

Cost Of Using Barbados Money

Submitted by the People Democratic Congress (PDC)

In our last BU [article](#) the PDC made slight mention of the circumstance where when individuals, businesses and other entities are exchanging goods, resources and services how, in doing so, the essential things that are happening are that these individuals and other entities are paying for the use of the Barbadian people's money. Yes, the fact of the matter is that this phenomenon of individuals, businesses and other entities in Barbados paying for the use of the Barbados people money, is one that has lately been getting very urgent critical attention by the PDC, and has been getting nearly indepth investigations and researches just short of intensive study, ever since our recent discovery that - outside of TAXATION, INTEREST RATES, REPAYABLE INSTITUTIONAL LOANS for productive purposes, etc. - it is the single biggest domestic political financial cause of the present decay in the material production distribution structures and processes of the country.

On the basis of those things and what we have long known to be happening - to some extent - politically, materially financially in this country, here is what we have so far generally concluded about this very depressing degradable phenomenon/variable. We have come to the irrefutable conclusion: that so-called economists in Barbados have failed to identify this phenomenon/variable that has been doing such irreparable damage to the so-called economy, have consequently failed to describe its causes and its impact on some other national variables, and have consequently failed too to come up with partial solutions to address it. So much for so-called economists!!!

And, we have come to another inescapable conclusion: that if the rate at which persons, businesses and other entities pay for the use of our own money continues to expand exponentially and that if TAXATION, INTEREST RATES, REPAYABLE INSTITUTIONAL LOANS for productive purposes, EXCHANGE RATES PARITIES WITH THE BARBADOS DOLLAR, IMPORTING THE COSTS OF GOODS AND SERVICES INTO BARBADOS, etc. remain in existence in the next 10 to 15 years, that within this same time frame, there shall be nothing short of utter devastation and ruin in the material production distribution structures of this country.

Well, seeing that the last PDC article did not deal with this variable, its own operational criteria and its actual operations, it would have been our policy since then to present the very next article - which is this particular article - in such a fashion as to illuminate how people and other entities in Barbados pay for the use of our own money, in a manner such as to reflect the very critical nature and scope of this very subject matter at hand, and at the same time to celebrate the breaking of new ground in the ideological, philosophical, scientific and political sectors of Barbados and the Caribbean.

As such, the essence of this article will seek, first, to explain to BU members and visitors what this phenomenon is and what it means; will seek, second, to explain what consumers of goods, resources and services in Barbados, pay with when paying for the use of such money; will seek, third, to elucidate on the fact of this variable being substantially disadvantageous to the greater functioning of the production and distribution sectors of the country - via its contribution to the very high cost of living and doing business in Barbados - and will seek lastly to highlight why such an inglorious disaster is continuing to help drive this so-called Barbados economy into the ground.

But, before delving into those areas which will constitute the main ideological, philosophical and argumentative thrusts of this essay, there are a few out of many premises which the PDC had clearly stated in the preceding article, and which we think, as a matter of course, are in need at this time of being restated for the benefit of the re/understanding, re/acquaintance of BU members/readers, and for the benefit of communicating to the said readers of this piece the general direction in which this said piece will be taking.

The first premise is that money is a medium of exchange. The second, is that money has its own store of value (it has its own digitized value). The third, is that there are fundamental differences between the "buying" and "selling" of goods, resources, and services in a market place, and the exchanging of those things by consumers, investors what have you, in real terms. The fourth is that there are fundamental differences between so-called prices of these said goods, resources and services, and the real costs of those goods, resources and services. And the fifth, is that money cannot make money nor can money make money (excluding foreign exchange exchanges with other foreign exchange), such and more from our PDC perspective, whenever commerce and investment are being done in this society (see last article).

There is and has long been at the core of multifarious national and sub-national commercial business activities taking place in this land, the function of financial institutions lending millions and millions of Barbados dollars in money value yearly to thousands of people and other entities. It is and has also been found too that, in return, the latter - at

the end of those particular agreements that give rise to such loans - end up paying a substantial portion of their or others' income (earned/unearned) to these said financial institutions simply for use of the people's money that was lent to them by these same financial institutions. And, that the value of the income in repayments would be much more than the amount of unearned income these same financial institutions would end up - under different agreements - paying with when they would obtain the use of the Barbadian people's own money - whenever, say, these people, businesses and other entities happen to keep certain amounts of their or others income with these financial institutions.

Presently, it is those political regimes, political laws, political policies and contracts (the Central Bank Act, the Financial Intermediaries Act, The Insurance Act) that help to regulate the money business of these financial institutions, that make it clearly known that these said institutions are the primary source of this disgraceful practice of people and groups in this island - city state to be - paying for use of their own money.

