*,” and the “*Statement of Shareholder Equity*.”



The *Balance Sheet* presents an overview of the Assets, Liabilities and Equities owned by the privatized commercial firm. It serves as a real-time assessment of the ratio between the Quantity of Kapital and the Quantity of Schuld for a privatized commercial firm. Most *Balance Sheets* in Production for *Profit* and Production for *Utility* are released four times a year on a quarterly basis. A *Balance Sheet's* Assets are split between the *Liquid Assets* and the *Current Assets*. The former contains the actual Quantity of Kapital, the latter denoting how much Kapital is being earned from

transactional sales and the inventories of finished products and “Commodities.” The *Current Liabilities* tracks all of the known expenditures of the privatized commercial firm and its Quantity of Schuld. The *Current Equities* pertains to the Quantity of Kapital intended for LCFIs (Liberal Capitalist Financial Instruments).

When accountants are tasked with finding more precise information about a privatized commercial firm’s Assets over the long-term, the *Income Statement* is created. Unlike the Balance Sheet, whose overview is short-term, the Income Statement is an annual financial report at the very least. It will contain information about the privatized commercial firm’s Quantity of Kapital, how much Kapital is being generated from its own economic activities, and the overall ratio between revenues and expenditures. The Value of any Stocks related to the privatized commercial firm is dependent on this financial report.

The *Cashflow Statement* describes how well the privatized commercial firm is handling its Quantity of Schuld. Most privatized commercial firms are not going to create enough Kapital to sustain themselves, so they are encouraged to borrow Kapital from selling Stocks and Bonds on the Financial Market as well as receiving Interest-laden Loans from privatized commercial firms. Since investors and financial institutions expect the privatized commercial firm to pay back its Schuld, the *Cashflow Statement* describes how it is spending Kapital for its own economic activities as well as servicing the Quantity of Schuld. Every economic activity related to the privatized commercial firm is going to rely on Kapital to create more Kapital, so the *Cashflow Statement* becomes a documentation of how Kapital is being allocated and spent on creating more Kapital and paying down Schuld.

The *Statement of Shareholder Equity* may be included in the Balance Sheet or treated as its own financial report. It really depends on the size and composition of the economic organization in question as well as the number of LCFIs that it has in circulation at the Financial Market. To record the Quantity of Kapital earned from those LCFIs, the *Statement of Shareholder Equity* is employed to monitor their Values as they accumulate Kapital on their own. Any investments made by that same economic organization will also be found here as well.

Cash Basis		Accrual Basis	
INCOME STATEMENT		INCOME STATEMENT	
1. Revenue	\$ -	1. Revenue	\$ -
2. Expenses	\$ -	2. Expenses	\$ -
3. Income	<u>\$ -</u>	3. Income	<u>\$ -</u>
BALANCE SHEET		BALANCE SHEET	
ASSETS		ASSETS	
4. Cash	\$ 600	4. Cash	\$ 600
5. Receivables-Not Recognized	\$ -	5. Receivables	\$ -
LIABILITIES		LIABILITIES	
6. Payables-Not Recognized	<u>\$ -</u>	6. Payables	<u>\$ -</u>
EQUITY		EQUITY	
7. Owners' Equity	<u>\$ 600</u>	7. Owners' Equity	<u>\$ 600</u>

Implications of Liberal Capitalist Financial Reporting

Some noteworthy observations deserve to be addressed in relation to the four types of financial reports in Production for *Profit* and Production for *Utility*. Besides basing their calculations on the Double-Entry Account Bookkeeping System, a pattern can be discerned based on how the Accounting Profession formats them. The four financial reports correspond to the incomes, production, and expenditures of an economic organization. The *Balance Sheet* and *Statement of Shareholder Equity* both pertain to the production outputs, the *Income Statement* is related to the incomes, and the *Cashflow Statement* is concerned with the expenditures. The pattern itself parallels how the GDP (Gross Domestic Product) Rate tracks economic performance through an *Expenditure Approach*, an *Income Approach*, and an *Output Approach*.

What would be the Work-Standard's alternative financial reports for Arbeit and Geld? How compatible are those proposed financial reports with Production for *Dasein* and the Total Productive Potential (TPP)? Can an accountant, by process of elimination, determine how the economic activities of a Cooperative or a State Enterprise at the micro level contribute to the economic life of a Socialist Nation at the macro level? Will the financial reports be categorized by the ratio between Arbeit and Geld, tailored to the State, Totality, and Self, or both? Is it even possible to develop such financial reports where the State, Totality and Self are equally capable of determining the Arbeit and Geld of an economic organization for auditing purposes?

Section Two: Alternative Accounting Practices



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Environmental Critiques of Double-Entry Account Bookkeeping

Environmentalism as an ideology is concerned about humanity's relationship with nature in the State of Total Mobilization. The State of Total Mobilization itself may have concurred with the development of large cities and manufacturing zones, but it has not completely divorced humanity's relation to nature. Humanity remains dependent on nature for natural resources required by the Manufacturing and Service Sectors of national economies. The goal of the Natural Sector, from mining to farming, is to harvest natural resources and convert them into raw materials required for the production of everyday goods and services. There will be signs of environmental degradation, resource depletion and the various forms of pollution associated with the State of Total Mobilization. The great challenge has always been to mitigate those effects not just for the environment but also for the nations whose livelihoods depend on nature.

From the perspective of the accountant, ecological concerns are abstract and occur as an afterthought rather than something which needs to be included in their bookkeeping. This was the sentiment shared by the Accounting Profession in general during the early half of the 20th century. They focused most of their attention on the Totality or Civil Society, the Council State or Parliament. It was difficult to ascertain how the State of Total Mobilization would be capable of creating unwanted waste. After all, the kind of waste that most accountants are concerned about is more financial than ecological in nature.

Thus, it comes as no surprise that the five decades since the Death of Bretton Woods has seen the rise of Environmentalist economic literature that has grown alongside the ideology itself. It can be argued that there is a discernible split within the literature between those in favor of an "Environmental Economics" and those supportive of an "Ecological Economics." Despite their superficial similarities, they constitute as two schools of economic thought with diametrically opposing perspectives on humanity's relation to nature within the State of Total Mobilization. And while both remain trapped between Production for Profit and Production for Utility as well as Kapital and Schuld, they do provide relevant information of interest to the Work-Standard and its own conceptions of accounting and financial practices.

Should all economic life in the State of Total Mobilization be studied with humanity in mind? Or should it be studied with nature taking precedence over humanity?

- *Environmental Economics* focuses on humanity's interactions with nature and how humanity could mitigate its environmental impact. It acknowledges the primacy of the Market/Mixed Economy and the Fractional-Reserve Banking System (and ipso facto the SNA and Double-Entry Bookkeeping) in economic life. It believes that humanity's impact on the environment can be mitigated in the same way that a Social-Democracy could mitigate the worst tendencies of Production for *Profit* with Production for *Utility*.
- *Ecological Economics* differs from that of *Environmental Economics* by viewing economic life as an extension of what happens in the biosphere. What makes this school of thought more supportive of the Work-Standard is due to its inherent compatibility with the "Noösphere," a concept introduced in *The Third Place (1st Ed.)* in reference to how the State of Total Mobilization has given rise to the digital realm. Since humanity is the only entity on Earth capable of exhibiting higher consciousness, the Noösphere becomes entertainable within the State of Total Mobilization because it represents the formation of a repository of thoughts, ideas, concepts, and values. The most obvious conceptualization

of this phenomenon with regard to the environment is of course the digital realm itself and its environmental impact from the creation of Cryptocurrencies such as Bitcoin.

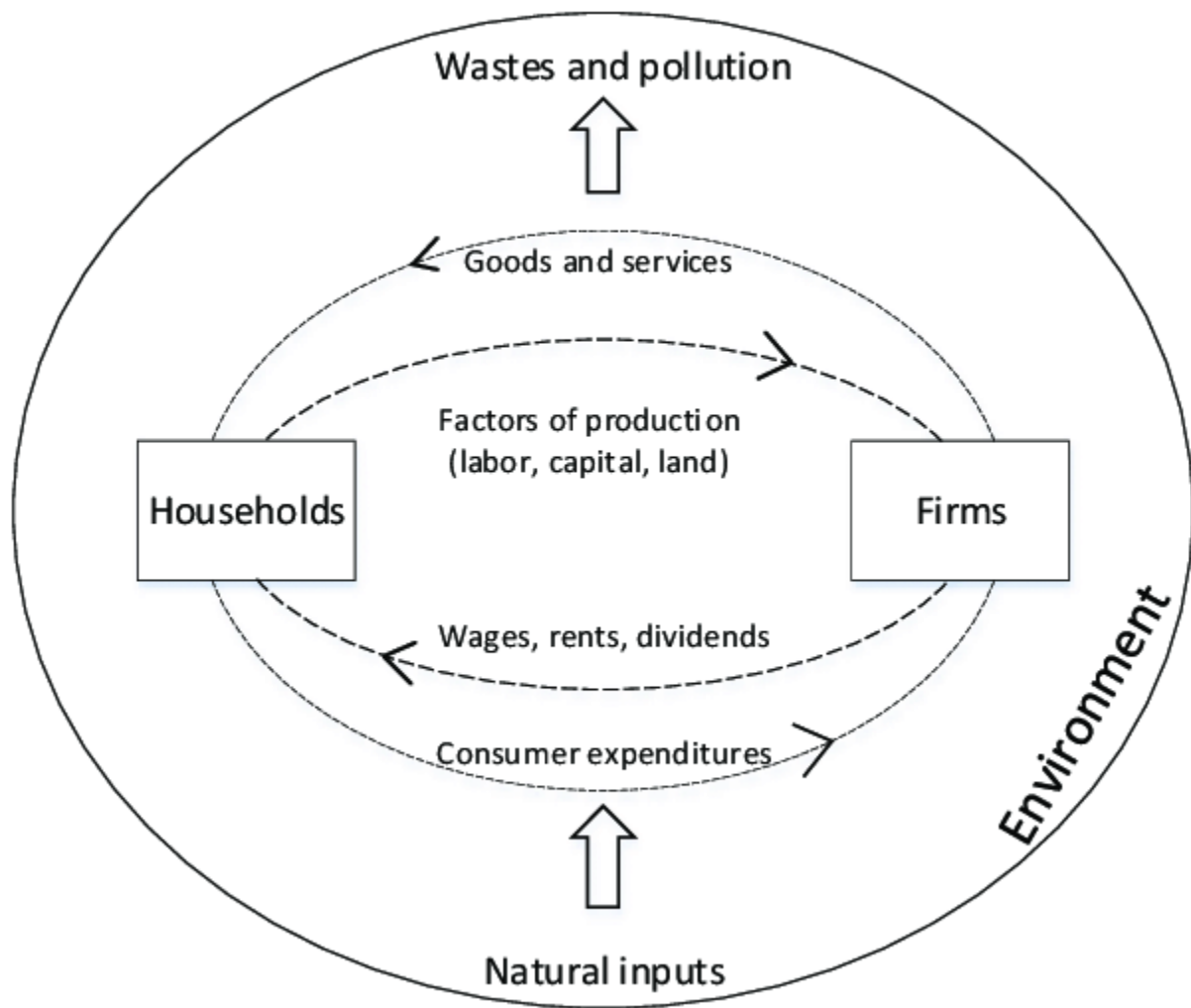
Why would these two schools of thought be indistinguishable from each other? It has everything to do with Kapital and Schuld. Is preserving the Kapital created by nature more important than whatever Kapital that humanity is capable of creating for its own ends or vice versa? Can humanity tolerate the Schuld that comes with environmental degradation, resource depletion, loss of biodiversity, the destruction of wild habitats, and Climate Change?

Given how Double-Entry Bookkeeping, Fractional-Reserve Banking, and the System of Accounts are overly fixated on determining all conceivable sources of Kapital and Schuld, it is understandable for Environmentalists to be concerned by their apparent disregard for the environment. But what most people (including this Author) have trouble with Environmentalism is whether a true balance between humanity and nature can ever be achieved. The crux of Environmentalism's criticisms about those three should be redirected at the shared paradigm between Production for *Profit* and Production for *Utility*. Is there a way to develop a Chart of Accounts designed to accommodate both Modes of Production and provide indications of a privatized commercial firm's environmental impact? Can it be reapplied to the System of Accounts? Or are these proposals simply impossible to implement in a world where the Quantities of Kapital and Schuld are limitless and yet there can only be so many natural resources in existence to sustain most economic activities?

Here, the Work-Standard has to be able to provide its own answers, even when it takes into consideration the premises of Environmentalism. Recall the Work-Standard defined the relationship between Arbeit and Technology. Technology should be imbued with a Design Philosophy that facilitates the creation of additional sources of Arbeit and enhances the Quality of Arbeit for other existing sources. Any Arbeit deemed incapable of improvement should, at the very most, be automated by the Mechanization Rate. In addition to improving the Quality of existing sources of Arbeit within the Work-World, other existing sources of Arbeit should be preserved for future generations. The key precondition here is promoting the need for Meaningful Work and the admonishing of Meaningless Work in Production for *Dasein*.

Additionally, the contributions of Arbeit and Geld to the Life-Energy Reserve have to begin at the Natural Sector before any other Economic Sector. If that is the case, there should be ways of determining the Value of Arbeit for harvesting specific natural resources and converting them into Equipmentalities as matériel required in the production processes of the other Economic Sectors in the VCS Economy.

For instance, what is the Value of Arbeit for harvesting a single ton of crops or a single ton of lumber? What is the Price in Geld for each? Are there ways to determine the Quality of Arbeit (and thus the Quality of Geld) based on the qualitative longevity of the topsoil and the surrounding forests? Who or what will set the Values and Prices for the State Commissariats of Wages and Prices? Is it the personnel involved in those production processes, the personnel who would later need those Equipmentalities for producing food and wood products, or the people who will ultimately be purchasing them? Could it be all of the above?



Simplified Circular Flow Diagram of Economics, according to Environmental and Ecological Economics. Both schools of thought recognize that all economic activities within the State of Total Mobilization contribute to environmental degradation and resource depletion. However, always bear in mind that the two schools of thought have fundamental disagreements on what sort of relationship humanity should have with Nature.

Feminist Critiques of Double-Entry Account Bookkeeping

Compared to the various ideologies studied here and the two preceding Treatises, Feminism has undergone rapid transformations throughout its history. The State of Total Mobilization itself has given women more opportunities to exercise Legal Duties and Legal Rights than that was previously made possible in the State of Natural Rights during the Enlightenment. But because the State of Total Mobilization has yet to fully supplant the State of Natural Rights, it can be difficult to understand Feminism as ideology from the perspectives of male observers. The 20th century alone saw the “Three Waves of Feminism,” with the “Second Wave” and the “Third Wave” claiming to continue what the First Wave is said to have started.

How should political scientists study Feminism, conveying to accountants and auditors why the ideology has discernible objections to Double-Entry Account Bookkeeping, the Fractional-Reserve Banking System, and the United Nations System of National Accounts (UNSNA)? What would be the descriptions of the Three Waves of Feminism?

1. The *First Wave* sought to argue that women should not be treated as being the extensions of Private Property-as-Wealth or Productive Property-as-Power. Its adherents wanted to advocate that women are just as human as the men in their lives. Any Legal Rights and Legal Duties that the men in their lives already have should also be bestowed to women. The *Suffragettes* who stressed the need for women’s suffrage were members of this Wave and it became an integral part of their political appeals.
2. The *Second Wave* emerged throughout the height of Bretton Woods. Its adherents believed that women are still being oppressed by the State of Natural Rights and they should be given the Will-to-Power to acclimate themselves further in the State of Total Mobilization. The two World Wars have demonstrated that women are just as capable of creating Kapital and Schuld or Arbeit and Geld as well as the men in their lives. Technologies imbued with the Feminist Design Philosophy will enable women to achieve greater participation in the workforces as well as the armed forces.
3. The *Third Wave* emerged after the Death of Bretton Woods, during what International Relations Theory refers to as the “Unipolar Moment” of the Liberal International Economic Order (LIEO) in the 1990s. The adherents of this category questioned the idea of the “Feminine Essence” or the “Feminine Mystique” that the last two Waves took for granted. Its adherents believed that every woman should redefine themselves to suit the epoch of Neoliberalism, which also meant embracing the identity politics of the culture war. The term “Intersectionality,” the idea that one form of oppression can be correlated by another form of oppression, was coined the same year as the collapse of the Berlin Wall in 1989.

What is really interesting about Feminism for Political Science is that the ideology complements other ideologies. This trend is not exclusive to Feminism insofar as it can also be found in other ideologies such as Environmentalism and Conservatism. Pretty much any ideology willing to accept women into its own ranks and respecting them for who they are meant to be is capable of accommodating Feminism. But Feminism also has its own criticisms of Double-Entry Account Bookkeeping, the Fractional-Reserve Banking System and the System of National Accounts, which it perceives as a major source of oppression among women. Certainly, there have been Feminists who espoused opposition to Neoliberalism’s economic and social tendencies as well as its political ones.

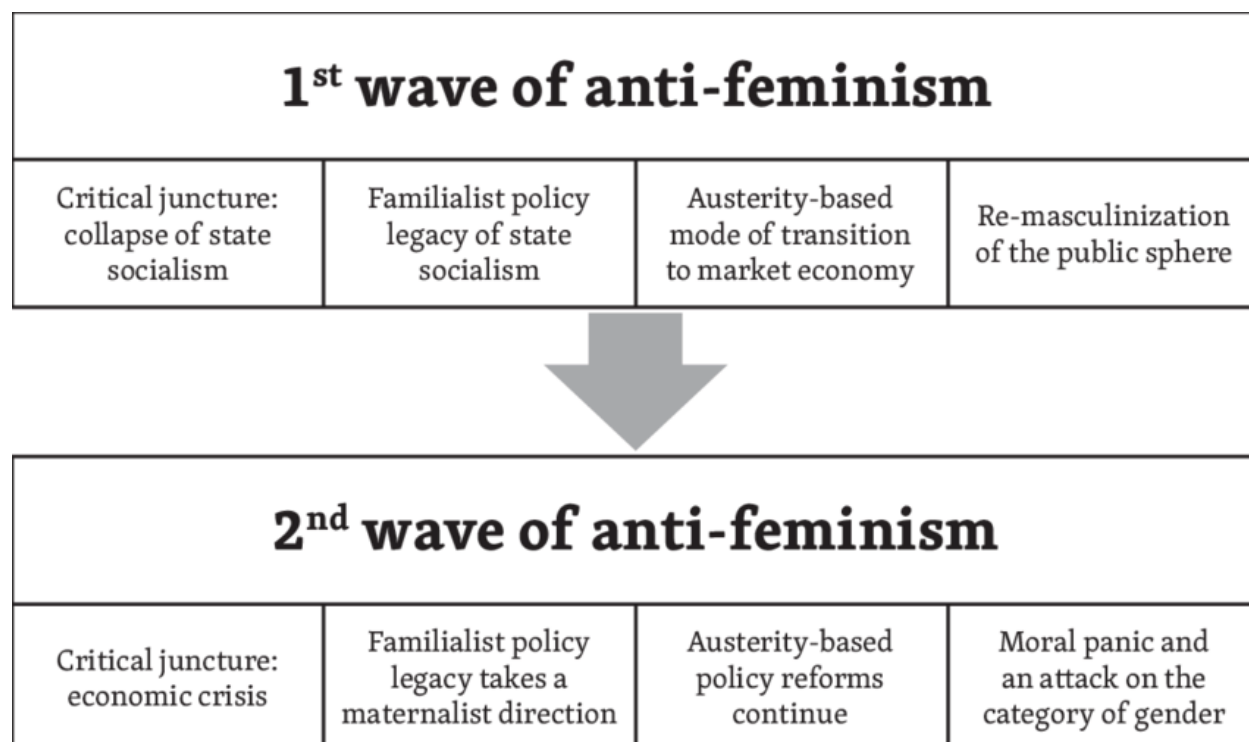


Diagram of Antifeminism since the collapse of the Soviet Union and Eastern Bloc countries. Third Wave Feminism emerged around the same timeframe, which does explain why its philosophical premises are permeated with Neoliberal concepts and ideas. So long as Neoliberalism remains prevalent, any new Waves of Feminism stays in its abusive grasp. Also, notice the term “Familialist Policy?” While one might be inclined to argue that it is obviously directed against the old pro-natalist policies of the Eastern Bloc, like the Childlessness Tax or restrictions on abortion, a more tenable argument is that the Soviets and Eastern Bloc did not overcome the objectification of women as Kapital as they never developed suitable alternatives to the Post-Bretton Woods Debt Standard after 1973.

