



TURNING THE CRISES OFF

A Proven Off-Switch for the Energy & Debt Crisis — Not Another Warning rev.3

MSTA — Money Systems Transparency Alliance

Based on: "The Longest Standing Error in History: A Public Policy Blueprint" (MSTA V16), Chapter 26a and Part VI

THREE THINGS, BEFORE ANYTHING ELSE

1

This is a system error — not people's behaviour.

The world you are living in — accelerating inequality, ecological degradation, political polarisation — is the necessary consequence of a measurement error operating at scale. Not the consequence of bad intentions (Preamble).

2

The error has a switch.

Correcting the monetary unit is a switch, not a dial (Ch.3) — it turns off directly. It does not require gradual renegotiation.

3

We rarely reach for it — because we're positioned inside the system first.

Operating inside the system is mistaken for the only available strategy. Every effort spent competing for position within it is effort not spent on the one thing that would work. Positioning is recursive — it never resolves, because there's no fixed ground inside a system that's itself unstable: “a choice of position on a predetermined trajectory, not a choice of trajectory” (Ch.21a).

THE CENTRAL CLAIM

The same structural mechanism — Theorem 1, $C_n = W(1+r)^n$ — that misallocates human productive time also misallocates material resources and turns real shocks, including energy-supply disruptions, into amplified financial crises. **Correcting the monetary unit to a passive measure ($B=0$) is a single correction that removes the one mechanism generating all three.**

C_n = the financial claim after n value-chain links · W = real value actually produced · r = the fee charged per link · B = the commodity value built into the unit itself. Money currently carries both properties — a commodity and a measure — at once; $B=0$ removes the first, leaving only the second.

This is a structural derivation, not a policy comparison. The debt data (\$348T against \$117T world GDP), the two verified inputs behind the 11-hour figure (worker compensation $\approx 47\%$ of GDP; real-asset/financial-claims ratio $\approx 1/3$), and the energy-shock mechanism all trace to one cause.

Turning the Crises Off — What That Means

“OFF” TARGETS THE MECHANISM, NOT THE SYSTEM

Off: $C_n = W(1+r)^n$ stops being generated — a switch, not a dial (Ch.3). New compounding ceases immediately upon correction. **Not off:** the monetary system itself, and existing obligations (legal/transitional treatment, Ch.20/23). War specifically loses its economic rationale: compounding sovereign debt and resource-price transmission make war “structurally rational” as an alternative to unpayable obligations (Ch.21a) — $B=0$ removes that mechanism, not by moral appeal. And real-world risk can be better mitigated in general (Part VI).

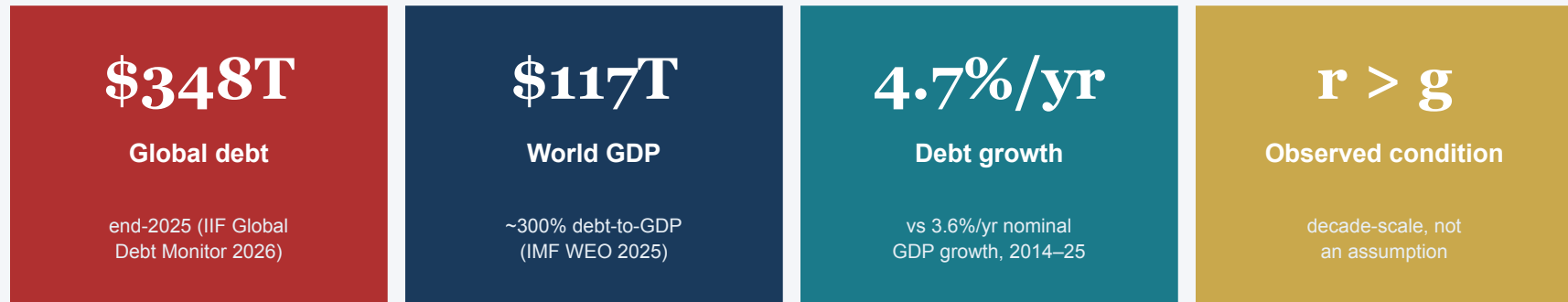
NOT ANOTHER WARNING

“One more thing must be said, because it is being said out there and it is wrong: that the situation is already hopeless, that this work is useful only for rebuilding after the collapse... Society does not need to collapse first. It needs only to understand, and then to act accordingly.”

