PROPOSAL FOR A NEW EUROPEAN MONETARY SYSTEM

Argument for a New System of Money Creation

1. Problems of the current system
    1. Debt creation:

        The current system is based on debt creation, which creates a significant economic and social burden on society.

    2. Private and non-public control of money:

        Money creation is controlled by private financial institutions that profit from debt interest, creating a conflict of interest.

    3. Lack of transparency:

        Money creation is opaque and not subject to effective democratic control.

    4. Inefficiency:

        The current system is inefficient, as money creation is used to pay interest on debt rather than to finance real social and economic needs.

Proposal for a new system

Our proposal seeks to change this paradigm and create a more just, ecological, and efficient system. To achieve this, we propose the following basic ideas:

1. ECB Independence:
   The ECB would be independent of private entities and would report solely to the European Parliament.
2. The ECB must be a verifiable non-profit entity.
3. The ECB as the sole creator of money:
   The ECB would be the sole creator of money, allowing for effective democratic control over money creation.
4. Destinations of the money:
   The generation of money would have only two purposes and would be produced exclusively by the ECB: General and state financing:
    1. Financing of states:
       The ECB would create the money that states need, allowing them to eliminate state debt and reduce the tax burden on citizens, even eliminating all state taxes.
    2. General financing and money tax:
       The money created by the ECB for general financing would be subject to a tax on the money itself, proportional to the tax status of the borrower, which would allow the money to be taxed instead of individuals, companies, or states. Those who pay more for the money would be those whofurtherwealth have and would pay to obtain it.
    3. Se will establishmechanisms to avoid theaccumulationof insolidary and unsocial wealth.

    1. Expiration mechanisms in the form of taxes on non-circulating money.
    2. Expiration mechanisms on money inparadisesprosecutors andorigins illicit
4. Elimination of state taxes:
   The states do notneedof taxes to finance themselves, which would reduce the tax burden or even make it unnecessary for citizens and businesses.

5. **Advantages of the new system**
    1. Elimination of state debt:
       Money creation by the ECB would make it possible to eliminate state debt and reduce or even eliminate the tax burden on citizens.
    2. The creation of money is not so different from how it is done in the current system where money is created virtually based on the request and creation of other people's debt by private banking entities, what is different here is that the ECB is sovereign over the creation of money and becomes independent of the banks, the states directly receive the money they need and the taxes on it.thepeople, companies, entitiesthey returnunnecessary since they are no longerit would dependstates to finance themselves through taxes.
    3. Reduction or even elimination of the tax burden:
       Eliminating state taxes and taxing money would reduce the tax burden on citizens and businesses.
    4. Greater transparency and democratic control:
       The new system would allow for effective democratic control over the creation of money and the management of the economy.
    5. Greater efficiency:
       The new system would allow for greater efficiency in money creation and economic management, as the money created would be used to finance real social and economic needs.
6. **Summary**
   Our proposal seeks to create a fairer, greener and more efficient system for money creation, which will eliminate state debt, reduce or even eliminate the tax burden and promote effective democratic control over the economy and thecreationof money.

PROPOSAL FOR A NEW MODEL OF MONETARY CONTROL AND TRANSPARENCY OF THE ECB

Executive Summary

The fundamental objective of this proposal is to transform the European monetary system, making it more transparent, fair, and equitable. We seek a model in which the European Central Bank (ECB) acts as the guarantor of fundamental rights and promoter of social cohesion, through the direct creation of money to meet the needs of states and citizens, without intermediaries or interest rates.

This system will guarantee financial stability, reduce economic inequality, and promote sustainable economic growth.

Fundamental Principles

1. **Transparency and accountability**:
   The ECB and European financial institutions must be transparent in their management and accountable only to the European Parliament and the public.

2. **Justice and equity**:
   The monetary system must be fair and equitable, ensuring that all states and citizens have access to the resources necessary to function and prosper.

3. **Sustainability and responsibility**:
   The use of funds must respect environmental sustainability and promote social cohesion, under democratic control and ongoing review.

4. **Independence and sovereignty**:
   The ECB and European financial institutions must be independent and sovereign, without influence from private or foreign interests.