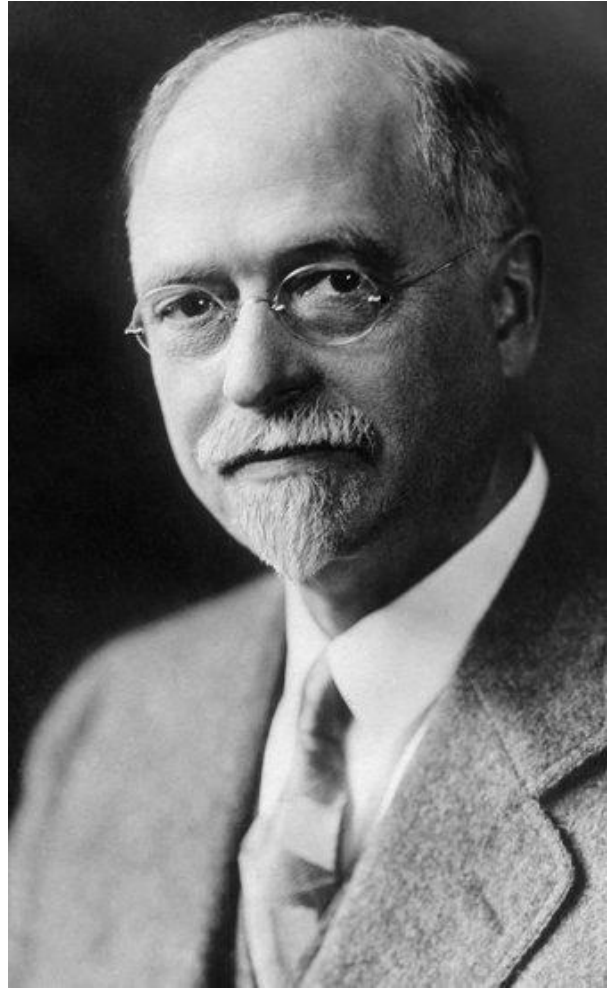
The central argument is that neither Double-Entry Account Bookkeeping nor the System of National Accounts will identify the voluntary caretaking of children and the elderly as part of the national income. In Double-Entry Account Bookkeeping, these activities are Liabilities which are meant to demonstrate the Net Worth of a woman and her family. This conclusion is also shared among certain demographers and sociologists who think that women with larger Quantities of Kapital tend to have larger families. In fact, it continues to perplex them as the birthrates across the Western world have been diminishing significantly since the Death of Bretton Woods.

Meanwhile, for the United Nations System of National Accounts (UNSNA), childbearing and caretaking are not factored anywhere in the aforementioned three Economic Indicators of Profit and Utility Maximization. A woman giving birth and raising a family in one country does not yield any Value whatsoever in the System of Accounts. However, another woman engaging in pornography or prostitution in a country where both activities are legal does yield Value in the System of Accounts. In the context of the latter, there is Value ostensibly being created from the transactional sales and the any taxes paid to Parliament. This particular discrepancy held by Neoliberalism is also indicative of how it perceives Arbeit. Arbeit to Neoliberalism is something undesirable and at best a means to achieving Kapital as opposed to being an end in itself. It is a

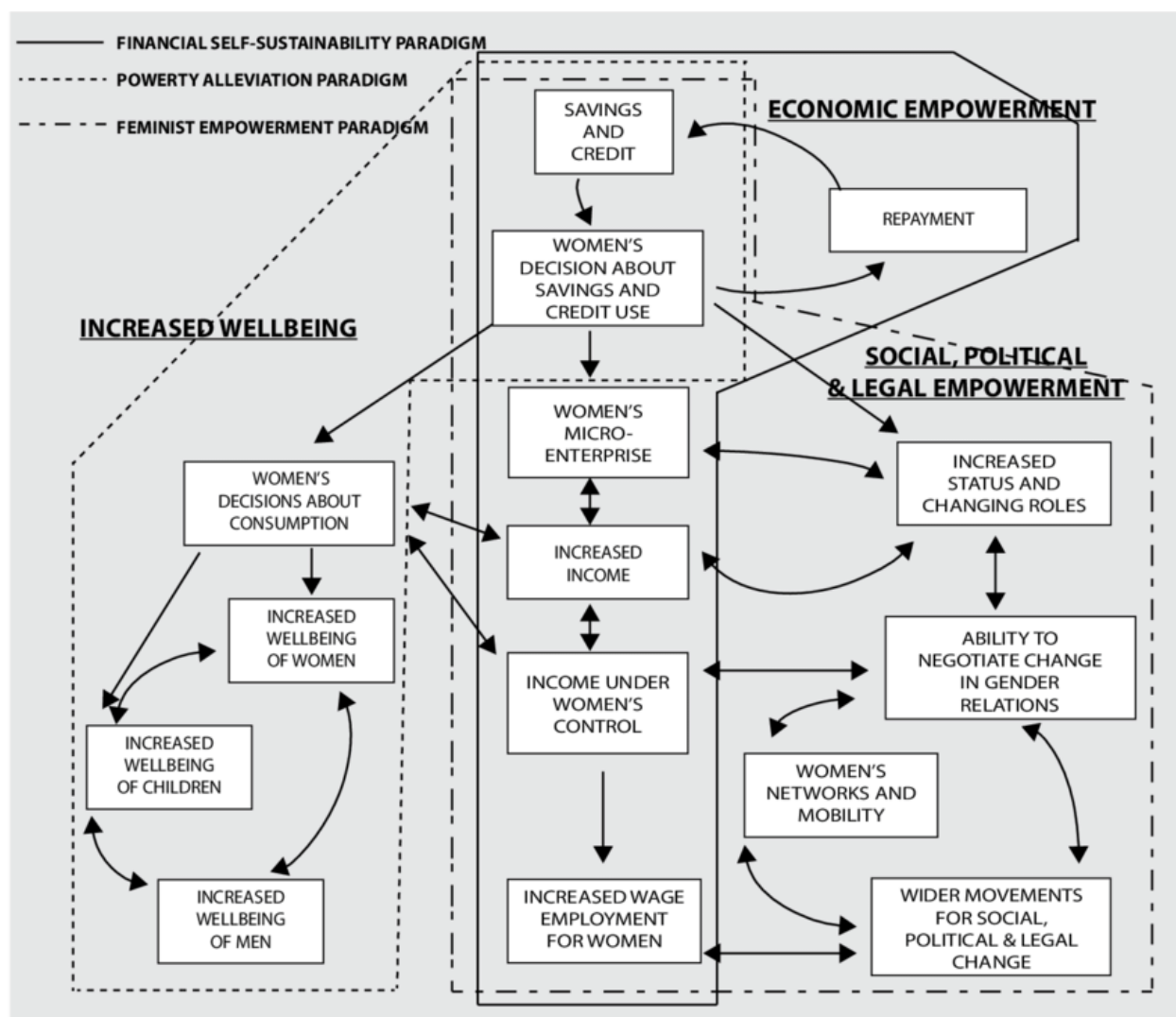
sentiment comparable to how Neoliberalism imbues Technology with its own Design Philosophy: to eliminate Arbeit in order to further accommodate the interests of Kapital.

What Feminist economists have achieved in the decades since the Death of Bretton Woods has been to draw attention to these discrepancies and put greater emphasis on the Human Development Index (HDI). HDI is a socioeconomic statistic describing a country's standards of living, factoring in life expectancy, educational level, and income level. It is a notable emphasis in light of the ideology's concerns about "Gender Pay Gaps" or why Neoliberalism objectifies women as another form of Kapital. The term "Human Capital," which originated from Irving Fisher as the proponent of Fractional-Reserve Banking's polar opposite—"Full-Reserve Banking," is relevant here.

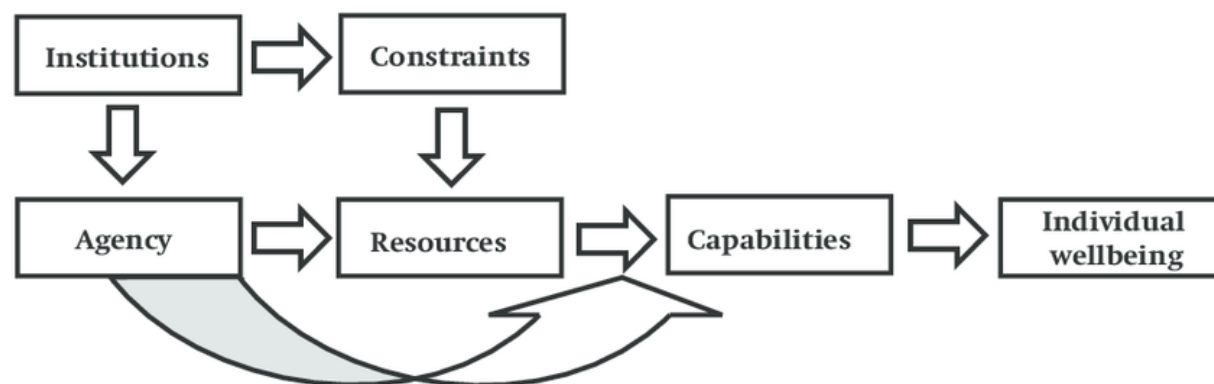
(Right) American Economist Irving Fisher. Aside from conceptualizing "Human Capital" and the Full-Reserve Banking System as an analogue to Fractional-Reserve Banking System, Fisher has also been known in Finance for contributing to the Liberal Capitalist Theories of Interest Rates.



Compared to the Post-Bretton Woods Debt Standard, the Work-Standard does in fact account for the economic lives of both women and men within the Household as "*Heimarbeit (Work-from-Home)*," which in itself is a form of Actual Arbeit that can be easily converted into Actual Geld. *The Third Place (1st Ed.)* identified its presence and significance in relation to studies of the Socialist Student Economy (SSE). Although *Heimarbeit* does include childbearing and looking after children and the elderly, it also encompasses other activities that anyone could do inside the Household. This is because a well-kempt, well-disciplined, and well-behaved Student Body eases the administrative and organizational burdens of the Student Government at the secondary and tertiary educational levels. Student Government also encourages stay-at-home parents to incorporate their *Heimarbeit* into the SSE's Cooperatives, Small Businesses, Workshops, and other Student Enterprises.



(Above & Below) Diagrams of Feminist Empowerment Theory. Most conceptions of Feminist Economics are derived from whether any given aspect of the State of Total Mobilization empowers women and improve their well-being. The State of Total Mobilization is indiscriminate on who or what contributes Arbeit and Geld. What matters at the end for the Work-Standard is whether the Self contributing Arbeit and Geld is genuinely invested in the affairs of the Totality and their State.



Marxist Critiques of Double-Entry Account Bookkeeping

Compared to the previous two Entries that focused on Environmentalism and Feminism, Marxist Theory posited its own criticisms of Double-Entry Account Bookkeeping that differed from the other two ideologies. While Environmentalism is divided over Kapital and Feminism has somewhat conformed to Neoliberalism, Marxist Theory challenged its conceptions of Value. This is of course related to Marxist Theory's adherence to the Labor Theory of Value (LTV), which is related to the idea that Value can be ascertained from how much *Zeit* (Time) is being devoted to a given economic activity as "Socially Necessary Labor Time."

Kapital Accumulation has led to what Marxist Theory refers to as "Surplus Value." There is something else being deprived from the Proletariat that the Bourgeoisie are incapable of understanding. In Modes of Production where the Proletariat lack not only the means of production but also the ability to control them, the Proletariat have nothing to offer to the Bourgeoisie except the *Zeit* that they are willing to commit toward the creations of new Quantities of Kapital and Schuld. Therein lies the beginnings behind the concept of "Surplus Value." It is because of the loss of "Surplus Value" that the Proletariat is willing to engage in the Class Struggle in order to regain control of what belongs to them.

In accounting, the Surplus Value and the Class Struggle by extension emerge within questions regarding how the production processes of economic activities create Kapital and Schuld. Does the actual production itself yield Kapital and Schuld or is it the tangible exchanges of the finished products? Are all Kapital and Schuld the results of an actual production process or can they be derived from outside the production process itself?

Mainstream neoclassical economics argue that Kapital and Schuld can be created from only the transactional sales of "Commodities" as well as finished goods and services. The "Exchange-Value" is what informs Production for *Profit*, including why it is also conceivable for Kapital and Schuld to also be created from economic activities that passively earn Kapital and Schuld, such as LCFIs (Liberal Capitalist Financial Instruments) like Stocks and Bonds or the collections of Rents from privatized commercial banks vis-à-vis the Landlords of tenants. Marxist Theory, in contrast, insisted on Kapital and Schuld only being created from Commodities as well as finished goods and services. This was what led to the conceptualization of "Use-Value," which in turn gave rise to Production for *Utility*. Rather than creating products intended to earn Kapital and Schuld, the products should be provided with the goal of fulfilling required human needs.

By maintaining that Kapital and Schuld could only be created from "Commodities" and their subsequent conversions into finished goods and services, Marxist Theory enables the relevance of the LTV. Every production process should no longer be determined by Kapital and Schuld, but by the "Socially Necessary Labor Time" required to create the finished products. The ideal is for *Zeit* to be the sole metric by which wealth can be measured. The more *Zeit* that something requires, the less valuable it will be.

The real challenge begins when everything boils down to precisely conveying LTV as part of an accounting system. Apart from the "Material Product System," whose relevance will become addressed in a later Entry, Marxist Theory never conceptualized a proper accounting system. In fact, the very idea appears to have either been downplayed or ignored altogether. For nations that adopted its conception of Pure Socialism, their accounting systems oftentimes fixated on the inventories of finished products and the rates at which they are being consumed by their Totalities.

When those same nations condoned Economic Liberalization, one of the most notable trends involved readopting aspects of Double-Entry Account Bookkeeping. It is a problem closely related to Marxist Theory's appalling lack of a distinctive conception of Currency. Yet there is something that even Marxist Theory understood which should not be dismissed altogether, and it is related to Vladimir Lenin's NEP (*Novaya Ekonomicheskaya Politika*; New Economic Policy).

Lenin knew that the development of a Socialist Nation would be preceded by some form of State Capitalism. As most historical forms of State Capitalism often straddled between high-tier Mixed Economy and high-tier Planned Economy, it represents the transitional point between Liberal Capitalism and Pure Socialism. But Lenin knew that State Capitalism is only a temporary phase that must either be superseded by Liberal Capitalism or Pure Socialism, regardless of what form the latter might entail.

The most important step in the development of State Capitalism entails mastery over of the Double-Entry Account Bookkeeping System, the goal of which is fully map out the entire national economy and financial regime. Since the State, Totality, and Self interact with them in their professional and personal lives, the Double-Entry Account Bookkeeping System will enable the right people to figure out a way beyond Production for *Profit* and Production for *Utility*. To go beyond those two Modes of Production is to fully realize Pure Socialism. The great questions, as Lenin realized towards the end of his life, are matters of who and how. Who will be the ones to spearhead the revolutionary breakthroughs toward Pure Socialism? How will they achieve that end and why? These questions were posited metaphorically in "[On Ascending a High Mountain](#)":

"Let us picture to ourselves a man ascending a very high, steep and hitherto unexplored mountain. *Let us assume that he has overcome unprecedented difficulties and dangers and has succeeded in reaching a much higher point than any of his predecessors, but still has not reached the summit. He finds himself in a position where it is not only difficult and dangerous to proceed in the direction and along the path he has chosen, but positively impossible.* He is forced to turn back, descend, seek another path, longer, perhaps, but one that will enable him to reach the summit. The descent from the height that no one before him has reached proves, perhaps, to be more dangerous and difficult for our imaginary traveller than the ascent—it is easier to slip; it is not so easy to choose a foothold; there is not that exhilaration that one feels in going upwards, straight to the goal, etc. One has to tie a rope round oneself, spend hours with all alpenstock to cut footholds or a projection to which the rope could be tied firmly; one has to move at a snail's pace, and move downwards, descend, away from the goal; and one does not know where this extremely dangerous and painful descent will end, or whether there is a fairly safe detour by which one can ascend more boldly, more quickly and more directly to the summit.

It would hardly be natural to suppose that a man who had climbed to such an unprecedented height but found himself in such a position did not have his moments of despondency. In all probability these moments would be more numerous, more frequent and harder to bear if he heard the voices of those below, who, through a telescope and from a safe distance, are watching his dangerous descent, which cannot even be described as what the *Smena Vekh* ^[2] people call 'ascending with the brakes on'; *brakes presuppose a well designed and tested vehicle, a well-prepared road and previously tested appliances. In this case, however, there is no vehicle, no road, absolutely nothing that had been tested beforehand.*"

Even in the early 20th century, when it seemed like Liberal Capitalism would meet its end in the two World Wars, the route to Pure Socialism has never been clear. Nobody back then had found the best route to achieving it nor had anyone figured out how it could be achieved without being forced to concede to the Liberal Capitalists. The 21st century is at risk of becoming more of the same, unfortunately. Should one advance further into the unknown, braving whatever dangers that have yet to be known to Political Science? Or does one retreat (that is, descend) to the more familiar Social-Democracy, whose delicate balancing of Production for *Profit* and Production for *Utility* remains ubiquitous? But for those who are determined to ascend and realize that the map is unreliable, would it make more sense to also be conducting a ‘cartographical survey’ for future posterity?

Managerial Cost Accounting

Many of the economic and financial indicators that Neoliberalism still employs in the early 21st century were developed throughout the early 20th century. The Great Depression and two World Wars, of which the Cold War was the extension of the second, forced Liberal Capitalists to rethink how they applied their ideology worldwide. Some of the most significant innovations included refinements to the Double-Entry Account Bookkeeping and the Fractional-Reserve Banking System. The modernization of the Financial Market and the rise of the Manufacturing Sector encouraged the need to implement a standardized accounting system designed to relay information about economic performance and financial solvency. The Accounting Profession became integral to collecting the necessary financial data and conveying it to investors and privatized commercial banks alike.

At least, that is how things are supposed to be envisaged in the English-speaking world. In the German-speaking world, however, the Accounting Profession developed differently from its English counterparts. One notable explanation is that the German Accounting Profession itself emerged as an outgrowth of Socialism's direct antecedent, "*Cameralism*." The Accounting Profession in the German-speaking world was understood to be an official function of the State as opposed to the national economy. It was not until the turn of the 20th century that the German Accounting Profession was reapplying itself to economic life. Two notable developments involved the introductions of "*Managerial Cost Accounting*" and "*Inflation Accounting*," both of which were shaped by the experiences of the German-speaking world throughout the early 20th century. The accounting practices described may be suitable for State Capitalism, but not for the Work-Standard's own accounting practices.



(Left) German Economist Eugen Schmalenbach, creator of Inflation and Cost Accounting in the Weimar Republic.

Inflation Accounting

While the concept of Currency Depreciation/Appreciation is hardly new, it acquired newfound significance in the First World War and in the later interwar years. Due to the Allied and Central Powers being restricted by how much Gold they had in reserve, the Gold Standard was temporarily suspended during the conflict and replaced by the issuances of Fiat Currencies pegged to Sovereign Schuld. After 1918, the Gold Standard was reinstated, although the German Reich would continue to rely on Fiat Currencies in order to pay the reparations imposed by the Versailles Treaty. Everyone familiar with the Inflation/Deflation Rate will recall that

when the German Reich tried to pay its reparations in the Fiat Currency during the early 1920s, the Value of the German Reichsmark depreciated to the point of becoming worthless.

In response, attempts at realizing “Inflation Accounting” became paramount in order to demonstrate the relationship between Currency Depreciation/Appreciation and the economic activities of a national economy for the German Accounting Profession. They were intended to measure how the reparations payments would affect the Value of the German Reichsmark. A number of proposals stood out in the historical accounting literature, with special emphasis paid to the *Balance Sheet*:

- Fritz Schmidt’s “*Organic Balance Sheet*.”
- Walter Mahlberg’s “*Balance Sheet Technique and Valuation During Periods of Currency Fluctuation*.”
- Eugen Schmalenbach’s “*Currency Stabilization in the Balance Sheet Approach to Income Determination*.”

The original concepts posited were to demonstrate how changes to the Price of Gold influence adjustments to the Prices of goods and services for Currencies pegged to the Gold Standard. Changes to the Price of Gold in turn affected the Value of Currency, which in turn impacts the Prices of goods and services from the production processes to the transactional sales for those goods and services. Although that may sound rather tame a century later, in the context of the German Reich after World War I, it was revolutionary to the extent that one could make valid arguments about the Reichsmark becoming increasingly worthless as a consequence of the war reparations payments of the Versailles Treaty. This conclusion can be extended further to include changes to the Exchange Rates between one Currency and that of another or a whole basket of Currencies.

Cost Accounting

The German Accounting Profession found new purposes for itself that did not involve Financial Markets. In fact, the pressures placed on the Reichstag forced the German Accounting Profession to also act as independent accountants and auditors tasked with monitoring the Manufacturing Sector as well as the financial institutions that funded them. When the Great Depression occurred, the Reichstag passed a 1931 law that stipulated mandatory annual audits and turned the German Accounting Profession into the handmaiden of the Reich government.

“Managerial Cost Accounting,” in its original form, was an attempt at reapplying the old Cameralist methods to the Manufacturing Sector. Devised by Eugen Schmalenbach, it provided economic organizations with the ability to perform cost determination decisions. There are three notable variables incorporated into its methodology:

1. The *Cash Expenditures* of the overall production process. The overall costs of how much to facilitate an entire production process, including any additional expenses incurred.
2. The *Expenses* of production outputs. How much is required to manufacture goods and services.
3. The *Costs* of resource inputs. How much is needed to acquire resources for goods and services.

