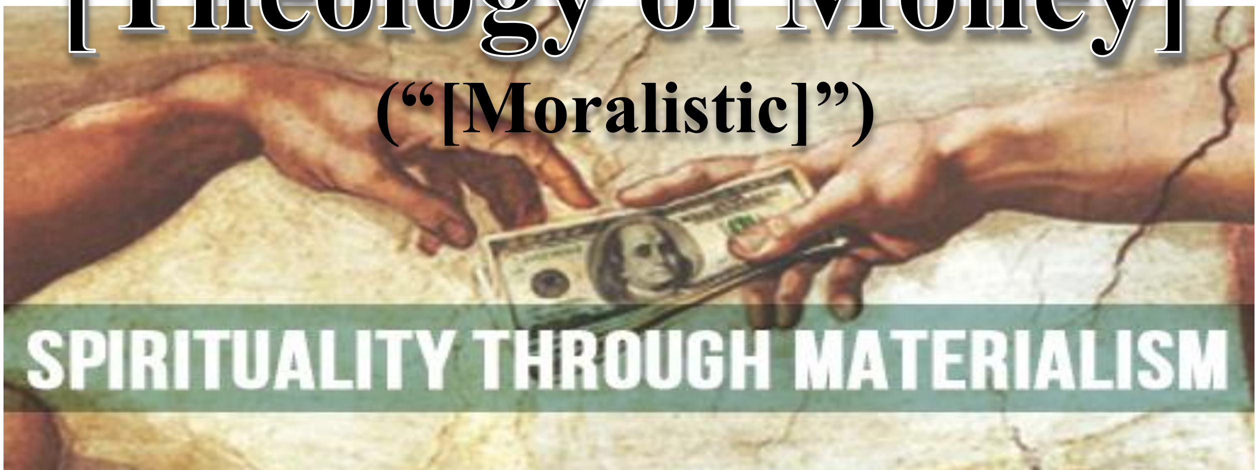
[Theology of Money]

("[Moralistic]")



Defendants' vision achieving a [Moralistic] path of life with IRS *core values* creating *an accounting* to an Organized Religion of THE**IRS** (Taxology)

*"**Our** core values guide **our** path to achieving **our** vision."*

Theology of Money – 5. Theology of Money

Tuesday, December 8, 2009 — Adam Kotsko

Accounting

This chapter investigates money "in relation to its mode of representation and the belief that this inspires" (165), beginning with the question of what counts as money. The impossibility of answering this question definitively "testifies to an underlying philosophical problem that emerges from the nature of representation as such" (165), a problem that stems from the fact that money is actually nothing but its own representation. The value money supposedly represent does not exist outside its representation in exchange. There is no outside standard of value, only the constant flux of representations: "Each act of pricing is a guess, an estimate or approximation. Since there is nothing to which it approximates, then pricing is always an act of faith. It is inherently theological" (166).

Pricing is always ultimately arbitrary. The agreed price reflects only the fact that some determinate agreement has been reached and executed; the quoted price "reflects hopes and expectations, uncertainties and strategies" (166). The same goes for contracts as for quoted prices: "While a price quoted depends on the credibility of the one who makes an offer, a contract depends on the credibility of public contracts within society" (166). This credibility can only stem from particular institutions, such as bank; it's impossible for money or contracts to reflect the efforts of society as a whole because economic activity never forms a complete system. Economic activity is governed by interlocking contracts among particular people and institutions, and "money is merely the public accounting of contracts" (167).

Money is a shared fiction, which concretely exists only in banks' record books. These books are a self-referential system; contracts represent links between different sets of books. While these books are made up of representations of contracts, their balance is significantly different from a contract insofar as a balance represents all transactions as being complete: "Account books assume that contracts will be honored and debts and credits will be paid in full, even if those who use them do not. Account books designate possible futures as if they had already occurred" (168).

Account books do not tell us about some external reality; instead, accounting represents a system of ethics and law, directing economic behavior. The moral principles of accounting are as follows:

1. Income and spending have to balance over the long term, "according to the model of a circular flow" (168).
2. Accounts are a system of "mak[ing] economic conduct visible" (169) in order to demonstrate that one is worthy of trust/credit.
3. Accounts promote self-discipline: "An enterprise maintains public credibility only if it maintains private self-discipline" (169).

In short, accounting is a fundamentally social and moral phenomenon, rather than being an objective record.

The shared fiction of accounting, which treats all contracts as if they had already been fulfilled, allows money to multiply. In the time it takes for a contract to be fulfilled, the money it represents could have been spent multiple times in multiple ways — effectively, accounts create money. While common sense objects that fiat currency is not backed up by any real value, the true illusion is the idea that there could be a substantial value (on the model of gold) to back it up. In reality, money can "be in two places at once" and serve as a reserve for itself (170). Specifically, Goodchild seems to be saying that the most important "two places" are the past and future: "Money exists only in memory or anticipation as a record in account books" (170). Money always does its work elsewhere, and allowing money and accounts to handle contracts is a way of "outsourcing" our attention. Once we agree to a contract, it can be taken for granted, leaving us free to seek out further beneficial contracts.