Proposal

1. **Control of money and prohibition of private banks from intervening in monetary creation**:
   The ECB will create money directly to meet the needs of states and citizens, without intermediaries or interest rates.

   1. The ECBwill do itautonomously without pressure, without intervention, or pressure from private banks or lobbies.
   2. The ECBonlywill answer to the European Parliament.

2. **Transparency in the management of the ECB**:
   The ECB's management committee must hold all its meetings and decisions publicly and with free and transparent access.
3. **Control and responsibility in the creation of money and social needs**:
   The ECB is responsible for creating the money that states need to function, including during the transition period.
4. **Taxes on non-state money and the fight against tax evasion**:
   The ECB will tax the money requested directly, withholding a portion as compensation for the progressive tax based on the applicant's wealth or tax return.

   There will be mechanisms for the expiration of money in the form of taxes on non-circulating money, on money in circulation.paradisesprosecutors and othersorigins illicit

In this way, the resulting circulating money will already have its taxes at source and itsmanagementAntisocial and speculative activity can be brought under control. It's about taxing money, not people or things.

5. **Solidarity in additional contributions to Member States**:
   Under a mandate from the European Parliament, the ECB may create funds for additional financial contributions to a Member State in the event of catastrophes or unavoidable requirements of a temporary or urgent nature.
6. A state that does not subscribe to or manage the money received from the ECB for these founding requirements may be sanctioned or even expelled ifactsantisocially, antiethics, anti empathetic, in a wayxenophobic, if you do not use the resources for what was agreed, if it contradicts the principlesdemocratic, if it violates human rights, ifdrift he moneyreceived or requested for unauthorized purposes.
7. A binding constitution will be established for the ECB itself and will markalsofor states the obligation to collaborate with the ECBguaranteeingthe good use of the money received.
8. **International solidarity between non-member states**:
   As in point 5, the ECB may create and provide funds for pro-humanitarian investments or aid to non-member states for their development, always under the mandate and supervision of the European Parliament.
9. **ECB's power over the currency**:
   The ECB will have full authority to define the currency's value, as well as to eliminate it, create an intermediate currency, modify it, set its expiration date, or withdraw it when necessary.
    1. With this powersubject to the mandateparliamentarian will be able to destroy undeclared money of illegal or fraudulent origin.
    2. The emergence and equivalence of money of dubious origin may be negotiated.
    3. End tax havens.
10. **Reduction and elimination of indirect taxes**:
    They will be progressively reduced, evensuppressindirect taxes as tax statements are no longer required for their financing.
11. Prohibitions to ensure theequityof the system:
    1. Eliminate any possibility of manipulation of the monetary system.
    2. Ensure that no actor can benefit from hidden vulnerabilities or functionalities.
    3. Prevent undemocratic control of monetary mechanisms
12. **Privacy but with transparency and accountability**:
    The right to privacy is guaranteed, but this does not serve to avoid accountability to society.

In cases of manifest and proven embezzlement, fines and the names of the fraudsters may be made public.

13. **Currency as a common good and fundamental right**:
    Currency will be considered a common good intended to guarantee fundamental rights; therefore, it cannot be used for illegal activities, especially those that constitute a clear violation of human rights.

14. **Social and ecological function of money**:
    The money will be used to respect environmental sustainability and promote social cohesion.

15. **Continuous democratic oversight of the monetary system**:
    The European Parliament will maintain ongoing oversight of the monetary system to ensure its alignment with human rights and social justice.

16. **Technological independence and digital sovereignty of the monetary system**:
    The monetary and economic management system under the control of the ECB must guarantee the technological sovereignty and digital independence of its control and management tools and platforms, which must be open source and have cryptographic and security guarantees that prevent manipulation.

    They must be controlled and managed by the ECB itself, with no involvement except for technological advice from external IT companies.

    Prohibitingany pressure or manipulation.

    Technological advice requested by the ECB's IT team will be permitted, provided that the rules of independence, open source, and non-proprietary use are scrupulously respected.

    It is therefore strictly prohibited:
    i. All proprietary software
    ii. Any software whose code is not fully verifiable
    iii. Software that cannot be audited by the ECB and independent technical bodies.