Moreover, these individuals and groups see it as fitting or desirable within the commercial market environment of this Barbados space to continue using goods, resources and services, in the passing on, or in the adding on to - in whatever ways - and to whatever extent - the income and the incoming costs of their using the people's money, to the bills of their customers.

So, therefore, while it is logically clear - as has been previously argued many times on here by the PDC, and as was just referred to - that money cannot cost money, and cannot make money (generally) (but which INTEREST RATES REGIMES DISHONESTLY FALSELY SUGGEST), it is in these said INTEREST RATES REGIMES, REPAYABLE INSTITUTIONAL LOANS for productive purposes REGIMES, INSURANCE SCHEMES, CORPORATE SHAREHOLDING, IMPORT, EXCHANGE RATE, and other relevant domestic regimes, that the various operational costs involving the uses of the Barbadian people's money, are not only factored into the "selling" costs of particular enterprises functioning under these particular regimes - and which themselves are duly absorbed on the whole by the incomes of individuals, households, businesses and sectors, but are also factored in in 90% of those cases of the actual selling costs being passed on - in whatever ways - to the bills of their next customers (whatever the payment arrangements - cash, hire purchase, lay away, credit).

Hence, starting from these particular financial institutions, and running principally through these regimes, it is seen how the payments for use of the people's money are exacted and imposed on the vast majority of the people of this country. And, it is principally the final consumers of the final goods and services in this country that bear the extreme burdens of the payments and repayments associated with the use of this money.

And, so, from the Central Bank of Barbados costing the other financial institutions for use of such monies to the point where the final consumer user of goods, resources, services is charged by the one before the last consumer user of those things for use of the public money /value, is where this vicious damning cycle starts and continues up to this day.

Moreover, it must be patently valid and clear that the mere use of money value in trade of goods, resources and services does not involve money costs (BUT IN THIS CASE ONLY INCOME COSTS THEN OR LATER), and that by the very material and non material nature of these goods, resources and services, no money or money costs are inherent in them.

Therefore, what this means is that all participants involved in the trading of goods and services and in the investment of enterprises are essentially - at whatever individual or collective levels in this Barbadian society - paying or being forced to or influenced to pay, and, in many many cases without knowing it, wrongfully foolishly for the use of the Barbadian people's money value.

In this particular case some are made to pay more proportionately than some others, thus reflecting the top-down elitist/statist/corporatist driven exploitative structure of this Barbadian peripheral capitalist society.

Now, given all the foregoing rationalizations, it has become easier for the PDC to proceed to define the term /variable - paying for the use of the Barbadian people's money - which is activity whereby regular income (only earned incomes) payments are or would have been made by individuals, businesses and other entities to one another, whenever, as a result of agreements made that wherever whenever portions of earned income that are belonging or would have been belonging to others, are or would have been used up previously by any of them, that re/payment (through incomes, dividends, interest, etc.) of the amounts previously agreed or not - has wholly or partially at any intervals over time - to be done, is being done or is has done, has been done or would have been done as a consequence of such uses.

In this regard, we are making it clear that the above definition only applies in cases where there is use of the Barbadian currency in Barbados, since the Barbados currency itself belong only wholly to all Barbadians, and since the legitimate use of this currency in Barbados is determined primarily by local existences, events of a political, legal, material, commercial, financial, and cultural nature. In regard of the above definition too this definition must never be construed - as it is NOT so - as pointing to circumstances where it is falsely believed by many persons that money is making money or costing money.

This definition, however, takes into consideration income payments (earned by income) that are being made for future new stocks of Barbadian money. Too, we are not in the case of the above definition applying it to circumstances where in any event foreign currency is used wholly or partially by Barbadians in Barbados ever or in any event where it is traded with Barbados dollars in Barbados.

So, any members of the public in Barbados using foreign exchange is factored out of this essay, for the very valid reason that, again, it is the local environment that substantially reflects the cost of the use of the Barbadian currency as opposed to, say, the US dollar.

The foregoing thus leads the PDC most definitively to the position that when Barbadians, Barbadian entities and others do pay for the use of the Barbadian currency, they do so with/by using their earned incomes, and their earned incomes alone, whether those incomes would have been earned locally or externally.

The immediately foregoing too leads the PDC to define what is earned income as distinct from unearned income. Earned income is income that has been earned through the allocation or use of commercial goods, resources and services in the market system, and that has been divided up among those owners or workers within those entities in such market settings. Unearned incomes are those transfers that are simply given to enterprises by individuals and other enterprises that have no choice but to hand over their incomes to the government, or which would have come through individuals and enterprises simply providing money based services for the public, or for private people, and for which the services provided do not give rise to proportionate property ownership considerations.

