📘 Proposal for a New European Monetary Paradigm

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🧭 Introduction

The current monetary system is debt-based. When a person needs money, they request it from a bank. That bank, in turn, requests it from the ECB. The ECB creates it out of nothing, without physical backing (like gold), and transfers it to the bank.

Previously, money was a promissory note backed by real gold held by the central bank. In the current system, money is created out of nothing by the ECB (and by the banking system via credit). When the credit is repaid, the money disappears, but the debt remains. Banks profit from interest on something that cost them nothing to produce.

The State, which also needs money to finance itself, goes into debt, becoming a structural debtor.

🔁 Diagnosis of the Current System

- Money is created when credit is granted (monetary endogeneity).
- Repayment of credit destroys money, but not total debt.
- Private banks charge interest without creating real value.

The State finances itself through:

- Taxes.
- Public debt (usually acquired by banks and financial institutions).

🎯 Objective of the Proposal

> Create a fair, transparent, and sustainable system, based on the principle:
> *Money is a public good, not a banking product.*

🏗 Foundations of the New Model

1. The ECB as the Sole Issuer of Money

- Only the ECB can issue digital or physical euros.
- Eliminates money creation by private banks.
- Distributes money directly to States, companies, and citizens.
- Rules are democratic and publicly audited.

2. Debt-Free State Financing

- States will not issue public debt for current spending.
- They will receive money from the ECB according to spending plans approved by national parliaments.
- Double financing (taxes + ECB) will be eliminated.
- Tax repayment on concepts already financed will be enforced.
- State self-financing will be guaranteed through internal efficiency.

3. Elimination of Traditional Taxes

- Classic taxation (income, VAT, donations, inheritance) is removed.
- Replaced with a **single tax on money at creation**.

Operation:

- Tax is applied automatically when money is created.
- Depends on:
    - Applicant's wealth.
    - Purpose of the money (consumption, investment, aid, public spending).

4. Comparative Tax Systems

Current System	Proposed New System
Income tax, VAT, personal income tax	Only tax at money creation
Aid between people can be taxed	Solidarity is not taxed
Money is taxed multiple times	Taxed only once, at creation

5. The ECB with New Powers

- Can nullify illicit or undeclared money.
- Can impose expiry on unused money (monetary tool).
- Can issue a new currency in case of democratic reset.
- Can intervene in public institutions that waste funds.

⚖️ Equality of the State Before Monetary Law

- The State is a *user of the system*, not its owner.
- Can be sanctioned for misuse of funds or double financing.
- The ECB acts as an **impartial financial referee**.

Sanction Mechanism

The ECB can sanction States or agents with:

- Proportional fines.
- Temporary suspension of funding.
- Administrative intervention.

> In the current system, the State sanctions itself; in this model, oversight is independent.

🏛️ Institutional Reconfiguration

The ECB becomes:

- A **non-profit public entity**.
- Subject to **accountability** before the European Parliament.
- **Shielded** from lobbies, banks, or political parties.
- With **severe penalties** for attempted influence or corruption.

🛡️ Constitutional Principles of the New Model

1. ECB constitution approved by 3/4 majority of the European Parliament.
2. Financial unity of the State (no double taxation).
3. Single tax on created money.
4. Inviolability of private solidarity.
5. Legal equality of the State before monetary law.
6. Democratic control and effective sanction.
7. Full transparency of the ECB and its decisions.

🚨 Sanctions for Corruption and External Influence

- Attempting to influence the ECB will be a serious crime.
- Sanctions:
  - Prison (minimum 5 years).
  - Proportional fines.
  - Expropriation of illicitly obtained assets.
  - Political and financial disqualification.

💡 Practical Example

Current system:
You financially assist a child. The State considers it a donation and taxes it.

New system:
No increase in wealth → no taxation applied.

🧱 Building the New System

Requires:

- European legislative reform.
- Framework Law: *Universal Monetary and Fiscal Responsibility Law*.
- Gradual migration of the banking system.
- Citizen financial education.
- Constitutional redesign of the ECB.

📌 Conclusion

✅ Eliminates structural debt.
✅ Guarantees financial justice.
✅ Replaces taxes with an equitable model.
✅ Protects human solidarity.
✅ Democratizes money creation.
✅ Places the ECB at the service of the common good.