With this setup, it is possible for economic organizations to determine the Prices of raw materials, the Prices of production, and the Prices of distributing and selling the finished products. It is especially ideal for the Manufacturing Sector, which relies on the Natural Sector for its raw materials and the Services Sector for distributors and retailers. An entire “Uniform System of Accounts” could be developed entirely around the total costs of all economic activities performed by a nation’s Manufacturing Sector. Economic organizations can inform each other about the Prices of assorted goods and services.

(Right) Eugen Schmalenbach’s lesser known brother, Herman Schmalenbach. Compared to Eugen, who is more remembered within the Accounting Profession, Herman is relatively obscure outside of Sociology and Political Philosophy to some greater extent. Herman Schmalenbach’s contributions to those fields pertain to the German Conservative Revolution that occurred in the Weimar Republic during the interwar years. They have only gained newfound recognition as a result of the envisaging of Postmodernity towards the end of the 20th century and around the turn of the 21st century.



Material Product System (MPS)

The Soviets were already employing their own accounting system to measure economic performance well before the Liberal Capitalists adopted theirs at the United Nations during the 1950s. The Material Product System (MPS) was designed to provide an accounting system catering to Marxist-Leninist ideology, accommodating among other things the Labor Theory of Value (LTV) with its rejection of the Exchange-Value in favor of Use-Value. Its equivalent to the GDP (Gross Domestic Product) in the UNSNA and the Work-Standard's TPP (Total Productive Potential) was called the "*Net Material Product (NMP)*." But the Soviets did not use NMP domestically. The formal technical term was simply "National Income."

If GDP serves as the metric for the Quantities of Kapital and Schuld created by a given nation, then MPS is meant to represent the production of raw materials and finished goods by the Natural and Manufacturing Sectors. All economic life was categorized into "Productive Enterprises" (Read: the Natural and Manufacturing Sectors), "Non-Productive Enterprises" (Read: the rest of the national economy), and the Households themselves. There are economic activities which were meant to create the wealth that other economic activities would then use for their own purposes. The former creates wealth, the other does not. This differs greatly from the Work-Standard, which recognizes all Economic Sectors of the national economy as being capable of creating wealth and not just the Natural and Manufacturing Sectors.

The peculiar decision on which economic activities create wealth and which do not is more so a consequence of Karl Marx never bothering to develop a proper accounting system. It was beyond the immediate purview of Marx's analysis, even though accounting would undoubtedly become necessary if any nation were to adopt either their own or else an already existing conception of Pure Socialism. Marx made that omission because he held onto the concept of "Productive and Unproductive Labor." It originated from Adam Smith and is in many respects a byproduct of the period in which Marx wrote much of his analysis.

The general idea behind NMP was to find the general sum of the consumption inputs, the production outputs, and final uses of whatever was finished. Any sales that occurred at any point during the production process would also be included along with the costs incurred. If the Soviets relied on imports or exports in any of their production processes, Domestic and International Prices as well as Exchange Rates would also be factored into NMP as well. Domestic Prices were denominated in Soviet Rubles, whereas International Prices adjusted to the current Exchange Rate between the Soviet Ruble and the other Currency.

NMP had three different methods comparable to the Expenditure, Income, and Output Approaches of GDP. There was the "Production Method," the "Distribution Method," and the "Final Use Method." Like the three Approaches of GDP, the three Methods of NMP were meant to be equal to each other.

1. The *Production Method* signified the difference between the sum of the "Gross Social Product" and the "Intermediate Material Consumption." The Gross Social Product represents the Value of the outputs of 'productive' economic activities under Soviet-Type Economic Planning (STEP). The final value acquired by deducting the Value of the outputs from the Price associated with the inputs of consumption.

2. The *Distribution Method* was the sum of incomes from two sources: Households and Enterprises. Since all Households and Enterprises reaped much of their wealth from economic activities under STEP, the Soviet Totality would receive a portion of the wealth as their income. The rest belonged to the Enterprises themselves.
3. The *Final Use Method* involved the sum of “Final Material Consumption,” the “Accumulation of Fixed Assets” and “Inventories Changes and other Expenses,” all known Expenditures, and Net Exports. It is meant to represent how much is being consumed, how many finished goods and raw materials are being accumulated, the known expenditures of both, and how much is being exported.

The biggest problem with MPS is there are long-standing doubts about whether it can be a reliable metric for gauging the Prices of goods and services as well as measuring Price changes across a discernible timeframe. Another concerning issue is whether it can be used to gauge the spending patterns of the Totality and the Self. Since the Services Sector is considered ‘non-productive’, it is difficult to gather relevant data from the Retail and Hospitality Industries for instance. Without relevant data, there is no way of discerning whether the Totality is trying to purchase specific products or a wider variety of products. It becomes fairly easy to create an artificial shortage of goods and services as a result.

There are other issues with MPS that make it impractical for the Work-Standard. Apart from the fact that the Work-Standard does account for all Economic Sectors, the most obvious is the Theory of Value employed by MPS, which is the Labor Theory of Value. The Work-Standard relies on the Reciprocal Theory of Value (RTV), which comes with its own metrics and definitions of wealth. Another is the Theory of Money, in which MPS is inclined to believe that there is need to justify the existence of one. On the other hand, the Work-Standard does advocate for one in the form of the Work Theory of Money (WTM).

What can be learned from MPS is that the national accounts of any nation are ultimately dependent on the Theory of Value and the Theory of Money that governs its conception of Currency and overall economic life. Accountants and auditors apply the Theories whenever they are trying to find the true values of economic activities, providing them their true meanings. Given the Work-Standard’s RTV and WTM, it becomes inevitable to envisage the national accounts of the nation which pegs its own Currency to the Work-Standard. Ways of devising how Arbeit and Geld are being created, contributed, converted, spent, destroyed, and wasted will enable the State, the Totality, and the Self to make important decisions, including the need to live within their own means of production. The Work-Standard’s vehement rejection of both Exchange-Value and Use-Value signifies the determination to realize an entirely different Mode of Production.

Triple-Entry Account Bookkeeping

The emergence of Cryptocurrencies, beginning with Bitcoin, has made it feasible to entertain the development of Triple-Entry Account Bookkeeping as an expansion of Double-Entry Account Bookkeeping. Conceptually speaking, Triple-Entry Account Bookkeeping follows very similar premises to that of Double-Entry Account Bookkeeping. What made it so distinct in practice and thus worthy of mention here is that Triple-Entry Account Bookkeeping incorporates a third entry into the equation, a feat made possible by Blockchain Technology.

Prior to Bitcoin and Blockchain Technology, it was impossible to envisage the presence of a third party beyond that of the buyer and the seller within a transactional sale. One could only evaluate the transactional sale from the perspectives of either the buyer, the seller, or both. Blockchain Technology facilitates the existence of the third party by allowing anyone with access to the Blockchain to learn about the transactional sale. The Blockchain features cryptographic security measures designed to ensure that the identities of the buyer and seller are both hidden to the third party. At the same time, neither is aware of the identities of the third party. After all, anyone with access to the Blockchain is technically capable of becoming that third party, and the buyer and seller would not be the wiser to the cryptography employed by the Blockchain.

Moreover, Triple-Entry Account Bookkeeping includes another feature that has also been programmed into the Blockchain. Every transactional sale is assigned its own Timestamp and incapable of being altered or destroyed. The digital records are shielded from tampering. This creates an auditable financial trail to keep watch over the movements of Cryptocurrency and the changes in balances between Wallets. Thus, the Blockchain functions as a real-time ledger that is being recorded automatically, in addition to notifying people about the existences of newly created Cryptocurrencies. In fact, the Blockchain itself is what ultimately enables the accumulation of existing Cryptocurrencies and the creation of newer ones.

Since Bitcoin came with a built-in limit to how many can be created on its own Blockchain, new Cryptocurrencies are being introduced to the digital realm in response to that limitation. All of the newer Cryptocurrencies, including Ethereum, rely on their variations of Blockchain Technology. But they all retain the same technical designs which stem from Triple-Entry Account Bookkeeping. The obvious benefit of employing a Triple-Entry Account Bookkeeping System is its transparent, real-time auditing and processing of any transactional sales.

The Work-Standard has sought to contend with the emergence of Triple-Entry Account Bookkeeping when it came to the topic of Digital Arbeit and Digital Geld. For outside of the digital realm, Actual Arbeit and Actual Geld continued to reign supreme. Compared to Actual Arbeit and Actual Geld, Digital Arbeit and Digital Geld needed to be converted into Actual Arbeit and Actual Geld before accountants could include them as additional sources of Arbeit and Geld. The solution posited in *The Work-Standard* (2nd Ed.) and *The Third Place* (1st Ed.) is to devise a subvariant of the Life-Energization Reciprocity (LER) Process. The Life-Energization Reciprocal Electrification (LERE) Process will become relevant later on in Section Three, where it will be discussed in relation to the Blockcycle Technology and the accounting practices to be employed alongside it.

Section Three: Work-Standard Accounting Practices



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The True Meaning of True Value

The accounting practices employed by the Work-Standard are designed solely for the Work-Standard. They cannot be reapplied to Kapital and Schuld or any other known conception of Currency. Such accounting practices need to be readily adopted by trained accountants to record and process the transactions and movements of Arbeit and Geld across Selves, Totalities, and States as well as all economic and governmental organizations operating under the third Mode of Production, Production for *Dasein*. The criteria for the development and implementation of Work-Standard accounting practices should:

1. Give accountants and auditors the ability to apply the Work-Standard's Reciprocal Theory of Value (RTV) and the Work Theory of Money (WTM) in practice. They shall become instinctually cognizant of the interplay between Arbeit and Geld under the Intents of Command and Obedience.
2. Record every conceivable source of Arbeit and Geld by all Domains within the Work-World. Each Domain will contain a constellation of Vocations, Professions, Enterprises and Industries that are contributing Arbeit to the Life-Energy Reserve and receiving Geld from the Council State. Any economic activities not attached to a Domain within the Work-World are to be excluded.
3. Create an auditable financial trail measuring the Qualities of Arbeit and Geld for the Life-Energization Reciprocity (LER) and Life-Energization Reciprocal Electrification (LERE) Processes. There are methods of distinguishing Actual Arbeit and Actual Geld, Digital Arbeit and Digital Geld, and Military Arbeit and Military Geld.
4. Accommodate the Mechanization Rate (MR) and the Work-Standard's conception of Currency Depreciation/Appreciation, the Attrition/Inaction Rate. An accountant needs to be able to demonstrate how changes to the Value of the Sociable Currency affected the creation of Arbeit and Geld for the LER and LERE Processes.
5. Facilitate adjustments to the Qualities of Arbeit and Geld vis-à-vis the State Commissariats of Wages and Prices through the "Convertibility Rate (CR)."
6. Be applicable to the economic activities of the SSE (Socialist Student Economy), the VCS (Vocational Civil Service) Economy, the Reciprocal-Reserve Banking System, the Council State, the National Intranet, and all active RTAs (Real Trade Agreements) as part of the Council State's trade policies. It is capable of documenting the inflows of Geld from transactional sales, distinguishing them from the creations of Arbeit and Geld within the LER and LERE Processes.
7. Recognize the distinctions between Productive and Personal Properties-as-Power as well as distinguish the economic governance structures of SAEs (State-Administrated Enterprises), SOEs (State-Owned Enterprises), NSEs (National-Socialized Enterprises), POEs (Public-Owned Enterprises), PDEs (Public-Direct Enterprises). All Enterprises will be able to maintain and rely on their own equivalent to the Chart of Account (CoA).
8. Distinguish between Geld owned by the Council State and Totality, those created by the SSE, the VCS Economy and the Reciprocal-Reserve Banking System, and those

originating from State Investments (SIs) and National-Socialized Financial Instruments (NSFIs).

9. Provides the Council State its own equivalent to the System of National Accounts (SNA), enables it to maintain and oversee its State Budget and allocate Actual Geld to the Totality, the SSE, the VCS Economy, the Reciprocal-Reserve Banking System, itself and its governmental organizations, the National Intranet, and any Foreigners allowed to work and study within its borders.
10. Allow statisticians to assemble all known economic and financial data for economists and political scientists to evaluate how well the country is doing under the Work-Standard. If necessary, there should be ways of converting the available data from Production for *Dasein* to that shared paradigm between Production for *Utility* and Production for *Profit*. The reverse operation should also be considered as well.

There already exists a basic, rudimentary methodology to demonstrate how to account for the creations of Arbeit and Geld under the Work-Standard. The final Section of *The Work-Standard* (2nd Ed.) contained what amounted to a preliminary attempt at describing how it could be done. The various Sections of *The Third Place* (1st Ed.) expanded upon the existing literature and conclusions established in the preceding Treatise, addressing how to account for the microeconomic and macroeconomic levels. The rest of the accounting techniques have yet to be developed for accountants and auditors alike.

Compared to other conceptions of Currency, the Work-Standard accepts the activities of accountants and auditors as being one among countless different sources of Arbeit and Geld for the Life-Energy Reserve. The Accounting Profession is just as capable of contributing Arbeit and generating Geld. When the Accounting Profession itself knows how much Arbeit and Geld it creates, its practitioners will be able to know how much Arbeit and Geld is being created by the Totality and the State. None of the rivals to the Work-Standard, with the obvious exception of the status quo—the Post-Bretton Woods Debt Standard, has been able to properly acclimate the Accounting Profession to their conceptions of Currency.

The accountant and the auditor should both realize that their bookkeeping exists independently of how much Gold and Silver there are in existence. Gold and Silver are unaccountable when melted down and given new serial numbers. The true meanings ascribed to the true values are what matter most insofar as Gold and Silver have other, non-financial applications that are far more worthy of recording.

Having the Central Bank create Fiat Currencies instead of the privatized commercial banks, a so-called “Full-Reserve Banking System,” is in actuality an extension of the Fraction-Reserve Banking System. It remains bound to the same dynamics of Kapital and Schuld and thus more sensitive to the Interest Rate, the Inflation/Deflation Rate, and Incentives of Supply and Demand. It also matters very little if one speaks in favor of a “Debt-Free, Interest-Free Fiat Currency” or “Modern Monetary Theory (MMT).” Neither are willing to recognize the true meaning behind the true values of Currency Depreciation/Appreciation.

Cryptocurrencies have always refused to ascertain how to overcome the Fractional-Reserve Banking System, apart from trying to operate outside of it and yet still remaining within its grasp. The Blockchain may provide anonymity, but it also encourages unaccountability. Not everyone

has the computing power to rely on a Blockchain and not every true value has been ascribed its true meanings by the algorithms. Physical financial ledgers still need to be kept outside of the digital realm.

Energy Currencies are limited in their ability to create wealth. Renewable energy production is not the only source of true value in the State of Total Mobilization. As they stand, there continues to be a disconnect between the term “sustainability” and that of “solvency.” The true value should also be meaningful in addition to being sustainable and solvent.

Zeit (Time) is an unreliable indicator of the economic or financial life of a nation. There are certain moments in Life itself where it is wiser to bide one’s *Zeit* than to squander one’s Life-Energy. There are also other moments where economic activities must be done at a faster pace. The true meaning behind true value will become lost if *Zeit* is allowed to account for it in the State of Total Mobilization. The Utopian Timebank and Silvio Gesell’s *Freigeld* are about as fleeting as *Zeit* itself, never aspiring to become timeless.

It is one thing to come up with a conception of Currency. It is a different matter altogether to have that Currency be reapplied by the accountant and evaluated by the auditor. The true meaning behind the true value must not be allowed to evade all possible scrutiny.

Fundamentals of Command-Obedience Account Bookkeeping (Pt. 1 of 3)

“Command-Obedience Account Bookkeeping” refers to the reapplication of the Work-Standard’s Intents of Command and Obedience to the Accounting Profession. Its purpose is to develop a reliable alternative to the Double-Entry Account Bookkeeping System, capable of acquiring financial data on the Arbeit and Geld created by the State, the Totality, and the Self. With RTV (*Reciprocal Theory of Value*) and WTM (*Work Theory of Money*) providing the criteria for determining the true Value and true Price of Arbeit and Geld, accountants are expected to find the Values of Arbeit and Prices of Geld from the individual Self to the Council State and back. In this three-part Entry of *Work-Standard Accounting Practices* (1st Ed.), I will be elaborating further on the concept whilst consolidating and refining the various formulas of equations discussed previously in *The Work-Standard* (2nd Ed.) and *The Third Place* (1st Ed.).

To begin, when a Currency becomes pegged to the Work-Standard, it becomes a Sociable Currency backed by the Value of Arbeit. The Value of Arbeit itself in turn informs us about the Price of Geld. The units of Sociable Currency that the Central Bank is capable of disseminating, the “Requisitionary Productive Forces (RPF)”, is limited to the “Total Productive Potential (TPP)” achieved by the State, the Totality, and the Self. TPP represents the combined sum of all Arbeit and Geld capable of being created by the State, the Totality, and the Self over a given timeframe. If the Central Bank puts more units of Sociable Currency into circulation than the TPP, which is to say that RPF is greater than TPP, then any surplus units will be added toward the Sovereign Schuld.

The most basic building block in *Command-Obedience Account Bookkeeping* is the following equation:

$$\boxed{\text{State}} = \boxed{\text{Totality}} + \boxed{\text{Self}}$$

The above equation demonstrates that the sum of the State’s national income is the combined incomes of the Totality and the Self. The Totality and the Self contribute Arbeit to the Life-Energy Reserve, which is controlled by the Council State’s Financial Regime, the *Reciprocal-Reserve Banking System*, which consists of the Central Bank, the State Council, and the Head of State. The Central Bank oversees the conversions of *Arbeit-into-Geld*, the resulting Geld added to the *State Budget*, with a portion of it being distributed to the Totality and Self. In return for contributing Arbeit to the Life-Energy Reserve, the Council State issues them Geld in the form of a weekly *Paygrade* on a per Household basis, based on years of service and number of dependents.

Consider the following equations for the Self and the Totality:

$$\text{Self} = \text{Income} + \text{Net Income} + (\text{Dependents} + \text{Years}) - \text{Geld} - \text{Arbeit} + \text{Drawings}$$

$$\text{Totality} = \text{Income} + \text{Net Income} + (\text{Dependents} + \text{Years}) - \text{Geld} - \text{Arbeit} + \text{Drawings}$$

The equation depicts their current “Income,” how much they receive from Paygrades as “Net Income” includes the product of “Number of Dependents” and “Years of Service,” their contributions of Arbeit and Geld to the Life-Energy Reserve, and any “Drawings” from the

Council State. The State Commissariats of Wages and Prices set the rates for weekly Paygrades. The longer somebody serves in their Vocation and the more dependent they have in their Household, the more additional Geld will be added on top of their Net Income. The State Commissariats would employ two spreadsheet tables, one for the Paygrade Scale itself, and another meant for “Number of Dependents” and “Years of Service.”

The “Drawings” become relevant whenever somebody decides to remove Geld from their own economic organizations for personal expenses. This becomes relevant in the context of “Life-Energy Charging (LEC),” which is conducted by Small Businesses, Cooperatives, Workshops, and other low-ranking economic organizations affiliated with local community-organized Guilds. Remember, the “Social Ranking System” applies to individuals as well as economic organizations within the “Tournament.”

The LEC equation involves finding the sum of two quotients. The first quotient is to determine how much each member of a Cooperative, Small Business, Workshop or other low-ranking economic organization receives in Actual Geld. The second quotient is for finding the how much they will receive in NSFIs.

$$\text{LEC} = (\text{Drawings} / \text{No. of Members}) + (\text{NSFIs} / \text{No. of Coop Members})$$

Barring low-ranking economic organizations, anyone who legally withdraws Geld from larger Productive Properties will be charged with Schuld that can always be paid back without any Interest.

In actual practice, it is to be expected that there will be thousands of LECs occurring at various intervals and gradations among the various Social Ranks on the Paygrade Scale. The State Commissariats need to be aware of the Incomes of the Totality and the Self as well as their contributions of Arbeit and Geld to the Life-Energy Reserve. They will also need to know how long somebody has served in their current Vocation and how many dependents they currently have in their Household. Note that I wrote “Vocation” instead of ‘job’. A “Vocation” means a life-long calling to a Profession associated with a Domain in the Work-World. A ‘job’ is a temporary affair, something that one often does as an afterthought.

As for the Council State, its equation involves the sum of “Holdings,” “Arbeit,” and “Geld,” subtracted from the “Total Incomes of Totality and Self.”

$$\text{State} = \text{Holdings} + \text{Geld} + \text{Arbeit} - \text{Total Incomes of Totality \& Self}$$

It is true that the Arbeit and Geld the State receives from the Totality and Self is added toward the State Budget of the Council State. After all, the State Budget is going to allocated to the SSE, the VCS Economy, the Reciprocal-Reserve Banking System, its own Ministries and governance structures, the National Intranet, and any Foreigners participating in the national economic life. But we are trying to demonstrate how national income is shared by the State, the Totality, and the

Self. Furthermore, it is also tenable to expect the State Budget to become larger than the Total Incomes of Totality & Self. Any surpluses not included in the State Budget will be listed under “Holdings,” which is to be left to the discretion of the Council State under a functioning Council Democracy.