Well, seeing that earned incomes are personal/business assets defined by, derived from a set structured commercial process in the country, it must mean that any person simply holding up in their hands anywhere in the country a bundle of Barbadian dollars or US dollars does not automatically qualify them to be income earners. Perhaps those same dollars would belong to the possession of some one else. Also, imagine - in the case of the US dollars - without the converting rate of BDS \$ 2 = US \$ 1, or any official or unofficial converting rate by any ones - how would it be possible for the USD be used to pay for the use of the Barbados dollar? How? Surely, it is impossible to do so under the current money system, and where there is not a system of US dollarization of this country, which though is some thing that should have been done long time ago primarily as a facilitator of increased trade and investment between Barbados and the rest of the world, but not as a replacement for the Barbados dollar. See our policy on the Abolition of Exchange Rates in previous submissions on BU before.

Anyhow to return to the point at issue, it is really the earned incomes of people, businesses and other entities that are used up in paying for the use of Barbadian money in business commercial transactions, whether publicly or privately, and, again, since generally money cannot cost money or money cannot make money, once it is of the same commodity class!!!!

Thus, while it can be estimated that 70-80% of total annual incomes doled out in this country are as a direct result of the total payments made across the country for use of the people's money, the remaining 20-30% is therefore really generated through the real productive investment efforts of individuals and groups in this land, and must therefore be seen as the real surplus value, call it that, that is generated through the extent of commercial goods, resources, services exchanged in the process of the creating and distributing national income, yearly. Hence, this 20-30% is measured either by income ACTUALLY EARNED by individuals, households, businesses, and other entities, via contributions to or returns from the market system, or by productive income paid to the said owners of households, businesses, commercial assets, properties, etc. by consumers users of goods and services, or by the value of productive output and investments made by the said individuals or groups of persons - BUT LESS THE TOTAL VALUE OF INCOME COSTS INVOLVED IN THE USE OF MONEY - LESS THE TOTAL VALUE OF UNEARNED INCOME IN THE COUNTRY - LESS THE TOTAL VALUE OF TAXATION - LESS THE TOTAL VALUE OF INTEREST RATES - LESS THE TOTAL VALUE OF IMPORTS OF EXCHANGE RATE COSTS, etc.

Hence, while there cannot be reasonably an argument against paying a reasonable amount of earned income towards the actual production of Barbadian money overseas using some amount of US dollars out of the government's foreign

reserves, and too for managing and accounting for real savings accounts, it is damnable and gross that productive Barbadians and productive Barbadian entities continue to pay for the use of their own money via the establishment of the same laws, policies, contracts and regimes mentioned earlier and more.

So, rather than more and more individuals, groups in Barbadians be engaging more and more in building greater productive distributive capacity, and which would be one basis for guaranteeing greater sources of income for themselves and the country to benefit from, it is seen a very atrocious situation where too many individuals and groups continue still with building largely unproductive financial capacity, which will mainly serve to significantly increase the income costs of the use of the Barbadian people's money in the short to long term, mainly serve to substantially increase the cost of money for money debt in the short to long term, while at the same will mainly serve to gradually decrease the real income and output produced in the Barbados country in the same short to long term and to markedly decrease real exports, investments and savings in the country.

Hence, it is this constant overwhelming paying for use of our own money that will help force Barbados under the DLP and BLP governments to turn for foreign investment, aid and foreign borrowings more than anything else.

However, as a variable/as an indicator, it will be seen as far more important that the GDP/ GNP variable or any cost of living variable in helping to measure the rate of growth and development, decline or stagnation, of incomes and its relatives taking place in the country in a given year, to measure the differential between productive activity and unproductive activity in the country and the rate at which it is growing, and many more aspects, altogether at times when money value is being used by so many in a particular year.

So, for instance, imagine that the total costs of use of money in any one given year in Barbados is far more than the value of imports into or exports from Barbados? and think about it remaining so for some while?? Surely, Barbados will be heading towards a crash in the so-called economy - as eventually this will happen to Barbados given the facts at hand.

In closing, it is clear from what the PDC has herein represented that if Barbados has to avoid this crash, and to remain significantly protected from external shocks to its material production and distribution centers, that a new political order of leaders have to, et al, drastically reduce the costs of the use of the Barbadian currency as a percentage of the GDP; have to eliminate or seriously reform those institutions that simply shuffle around the Barbadian currency, and that pay others including staff to do so; have to educate many Barbadians about these things and the need to build productive manufacturing agriculture capacity in whatever regards, and as usual have to bring about the Abolition of TAXATION, INTEREST RATES, REPAYABLE INSTITUTIONAL PRODUCTIVE LOANS for productive purposes etc.