The predictions this document made from 2009 onward — accelerating inequality, ecological degradation, political polarisation — have been confirmed. But diagnosis is not the conclusion on offer: a specified, no-cost, no-penalty correction is.

§7.1 — THE FRAGILITY SPIRAL

The Debt Crisis in the Data



The terminal condition: productive share $W/C_n = 1/(1+r)^n \rightarrow 0$

A mathematical limit, not a projection — it states what must happen as chain-links n grow, given $B > 0$ with $r > 0$. Illustrated at the conservative blended fee rate $r = 0.03$ observed in current data:



The Energy Dimension

DECLINING EROI — EMPIRICAL

Energy Return on Investment: energy delivered by an extraction process, per unit of energy consumed obtaining it.

~100:1 first oil wells

~10:1 conventional oil today

Declining EROI is empirically established (Murphy and Hall, 2010) — a measurable component of the biosphere's real energy ceiling (Vmax) approaching its limit.

ENERGY-SHOCK AMPLIFICATION

Illustrative case: a disruption to a critical energy-supply route affecting 25% of global energy availability (Part VI). The real shock is identical in both systems — the financial response is not.

Under B>0: $C_n = W(1+r)^n$ keeps compounding independent of the reduced base. The financial system does not absorb the shock — it amplifies it. The shock is doubled.

Under B=0: $C_n = W$ for all n. Monetary claims track real production; a 25% real fall is recorded as a 25% fall — no financial amplification. Recovery is limited only by genuine resource constraints.

PART VI — B=0 AS SHOCK ABSORBER

Why $B > 0$ Amplifies, $B = 0$ Absorbs

	Under $B > 0$	Under $B = 0$
Financial claims after a real shock	$C_n = W(1+r)^n$ continues compounding, independent of the shock	$C_n = W$ for all n — claims track real production directly
What happens to $W/C_n = 1/(1+r)^n$ (the worker's real share)	Already < 1 before the shock; falls further as claims press against a reduced base	Not applicable — no divergence between claim and real value exists
Policy response available	Emergency rates, credit intervention, fiscal stimulus — move the instability elsewhere without eliminating it (Stein's Dirt, Ch.21)	None needed — the real shock is absorbed proportionally in the measurement itself
Recovery constraint	A financial cascade layered on top of the real crisis	Limited only by genuine resource and knowledge constraints

§2 — THE TWO-INPUT DERIVATION

Human Resource Misallocation

The same error, stealing our time.

$\approx 47\%$

Worker Compensation

share of GDP — Eurostat 2025 / OECD
2024

$\approx 1/3$

**Real-Asset / Financial-Claims
Ratio (η)**

Bain 2012: 0.35 $\rightarrow$ 0.33, 2010–2020F

Required hours = current hours $\times \eta \times$ full-employment coefficient (§2.5)

33.4h

Current hours
OECD weighted avg

$\approx 11h$

Required — middle
class standard

5.5–7h

Required — dignity
threshold

$\approx 22.3h$

Hours lost, per
worker, per week

§4 — CATEGORIES OF B>0-INDUCED MISALLOCATION

Material Resource Misallocation

1.05 Gt

Food wasted, 2022

while 783M people went hungry; 30–40% of production lost before market (FAO 2024)

~31%

of global GDP

€25.4T/yr lost to waste, inefficiency & premature obsolescence (Circularity Gap 2026)

€6.5T

Planned obsolescence

26% of the above; products built for 2-yr life when 10+ is achievable (WEEE 2021)

Phantom financial claims — Ch.26a §4.1

Bain 2012: financial assets rose ~\$600T→~\$900T (2010–2020P) against a real-asset base of only ~\$210T→~\$300T. The phantom gap grew from ~\$390T to ~\$600T. BIS 2024 confirms continuation: \$41T cross-border claims, +3.4% YoY, exceeding real GDP growth.

Cross-hauling — Ch.26a §4.2

UK dairy, 2025: 1.35 Mt exported against 1.27 Mt imported simultaneously — a £1.55B trade deficit despite near-equal volumes crossing in opposite directions (AHDB 2025). The milk consumed in the UK could have been domestic.

§3.3 — WHY THIS DISTORTS ALLOCATION, NOT JUST PRICES

Misallocation, Not Scarcity

Execution

The worker executes assigned tasks with habitual competence. They do not determine what gets built.

The Phantom Airport

A project's revenue to the financing layer is a % of its nominal scale — not whether it meets a real need. A large enough project is approved because it is profitable to fund, whatever it delivers.