In case one has not already realized it yet, we had just discovered the first of three Primary Accounts associated with Command-Obedience Account Bookkeeping. This Account is the “TPP Account,” which is the sum of the “State Budget” and the “People’s Geld.”

TPP Account = State Budget + People’s Geld

Basically, the TPP Account should represent the incomes of the State, the Totality, and the Self *before any Expenditures have been factored in*. But in order to discover the true value of TPP, we need to find the values of the other two Primary Accounts, the “LER Account” and the “SI-EF Account.”

TPP = TPP Account + LER Account + SI-EF Account

In Part II, I will demonstrate how to find the value of the LER Account before proceeding to discover the value of the SI-EF Account for Part III. By the end of Part III, one should already have a basic understanding of how the TPP affects the RPF. Later Entries in Section Three will further expand upon what has been discussed in all three Entries to outline the Work-Standard equivalents to the Chart of Accounts (CoAs) and System of National Accounts (SNA).

Fundamentals of Command-Obedience Account Bookkeeping (Pt. 2 of 3)

With the TPP Account uncovered, the next step is to find the LER Account, which is represented by the sum of RTEP (Real Total Economic Potential) and RTFP (Real Total Financial Potential). RTEP is TEP (Total Economic Potential) and RTFP is TFP (Total Financial Potential) factoring in Currency Depreciation/Appreciation as the Attrition/Inaction Rate. The TEP is the sum of all Arbeit being created by the SSE, the VCS Economy, the Reciprocal-Reserve Banking System (without including any Arbeit from NSFIs), the Council State (without including any Arbeit from State Investments), and International Trade. A similar operation also occurs for the TFP: the sum of all Geld being created by the SSE, VCS Economy, Reciprocal-Reserve Banking System (without including any Geld from NSFIs), the Council State (without including any Geld from State Investments), and International Trade.

The LER Account does not just record the creations of Arbeit. It also tracks how much is Arbeit is also being converted into Geld as part of the LER (Life-Energization Reciprocity) Process. For the sake of simplicity, this Entry will not be covering the LERE (Life-Energization Reciprocal Electrification) Process, which first requires mastery of the LER Process.

The most important question that needs to be asked before any efforts to discover the LER Account is this: What are the variables “Work-Productivity (WP),” “Force Multiplier (FM),” “Work-Intensity (WI),” and the “Mechanization Rate (MR)?”

The Core Variables

To find the Arbeit of a Vocation, Profession, Enterprise, or Industry, it is important to ascertain the values of WP, FM, WI, and MR, as those four values are not always going to be constant. The “Who,” the “What,” the “How,” and the “Why” are important for the purposes of the accountant.

1. **“What is the Arbeit?”** There are countless conceivable ways of creating Arbeit, but the ones that the Accounting Profession will be concerned about are those affixed to the Domains of the Work-World. Each Domain has production processes being carried out by related Industries, Enterprises, Professions, and Vocations. What is produced by one Domain is a prerequisite to the production processes of another Domain and so forth.
2. **“Who is contributing Arbeit?”** All Professions, Enterprises, and Industries involved in the production process of each Domain must decide on the Value of their Arbeit. They negotiate with the State Commissariats of Wages and Prices, discussing why their Arbeit should be given its Value.
3. **“Why did the Arbeit attain its Value?”** The State Commissariats expects everyone involved in the production processes of a Domain to know why the their Arbeit should be given this particular Value and how much did it cost to create that Arbeit to begin with.
4. **“How did the Arbeit receive its Price?”** While individual Professions, Enterprises and Industries may have their own ideas about the worthiness of their Arbeit, the State Commissariats remain the final authority on all Prices at the regional level. The central government will base the National Prices based on the average Prices across every region of the Socialist Nation. Whatever Prices were set for the harvesting of natural resources, the production of Equipmentalities and finished goods, and the rendering of services will in turn impact the Prices for purchasing them. If the State Commissariats are compelled to

make periodic adjustments to the Values of Arbeit, they will be recorded under the *Convertibility Rate (CR)* and then given new Prices.

The pricing goods and services are dependent on the Sustainability Factor, affecting whether the Quality of the production process can maintain the Frequency in which goods and services are being purchased within transactional sales. If the Frequency outpaces the Quality, the Price will rise because the production process is Unsustainable for the everyone involved in its Domain. The reverse will occur if the Quality happens to surpass the Frequency.

<i>Transaction</i>	<i>Sustainability Factor</i>	<i>Effects on Price</i>	<i>Effects on Attrition/Inaction</i>
Quality > Frequency	Unsustainable	Falling	Attrition Rate Falls
Quality ≥ Frequency	Sustainable	Falling	 Inaction Rate Rises
Quality = Frequency	Sustainable	Breaking Even	Value = Price
Quality ≤ Frequency	Sustainable	Rising	Attrition Rate Rises
Quality < Frequency	Unsustainable	Rising	 Inaction Rate Falls

Note that the type of Arbeit being created and certain factors will impact the Force Multipliers (FM). The length of the production process, the experience and expertise of individual personnel will influence the FM value. This too must be decided by the State Commissariats.

Force Multiplier Chart	
<i>Range</i>	<i>Minimum and Maximum</i>
Actual Arbeit	1.00 and 2.00
Digital Arbeit	1.00 and 3.00
Military Arbeit	1.00 and 5.00
<i>Description</i>	<i>Amount</i>
Economic Socialization (Minimum Amount for Personal Arbeit creating Surplus Arbeit for Others)	0.10
Professional Vocation Experience	0.01 for each Year
Financial Technology Proficiency (Minimum)	0.30
Economic Socialization (Maximum Amount for Personal Arbeit creating Surplus Arbeit for Others)	0.50
Military Technology Proficiency (Minimum)	0.60
32 Hour Work-Week (Minimum)	0.80
40 Hour Work-Week (Median)	1.00
56 Hour Work-Week (Maximum)	1.40
Financial Technology Proficiency (Maximum)	1.50
Military Technology Proficiency (Maximum)	3.00

The only variable that the State Commissariats does not control is the Mechanization Rate (MR), which is set by the Central Bank. MR determines how many production processes among the Domains of the Work-World should be automated and taken over by machines instead of the Totality. Note that increasing the MR will also reduce the number of ways in which the Totality is capable of creating Arbeit themselves. Further development of Automation Technology will increase how many facets of economic life may be subject to MR.

Life-Energization Reciprocity Accounting Procedures

I designed four reference charts to describe how to account for the creations of Arbeit and Geld under the LER Account. This is a step-by-step procedure that must be followed in the manner in which it was outlined below:

- **Find the Arbeit of all Vocations for one Profession.** Begin by finding the product Work-Productivity (WP) and Force Multipliers (FM), subtract it by Work-Intensity (WI), then multiply it by the sum of all Vocations in a Profession. Identify the values of all Professions before proceeding .
- **Find the Arbeit of all Professions for one Enterprise.** Take the sum Value of Arbeit for all Professions, then multiply it by the sum of the Enterprises within their related Industry. Repeat the same operation across all Enterprises.
- **Find the Arbeit of all Enterprises for one Industry.** Take the sum Value of Arbeit for all Enterprises, then multiply it by the sum of their Industries. Repeat the same operation for every Economic Sector.
- **Find the Arbeit of all Industries for one Economic Sector.** Take the sum Value of Arbeit for Industries and multiply it by the number of Economic Sectors. In the context of the VCS Economy, there should only be five.

The final value is the Value of Arbeit for the entire VCS Economy. To determine Quality of Arbeit (QW) across Professions, Enterprises, Industries, and Economic Sectors, take the sum value and multiply by the Central Bank's official MR.

The Quality of Arbeit for the SSE, Reciprocal-Reserve Banking System, and Council State should follow very similar operational parameters. The only exception is of course the Arbeit received from International Trade, which relies on its own distinct parameters. Even so, the Final Quality of Arbeit (FQW) will be the sum of all Qualities of Arbeit from the SSE, VCS Economy, Reciprocal-Reserve Banking System, Council State, and International Trade.

Quality of Arbeit formula Reference Chart

$$\begin{aligned} (WP \text{ (FM)} - WI) * \text{All Vocations} &= AP_N \\ (AP_N + \dots + AP_x) * \text{All Enterprises} &= AE_N \\ (AE_N + \dots + AE_x) * \text{All Industries} &= AI_1 \\ (AI_N + \dots + AI_x) * 5 &= AN_1 \end{aligned}$$

$$\begin{aligned} AP * MR &= QP_N \\ AE_x * MR &= QE_N \\ AI_x * MR &= QI_N \\ (AP_N + AE_N + AI_N + AN) * MR &= QW_1 \end{aligned}$$

$$\begin{aligned} AN_2 * MR &= QW_2 \\ AN_3 * MR &= QW_3 \\ AN_4 * MR &= QW_4 \\ AN_5 * MR &= QW_5 \\ QW_1 + QW_2 + QW_3 + QW_4 + QW_5 &= FQW \end{aligned}$$

WP = Work-Productivity
FM = Force Multiplier
WI = Work-Intensity
MR = Mechanization Rate

AP_N = Arbeit of All Vocations for One Profession
 AE_N = Arbeit of All Professions for One Enterprise
 AI_N = Arbeit of All Enterprises for One Industry
 AN_1 = Arbeit of All Industries for the National Economy

QP_N = Quality of Arbeit for All Professions
 QE_N = Quality of Arbeit for All Enterprises
 QI_N = Quality of Arbeit for All Industries
 QW_1 = Quality of Arbeit for the National Economy
 QW_2 = Quality of Arbeit for the Student Economy
 QW_3 = Quality of Arbeit for the Financial Regime
 QW_4 = Quality of Arbeit for the National Government
 QW_5 = Quality of Arbeit for the International Trade
FQW = Final Quality of Arbeit

AN_2 = Arbeit from the Student Economy
 AN_3 = Arbeit from Financial Regime
 AN_4 = Arbeit from National Government
 AN_5 = Arbeit from International Trade

- Once we know the Qualities of Arbeit across the Professions, Enterprises, Industries, and Economic Sectors of the VCS Economy, we can then determine the Quality of Geld (QM). Find their respective sums of Economic Socialization (ES), multiply the sum of each Vocation, Profession, Enterprise, Industry, and Economic Sector. Remember that ES is how much surplus Arbeit is being created from production processes facilitating other production processes like distribution and transportation services or maintenance and repair services.
- Next, multiply by the first Solidarity Rate (SR_1), which will be the quotient of Scale and Duration of Production. The Scale and Duration of Production corresponds to how many items are known to have been produced across a fixed timeframe. This will yield the Quality of Geld across the Professions, Enterprises, Industries, and Sectors of the VCS Economy.
- The Final Quality of Geld (FQW) is the sum of the Qualities of Geld for the SSE, VCS Economy, Reciprocal-Reserve Banking System, Council State, and International Trade.

Quality of Geld formula Reference Chart

$$QP + (ES_1 + \dots + ES_x) * \text{All Vocations} = MP$$

$$QE + (ES_1 + \dots + ES_x) * \text{All Professions} = ME$$

$$QI + (ES_1 + \dots + ES_x) * \text{All Enterprises} = MI$$

$$QW + (ES_1 + \dots + ES_x) * \text{All Industries} = MN$$

$$MP * SR_1 = MQP$$

$$ME * SR_1 = MQE$$

$$MI * SR_1 = MQI$$

$$MN * SR_1 = QM_1$$

$$QM_1 + QM_2 + QM_3 + QM_4 + QM_5 = FQM$$

QP = Quality of Arbeit within a Profession

ES₁ = Economic Socialization

SR₁ = Scale / Duration of Production

QP_N = Quality of Arbeit for All Professions

QE_N = Quality of Arbeit for All Enterprises

QI_N = Quality of Arbeit for All Industries

QW₁ = Quality of Arbeit for the National Economy

MP = Geld of All Vocations in a Profession

MQP = Quality of Geld for Vocations across Professions

ME = Geld of All Professions in an Enterprise

MQE = Quality of Geld for Professions across Enterprises

MI = Geld of All Enterprises in an Industry

MQI = Quality of Geld for Enterprises across Industries

MN = Geld of All Sectors in the National Economy

QM₁ = Quality of Geld for Sectors of National Economy

QM₂ = Quality of Geld for the Student Economy

QM₃ = Quality of Geld for the Financial Regime

QM₄ = Quality of Geld for the National Government

QM₅ = Quality of Geld for International Trade

FQM = Final Quality of Geld

For the Values as well as the Qualities of Arbeit and Geld for International Trade, the Values and Prices for both will be negotiated between the Council State and the foreign government of another nation under the terms of a Real Trade Agreement (RTA). To ensure accuracy of results, I split the State Foreignization Investments (SFI₁ and SFI₂) of Arbeit and Geld into two groups.

- SFI₁ is related to the economic activities and thus factored as part of the Final Quality of Arbeit (FQW).
- SFI₂ is related to NSFIs and Foreign Investments and falls under the Final Quality of Geld (FQM).
- Both variables involve finding the differences of their respective Total Economic Socialization Rates (TXRs) and their corresponding Net Economic Foreignization Rates (NORs).
- Assuming we already know the values of FQW and FQM, we can now use two of the four methods to determine the Attrition Rate (AIR). These two methods are financial indicators that will allow us to determine the Attrition Rate across individual Professions, Enterprises, Industries, and Economic Sectors.

State Foreignization Investment & Attrition/Inaction Rate Formulas Reference Chart

State Foreignization Investments (SFIs)

$$AN_5 + MN_5 = SFI_1 + SFI_2$$

$$AN_5 = SFI_1 + (SFI_2 - MN_5)$$

$$MN_5 = (SFI_1 - AN_5) + SFI_2$$

$$SFI_1 = TXR_1 - NOR_1$$

$$TXR_1 = (\text{Foreign Arbeit} - \text{Domestic Expenses}) + (\text{Domestic Geld} - \text{Foreign Schuld})$$

$$NOR_1 = (\text{Domestic Arbeit} - \text{Foreign Expenses}) + (\text{Foreign Geld} - \text{Domestic Schuld})$$

$$SFI_2 = TXR_2 - NOR_2$$

$$TXR_2 = (\text{Domestic NSFIs} - \text{Foreign Service Fee}) + (\text{Domestic Investments} - \text{Foreign Expenses})$$

$$NOR_2 = (\text{Foreign NSFIs} - \text{Domestic Service Fee}) + (\text{Foreign Investments} - \text{Domestic Expenses})$$

Attrition/Inaction Rate (AIR)

$$AIR = \frac{FQW}{FQM}$$

$$RTEP = TEP / AIR$$

$$AIR \text{ Percentage} = (TEP/RTEP) * 100$$

AN_5 = Arbeit from International Trade

MN_5 = Geld from International Trade

SFI_1 = Arbeit and Geld from Real Trade

SFI_2 = Financial Instruments & State Investments

FQW = Final Quality of Arbeit

TEP = Total Economic Potential

TXR_1 = Total Economic Socialization Rate for AN_5

NOR_1 = Net Economic Foreignization Rate for AN_5

TXR_2 = Total Economic Socialization Rate for MN_5

NOR_2 = Net Economic Foreignization Rate for MN_5

FQM = Final Quality of Geld

RTEP = Real Total Economic Potential

- For TEP, take the value of FQW and subtract the combined Expenditures incurred on all production processes. Work-Intensity (WI) was the costs of resource inputs required to create Arbeit. The Expenditures are the costs associated with the production processes themselves.
- For TFP, take the Quality of Geld, multiply it by the quotient of Density and Scope of Production, then add the Revenues. The Scope refers to how diverse was the production process in terms of the varieties of goods and services produced and the Density is how much did it cost to facilitate additions to the production process of the Domains within the Work-World.
- Once we have the TEP and TFP, we will then be able to find the RTEP and RTFP by factoring in the Attrition Rate. Note that the RTFP will be larger than the RTEP because the former also includes TEP in its equation to represent the conversion of Arbeit into Geld.

Total Economic Potential and Total Financial Potential Formulas (with Alternate Attrition/Rate Equations)

Total Economic Potential (TEP)

$$QW_1 + QW_2 + QW_3 + QW_4 + QW_5 = FQW$$

$$FQW - \text{Expenditure} = \text{TEP}$$

$$\text{RTEP} = \text{TEP} / \text{AIR}$$

$$\text{AIR} = (\text{TEP} / \text{RTEP}) * 100$$

Total Financial Potential (TFP)

$$QM_1 + QM_2 + QM_3 + QM_4 + QM_5 = FQM$$

$$(QM_1 * SR_2) + \text{Revenue} = QMN_1$$

$$(QM_2 * SR_2) + \text{Revenue} = QMN_2$$

$$(QM_3 * SR_2) + \text{Revenue} = QMN_3$$

$$(QM_4 * SR_2) + \text{Revenue} = QMN_4$$

$$(QM_5 * SR_2) + \text{Revenue} = QMN_5$$

$$QMN_1 + QMN_2 + QMN_3 + QMN_4 + QMN_5 = \text{TFP}$$

$$\text{RTFP} = \text{TEP} + \text{TFP} / \text{AIR}$$

$$\text{AIR} = (\text{TEP} + \text{TFP} / \text{RTEP} + \text{RTFP}) * 100$$

FQW = Final Quality of Arbeit

FQM = Final Quality of Geld

QMN_N = Net Financial Potential

RTEP = Real Total Economic Potential RTFP = Real Total Financial Potential AIR = Attrition/Inaction Rate

SR₂ = Density / Scope

Given the above information provided, we should be able to know how much Arbeit and Geld are recorded in the LER Account. Any Arbeit and Geld created through routine economic activities will be tracked there. What we do not know is how much Arbeit and Geld were the outputs of NSFIs, State Investments, and the financial activities of the Reciprocal-Reserve Banking System. All of those are covered in the SI-EF Account, which will be the area of interest in Part III.

Fundamentals of Command-Obedience Account Bookkeeping (Pt. 3 of 3)

Continuing with the TPP equation, we now direct our attention to the SI-EF Account, which governs the financial activities coexisting alongside the economic activities of the LER Account. Compared to what was described previously in *The Work-Standard (2nd Ed.)*, some important revisions were made to eliminate the instances in which a well-known accounting error, “*Double Counting*,” occurred for this account. That was an unavoidable consequence of trying to create a mock draft of what would later be described in this Section of Work-Standard Accounting Practices as the “Worksheet of Sociable Accounts (WSA).”

Now, the SI-EF Account records the creations of Arbeit and Geld from NSFIs and Interest-free Work-Tenures owned by authorized personnel and economic organizations upon meeting the prerequisite Social Ranks. The SI-EF Account may be split into an “*SI Account*” for domestic transactions and an “*EF Account*” for foreign transactions. The former includes all known State Investments and State Taxes, the latter featuring the People’s Surcharges included in all transactional sales for foreign goods and services.

The most notable difference is that there are now two “NSB” variables to denote the Geld allocated to domestic and foreign Work-Tenures. This is because accountants need to know how many units of currency from the Central Bank was allocated to Reciprocal-Reserve Banking transactions. The Arbeit that is to be gained from Work-Tenures remains with the rest of the NSFIs. Compared to the TPP Account, the SI-EF Account only requires accountants to find the sum values of all NSFIs, Work-Tenures, State Investments and Taxes, and People’s Surcharges. The standard rules of *Arbeit-into-Geld* and *Geld-into-Arbeit* in the LER Process still apply here, of course.

NSFI & State Investment Formulas

$$\text{SI Account} = \text{NSFI}_1 + \text{NSB}_1 + \text{SI}$$

$$\text{EF Account} = \text{NSFI}_2 + \text{NSB}_2 + \text{PS}$$

NSFI₁ = Domestic Arbeit and Geld from Kontore

NSB₁ = Geld from Domestic Work-Tenures

SI = State Taxation and Investment

NSFI₂ = Foreign Arbeit and Geld from Kontore

NSB₂ = Geld from Foreign Work-Tenures

PS = People’s Surcharge

$$\text{NSFIs} = \text{Office I} + \text{Office II} + \text{Office III} + \text{Office IV} + \text{Office V} + \text{Office VI}$$

$$\text{Office I} = \text{FI}_N \pm \text{SF}_x$$

$$\text{Office II} = \text{FWP}_N \pm \text{SF}_x$$

$$\text{Office III} = \text{EQ}_N \pm \text{SF}_x$$

$$\text{Office IV} = (\text{FEC}_1 + \text{FEC}_2 \pm \text{SF}_x) + (\text{KDM} - \text{FEC}_3) + (\text{KBM} - \text{FEC}_4)$$

$$\text{Office V} = ((\text{WT}_1 \pm \text{SF}_x - \text{SH}_x) / 2) + ((\text{WT}_2 \pm \text{SF}_x - \text{SH}_x) / 2)$$

$$\text{Office VI} = \text{PR}_1 \pm \text{SF}_x - \text{SH}_x$$

FI_N = Fiefs

FWP_N = Work-Plans

EQ_N = Equipmentalities

FEC_N = Foreign Exchange Certificates for Sociable and Non-Sociable Currencies

WT₁ = Work-Tenure Arbeit from Domestic Lenders with Domestic Borrowers

WT₂ = Work-Tenure Arbeit from Domestic Lenders with Foreign Borrowers

PR_N = Priority Requisition Value

± SF_x = Service Fee

SH_x = Incurred Schuld (if applicable)

At this point, we have discovered the first set of accounts for the *Worksheet of Sociable Accounts*. If there are any Schuld, Costs, Expenditures, Expenses from the TPP, LER, and SI-EF Accounts, they are to be added to corresponding accounts for the State, Totality, and Self.