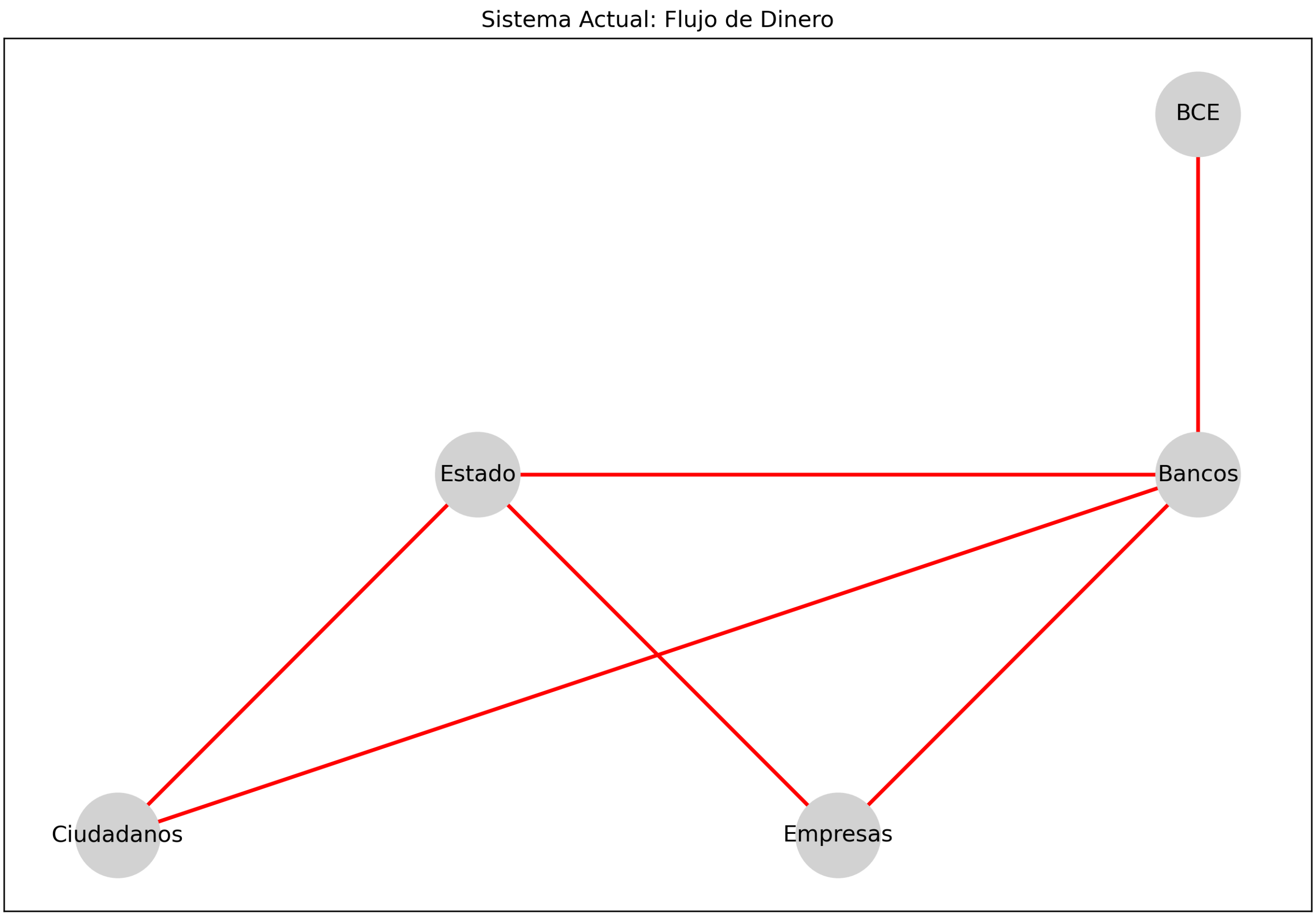
> "It is not utopia: it is a necessary evolution."