Under $B=0$

Percentage fees are impossible by definition. Revenue reverts to a flat charge for genuine information services — the approval signal reverts to real need.

The misallocation is not in construction — workers execute competently. It is 100% in the decision to undertake the project, whether the project is an airport, a debt-financed pipeline, or a speculative energy asset.

ONE MECHANISM, TWO CRISES, ONE CORRECTION

Both crises reduce to Theorem 1, $C_n = W(1+r)^n$. Correcting the unit to $B=0$ frees both kinds of resource simultaneously:



H

Human resources

~22.3 hours per worker, per week, currently lost — recovered without redistribution or new technology (§2.5).



M

Material resources

Food waste, planned obsolescence, and cross-hauling overhead dissolve at the rate their price-signal distortion dissolves (§4).



D

Debt & energy stability

Financial claims decouple from real production; shocks — including energy-supply disruptions — are absorbed proportionally, not amplified (Part VI).

§7 — WHY $B > 0$ IS NOT A CHOICE BETWEEN OPTIONS

Not a Choice Between Options

Only four mechanisms interrupt Theorem-1 compounding:

(a)

Default

Destroys the financial system.

(b)

Inflation

Distributes the instability.

(c)

Sufficient growth

Not achieved in decades.

(d)

Correct the instrument

Removes the mechanism itself.

Only (d) removes the mechanism that misallocates human time, wastes material resources, and turns real shocks into financial crises. This is a structural requirement imposed by the derivation — not a policy elected among alternatives. And since the mechanism itself is a product of misrepresentation, there is no moral or practical case for leaving it uncorrected.

The Trade-Off: What Correction Costs, What It Buys

WHAT IS GIVEN UP

Percentage-fee income — interest, compounding margins, and fee-based revenue charged on the range of a transaction rather than the domain of a service (Ch.4). This is the only thing the correction removes.

WHAT IS GAINED

Unit stability — BIBO-stable by construction (a bounded real input can never produce an unbounded financial output), a switch not a dial (Ch.3). And freedom from compounding costs and debt growth: existing obligations still receive legal and transitional treatment (Ch.20, 23), but their growth stops immediately, for everyone, simultaneously.

“The correction costs nothing to implement. It penalises no agent. It requires no political consensus on values, no transfer of wealth... There is no valid rational basis for delay.”

A net creditor loses only a nominal claim that could never have been met — $\eta=1/3$ shows financial claims already stand roughly 3:1 against the real base they claim on. Not a jubilee — a jubilee cancels the consequence temporarily; this removes the mechanism that produces it.

The Switch Exists — No Rational Case for Delay

Chapter 8 proves, with logical necessity and not as a projection: for any $r > 0$ and any finite W , the four collapse thresholds of Chapter 24 will be reached.

1

Domain exhaustion

productivity collapse

2

**Natural-capital
irreversibility**

resource collapse

3

Institutional capture

societal paralysis

4

Cognitive lock-in

societal blindness

None of the four has been reached — the point of no return is not yet crossed. But the correction (Ch.3's switch) is the only mechanism proven to stop new compounding from being generated (§7). It follows that leaving the switch untouched is the necessary and sufficient condition for the exponential trajectory to continue toward those thresholds — what Chapter 25 terms, in a correction-absent scenario, “forced systemic collapse.”

WHY PARTIAL FIXES DON'T HOLD

Accelerating inequality, exploitation, environmental destruction, financial fragility — every cause being fought right now can be recognised, named, campaigned against. But none of it gets truly resolved while the root problem that brings it about, or amplifies it past manageable scale, stays untouched.

“Every proposed remedy retained the misrepresentation while governing its symptoms. This uniform relapse is the predicted behaviour of analysis conducted inside the operative notion.”

Because this misrepresentation produces injustices like mushrooms:

Leave the root

Get rid of one injustice, and two more take its place. The mechanism that grew it is still there.

Fix the root

Existing injustices lose their roots. New ones can't take root either — the ground that fed them is gone.

The world is not resource-poor. It is measurement-broken.

These figures do not require future technology, redistribution, or sacrifice. They require only that the instrument recording productive effort — and real resource use — reads what is actually there.

**Correct the instrument. Record what is there.
The hours, the resources, and the stability follow.**

“The Longest Standing Error in History: A Public Policy Blueprint” — MSTA V16

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