WSA, in addition to relaying information about the creations of *Actual Arbeit* and *Actual Geld*, features the following financial data:

- The *Revenues* gained from the conversions of Arbeit-into-Geld, transactional sales, NSFIs, Work-Tenures, People's Surcharges, and State Investments and State Taxes. *Drawings* from lower-ranking economic organizations and additional *Stipends* to specific Professions are included.
- The *Spending* of the State, Totality, and the Self. It signifies the overall spending of Geld on anything not related to conversions of Arbeit-into-Geld.
- The *Expenses* of the State, Totality, and the Self. This one covers the expenditures of Geld that are required to create Arbeit.
- The sum values of all sources of Digital Arbeit and Digital Geld, Military Arbeit and Military Geld, and "**Official State Functions (OSF)**." OSF is the Arbeit and Geld that the Council State receives from running and operating special governmental facilities such as the penitentiary system, embassies, railways, highways, mass transportation, the rendering of basic essentials (like water, sanitation, electricity, energy), construction and infrastructure, land conservation, and the operational and administrative functions of the National Intranet. Arbeit and Geld conversions rules also apply here.
- The Arbeit and Geld acquired from transactional sales, distribution and delivery of Equipmentalities and finished products within production processes. Known costs incurred on all production processes will also be included.
- Transactional sales of items related to the Totality's National Culture and National Technologies, issuances of assorted Licenses, and RTAs. Any Arbeit that comes from contributing to the National Culture is related to the VCS Economy's Information Sector, whereas the Arbeit from contributing to National Technologies falls under the Council State.
- National spending on Foreign Culture, Foreign Technologies, scientific research, maintaining the Mechanization Rate (MR), and RTAs (any Arbeit and Geld allocated to Foreigners and Foreign Enterprises). Anything received from other nations as Foreign Aid or given to them as Development Aid.
- Net Foreignization as the sum of Arbeit and Geld created by Foreigners and Foreign Enterprises and Arbeit and Geld that belongs to Foreigners and Foreign Enterprises.
- Sociable Foreign Currency Reserves (SFR) and Non-Sociable Currencies from Socialist (KDM) and non-Socialist nations (KBM).

<i>Worksheet of Sociable Accounts (WSA)</i>			
<i>Obedience</i>	<i>Command</i>		
National Account	TPP Accounts	LER Accounts	SI-EF Accounts
	<i>National Income</i>	<i>Economic Production</i>	<i>Financial Mobilization</i>
	State Budget + People's Geld	RTEP + RTFP	NSFI + NSB + SI + PS
State Account	<i>State Income</i>	<i>Digital & Military Production</i>	<i>Financial Investments</i>
	State Revenue	EDW	NSFI ₁ + NSB ₁
	State Spending	EDM	NSFI ₂ + NSB ₂
	State Expense	WAF	SI + PS
	State Budget	MAF	OSF
Communion Account	<i>Organizational Income</i>	<i>Organizational Finances</i>	<i>Organizational Spending</i>
	Social Revenue	Product Outputs	Resource Inputs
	Social Spending	Transactional Sales	Production Costs
	Social Expense	Basic Essentials Sales	Essential Costs
	State Funds	Non-Essentials Sales	Non-Essential Costs
Social Account	<i>Social Income</i>	<i>Social Finances</i>	<i>Social Spending</i>
	People's Revenue	Drawings	Stipends
	People's Spending	Transactional Sales	Production Costs
	People's Expense	Basic Essentials Sales	Essential Costs
	People's Geld	Non-Essentials Sales	Non-Essential Costs
Household Account	<i>Household Income</i>	<i>Household Finances</i>	<i>Household Spending</i>
	Personal Revenue	Drawings	Stipends
	Personal Spending	Transactional Sales	Production Costs
	Personal Expense	Basic Essentials Sales	Essential Costs
	Personal Geld	Non-Essentials Sales	Non-Essential Costs
Domestic Account	<i>National Costs</i>	<i>National Development</i>	<i>National Spending</i>
	National Spending	National Licenses	RTA Spending
	National Expenses	National Technology	RTA Expenses
	Sovereign Schuld	National Culture	Foreign Aid
	People's Schuld	National Tourism	Technology Costs
	Personal Schuld	National Media	R&D Costs
Foreign Account	<i>Foreign Reserves</i>	<i>Foreign Development</i>	<i>Foreign Spending</i>
	SFR Account	Economic Foreignization	RTA Revenue
	KDM Account	Social Foreignization	RTA Income
	KBM Account	Net Foreignization	Development Aid
Opening Balance		Closing Balance	
Final TPP Value		Actual RPF Value	

I will explore the WSA later in this Section to discuss the Work-Standard's Economic and Financial Indicators. For now, it is necessary to account for Digital Arbeit and Digital Geld, as they can only be created in the LERE Process. Unlike Military Arbeit and Military Geld, which only the Council State is capable of creating, the rest of the Totality is capable of creating Digital

Arbeit and Digital Geld on top of their concurring creations of Actual Arbeit and Actual Geld.

The LERE Process was also tweaked to address past accounting errors in their original conception from *The Work-Standard (2nd Ed.)*. The LERE Process is very similar to the LER Process. If one knows how the LER Process operates, one should be able to intuit how the LERE Process works.

Electified Qualities of Arbeit and Geld Formulas

$$(WP(FM) - WI) * \text{No. of Machines} = DAP_N$$

$$AP_N + (DAP_N + \dots + DAP_x) * \text{No. of Machines} = DAE_N$$

$$AE_N + (DAE_N + \dots + DAE_x) * \text{No. of Machines} = DAI_N$$

$$AI + (DAI_N + \dots + DAI_x) * \text{No. of Machines} = DAI_N$$

$$DAP_N * MR = DQP_N$$

$$DAE_N * MR = DQE_N$$

$$DAI_N * MR = DQI_N$$

$$(DQP + DQE + DQI) - \text{Expenditures} = EDW$$

$$DAP_N + (ES_N + \dots + ES_x) * SR_1 = DMP_N$$

$$DAE_N + (ES_N + \dots + ES_x) * SR_1 = DME_N$$

$$DAI_N + (ES_N + \dots + ES_x) * SR_1 = DMI_N$$

$$DMP * SR_2 = QMP$$

$$DME_N * SR_2 = QME$$

$$DMI_N * SR_2 = QDI$$

$$(QMP + QME + QDI) + \text{Revenues} = EDM$$

$$(EDW + EDM) + (RTEP + RTFP) = \text{LER Account}$$

DAP = Digital Arbeit of Professions

DAE = Digital Arbeit of Enterprises

DAI = Digital Arbeit of Industries

DMP = Digital Geld of Professions

DME = Digital Geld of Enterprises

DMI = Digital Geld of Industries

DQP = Digital Quality of Arbeit for Professions

DQE = Digital Quality of Arbeit for Enterprises

DQI = Digital Quality of Arbeit for Industries

QMP = Digital Quality of Geld for Professions

QME = Digital Quality of Geld for Enterprises

QMI = Digital Quality of Geld for Industries

Economic Indicators of Dasein Fulfillment

<i>Worksheet of Sociable Accounts (WSA)</i>			
<i>Obedience</i>	<i>Command</i>		
National Account	TPP Accounts	LER Accounts	SI-EF Accounts
	<i>National Income</i>	<i>Economic Production</i>	<i>Financial Mobilization</i>
	State Budget + People's Geld	RTEP + RTFP	NSFI + NSB + SI + PS
State Account	<i>State Income</i>	<i>Digital & Military Production</i>	<i>Financial Investments</i>
	State Revenue	EDW	NSFI ₁ + NSB ₁
	State Spending	EDM	NSFI ₂ + NSB ₂
	State Expense	WAF	SI + PS
	State Budget	MAF	OSF
Communion Account	<i>Organizational Income</i>	<i>Organizational Finances</i>	<i>Organizational Spending</i>
	Social Revenue	Product Outputs	Resource Inputs
	Social Spending	Transactional Sales	Production Costs
	Social Expense	Basic Essentials Sales	Essential Costs
	State Funds	Non-Essentials Sales	Non-Essential Costs
Social Account	<i>Social Income</i>	<i>Social Finances</i>	<i>Social Spending</i>
	People's Revenue	Drawings	Stipends
	People's Spending	Transactional Sales	Production Costs
	People's Expense	Basic Essentials Sales	Essential Costs
	People's Geld	Non-Essentials Sales	Non-Essential Costs
Household Account	<i>Household Income</i>	<i>Household Finances</i>	<i>Household Spending</i>
	Personal Revenue	Drawings	Stipends
	Personal Spending	Transactional Sales	Production Costs
	Personal Expense	Basic Essentials Sales	Essential Costs
	Personal Geld	Non-Essentials Sales	Non-Essential Costs
Domestic Account	<i>National Costs</i>	<i>National Development</i>	<i>National Spending</i>
	National Spending	National Licenses	RTA Spending
	National Expenses	National Technology	RTA Expenses
	Sovereign Schuld	National Culture	Foreign Aid
	People's Schuld	National Tourism	Technology Costs
	Personal Schuld	National Media	R&D Costs
Foreign Account	<i>Foreign Reserves</i>	<i>Foreign Development</i>	<i>Foreign Spending</i>
	SFR Account	Economic Foreignization	RTA Revenue
	KDM Account	Social Foreignization	RTA Income
	KBM Account	Net Foreignization	Development Aid
Opening Balance		Closing Balance	
Final TPP Value		Actual RPF Value	

The conduct of Mission-Type Economic Planning (MTEP) requires economic and financial indicators that Central Planners will need from Economic Planners and their retinue of

Accountants. While the Council State will be able to compile its own data for the *State Accounts*, *Domestic Accounts* and *Foreign Accounts*, it is counting on the Economic Planners and Accountants to collaborate with the rest of the Totality. The National Accounts remain incomplete without the *Communion Accounts*, *Social Accounts*, and *Household Accounts*. The trio of accounts covered by the Accountants and Economic Planners is applicable to the Totality and the Self, from the largest Industries to individual Vocations.

The most practical way of evaluating the *Communion Accounts*, *Social Accounts*, and *Household Accounts* is to reapply the sociological categories discussed previously in *The Third Place* (1st Ed.):

1. Economic Organizations of the Tournament and Student Tournament
2. The Totality
3. The Self (as Households)

Accountants must gather all available economic and financial data from the various Vocations, Professions, Enterprises, and Industries for the Socialist Student Economy, the VCS Economy, and Reciprocal-Reserve Banking System. Economic and financial data are collected by Social Rank, compiled in financial ledgers, and added toward the *Worksheet of Sociable Accounts* (WSA). Economic Planners maintain close communications with each other, coordinating their actions to ensure that their Accountants' financial ledgers are deposited at State Banks, where the data is combined and given to the Central Bank by the State Banks themselves. The Central Bank relies on the combined data to learn the determine the TPP (Total Productive Potential), using it to set the RPF (Requisitionary Productive Forces). The process may be done physically or digitally, but a standardized set of procedures must be established to ensure the best results.

The *Communion*, *Social* and *Household Accounts* follow the parameters of the *National Accounts* which are found with the TPP equation. One column covers incomes, a second column for production, and a third for expenditures. Every conceivable source of Arbeit and Geld in the Domains of the Work-World will be found for the Accountants to record, track and process for the Economic Planners to perform advisory roles for the Administrators of Enterprises and the Delegates of Civil Servants in a functioning Council Democracy. The Inspectors perform auditory roles on behalf of State Commissars and Superintendents, who perform their own roles at the State Commissariats, employing Council Democracy to set Prices and Paygrades on the Totality's behalf. Here, the political, the economic, the financial, the social, and the cultural operate in unison to form fundamental basis of *Production for Dasein*.

Incomes

Revenue: How much Arbeit and Geld are being created in the Tournament, by the Totality, and among Households. It primarily includes Actual Arbeit, Digital Arbeit, Actual Geld and Digital Geld created from the LER and LERE Processes as well as those received from all *Transactional Sales*.

Spending: How much Geld is being spent in the Tournament, by the Totality, and among Households. It tracks the amount of Geld that all three spend on anything not related to the LER and LERE Processes, such as *Basic Essentials Sales* and *Non-Essential Sales*.

Expenses: How much Geld is being spent in the Tournament, by the Totality, and among Households. It determines the amount of Geld that all three require to sustain the production processes of the Domains within the Work-World as part of the LER and LERE Processes.

State Funds, People's Geld, and Personal Geld: How much Geld is currently owned by the Tournament, the Totality, and Households. It is the amount of Geld that all three have left over after all expenditures. In Council Democracy, the Council State determines how much of its own State Budget should be allocated to the State Funds of economic organizations and the Paygrades of the Totality on a per Household basis.

Finances

Product Outputs: The Value of finished products created from production processes.

Drawings: How much Geld was withdrawn from the finances of lower-ranking economic organizations by the Totality and Households as part of *Life-Energy Charging (LECs)*.

Transactional Sales: How much Geld was gained from selling finished products of production processes.

Basic Essential Sales: How much Geld was gained from rendering Basic Essentials required by the Tournament, the Totality, and Households. Water, electricity, energy, transportation, and healthcare are notable examples of Basic Essentials.

Non-Essential Sales: How much Geld was received from rendering services that are not Basic Essentials. Luxury goods, consumer goods, and other economic activities not required by other production processes.

Spending

Resource Inputs: The Value of Equipmentalities that were spent on production processes.

Stipends: Additional Geld allocated to specific Professions by the Council State for creative, artistic, educational, and religious contributions to the National Consciousness. Must be spent on their intended purposes as they were described to the Council State vis-à-vis the State Commissariats.

Production Costs: How much Geld was spent on harvesting natural resources, producing Equipmentalities, and rendering goods and services.

Essential Costs: How much Geld was spent on obtaining Basic Essentials.

Non-Essential Costs: How much Geld was spent on acquiring Non-Essentials.

Everything covered here is economic indicators relevant to the Tournament, the Totality, and Households. The financial indicators are of importance to the Council State, which is responsible for the Financial Regime that presides over the Reciprocal-Reserve Banking System. Those financial indicators, like the rest of the WSA, deserves its own Entry.

Financial Indicators of Dasein Fulfillment

The Council State relies on two sets of financial indicators based on data in the Worksheet of Sociable Accounts (WSA). Both sets of financial indicators are governed by WSA's Domestic Accounts and Foreign Accounts. It pertains to areas of economic life that do not entirely originate from the Totality and the Self, other than that the outcomes do go on to affect the Totality and the Self at some level. One example of this occurrence pertains to the amounts of Arbeit and Geld gained from conducting Real Trade Agreements (RTAs) with other nations. Since all matters of international trade are the concerns of the Council State, the Council State is the final authority on trade policies. For the accountants, the goal is to record and monitor the overall performance of those RTAs and how they relate to the TPP (Total Productive Potential). That also includes determining the known expenses accrued from acquiring Equipments or the components of unfinished products and any spending on imported luxury goods.

In the WSA's National Account, the overall spending and expenses of the Council State, Totality, and Self recorded alongside any accumulations of Schuld as *Sovereign Schuld*, *People's Schuld*, and *Personal Schuld*. The purpose of that arrangement is to provide an overview for all forms of Schuld, which can then be broken down and traced back to certain government activities, production processes and even persons of interest. Additionally, the National Accounts tracks any Geld the Council State receives from issuances of licenses, patents and other Intellectual Properties operating under Production for *Dasein*. The overall Value of Arbeit and Geld received from *Research and Development (R&D)*, not to mention the procurement and deployment of technologies, is to be compared against the costs of developing those technologies. Any special sources of Geld for the Tourism Industries, such religious pilgrimages, Student Government-sponsored field trips involving the Student Body of the SSE, Foreigners paying any possible fees to access the National Intranet services from anywhere other than pre-designated Internet Cafés, and international sporting events, will be found here as well. While the regular transactional sales from Tourism Industries are included in the Services Sector of the VCS Economy, the Actual Geld made from the Council State sanctioning national cultural and athletic events are not always constant inflows, hence their inclusion to the National Account as a financial indicator.

A similar arrangement will be established for any special sources of Actual Geld or Digital Geld within the Information Sector, in addition to other special sources stemming from National Media contributions to the National Consciousness. National Media in Production for *Dasein* consists of "*State Media*" (media created by the Council State), "*Social Media*" (media created by the Totality), and "*Student Media*" (media created by the Student Government of the SSE). Note that the concept of Social Media in Production for *Dasein* is very different from its equivalent found in Production for *Profit* and Production for *Utility*. Production for *Dasein*'s conception of Social Media is one where the Totality actively contributes to the production and circulation of newspaper and magazine publications, radio and television stations overseen by their local and regional governments. They maintain close communications with their digital equivalents on the National Intranet, a collection of websites and Intranet Service Providers (ISPs) connected to Social Forums as a form of Intranet Governance in accordance with Council Democracy.

Even though most sources of Arbeit and Geld are accounted for in the Information Sector of the VCS Economy, it would be naïve to not accommodate special sources of Actual Arbeit and Actual Geld (or Digital Arbeit and Digital Geld) originating from scheduled media events like livestreaming movies and television shows, live musical performances at concerts and orchestras,

intellectual debates on university campuses, or multiplayer gaming competitions. Those sources are not always going to happen often and are more likely to occur as special events, compared to more sources like operating a multiplayer gaming server, publishing video essays on a video streaming website, writing to the editor of a newspaper publication, or publishing a music album for a record label.

The final financial indicator for National Accounts is Foreign Aid, which pertains to how much Geld the Council State is willing to allocate toward supporting the developments of foreign nations. One goal of allocating Geld toward that endeavor is to build good relations with other countries and to help them adopt the Work-Standard on their own terms. But the most mundane goal, however, is to track how much Geld is being allocated toward financing relief efforts in the wake of natural disasters, wars, and other catastrophes.

The rest of the Council State's financial indicators are in the Foreign Accounts. The first set of Foreign Accounts are related to the foreign currency reserves of the Central Bank as part of the Financial Regime within the Reciprocal-Reserve Banking System. The "Sociable Foreign Reserve (SFR) Account" denotes the Value of Geld from foreign nations with Sociable Currencies pegged to the Work-Standard. The SFR Account is meant to be separated from the "*Kapital of Dirty Money (KDM) Account*," which is the foreign currencies of Socialist nations with currencies not pegged to the Work-Standard, and the "*Kapital of Blood Money (KDM) Account*" for Liberal Capitalist regimes.

Foreign Account financial indicators for RTAs cover all sources of Arbeit and Geld that the Council State is gaining from any active Real Trade Agreements. **This includes not only the Actual Arbeit and Actual Geld covered in the International Trade category of the VCS Economy, but also any Digital Arbeit, Digital Geld, Military Arbeit, and Military Geld the Council State receives from those RTAs.** There may be arrangements between the Council State and at least one foreign nation to provide munitions, ordnance, vehicles, aircraft, technical assistance, military advisors, and so forth that simply cannot be exported by the VCS Economy. There may even be arrangements made to allow Foreigners to access the National Intranet while working in the Socialist Nation as part of their Profession. Something similar could occur from the Council State facilitating any Student Exchanges that Student Government might have with another Student Government in another country.

Against the backdrop of the Council State's affairs within international trade is the extent to which the Totality, as *Nationals*, is engaged in *Economic Foreignization* (EF). Accountants record the extent of Economic Foreignization based on the known Value of finished products that were manufactured by *Foreigners* in another country. There may be elements of the Totality that are spending Actual Geld on imported goods and services. One instance might involve somebody importing an Electric Vehicle (EV) and the Socialist Nation also needs to import its replacement parts. There may be transactional sales in the Services Sector where foreign Household Appliances are being sold to the Totality at a Department Store. Electronics such as personal computers, television sets, and smartphones are notable examples. Foreign apparel, foodstuffs, and luxury goods are other examples, except they are not the only ones.

Economic Foreignization from imported goods and services is related to the Net Economic Foreignization (NEF), which governs the Value of Arbeit and Geld contributions to the Life-Energy Reserve from individual Foreigners and Foreign Enterprises. Under the terms of an RTA, the Council State may establish Real Economic Zones (REZs), Shopping Citadels, the smaller

Shopping Arenas and its mass transportation equivalent, the SATHs (Shopping Arena Transit Hubs). Those areas are prime candidates for Foreign Enterprises to establish themselves, rendering goods and services to Nationals. The same could be said about Foreign Student Enterprises owned and operated by the Student Government of a foreign nation and working alongside the Socialist Nation's Student Government with the approval of the Council State.