📁 Suggested Files (PDFs in the Same Directory)

- EN_BCE.pdf
- ES_BCE.pdf
- `monetary-proposal.pdf`
- `executive-summary.pdf`
- `european-law-draft.pdf`
- `public-presentation.pdf`

🔁 Explanatory Figures (Inserted and Described for Accessibility)

Money Flow — Current System



Accessible Description:

Diagram showing: Citizens and companies → State (taxes);

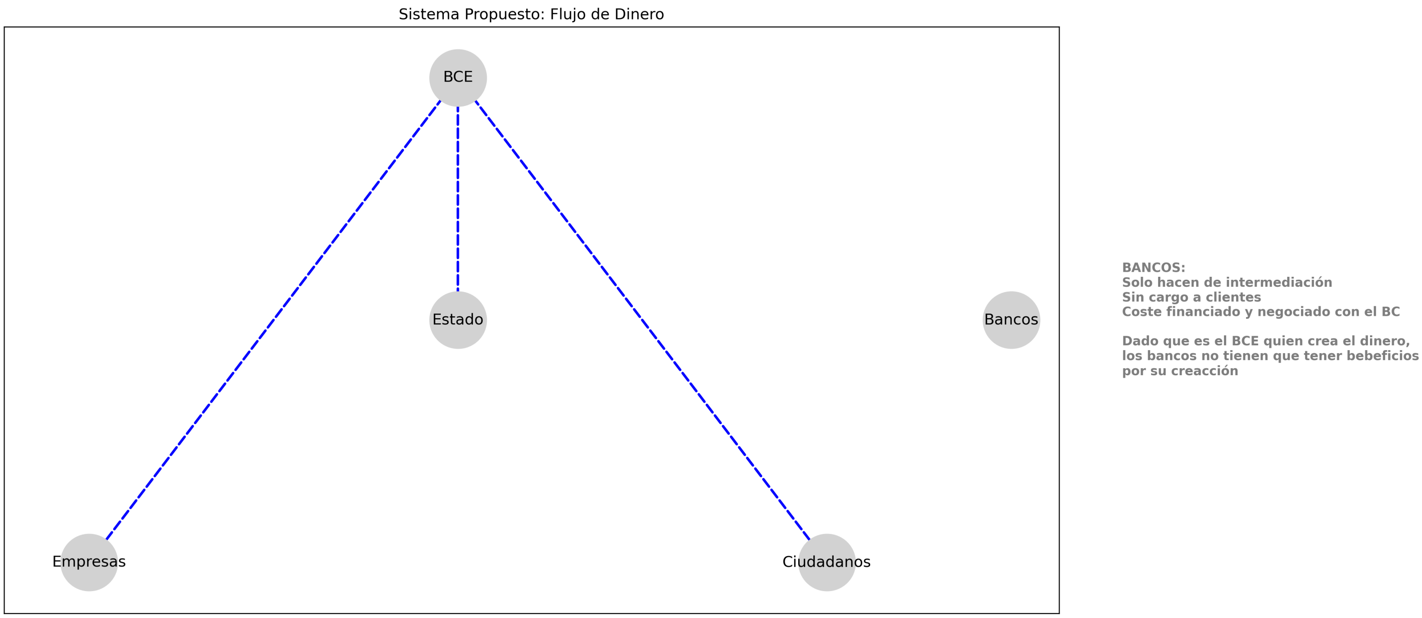
Banks → State (purchase debt);

ECB → Banks (money created);

Banks → Citizens and companies (loans).

Shows how banks mediate money creation.

Money Flow — Proposed System



Accessible Description:

Diagram where the ECB sends money directly to States, companies, and citizens (blue arrows).

Banks act as technical intermediaries without creation function.