    Failure to comply with thesoftwarewill be severely punished with:
    i. Fines proportional to the potential damage caused
    ii. Criminal liability for offenders
    iii. Permanent disqualification from operating in the European financial system

17. **Universal economic education and free access to financial knowledge**:
    The obligation of Member States and the ECB to promote universal economic education is established.

Conclusion

This proposal seeks to transform the European monetary system, making it more transparent, fair, and equitable. We hope that this proposal will be considered and discussed by the European institutions and citizens, with the aim of creating a fairer and more sustainable monetary system for all.

IMPLICATIONS

1. **For banks**:
    1. They would be excluded from state financing and public debt, as the latter would be extinguished.
    2. Banks would be prohibited from influencing the decisions and management of the ECB.
    3. The bankswill continuehaving the capacity to distribute the general money created by the ECB but with these conditions:
        1. Never for the states (end of public debt)
        2. An express prohibition on tax collection would prevent states from levying taxes and debt, as states would be self-financed by the ECB.
        3. They dependECB banks continue to create debt as before, under the premise that this debt will be money created by the ECB as "general, non-state-owned money."
        4. The money generated by the ECB and managed by the banks would be subject to strict conditions of use, management and control: commissions and management fees for the work of the banks as management and use expenses would not be included.will resonateon petitioners of debt or money.
        5. The banks would negotiate with the ECB to receive payment for their work and services.
        6. Banking outside of its business and resourcesacquiresconditions of use for money from the ECB and the recipient of the money has been determined, the money from the ECB must meet the following conditions:
            1. Non-profit use for client dealings would be the ECB's responsibility to set the cost of dealings, monitoring, and collaborating with banks.
            2. Absence of taxes.
            3. Fixed management fees agreed upon with the ECB, which would be borne by the European Central Bank (ECB) itself and not by the money requester or the bank.
        7. Tax on one's own money:

    1. This tax would be applied based on the applicant's tax wealth and would be a direct tax on the applicant's own money.
    2. The tax collected by the bank would be returned to the ECB and would be used to distribute wealth, as the ECB is prohibited from acting as a for-profit entity.
8. From this tax it follows that:
    1. The richer you are, the more expensive your financing will be.
    2. The cost of any financing will be directly proportional to its size.

9. The tax will not be on things, nor on states, nor on companies, nor will it be on consumers; instead, taxes will be levied on money itself.

10. The money in circulation will have already paid its taxes, but it remains under the control and supervision of the ECB. This means the end of the underground economy fraud.

2. **Implication for states**:
    1. I don't know will financefrom taxes but directly from the ECB.
    2. Since the states are self-financed by the ECB, taxes would not be necessary to finance the state.

3. **Implications for businesses**:
    1. Their products would not be taxed.
    2. No will applytaxes on their products.
    3. No would havethat pay taxes to the state on their sales.
    4. They would not have state taxes as they would be self-financed by the ECB.
    5. About sales prices:
        1. There should be state control to prevent abusive prices.
        2. Sanctions against usury.
        3. Rules against illicit enrichment.
        4. Control of inflation.
        5. Standards of social interest, such as preventing excessive prices from preventing society from accessing vital resources.
        6. Prevent unjustified or abusive charges.

4. **Implications for consumers (whether individuals, companies or states)**:
    1. No consumption taxes will be paid or required.
    2. VAT would be phased out and will disappear.

3. The taxes that exist now would not exist.haveone state origin and one state destination.

OBJECTIONS AS TO WHETHER THIS NEW PARADIGM FOR THE ECBWILL PROVOKEA HYPERINFLATIONARY SYSTEM

It's not true that the new system is making inflation worse. Control of inflation remains in the hands of the ECB, but here the ECB is not accountable to the banks, but to the European Parliament.

Under this proposal, inflation will notonlywould not worsen, but would be easier to control, because the ECB would have the real authority to manage monetary supply and demand without interference from private banks.

Let's debunk the myth that "public money = hyperinflation" and show why our system of monetary value is more stable than today's.