In sum, "accounting measures that which no longer demands attention" (170). Yet paradoxically, a profit-driven society directs its attention precisely to accounting, believing that it measures something worthwhile in itself. A mechanism that should free our attention for what matters becomes a distraction that ultimately leaves no time for what matters.

Since there's nothing external that accounting actually measures, "all that matters is that such records are not seriously disputed" and accounting can serve as "the basis for credibility and credit" (171). Yet in that role, accounting is deceptive, because it only tells the story of the firm's supposed self-mastery and prudence, obscuring the reality of its interconnection with others. What's more, it ignores externalities.

Morals of Accounting

Overall, this narrowing of focus makes accounting a dangerous moral system. For instance, it ignores the fact that not everyone can be a rich capitalist and that every firm requires people to be available for work. In addition, the supposed self-mastery provided by accounting covers up the fact that contracts are binding once entered into and that the "free" decision to enter into the contract is constrained by a wide range of external factors. The fact that accounting obscures these very important facts undermines its claim of self-mastery.

Accounting also constrains freedom simply in itself, by guiding people into particular patterns of behavior. It is guided by "the utopian ideal of determinate prices as an ideal frame of reference," an ideal that flies in the face of the reality of continual negotiation (174). The overwhelming focus on saving time produces "a world without the experience of time or social relation" (175). By short-circuiting the difference between already realized outcomes and expectations, it fails to respect the "difference between a monetary value and the value of a monetary evaluation" — whatever evaluations have been made are taken as infallible (175). The supposed mastery accounting provides leads to the attempt to bring all of reality under its sway by giving everything a price, which leads one to think of all of reality as potentially lost, broken, or substituted for. Its function is similar to that of a sacrifice and is not much more effective as a way of diverting destructive forces.

Money and contracts are analogous to writing, in the sense of being de-contextualizable and thus able to take on new meanings at the same time as they represent a dead authority that can't be challenged or changed once agreed on. In a sense, then, money is the ultimate form of writing, infinitely transferable and flexible, possessing its own authority (insofar as it takes away the authority of the person who tries to use its power), and proving its own value through profit. In the full Zizekian sense, money works even if you don't believe in it.

Overall, accounting serves the function of bringing all of reality under money's sway, submitting everything to definitive evaluation that then serves as the basis for technical rationality. It poses as neutral, yet it imposes the moral standard of making a profit as the highest possible goal. It attempts to efface the dual nature of money as a promise and a threat by keeping assets and pawning off liabilities on someone else. It sets up a system where everyone is assumed to be a fully responsible sovereign individual, meaning that success in navigating the system provides evidence of moral worth and financial failure implies moral failure. "The culture of modernity is one of universal threat" — freedom is continually threatened by obligation, which one must continually try to push onto someone else (180).

A Revaluation of Value

If we want to pursue a revaluation of values, then Goodchild proposes that we should begin by changing accounting practices. Since money exists as accounting records, new forms of accounting would lead to new forms of money. A new system would have to make up for the serious problems with actual existing accounting: the lack of attention to externalities, the treatment of contracts as completed transactions rather than "enduring relations" (181), and its failure to acknowledge the broader social context that underwrites the credibility of money. It's not simply a matter of coming up with ways to count or measure life or capital, because they escape valuation: "Instead, it is necessary to discover a temporal and relational mode of evaluation, where value is not encountered within either object or subject but in a relation that exceeds the bounds of mastery of the evaluating subject" (181).

Money is not valuable, insofar as it does not reliably point toward what matters. Yet it has managed to defeat every other mode of evaluation, and a new system must find a way to make use of this power instead of being enslaved to it. This new use of money must begin by clearing away money's false claims to be a store of value, a unit of account, or a medium of exchange. All these claims rely on an obfuscation of the social and temporal reality in which money is embedded; a new method of evaluation would take that reality seriously. Once we get past the simple identification of money with value, we can see that value arises from a convergence of "capital, which arises from the production of order; demand, which arises from the experience of time; and credit, which arises from a determinate theology of evaluation" (183).

Accounting leads to the paradox of the representation of evaluation (money) taking the place of evaluation itself, and a new accounting system must start from the premise that "true value resists accounting" (183). We must deal with "that which cannot be evaluated yet demands to be evaluated" (183), namely, all those economic opportunities that arise outside the already existing market relations represented by price. Instead of encouraging competition for the single resource of money, a new mode of accounting would have to promote cooperation, which is the path to true wealth.