How should the accountant identify an occurrence of Net Economic Foreignization and distinguish it from regular Economic Foreignization? To borrow a memorable case from *The Work-Standard* (2nd Ed.), one example might involve somebody, with the backing of the Council State, opening and operating a McDonald's branch at a Shopping Citadel. While this McDonald's branch is still beholden to the McDonald's Corporation, an American fast food restaurant chain, the owner of the branch is a member of their local community Guild, reports to that Guild's Economic Planner, and worked alongside the members of their Guild to choose a Delegate to the local Council of Municipal government. This would only occur as part of an RTA that the Council State had made with the Americans, the RTA itself specifying how much Actual Arbeit from the economic activities of Foreign Enterprises should go to its Life-Energy Reserve and how much Actual Geld should go to the overseas accounts of McDonald's Corporation.

For the accountant, they would record how much Actual Arbeit and Actual Geld went to the Life-Energy Reserve (and by extension, the Council State, the Totality, and the franchisee owner of that McDonald's branch), followed by how much Actual Arbeit and Actual Geld went to the McDonald's Corporation. Based on that financial data, we will be able to know the extent to which the McDonald's Corporation is contributing to the Net Economic Foreignization of a Socialist Nation. Moreover, we will also be able to learn if the McDonald's Corporation has arrangements with anyone else from the Manufacturing Sector of the VCS Economy to produce food and beverage. That McDonald's branch at the Shopping Citadel may be serving Coca-Cola locally produced in the Socialist Nation, which implies that the Council State also included other arrangements involving The Coca-Cola Company in its RTA with the Americans.

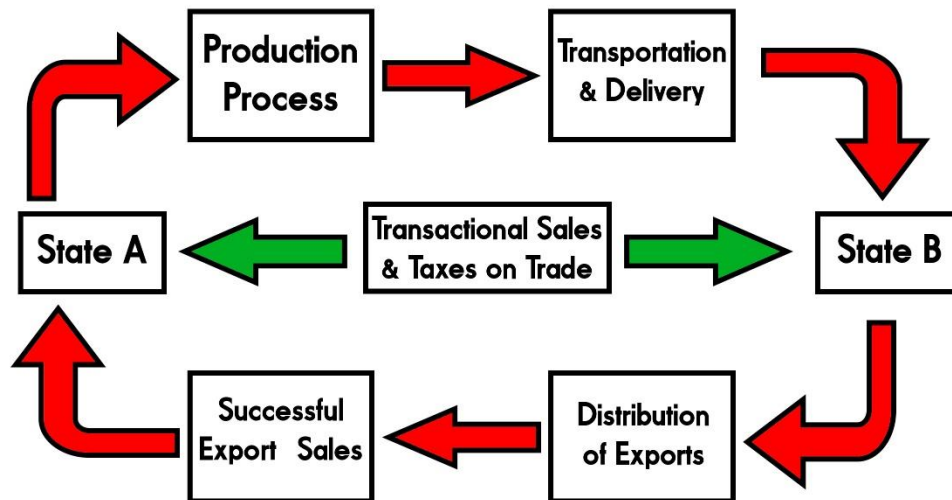
What can be inferred from the preceding case?

- Two *Net Economic Foreignization* (NEF) sources of Actual Arbeit and Actual Geld to the Life-Energy Reserve, one from running facilities manufacturing products from the Coca-Cola Company, the other from operating a McDonald's branch with the McDonald's corporation.
- One source of *Economic Foreignization* (EF) from any subsequent retail sales of Coca-Cola products. That McDonald's branch is not going to be the only one acquiring some for its own production process. Expect to encounter vending machines and grocery stores selling them as well.

Furthermore, the accountant should be able to expand the categorization of Economic Foreignization and Net Economic Foreignization to include "Vectors" originating from Production for *Dasein*, Production for *Utility*, and Production for *Profit*. This is to be demarcated by the "*Socialization of Young Minds*" for Socialist countries and the "*Liberalization of Young Minds*" for Liberal Capitalist countries.

The last notable financial indicator in Foreign Accounts is related to receiving Foreign Aid from other governments. There may be instances where the Council State and the Totality may be

receiving relief aid as genuine acts of kindness from Foreigners and their governments. Here, the Value is derived from what was being provided to the Totality and Self. For instance, if another government donated a food parcel valued at 7,500 GDM, an accountant records '7,500 GDM' under Foreign Aid in the National Account.



Lower QW = Cheaper Exports, Costlier Imports
Higher QW = Costlier Exports, Cheaper Imports

25% Actual Arbeit + 75% Actual Geld = 75% Actual Arbeit + 25% Actual Geld
50% Actual Arbeit + 50% Actual Geld = 50% Actual Arbeit + 50% Actual Geld
75% Actual Arbeit + 25% Actual Geld = 25% Actual Arbeit + 75% Actual Geld

Real Trade Agreement (RTA) Diagram from The Third Place

State Budgeting and State Funding

Typically, when Arbeit is contributed to the Life-Energy Reserve, they are instantly converted to Geld by the Central Bank. This Geld goes straight to the “State Budget” of the Council State. From there, the Council State will then be able to allocate Geld from the *State Budget* toward the “State Funds” of the SSE, the VCS Economy, the Reciprocal-Reserve Banking System, its own governmental organizations, the National Intranet, or toward Real Trade Agreements (RTAs). The *State Fund* serves as the central account owned by any organization operating in Production for *Dasein*. It is meant to be easily distinguished from the “Parliament Funds” employed by the “Private Sector” and “Public Sector” of Production for *Profit* and Production for *Utility* respectively.

The Work-Standard (2nd Ed.) and *The Third Place (1st Ed.)*, despite not directly referring to the State Fund by name, nevertheless recognized its existence within their respective discussions about the Council State’s State Budget and the Central Bank’s Life-Energy Reserve. The key distinction between the two Treatises was their perspectives on what to do about Geld that economic organizations would gain from concluding transactional sales for rendering goods and services to customers. Both acknowledge that the Geld received from transactional sales should go toward a State Fund, but where they differed was what becomes of that Geld. *The Work-Standard (2nd Ed.)* presumed that the Geld in the State Fund falls under the discretion of the Council State, whereas *The Third Place (1st Ed.)* insinuated that the same Geld remains in auspices of the economic organization that generated it. Should both statements be correct?

In essence, the *State Fund* is the Command Responsibility of both the Council State and the organization that owns the *State Fund*. The Council State is responsible for ensuring that the organization owning the State Fund does not run short of Geld. Meanwhile, the organization is responsible for ensuring that all Geld will be spent wisely. Any Geld that an organization made from transactional sales belongs to its State Fund, which the Council State is expecting it to spend on payments required to sustain the production process as well as its maintenance and operational costs. Or, to put it another way, everything already discussed about the State Fund and the State Budget in *The Work-Standard (2nd Ed.)* and *The Third Place (1st Ed.)* are valid insofar as they address the same concepts from different perspectives. The purpose of this Entry is to combine those perspectives from the purview of an accountant, working under an Economic Planner that needs them to record and monitor all interactions between the State Budget and the State Fund.

For a Socialist Nation applying the Work-Standard, there are a multiplicity of countless different economic and non-economic organizations contributing some form of Arbeit and Geld to the Life-Energy Reserve. Every facet of life, not just economic life, in the State of Total Mobilization has revolved around the ever-growing conversion of Life-Energy into Arbeit since the 20th century. The Council State knows that the Totality and the Self are going to need Geld from its State Budget. The question then becomes a matter of ascertaining a triage system in which the Council State is able to quickly and efficiently prioritize the ones that will need more Geld than what they already have in its State Fund.

Based on what has been discussed about the five different types of Enterprises, most SAEs (State-Administrated Enterprises), SOEs (State-Owned Enterprises), NSEs (National-Socialized Enterprises), POEs (Public-Owned Enterprises) and PDEs (Public-Directed Enterprises) would be categorized in this triage system as the following four:

1. State Enterprises (VCS Economy and RRBS)
2. Social Enterprises (VCS Economy and National Intranet)
3. Student Enterprises (SSE)
4. Foreign Enterprises (RTAs)

Which of those four are the most likely to use the Council Democratic process to request additional funding from the State Council throughout a given Fiscal Year (FY)? Which ones are going to get ample Geld from successful transactional sales, enabling them to be self-sustaining and ipso facto self-sufficient, reducing their need to request any extra funding from the State Council? Could some overlap exist across those four aforementioned categories? Why or why not?

There is no such thing as a “Public Sector” or a “Private Sector” in Production for *Dasein* for the exact same Intents why there will never be any “Free Lunches” from a “Free Trade Agreement (FTA).” Instead of “Public & Private Sectors,” there are only “**National & Foreign Sectors**.” It is one thing to ‘Nationalize’ or ‘Privatize’ something within the contexts of Common and Private Properties-as-Wealth, it is another matter to create the legal jurisprudence that would enable all notions of “**National-Socialization**” entertainable to the Council State under the Work-Standard, Council Democracy and Federalism. The term “*National-Socialization*” is a unique condition exclusive to Production for *Dasein*. It represents economic and non-economic interactions between the State, Totality, and the Self, the Arbeit and Geld of their activities pertaining to national strategic goals with the potential of benefiting the entire nation.

Rather than just focusing on either a given organization’s contributions to the Life-Energy Reserve, its transactional sales, its State Investments and NSFIs, or its overall size and composition, the Social Rank becomes the indicator to take into consideration. This *National-Socialization Principle* becomes relevant when ascertaining the different Values of various organizations within the “**Tournament**.” Consider the following examples:

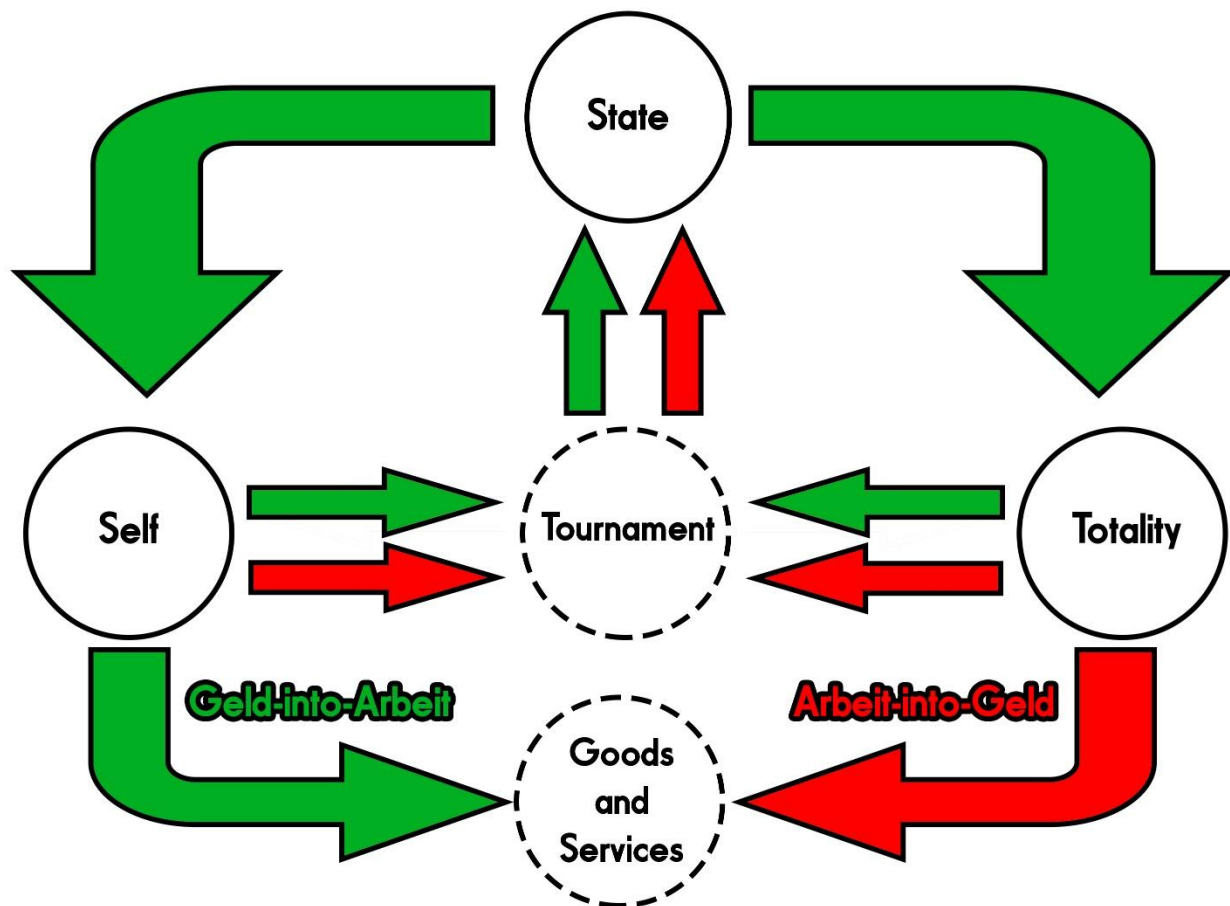
1. An Enterprise is *contributing more Arbeit from its own production processes*.
2. An Enterprise is *receiving more Geld from its own transactional sales*.
3. An Enterprise is *benefiting more from State Investments like Taxes and Stipends*.
4. An Enterprise is *issuing more NSFIs (National-Socialized Financial Instruments) in the Kontore*.
5. An Enterprise is *borrowing more Work-Tenures from NSBs (National-Socialized Banks)*.

The five statements above represent the prioritization of the aforementioned triage system that I stated earlier. Enterprises with additional sources of Arbeit and Geld in their production processes and transactional sales are going to be the first ones to request additional funding than others. The ones with fewer sources of Arbeit and Geld may rely on State Investments, most NSFIs, and Work-Tenures due to being given lower priority by the Council State.

On the Worksheet of Sociable Accounts (WSAs), this can be discerned from the ratio between an Enterprise’s Expenses and Spending. Expenditures related to the LER and LERE Processes are given higher priority over other Expenditures not related to the LER and LERE Processes. In essence, the Council State’s allocation of Geld to the State Fund is meant for funding all Expenses

related to production processes of a Domain within the Work-World. Any funding meant for Spending is going to have to come from transactional sales, State Investments, NSFIs, and Work-Tenures.

Accompanying the process of allocations of Geld from the State Budget to the State Funds are accounting techniques exclusive to the Work-Standard in Production for Dasein. These techniques will be discussed in the next Entry, which will then be rediscussed about the Financial Reporting practices of the Work-Standard.

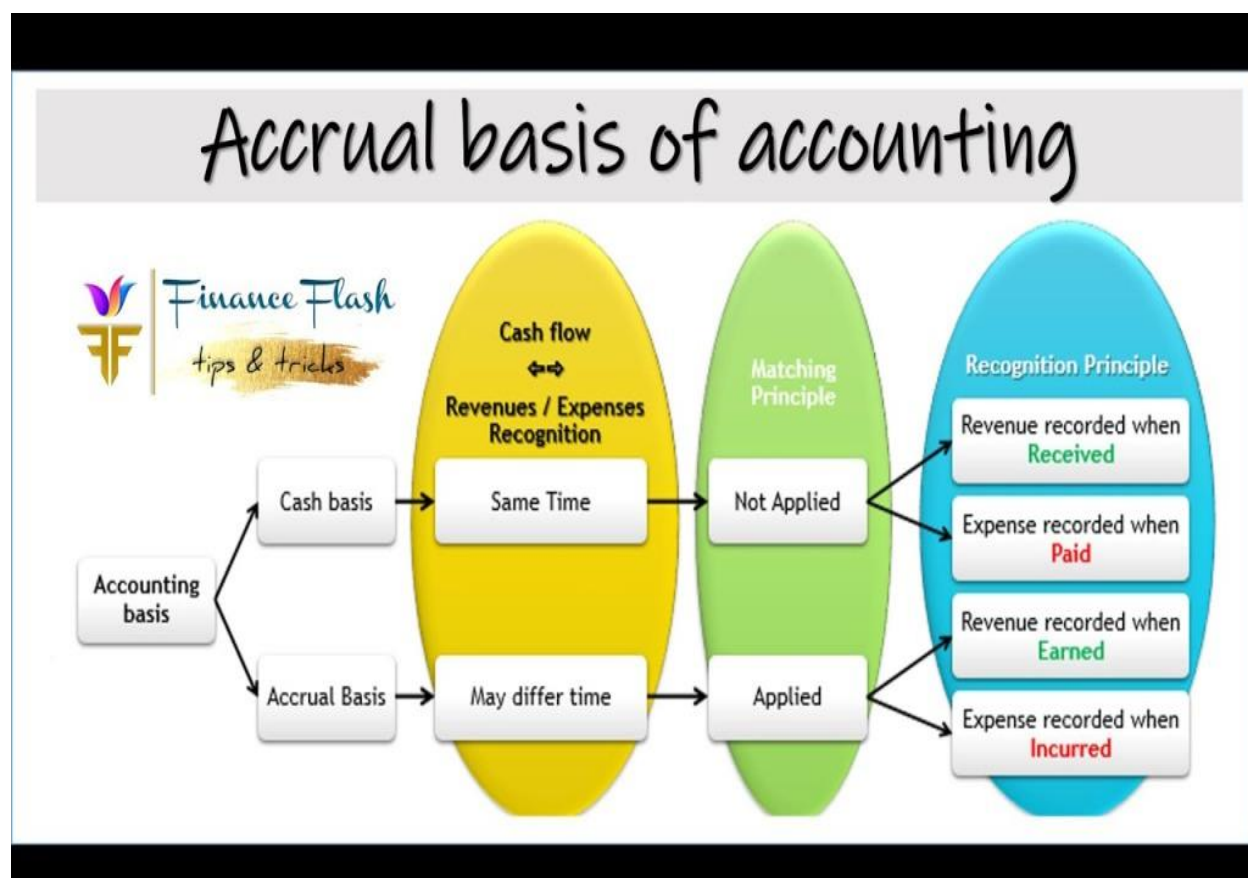


Production for Dasein Diagram from The Third Place

WSA Accounting Techniques

In “[The Cash and Accrual Methods](#)” and “[The Modified Accrual Method](#)” Entries from Section One, I discussed about the most prominent accounting techniques employed under Neoliberalism in both Production for *Profit* and Production for *Utility*. The *Cash-Basis Method* only provides information about how many Quantities of Kapital and Schuld that a privatized commercial firm earns at present. The *Full-Accrual Method* also tracks the Quantities of Kapital and Schuld, but does so on any given timeframe, which affects precisely when Revenues and Expenses are recorded.

One should recall that most Parliaments and economic organizations under Liberal Capitalism use the *Full-Accrual Method*, which is enforced by the “financial obligations” that are required of everyone involved in a given economic activity. What deserves to be mentioned here is that the *Full-Accrual Method*’s worldwide adoption coincided with the Death of Bretton Woods, the rise of Globalization, Financialization and Deindustrialization, and the emergences of Financial Technologies employed by the Fractional-Reserve Banking System.



MATCHING PRINCIPLE

- Under the Matching Principle concept, a company should report an expense in the income statement in the same period when it earns the revenue.
- Use of such a principle helps a company present an accurate picture of the operations.
- This principle is a part of the Generally Accepted Accounting Principles (GAAP).

ELEMENTS

Period Costs : These are shown on the financial statement as and when the company incurs them.

Product Costs : Product costs include expenses such as direct material labor and factory overhead.

REASON / IMPORTANCE

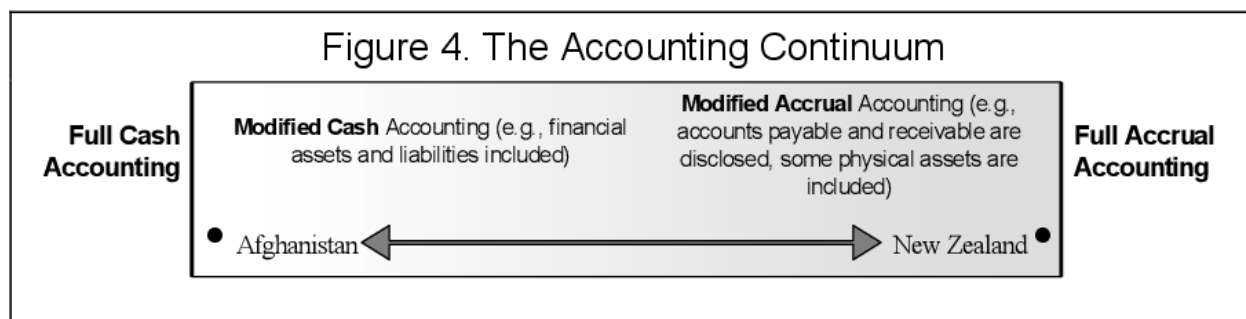
Before adoption of the matching principle, expenses were recorded irrespective of accounting period to which they relate which led to over recognition or under recognition of expenses.

Use of depreciation is a major byproduct of the matching principle.

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Bluntly speaking, the *Full-Accrual Method* is employed in conjunction with the Fractional-Reserve Banking System. Its widespread usage was made possible by the fact that Liberal Capitalist regimes are now able to marshal immense sums of Kapital in exchange for equally large sums of Schuld. Since Parliament, Civil Society, and the Private Citizen are now able to borrow more Kapital than what was previously possible during Bretton Woods and the British Empire's Gold Standard, the Full-Accrual Method enables accountants to process and track the long-term movements of Kapital and Schuld between Fractional-Reserve Banking System on the one hand and Parliament and Civil Society on the other.