1. **Inflation today: A problem created by private banking**
   The current system does not control inflation effectively, because:
   1. Private banks create 90% of the money (via loans), often for speculation (stock market, real estate), not for the real economy.
   2. The ECB tries to "regulate" with interest rates, but it's like putting out a fire with a glass of water:
      1. Raising rates → stifles families and SMEs (but does not stop large speculators).
      2. Lower rates → inflate bubbles (like housing prices).
         1. Example: Post-COVID inflation (2022) was driven by record profits from large corporations (energy, food), not by "excess public money."

Our system:
✅ The ECB decides how much money is created based on real needs (GDP, employment, sustainability, real needs of governments, financing for entrepreneurship, etc.). In short, it covers society's needs and operates on a non-profit basis, as all tax revenue on money returns to the system to ensure its balance.
✅ There is no private creation of speculative money (the main source of bubbles).

Why would our system better control inflation?

Inflationary factor	Current system	Our proposal
Origin of money	Private banks (to maximize profits)	ECB + European Parliament (for the common good)

Inflationary factor	Current system	Our proposal
Destination of the money	Speculation (e.g. buying homes to rent)	Public investment and productive credit (non-profit)
Control mechanism	Interest rates (which punish the real economy)	Issuance adjusted for GDP + progressive tax on money
Transparency	Banking opacity (who receives loans?)	Public decisions of the ECB

Practical example:

If there is energy-related inflation, the ECB could:

Finance renewable energy (increasing supply).
Tax more money spent on fossil fuels.
(Today, private banks finance oil companies even if prices rise.)

And what about historical cases of hyperinflation?

Critics will cite examples such as Zimbabwe or Venezuela, but will omit key contexts:

These countries did not have independent institutions (the government printed without control).
Our proposal avoids this:

The ECB is independent of the government (but not of European democracy).
Money is issued according to rules linked to real GDP (not political whim).

Counterexample: Japan

It has a public debt of 260% of GDP (more than any other EU country).
There is no inflation because the Bank of Japan controls issuance using technical criteria.

The key: Breaking the myth that "public money is dangerous"

Neoliberalism has sold the idea that:
❌ "Public money generates inflation, private money is stable."
But the reality is the opposite:

The highest inflation in the West (70s-80s) came from private oil shocks + speculation.
The greatest price stability (1950s and 1960s) occurred when central banks financed debt-free states (e.g., the US with the New Deal).

Our proposal recovers that logic:

Money is a common good and not a banking product.
Inflation is curbed by managing real supply/demand, not with patches like raising interest rates.

A very good reason:

By that have whatgo into debt or pay interest on money that they themselves ultimately create at the ECB?

Conclusion: More stability, less oligopoly
Our system would not only not aggravate inflation, but:
1️⃣ Eliminates speculative inflation (by ending private money creation).
2️⃣ It gives the ECB real tools (without relying on private banks).
3️⃣ Link money to the productive economy (not to financial bubbles).
The real inflationary risk lies in the current system... not in our alternative.

WOULD THE CHANGE REQUIRE PENALIZING SELLERS…?

Under our proposal, traditional taxes (VAT, personal income tax, corporate tax) disappear, as states are financed directly by the ECB. But to prevent companies from abusing this new margin (by raising prices because they don't have to pay taxes), anti-usury mechanisms and price controls are needed.

1. The problem:

Today, a company pays 25% corporate tax and passes some of it on to the price (e.g., a coffee costs €2, but €0.50 is tax). In our system, with the removal of these taxes, the price of a coffee should drop to approximately €1.50… but if the company keeps it at €2, it keeps €0.50 in extra profit.

Risk:

Companies could take advantage and increase margins (without lowering prices), generating artificial inflation.

2. Proposed solutions:

A) Prohibition of passing on non-existent taxes

Clear rule: If a product previously included 21% VAT and now does not, its price should be reduced proportionally.
Severe fines for companies thatinflateprices without justification (public audits).

B) Margin control in strategic sectors

Legal limits on profits from essential goods:

Basic foodstuffs, energy, housing, medicines.
Example: Maximum 10% profit margin on production costs for milk or bread.

C) Public companies competition

The state could create public companies in key sectors (e.g., energy) to lower private prices.

D) Tax on extraordinary profits

If a company raises prices without cost reasons, a 90% tax is applied to those extra profits.