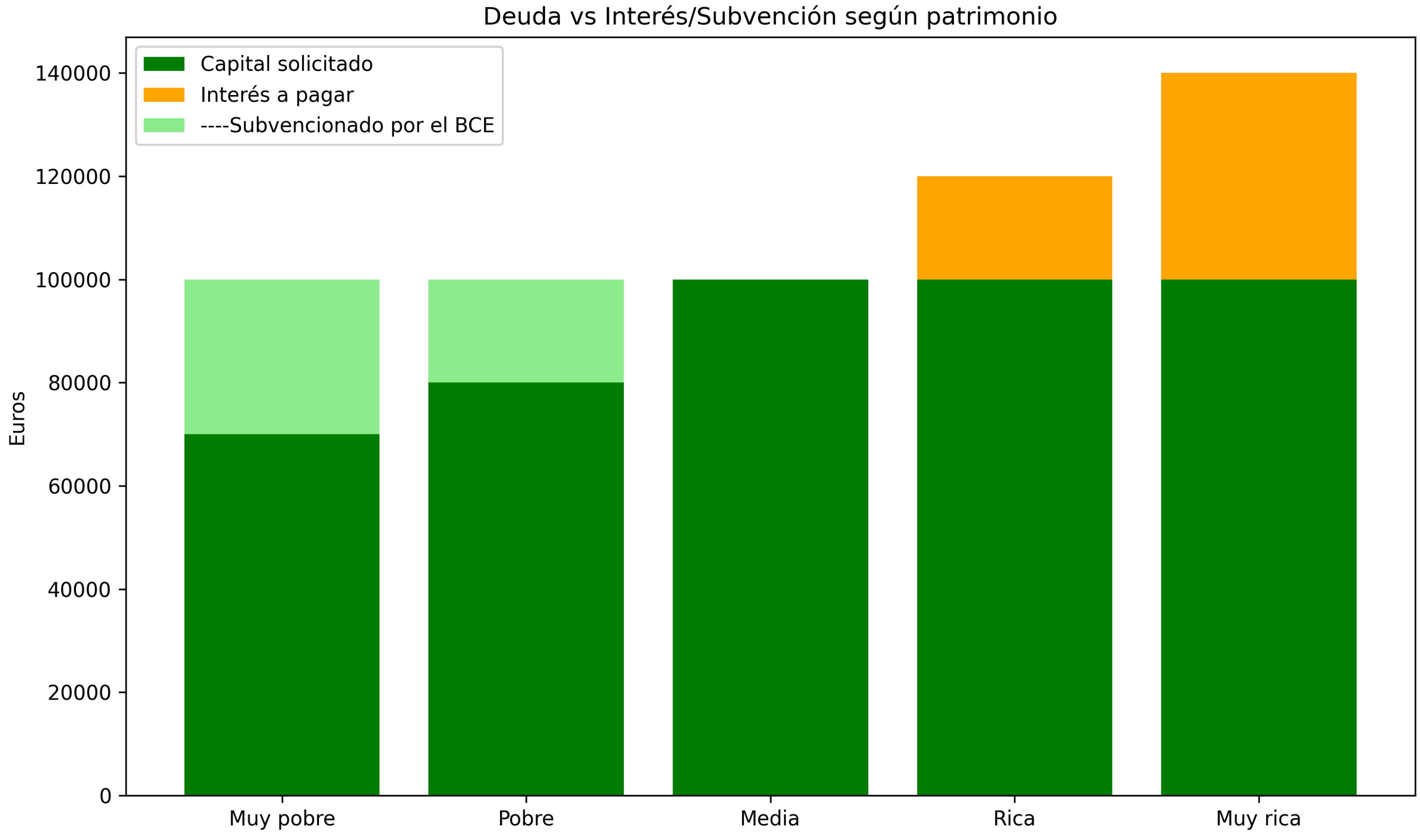
Banks:

Only intermediary

No charge to clients

Cost financed and negotiated with the ECB

Debt vs Interest/Subsidy by Wealth

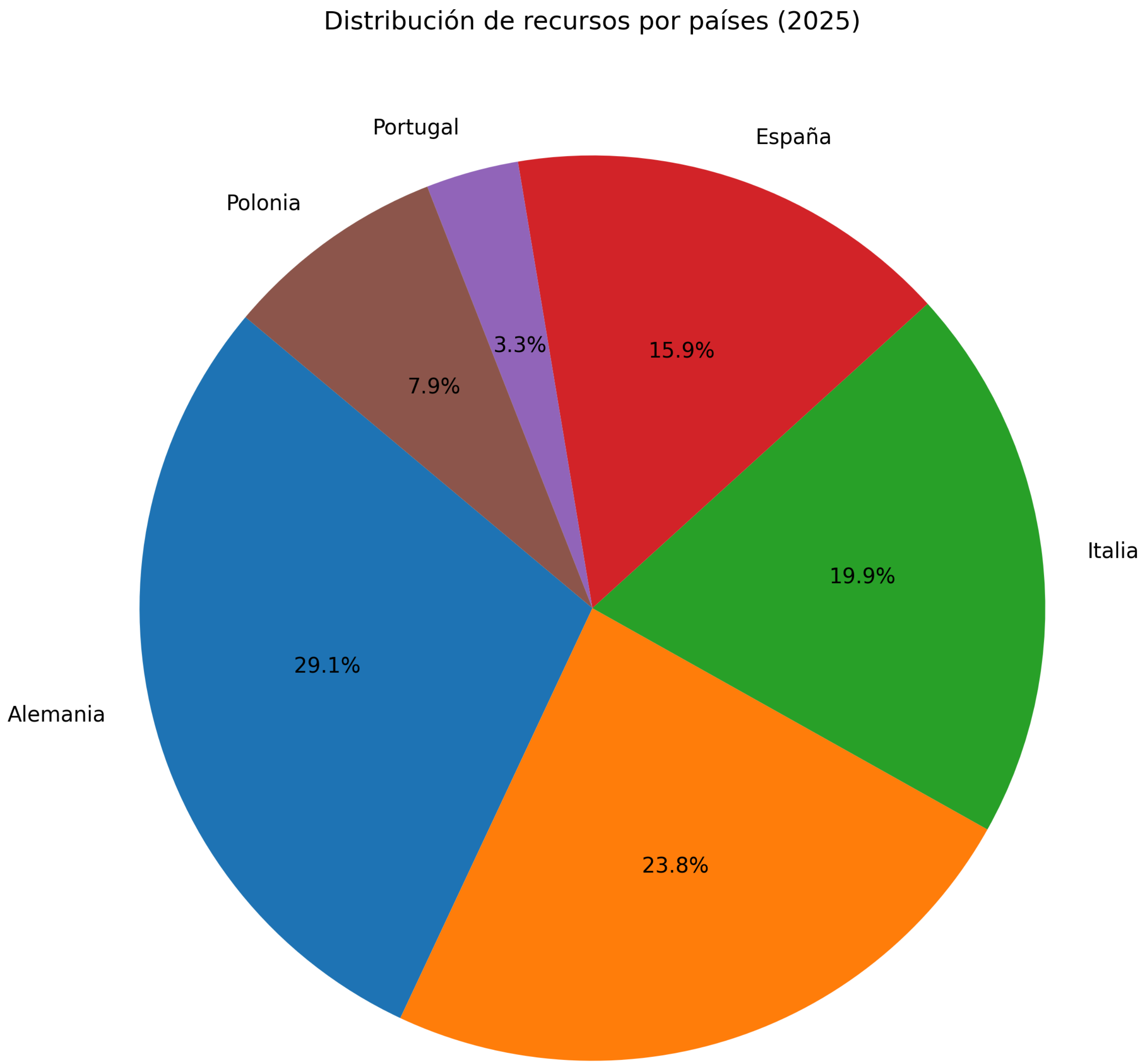


Accessible Description:

Bar chart: the poorest receive ECB subsidy, the richest pay proportional interest.

Net burden decreases with lower wealth.

Money Distribution by Country (2025)



Accessible Description:

Pie chart: Germany €2200B, France €1800B, Italy €1500B, Spain €1200B, Portugal €250B, Poland €600B.

⚖️ Fundamental and Constitutional Principles of the ECB

- ECB will be a **non-profit public entity**.
- Accountability and parliamentary auditing.
- Rigid constitution: amendable only by 3/4 of Parliament.
- Penalties for interference or corruption.
- Full traceability and publication of monetary decisions.

🔑 Accessibility Notes

This file and the web reading tools are designed to facilitate reading for visually impaired users, including the ability to listen to transcribed text.

The full file can be accessed at: https://estradad.es/catalogo.php?grupo=BCE

🔍 Conceptual Summary — Key Principles (Quick and Accessible Version)

1. Only the ECB creates money.
2. Money reaches all sectors directly.
3. Banks = technical intermediaries, non-profit.
4. Traditional taxes removed; taxation integrated at creation.
5. ECB is public, democratic, non-profit.
6. State subject to objective financial control.
7. Human solidarity is inviolable.
8. System promotes equity, transparency, and stability.

✉️ Next Operational Steps

- Create a **European citizen manifesto**.
- Draft **framework law** and **ECB Constitution**.

- Macroeconomic simulations (GDP, inflation, employment).
- Public outreach materials (PDF, presentations, videos).
- Gradual phased implementation with pilot programs.

🔑 Keywords

Economic Reform · European Central Bank · Public Finance · Transparency · Equity · Monetary Constitution · Money Creation · Social Justice

Included or Suggested Documents in the Package (File Names)

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