The trend itself is made discernible from the name itself. The "accrual" obviously refers to the Kapital Accumulation that occurs from maintaining the balance between Kapital and Schuld. As one might surmise from the increased borrowing and lending, today's Parliaments, Civil Societies, and Private Citizens are now saddled with more Schuld than they were in the 20th century. Nobody knows just how much Schuld the Fractional-Reserve Banking System is capable of sustaining, but what can be said is that there are genuine limitations that manifest from the State of Total Mobilization itself. Environmental degradation, the resource depletion, and the implications of Climate Change are three notable indicators which the Fractional-Reserve Banking System is incapable of recording. Environmentalists are aware of this, but it is not like the entire Accounting Profession worldwide is fully aware of those implications.



Therefore, if the Cash-Basis and the two Accrual Methods (both Full-Accrual and Mixed-Accrual) are meant for Kapital and Schuld, designed for the Fractional-Reserve Banking System, and intended to be used in Double-Entry Accounting Bookkeeping, what will be the Work-Standard alternatives?

The criteria governing the Work-Standard accounting techniques are as follows:

- All sources of Arbeit and Geld gained or lost at any span of Zeit needs to be accounted for as they occur. They need to be registered as Revenues and Expenses of a National or Foreign Sector organization, be it a State Enterprise, a Social Enterprise, a Student Enterprise, or a Foreign Enterprise.
- They can be performed on all of three main variants of Arbeit and Geld in the LER and LERE Processes: Actual, Digital, and Military Arbeit and Geld.
- They must also be applicable to Enterprises able to issue NSFIs in the Kontore and receive State Investments from the Council State. Those sources need to be distinguished from the Geld that is normally allocated to the State Fund.
- They need to be able to accommodate the Economic Socialization (ES) and Solidarity Rates (SR). The Arbeit and Geld from one production process may be capable of facilitating additional sources of Arbeit and Geld in other production processes, creating a reciprocal feedback loop.
- They can accommodate the Convertibility Rate (CR), which affects the conversions of Arbeit-into-Geld, and thus used to readjust the Value of Arbeit in response to changes to the Attrition/Inaction Rate (AIR).
- Everything discussed has to be compatible with the Worksheet of Sociable Accounts, to be used by Accountants working for Economic Planners in applications of Mission-Type Economic Planning (MTEP).

Using Command-Obedience Account Bookkeeping in coordination with the Reciprocal-Reserve Banking System, there are two accounting methods worth mentioning here: the “*Life-Energization Basis Method*” (referred to from hereon as the “**LEBM Technique**”) and the “*National-Socialization Basis Method*” (referred to from hereon as the “**NSBM Technique**”).

The *LEBM Technique* and the *NSBM Technique* both follow a standardized set of operating procedures that pertain to a number of qualifying factors. Accountants are to determine which of the following procedures are relevant to their case as they will lead them to toward either the *LEBM Technique* or the *NSBM Technique*:

1. **Workflow Principle:** How much Arbeit and Geld is being contributed as Revenues and how much Arbeit and Geld were lost due to Expenses? Both LEBM and NSBM Techniques apply.
2. **National-Socialization Principle:** Are there additional sources of Arbeit and Geld beyond what an Enterprise contributes to the Life-Energy Reserve, such as State Investments, NSFIs, and Work-Tenures? *If yes, use the NSBM Technique; if no, use the LEBM Technique.*
3. **Dasein Motive Principle:** Are all sources of Arbeit and Geld exclusively Actual Arbeit and Actual Geld or does a given production process include dual-purpose applications that would necessitate large-scale contributions of Digital Arbeit and Digital Geld and/or Military Arbeit and Military Geld? *If yes, use the NSBM Technique; if no, use the LEBM Technique.*

The general idea behind the *LEBM Technique* is to record how much Actual Arbeit and Actual Geld is coming from the regular LER Process, transactional sales, and any additional secondary sources of Actual Arbeit and Actual Geld. This is meant to be contrasted with the *NSBM Technique*, which is meant to record all sources Arbeit and Geld from both the LER and LERE Processes, transactional sales, and other secondary sources of Actual, Digital and Military Arbeit.

The methodology corresponds not to the size and composition of any given economic organization but to their overall capabilities and their means of production, their Productive Forces. The more diversified and capable an economic organization is at contributing different types of Arbeit and Geld from a wide variety of sources, the more likely an accountant is going to use the *NSBM Technique* in order to properly account for everything.

The Social Rank of an economic organization within the Tournament of the VCS Economy or the SSE does provide subtle indications about which Enterprises will require the *NSBM Technique* and which ones just need the *LEBM Technique*. Enterprises with higher Social Ranks tend to correlate with increased capabilities of providing consistent Qualities of Arbeit and Geld whilst sustaining their production processes. Those with lower Social Ranks, when they are actually doing their best (based on what was discussed earlier in *The Third Place*), are not going to wield as many capabilities as the ones above them.

Note that the *LEBM and NSBM Techniques* place less emphasis on ‘When was Arbeit and Geld received or spent?’ and more on ‘Where was Arbeit and Geld received or spent?’. Instead of recording Revenues and Expenses under an allotted timeframe, both the *LEBM and NSBM Techniques* stress the need to record all Revenues and Expenses based on their “*Relevance*” and “*Reference*,” a key characteristic of Production for *Dasein*. In essence, accountants are supposed to focus on all primary Revenues and Expenses related to their production processes, followed by any and all secondary Revenues and Expenses unrelated to their production processes. Here, the “*Relevance*” concept from Production for *Dasein* comes into play whenever accountants are trying to ascertain why certain sources of Arbeit and Geld should qualify an Enterprise as fit for either the *LEBM or NSBM Techniques*.

In the next Entry, I will be combining everything that has been discussed in Section Three to discuss about the Financial Reporting process of Command-Obedience Account Bookkeeping. The goal is to demonstrate how the Accounting Profession under the Work-Standard prepares

Balance Sheets, Financial Statements, and the Worksheet of Sociable Accounts for the Reciprocal-Reserve Banking System.



Author's Symbol for Financial Reporting under Command-Obedience Account Bookkeeping. Three arrows encircle the inner ring. They represent the Arbeit-into-Geld and Geld-into-Arbeit of the State, the Totality, and the Self in Production for Dasein. Inside the inner ring, three wedges symbolize the Balance Sheet (Top), the Workflow Statement (Bottom Left), and the Income Statement (Bottom Right). The Y-junction at the center reflects the three Principles of the LEBM and NSBM Accounting Techniques. This symbol was drawn to provide an easy frame of reference serving as a visual aid for Command-Obedience Account Bookkeeping.

Financial Reporting for *Dasein* Fulfillment

Since Production for *Dasein* relies on Command-Obedience Account Bookkeeping and the Reciprocal-Reserve Banking System, it should not be too unusual to expect Financial Reporting practices specifically catering to the Work-Standard. Accountants familiarized with the Worksheet of Sociable Accounts need to be able to convey the financial data on their ledgers through one of three Financial Statements. Those Statements are referred to in Command-Obedience Account Bookkeeping as the WSA's "Workflow Statement," "Income Statement," and "Balance Sheet." Even though the latter two Financial Statements share the same names as their Double-Entry Accounting and Fractional-Reserve Banking rivals from Neoliberalism, outward appearances are deceiving. In terms of functionality, however, the WSA Income Statement and Balance Sheet operate according to Arbeit and Geld, not Kapital and Schuld.

Visualizing Command-Obedience Account Bookkeeping

If there was an appropriate symbol to convey the accounting practices of the Work-Standard, not to mention a visual aid for Accountants and non-Accountants alike, it will be this one:



The Symbol itself reflects the cycle of Arbeit contributions and Geld generations by the State, Totality, and Self under the Work-Standard. The Totality and Self constitute the State, just as the State is comprised of the Totality and the Self. This State, be it a Council State or a Corporate State, personifies the State of Total Mobilization, whose appearance marks the true withering of the old State of Natural Rights from the Enlightenment. The wedges inside the Symbol signify the three types of Financial Statements, the Y-Junction signifying the three Principles that govern the LEBM (Life-Energy Basis Method) and NSBM (National-Socialization Basis Method) Techniques within Command-Obedience Account Bookkeeping.

The State of Total Mobilization demands a new-old humanity that shall restore the balance between Self and Totality, Self and Communion, Self and Family, Technology and Nature, Tradition and Innovation, Social Rank and People's Community, Church and State, Nation and World Order. The Enlightenment's State of Natural Rights, personified by Neoliberalism, must be allowed to pass away as the very Modernity which has yet to meet its end by the onset of a true Postmodernity after the 20th century. Nothing here should seem Utopian or Dystopian, especially as humanity struggles in search of a new political, economic and social purpose in the wake of two World Wars, of which the Cold War was merely the continuation of the Second World War.

Ten Recurring Figures

As discussed earlier in *The Third Place (1st Ed.)*, in Mission-Type Economic Planning (MTEP), most Enterprises within the SSE and the VCS Economy are going to be encountering ten Figures who bear some relation to their production processes. Those are the "Civil Servant," the "Delegate," the "Administrator," the "Accountant," the "Economic Planner," the "Inspector," the "State Commissar," the "Superintendent," the "Central Planner," and the "Investor." The three Financial Statements of Command-Obedience Account Bookkeeping are designed to accommodate those ten, regardless of the type of economic organization, Social Ranks of everyone and the economic organization in question within the Tournament, and whether we are talking about a Planned Economy or Command Economy and Council State or Corporate State.

The *Civil Servants* and *Delegates* are going to need a Financial Statement that enables them to know how much Arbeit and Geld they are contributing to the Life-Energy Reserve. They will use that information to request periodic alterations to the Paygrade Scale at the State Commissariats.

The *Administrator* and the *Economic Planner* require a Financial Statement that would enable them to evaluate the overall performance of their own Enterprise. They need to know how well their Enterprise is living within its own means of production, how they are spending Geld from their State Fund, and the necessary information to request periodic alterations to the Price Scale at the State Commissariats.

The *Inspector*, *Investor* and *State Commissar* rely on Financial Statements to ascertain the Sustainability and Quality of an Enterprise's production processes. The *Inspector* routinely audits the Enterprise to ensure that the *Civil Servant*, *Delegate*, *Administrator*, and *Economic Planner* are exercising accountability and transparency within their economic activities. The *State Commissar* bears the Command Responsibility of ensuring that all Prices stay within acceptable boundaries in the interests of the Totality and the State. The *Investor* bases most of their allocations of Arbeit and Geld to the Reciprocal-Reserve Banking System, whether at the Kontore or at the National-Socialized Banks (NSBs), on information provided to them by the Reciprocal-Reserve Banking System vis-à-vis the State Commissariats.

The *Superintendent* and the *Central Planner* are not interested in the little details, convinced that this is the Command Responsibility of the others and their own. They prefer their Financial Statements to give them a comprehensive overview of all economic activities across the VCS Economy and the SSE.

In essence, everybody is counting on the *Accountant* to ensure that their financial ledgers are up-to-date and always recording when possible the known Qualities of Arbeit and Geld from all economic activities. Remember, only economic activities attached to a designated Domain within

the Work-World is allowed to be contributing Arbeit and Geld to the Life-Energy Reserve. Anything outside the Domains of the Work-World will be considered illegitimate and therefore subject to scrutiny by the police and the courts.

While studying the three Financial Statements, pay attention to the details, and decide for oneself which one of the three Financial Statements matches the descriptions described above.

Types of WSA Financial Reports

WSA Workflow Statement

Opening Balance at Start of Fiscal Year (FY)

**Workflow from
LER/LERE Processes**

**Arbeit-into-Geld
Activities**

**Workflow from
Transactional Sales**

**Geld-into-Arbeit
Activities**

**Workflow from
NSFIs & SIs**

**National-Socialization
Activities**

**Increase/Decrease in Life-Energy Reserve
Closing Balance at End of Fiscal Year (FY)**

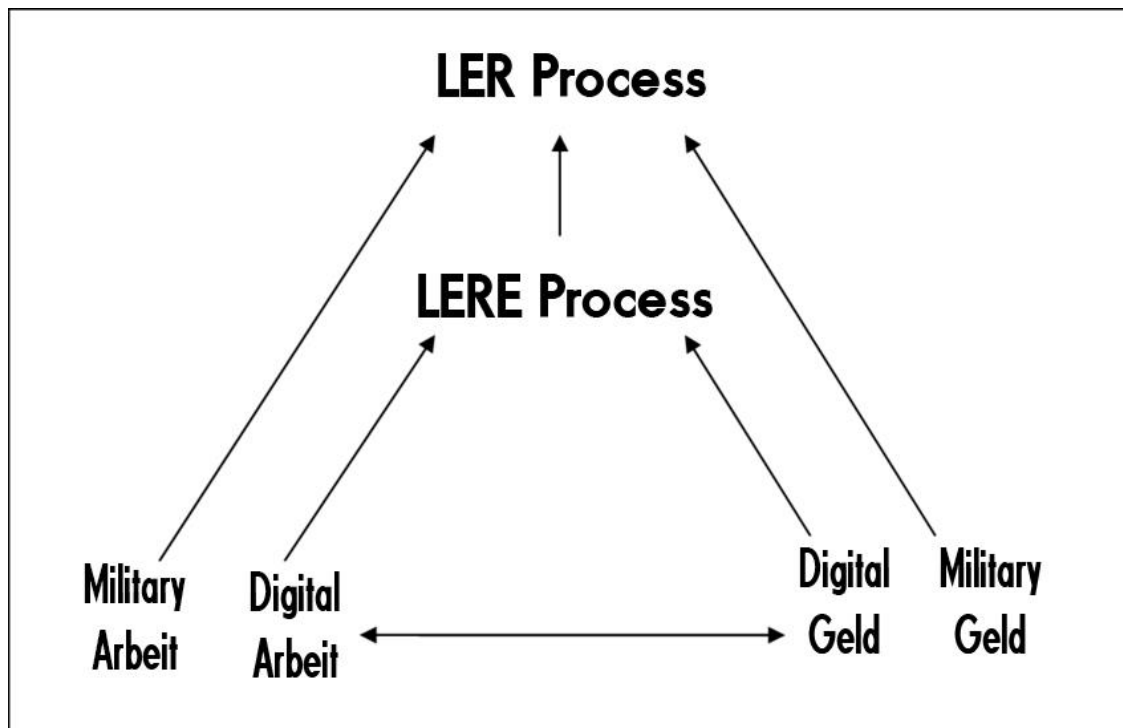
The *Workflow Statement* describes all of the known sources of Arbeit and Geld associated with a given Enterprise. Every conceivable source is to be consolidated and organized into one of three categories:

1. **Arbeit-into-Geld Activities:** Arbeit and Geld from Production Processes.
2. **Geld-into-Arbeit Activities:** Arbeit and Geld from Transactional Sales.
3. **National-Socialization Activities:** Arbeit and Geld from NSFI's and State Investments.

A *Workflow Statement* also features information that takes into consideration the movements of Arbeit and Geld both within the Enterprise and without. Note that the production processes of certain Enterprises are intended to ensure that other Enterprises are able to create Arbeit and Geld from their own economic activities. There may be circumstances where the Enterprise may issue Fiefs and Work-Plans, two very common types of NSFI's, to Investors, enhancing their overall Workflow.

Another feature not found in the other two Financial Statements are distinctions between the six main types of Arbeit and Geld discussed earlier in this Treatise. If an Enterprise is contributing more than just Actual Arbeit and Actual Geld, the Workflow Statement is designed to include sources of Digital Arbeit and Digital Geld as well as sources of Military Arbeit and Military Geld. Sources related to the former originate from the National Intranet, whereas those pertaining to the latter stem from the Military-Industrial Complex.

It even includes the Opening Balance and the Closing Balance for a given Fiscal Year (FY). Any changes in the contributions of Arbeit and generations of Geld between the beginning and ends of the Fiscal Year are to be accounted for. The Closing Balances of all Enterprises form the final sum of the Closing Balance for the actual WSA itself, which is equal to the Final TPP Value.





The *Income Statement* outlines all of the known sources of Revenues and Expenses for an Enterprise. Similar to the *Workflow Statement*, the *Income Statement* is formatted into three categories:

1. **TPP Account:** The overall Revenues and Expenses of a given Enterprise.
2. **LER Account:** Revenues and Expenses from economic activities.
3. **SI-EF Account:** Revenues and Expenses required for production processes and transactional sales, followed by Revenues and Expenses from outside of an Enterprise's production processes and transactional sales.

It tracks how much of the State Fund must be spent on sustaining the production process and transactional sales as well as any Geld received from them. Additional information pertaining to how much Geld is being allocated toward Essential Costs and Non-Essential Costs are also included here as well. The purpose of this Financial Statement is to provide a detailed summary of where and how a given Enterprise obtains its Geld and how it spends that Geld. With that sort of

information, one could draw inferences about the Sustainability of the production process and Quality of Arbeit based on that data.

The layout is based on the WSA format for ease of reference and relevance to those who may require that information to make decisions involving the Enterprise in question. One could even draw some well-informed conclusions about its performance among the Social Ranks of the Tournament and how well it compares to other Enterprises within its affiliated Industry and Economic Sector. Pricing data could be drawn from the Income Statement relative to the Attrition/Inaction Rate (AIR), the Mechanization Rate (MR), the Economic Socialization (ES) Rate, and the Solidarity Rate in terms of the Scale and Scope of its production process (SR_1 and SR_2 respectively).

WSA Balance Sheet

Total Balance	TPP Account
	LER Account
	SI-EF Account

Compared to the other two Financial Statements, the Balance Sheet is a generalized summarization of how an Enterprise contributed Arbeit and Geld to the Life-Energy Reserve, how much it receives from transactional sales, and how much it of its Arbeit and Geld comes from NSFIs and State Investments. All of the known Revenues and Expenses are consolidated into two sets within three categories pertaining to the three main WSA Accounts:

1. **TPP Account:** The overall of Value of Income that an Enterprise receives from all sources of Arbeit and Geld, how much it has to allocates toward Essential Costs, how much it allocates toward Non-Essential Costs, and how much it receives in Revenue throughout a given Fiscal Year (FY).
2. **LER Account:** The Value of Arbeit and Geld from Production Processes and Transactional Sales, and all known Expenditures associated with each.
3. **SI-EF Account:** The Value of Arbeit and Geld from NSFIs and SI-EFs, and all known Expenditures associated with each.

The Value of the Total Balance in a *Balance Sheet* should be equal to the Closing Balance within the *Workflow Statement*. The Value of all Revenues and Expenses should also be equal to their corresponding Values within the *Income Statement*. Other sources of Revenue and Expenses, such as damages, thefts, wartime or peacetime losses, and so forth must be accounted for as well.

The *Balance Sheet* will not be able to make distinctions between Actual Arbeit and Actual Geld, Digital Arbeit and Digital Geld, and Military and Military Geld. The combined Values of these types of Arbeit and Geld are consolidated into two separate Values, one for Arbeit, the other for Geld.

Conclusion: Auditing the Auditors

Who audits auditors, if not accountants?

Everyone in the Western world and elsewhere knows that the Liberal Capitalist have been espousing their versions of “freedom” and their “democracy” since 1945. What everyone should realize is that there is no single definition of “freedom” and “democracy.” Different conceptions of “freedom” and “democracy” have existed and will continue to remain open to those who seek them. Political Science, what is in final analysis “*Political Statecraft*,” was originally understood to be an Artform to blaze new paths. Any true opposition to Neoliberalism demands revolutionary proposals to replace its paradigms of Political Liberalization, Economic Liberalization, and Social Liberalization.

Nowhere is this phenomenon more apparent than in the concept of “Technology.” No Technology should ever be understood in terms of machinery and software. It must always be understood as a ‘Technique’, a way in which something could be achieved by someone. A political scientist is in the best position to provide the knowledge base for others to develop the Techniques of any proposed Technology.

The same logic applies more so within Accounting, as there are no philosophical or theoretical concepts and ideas to impart. The search for the true Value mathematically coincides with a concurring search for the true Etymology—the historical meaning—behind whatever numbers are recorded as the Value. In Accounting, it has always been the accountants who record and process the transfers of currency on financial ledgers, their handiwork evaluated by auditors who enforce transparency and accountability.

The Liberal Capitalist conception of Accounting, building upon past experiences between the discovery of the Americas and the Enlightenment, only realized its contemporary incarnation experiences in the 20th century as a result of the Great Depression and the two World Wars. The perceived dynamism of Economic Liberalization—the ‘Capitalism’ in Liberal Capitalism—throughout the late 20th century was the result of Liberal Capitalist developments in the Accounting Profession.

To those who have advocated for any ideology other than Neoliberalism, ask oneself this important question: has one ever stopped to challenge the grand narratives of the statistics provided by Liberal Capitalists? Thanks to the Liberal Capitalists’ “*International Accounting Standards (IAS)*,” developed after the Death of Bretton Woods and later replaced by the “*International Financial Reporting Standards (IFRS)*,” anyone can posit reasonable arguments in favor of the Market/Mixed Economy and the Fractional-Reserve Banking System. The statistical data itself was collected by accountants using the Double-Entry Account Bookkeeping System and made available to Liberal Capitalist economists and political scientists.