3. Practical example: The case of energy

Current situation:

Electricity companies raise prices due to "market costs" (speculation), but earn record profits.
The state collects VAT (21%) and excise taxes, but does not control abuse.
In our system:

Without taxes: The kWh should drop by 21% (with the elimination of VAT).
Margin control: If the utility tries to raise the price, the state:

It forces lower rates (by law).
Offersalternatives public(e.g. state marketing company).
It taxes abusive profits with a 90% penalty.

4. Key advantage: Money is "already audited" from its creation

Today: Private banks create money for speculation (e.g. buying homes and reselling them at a higher price).
In our system:

The ECBonly finances the activityreal economy (not speculative bubbles).
If a company asks for money to produce,paya progressive tax according to wealth.
There is no "free money" to inflate prices: All credit is audited.

Conclusion:
Our model not only prevents companies from shifting taxes, but also:
1. It forces prices to drop by eliminating indirect taxes (VAT).
2. Punish usury with strict controls on essential goods.
3. Tax abuse through direct taxes on money (not consumption).

SO THERE ARE NOT SO MANY OBJECTIONS...

Regarding the initial objections (inflation, banking resistance, complex transition), they are not invalid, but they are manageable within a well-designed revolutionary framework. The real challenge is not technical, but political: overcoming the myth that "there is no alternative" to the current system.

1. Critical review of the initial "objections"

Objection	Answer	Conclusion
"It will generate hyperinflation"	Inflation today is caused by private banks and oligopolies. The ECB, with democratic control, canadjust the offermonetary to real GDP.	False alarm: The current system is more inflationary (due to speculation).
"The banks will resist"	Private banking is already facing a legitimacy crisis (bailouts, tax evasion, abuse). Partial nationalization and a lobbying ban are feasible.	Resistance ≠ Infeasibility. Historically, radical changes have overcome vested interests (e.g., the abolition of slavery).
"It's a very hard transition"	Every transition is complex, but the current climate and financial collapse is already unsustainable. Would you rather continue with a system in agony?	The transition is necessary, not optional.

2. Keys to making the new system work

A) Radical transparency

Real-time public audits of money creation and distribution.
Citizen participation in ECB decisions (e.g., random assemblies, such as popular juries).

B) Phased transition plan

1. **Phase 1 (1-2 years)**:

The ECB issues money directly to cancel unsustainable public debt (such as the "forgiveness" of German debt in 1953).
Progressive prohibition of money creation by private banks (starting with speculative sectors: real estate, financial derivatives).

2. **Phase 2 (3-5 years)**:

Nationalization of systemic banking (as Sweden did in the 1990s).
Introduction of a money tax (gradual, starting with large fortunes and multinationals).

3. **Phase 3 (5-10 years)**:

Total elimination of indirect taxes (VAT, etc.).
Price controls in essential sectors (electricity, food, housing).

C) Anti-avoidance mechanisms

Technological blockade: A public digital platform for transactions (e.g., CBDC - Central Bank Digital Currency) that makes it impossible to evade the money tax.
Draconian sanctions on tax havens: Exclusion from the European monetary system.

3. Historical examples that support viability

1945-1971 (Bretton Woods) Central banks financed states without private debt. It was a time of greatest social growth and low inequality.
Iceland (2008) He let corrupt banks go bankrupt, jailed bankers, and revived his economy with public money.
COVID-19 The ECB printed 1.85 trillion euros (without inflation) to rescue economies. This proves that public money can be used on a massive scale without collapse.

4. Why shouldn't transition paralyze change?

The current system is already an emergency:

Unsustainable public debt (Spain owes 113% of GDP, Italy 145%).
Record inequality (the richest 1% own 45% of the EU's wealth).
Climate collapse (banks finance fossil fuels with money created out of thin air).

Waiting to have "all the answers" is a mistake:

The transition will be refined, but the first step is to break the taboo that "money must be private."

5. Conclusion: A civilizational leap, not a technical adjustment

Our proposal is not just a "new economic method," but a change of era:

On money as a weapon of private dominationto the moneyas a common good.
From debt-enslaved states to states serving the people.

Yes, there will be resistance. Yes, details will have to be fine-tuned. But the status quo is already a social crime. The question isn't "Is it perfect?" but "Is it better than the current hell?" And the answer is obvious.