One could even contextualize the data on some skewed moral plane to claim how “Liberal Capitalism has made more nations freer and wealthier than other ideologies” or why “Liberal Capitalism is more dynamic and competitive compared to other ideologies.” That in turn might dissuade others from even bothering to try and to propose alternatives to Neoliberalism. One ought to know better after reading this Treatise. It is quite naïve to fall for such drivel, especially after realizing that the Double-Entry Account Bookkeeping System is based on a very old propaganda

weapon from Ancient Rome to flaunt the economic and financial firepower of the Ancient Romans. Think about it: how does a propaganda weapon end up becoming the basis behind Liberal Capitalist accounting practices? Is it also odd how far too many conceivable alternatives to Neoliberalism, from Social-Democracy to Cryptocurrencies, have at one point or another been coopted by the Liberal Capitalists?

It bears mention that the Liberal Capitalist accounting standards have been designed to operate regardless of whether a Liberal Capitalist regime is running on Production for *Profit* or Production for *Utility*. The accounting standards themselves are indiscriminate toward those two Modes of Production. One could nationalize every Enterprise and Industry, nationalize the Financial Regime and eliminate the Financial Markets, impose wage and price controls and trade barriers on behalf of the labor unions, levy countless taxes and regulations. One could even provide free healthcare, education, housing, and transportation. But in the end, one will always remain within the Liberal Capitalists' grasp in Production for *Utility*. It is also where the Social-Democrats failed in the 1970s and where today's so-called "Democratic Socialists" are constantly at risk of repeating over and over.

Production for *Utility*, when it was conceptualized by Liberal Capitalists, is not designed to exist without Production for *Profit*. The former was intended to curb the worst excesses of the latter in exchange for curtailing certain economic freedoms in the name of economic security. Think of those two Modes of Production as being no different than a faithful elderly couple who fell in love during childhood. Sure, there may have been some complications in their relationship, yet the marriage remains unbroken despite the many ideological rivals of Neoliberalism. For the ideological rivals of Neoliberalism, their relationship is comparable that of a woman unable escape an abusive relationship because she simply could not be bothered to think for herself.

"Public Finance" or "Political Finance?"

The Accounting Profession in general is hardly apolitical. Like any other Profession, the Accounting Profession can be influenced by the force of a political-economic ideology. Every facet of economic life in the State of Total Mobilization depends on Theory of Value and a corresponding Theory of Money. Without them, the Accounting Profession is incapable of ascertaining the true Value, let alone its true Etymology.

The overarching purpose of the Accounting Profession is to provide the necessary financial data for others outside the Accounting Profession to make appropriate decisions regarding a given currency. Every search for the true Value ends with the decision to begin allocating currency toward a particular goal. The 'How' goes farther than in terms of 'how much'. Another aspect pertains to how the currency was spent and what came about as a result of that decision.

Here, the concept of "Public Finance" takes on a whole different meaning. "***Political Finance***" becomes the means by which currency is gathered, allocated, and spent in a cyclical manner. The Work-Standard offers the Self and the Totality the newfound ability to become far more than just a taxpayer and a voter, a producer and a consumer by striving to harness the full potentiality of the State of Total Mobilization itself. Aside from deciding who should govern on their behalf and what is required for the nation, the Work-Standard also provides them with another ability: to provide the necessary framework to decide how to live their own lives both fiscally and personally within the State of Total Mobilization. The concept of "Fiscal Responsibility" has become Command

Responsibility, and the Totality and Self are both responsible for what happens to their State, just as their State is likewise responsible for what happens to them.

In Production for *Dasein*, the Accounting Profession takes on an entirely different conception under the Work-Standard. Backed by distinct accounting practices and techniques, an Accountant will be able to exercise their Legal Duties and Legal Rights for Arbeit and Geld as opposed to Kapital and Schuld. Different techniques require different technologies. Never pour new wine into old wine bottles.

Appendix



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Postmodernity and Rise of Social Communion

Yesterday's latest Entry of *Work-Standard Accounting Practices*, "[Managerial Cost Accounting](#)," showcased two accounting methods associated with Eugen Schmalenbach. Schmalenbach was a well-known German economist within German academia who is unknown nowadays, even though his contributions to accounting had gone on to influence the economic organizations of the European Union (EU) and the Council of Mutual Economic Assistance (CMEA). He was also influential in the accounting practices of the German Reich in the early 20th century. Yet his brother, Herman Schmalenbach, is far more obscure as his existence was oftentimes recognized in passing footnotes and his contributions to the German *Konservative Revolution* supplanted by its more well-known members. Most of his bibliography remains untranslated, with the last major English translations done nearly half a century ago in the late 1970s.

While researching Eugen Schmalenbach, I dug deeper into the background of his brother, whose works were especially critical of the prevailing early 20th century German sociologists such as Max Weber and Ferdinand Tönnies. Herman found the modernist, rational social structures in Weber's descriptions of the modern world to be alienating, while he deemed the "*Gemeinschaft-Gesellschaft Distinction*" of Tönnies to be too restrictive to account for why there can be disagreements among members of a *Gemeinschaft*. Both criticisms were directed in favor of an entirely different conception of the Individual, the Self, that would become relevant to discussions of Postmodernity towards the end of the 20th century.

The rise of Modernity, in spite of giving paramount importance to the Self, has instead created the conditions for social alienation, atomization, and exclusion from the Totality. For what is the "Totality" if not the combined will of an entire nation and its religious congregations, people's communities, social ranks, professional councils and guilds, political parties and economic organizations, communities of families, and others? If the Totality is not a "Civil Society" in the sense that it does not represent a formless mass of individuals bound to a shared Social Contract between Private Citizens and Parliament, what would further distinguish it from the "National Community" that is meant to be embodied by the term "Volksgemeinschaft?"

Based on the available information that I have gathered on Herman Schmalenbach, I reached some important conclusions akin to a missing link between *The Third Place* and *Work-Standard Accounting Practices*. In essence, the Totality is only as strong as the social bonds of the social groupings that constitute the Totality. What binds the Self to any one of those social groupings is of course the "**Bund**," which has several connotations in German such as "federation," "league," "band," and "union." The specific definition that Schmalenbach chose in this particular conception of the "**Bund**" is "**Communion**." For the rest of this post, I will be referring to the *Bund* as a Communion.

The *Bünde* for Schmalenbach represents a Communion whose members are bound to a shared identity, interests, values, and perspectives. They are comprised of Selves drawn from every conceivable part of the Totality. Such Communions differ from that of, say, a "Subculture" in that it is an authentic and voluntary gathering uninfluenced by external factors. In fact, the search for a sense of self-identity and belonging is integral to the formation of a Communion. The concept of Federalism, like in American or German Federalism, is a political formation of the Communion. Even Hamiltonianism itself unconsciously recognized this implication when it advocated for the Constitution and the necessity for America to become "these United States" in *The Federalist Papers*.

Some notable examples of Communion also exist in the digital realm. In the 2020s, one might be inclined to think of the various Discord servers and Subreddits as digital manifestations of the Communion. Twenty years ago, one might have also said the same thing about the discussion boards and chatroom groups where people once established online communities that rose and fell over the years. The Communion is only as strong as the dedication of its members. Anyone who joins a Communion is expected to support the Communion in some way or another. At the very least, it involves adherence to its values and contributing to its longevity. In return, the Communion provides them with rooted sense of self-identity.

But between the current state of Federalism as a genuine ideology in itself and the rise of social media applications, the growing prevalence of such Communion for Schmalenbach signify the early signs of a period after Modernity. Instead of referring to it as “Postmodernity” like Foucault, Habermas, and others near the end of the 20th century, Schmalenbach as early as 1922 was talking about a “*Late Period*.”

“The late period ultimately follows the modern period. *The modern period is very gradually (again, not continuously) transformed into it. Only the most outstanding of its earliest marks evidence to us its emergence.* Yet antiquity provides the insights [...]. The world economy and world trade of the world empire, for which the age of society has provided the formative conditions, have meanwhile meshed together in greater and greater degree all the peoples of the Earth. *Torn from every mothering environment, individuals wander homelessly through the cities of the world: the amorphous mass of a chaotic amalgam of people formed out of atomised, pulverised individuals, who, however, are held together less and less by the society code of honour and who are set against one another in cold isolation. Moreover, they are uprooted mentally and psychically, no longer satisfied by the rationality of the systems, driven along by the boredom from their desperate frustrations to ‘something else’ which manifests itself in avid religious desires [...]* A principled exoticism and an arbitrary modernism are combined, and the mishmash is brewed as a religious syncretism [...] *In this way hearts are merged in the blissful sobbing of salvation found in brotherhoods and cults of all kinds, frequently to be reduced in a short time to flotsam and cast out in other directions – where they find similarly harassed souls in this over-populated world with whom they can join together in other communions [...]* Status groups are split asunder. The people are mixed together as they experience the highest raptures of the heart, uplifting inspiration, and sacrificial surrender, even in the same minds and at the same time. Yet whether positive or negative, these experiences are all smoldering surges of feeling, affective-emotional – the mentality is communionlike and the associations are communionlike.”

I have no idea if people realize this or not, but the above text would not be too out of place if it was written anytime within the last half century. What Schmalenbach was describing as early as 1922 was the early beginnings of Postmodernity.

“The comrades of Communion [Bund] have nothing at all to do with one another in the beginning. *The Communion is originally established when they meet each other [...]* The experiences that give rise to Communion are individual experiences. *While it appears here that the communion is closer to Society [Gesellschaft], it approaches Community [Gemeinschaft] after it has been established.*”

Put another way, the loss of Community in the State of Total Mobilization, whether by Civil Society or by the Totality, is compensated by the sheer ease by which Communions can be readily established. People can now communicate with each other across vast distances and collaborate as members of a Communion. However, such Communions do not always come into being because people will not always know that they exist or have yet to be established. When they are established, they will only be sustained by the people who affiliate themselves with the Communion.

Is the Totality defined as the collection of various social groups whose connection to the Self is through Communions between themselves and the Self? Are there Selves within the State of Total Mobilization who are creating their own Communions, coming and going over the years? Would this be a practical sociological model to understand contemporary political life in the 21st century?

Economic History Case Studies: Smithian-Burkean Definitions of Kapital (1790s-Present)

[What caused the accounting standard of the Soviet Union and Eastern Bloc countries to pursue Adam Smith's conception of the Labor Theory of Value \(LTV\) instead of the one espoused by Karl Marx?](#) It is true that Marx's LTV is derived from Smith's version, but the Marxist interpretation remains strictly grounded in Marxist Theory. Could it be that there was something within the history of LTV that remained virtually unknown to the Soviets and Eastern Bloc countries? If so, does it have something to do with a point of contention between Adam Smith and Edmund Burke over the roles of Kapital and Schuld inside the Market that drives a Market/Mixed Economy? Is this the 'proverbial smoking gun' that definitively demonstrates why Soviet applications of LTV end up resembling the Smithian version than the Marxist version in practice? And is it possible that this might even explain why Fascism and Pan-Germanic Socialism were not as successful at creating their own equivalents?



Adam Smith (Left) and Edmund Burke (Right)

In the late 18th century, at the height of the Enlightenment, a point of contention did emerge in the writings of Smith and Burke. The most proper way to approach these questions from the standpoint of the Work-Standard is to evaluate them based on specific topics.

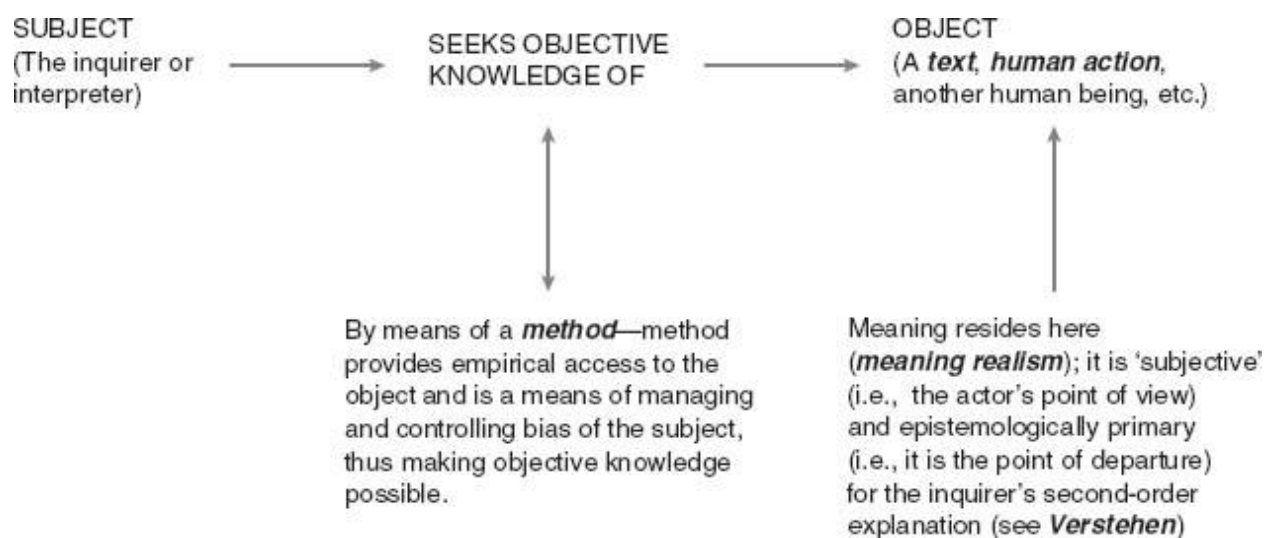
All conceivable forms of Kapital are created by Labor (or 'Labour') and understood in reference to either a laborer or else a group of laborers. Labor is beholden to Kapital and Kapital is beholden to Labor insofar as Labor represents people and Kapital representing items with Value.

Unlike the Work-Standard's Arbeit and Geld, where the emphasis is placed on the actions taken to create something and their subsequent outcomes, Labor and Kapital are meant to be understood as "Subject" and "Object" respectively. Here, the "Subject/Object Duality" related to the "Mind-Body Problem" from [Applications of Reciprocal Theory of Value and Work Theory of Money \(Pt. I of II\)](#) becomes apparent.

Labor represents the “Subjects” of a Civil Society tasked with creating “Objects” for another “Object.” If the “First Object” is Kapital, then the “Second Object” is either the Market (Read: ‘Private Sector’), the Parliament (Read: ‘Public Sector’) or both like in the contexts of Public-Private Partnerships (P3s), Government Contracting and Subcontracting, Income Taxation, Collective Bargaining, and so forth.

Simply put, a “Subject” (Labor or Private Citizen) creates an “Object” (Kapital from Commodities or products and services) for another “Object.” In Production for *Profit*, that Second Object is the Market/Mixed Economy and the Fractional-Reserve Banking System; in Production for *Utility*, the Second Object will also include Parliament. It is fashionable among Liberal Capitalists to assume that Civil Society exists somewhere between the Market/Mixed Economy and Fractional-Reserve Banking System.

There are only three terms applicable to this discussion: the *Subject*, *First Object*, and *Second Object*.



All the key distinctions between Adam Smith and Edmund Burke begin and end with ascertaining the Value and Price of the *First Object*. Smith believed that the Value and Price of the *First Object* are distinguishable from each other, whereas Burke argued that the Value and Price of the *First Object* are equal to each other.

The contention over the Value and Price of the *First Object* is due to disagreements over who or what should determine the Value and Price. Smith claimed that the *Subject* decides the Value and the Price at which the *Second Object* is going to spend on the *First Object*. Burke insisted that the *Second Object* dictates the Value and Price of the *First Object*, the *Second Object* wielding enough power and authority to convince the *Subject* to follow along.

Smith believed that the *Subject* has its own Value and Price—its own “Exchange-Value,” thereby necessitating the existence of a Theory of Value, hence the Labor Theory of Value (LTV). In essence, the *Subject*’s ability to create the *First Object* in any fixed set of Quantities should be readily factored into its Value and Price for the *Second Object*.

Burke questioned such notions, thinking that the *Subject* is not supposed to wield such authority over the *Second Object* when deciding on the “Exchange-Value” of the *First Object*. Put another way, the “Exchange-Value” of the *Subject* is merely an extension of the *First Object*’s dependence on the *Subject*, which is tasked with creating it for the *Second Object*.

The relationship between the *Subject* and *Second Object* with regard to the *First Object* occurs at the Market, regardless of whether we are referring to the Private Sector or the Public Sector. Smith argued that the transactional sale does not always need to be ascertained on any conceivable moral plane in terms of an Absolute Good and an Absolute Evil (as opposed to Nietzschean notions of Good and Bad). Burke believed that every transactional sale should always be ascertained on a moral plane of Absolute Good and Absolute Evil.

The very notion of ascribing a moral plane to the transactional sale between the *Subject* and *Second Object* over the *First Object* informs Smith and Burke’s understandings of how the *First Object* is encountered in the Market under the Incentives of Supply and Demand. In economic life, Smith argued that the *First Object* has primacy over the *Second Object*, whereas Burke insinuated that the *Second Object* should not infringe on the primacy of the *First Object*. Smith thought the *First Object* is beholden to the *Subject*, while Burke maintained that the *Subject* and *Second Object* are equally beholden to the *First Object*.

What I just described is the most fundamental point of contention within any discussion of Economics and Finance. The real difference is that I am describing it in a Liberal Capitalist context and then scrutinizing it with the Work-Standard. Smith postulated that the Private Citizen creating Kapital should dictate its Value and Price for Civil Society and Parliament. Burke articulated the direct opposite: the Value and Price Kapital are dictated by Civil Society (which we can assume to be the Market/Mixed Economy and Fractional-Reserve Banking System) and Parliament.

Smith was inclined to think that the Private Citizen, as a creator and owner of Kapital (and by extension, Schuld), should exercise their power to decide how they spend Kapital and how they in turn earn Schuld. Their ability to create Kapital and Schuld compel them to decide what happens in Civil Society as an employee of a privatized commercial firm and in Parliament as a taxpayer. Civil Society and Parliament are therefore beholden to the will of a Private Citizen with more Kapital than the next Private Citizen. Burke, on the other hand, insisted that Kapital is beholden to neither the Private Citizen nor Civil Society and Parliament inasmuch as all three are in reality beholden to Kapital.

Furthermore, since the very concept of Kapital is inseparable from the concept of the Market, Burke believed that it was the prerogative of Civil Society (Read: the Market/Mixed Economy and the Fractional-Reserve Banking System), not Parliament, to decide the Values and Prices of Kapital for the Private Citizen. Smith questioned those assumptions, favoring the prerogative of the Private Citizen to decide the Values and Prices of Kapital for Civil Society because Kapital thoroughly dominates Parliament in its fiscal and monetary policies.

In Burke’s understanding of the Value and Price of Kapital, we find a point of contention coexisting with the already established point of contention between himself and Smith. On the one hand, there is the belief that the Value and Price of Kapital should only be decided by those who own Kapital themselves. It is complimented by a concurring belief that the Market will recreate the social order not along the lines of Subjects and Monarchs, but of the “Wealthy” and the “Poor.”

Of course, Burke regretted entertaining such ideas towards the end of his life for Intents that are beyond the focus of this Entry.

Yet we find the seeds of discontent that would later become apparent in other forms of Economics after the late 18th century. Marxist Economics questioned why those with more Kapital should exercise greater political power over those with less. Feminist Economics criticized why Kapital from certain economic activities done mostly by women do not carry the same authority as those done mostly by men. Ecological and Environmental Economics sparred over where exactly Kapital exists in the relationship between Nature and humanity. Other ideologies like Pan-Germanic Socialism (however flawed its own analyses are) scrutinized why humanity should even be beholden to the very logic which govern Kapital and Schuld.

The dynamics of Kapital and Schuld within a Market in Production for *Dasein* do not exist, replaced by the dynamics of Arbeit and Geld within a Tournament. Under the Work-Standard, the Self and the Totality do not arbitrarily dictate the Values and Prices of Arbeit and Geld and expect the other to blindly accept them. Incidentally, it is because of this particular fact that any conception of currency operating on “Full Faith and Credit,” a Fiat Currency (as exemplified by Modern Monetary Theory, MMT, or the Post-Bretton Woods Debt Standard), becomes inconceivable. That is why there is no such thing as a “Sociable Fiat Currency” or why the Arbeit and Geld should always be gauged in terms of their Quality as opposed to their mere Quantity.

The Self and the Totality have to come to a binding agreement on what the true Value and true Price for this Equipmentality or that product and service should be. To ensure that everyone acts in good faith and not double cross each other, the State implements that binding agreement at the State Commissariats of Wages and Prices, the binding agreement itself enforced by the Rule of Law at the Councils (for Actual Arbeit and Actual Geld), the Social Forums (for Digital Arbeit and Digital Geld), or the Tribunals (for Military Arbeit and Military Geld).

Meanwhile, the Tournament in Production for *Dasein* is focused on the best Quality of Arbeit for the least Quality of Geld. Even here, the Self and the Totality still need to decide on how they will be judging their Values and Prices under a functioning Council Democracy. Only with an agreed upon legal framework can the Self and Totality be able to make value judgments about which Enterprise performs better than the next Enterprise or vice versa.