

## Virtual Currency and Marxist Monetary Theory: Ideal Money and Real Money

### Abstract

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As observed, there are two types of money—ideal and real. The ideal money is typified by actual products having a white tag affixed with a mysterious yen (¥) mark before arbitrary numerals (money as prices of products), and deposit money with arbitrary numerals in yen (¥) units that exist as electronic data in bank accounts. The real money is typified by yen paper bills with units of 10,000, 5,000, 2,000, and 1,000 printed on paper materials and coins with units of 500, 100, 50, 10, 5, and 1 incused on copper, zinc, tin, nickel, and aluminum and alloys. By understanding these two types of money through the regularity of the intermediate G in the traditional W-G-W fluid unity of classical economics, in other words, the regularity of circulating currency in the infinite chain process of buying and selling, the Bank of Japan and modern economics are yet to grasp the qualitative differences of money functionality between yen and yen paper bills and coins. Accordingly, they cannot understand the related structure of the differing functions of these two types of money under an Inconvertibility regime. Under this system, they also cannot grasp the unique form of sudden change possibility in a money's function from the former to the latter. Even in Marxist economics, which in essence is category criticism, almost all researchers have failed to recognize a contradiction without a *terminus medius*, including the possibility of a sudden change in the function of money from illusory, ideally money of account to real money in the form of paper bills and coins. These monetary entities function as means of payment as well as unique forms under an Inconvertibility regime, wherein the yen and the yen bills are mixed together in the category of deposit currency as “perpetum mobile” (*Capital*, W.s.144.) in circulation.

The notional price form of actual products, a given in product distribution, is that recognized by a society of people in a commodity production relationship, in other words, “an objective thought form” (ibid, W.s.90). These price forms are given unique arbitrary money names, such as yen (¥), dollar (\$), pound (£), or EUR (€) by the governments of each country. In the 18th century, Sir James Steuart developed a theory of ideal measuring units, wherein the arbitrary money names of ¥, \$, and £ are

not units of measure that define quality and quantity when measuring price but are the exact opposite. They are “idea value atoms,” or fantastic, arbitrary inventions of our brain (*A Contribution to the Criticism of Political Economy*, W.s.60). Under an Inconvertibility regime, this theory is entirely developed and supported by the fixed demonetization of gold. The 21st century version of this is Satoshi Nakamoto’s BTC, and the unit of measurement is one-one hundred millionth Satoshi.

Using Japan as an example, from the standpoint of Marxist money theory, a unique, functionally related structure exists between the unique Inconvertibility regime of ideal money yen (¥) and real money yen (¥) in paper bills and coins. This describes the said structure between yen, which functions as a measure of value and yen bills and coins, which function as a medium of circulation. Based on this, BTC does not measure value as a simple, ideal unit, despite appearing on its face to function in that role. From the standpoint of a single citizen in the world of commodities, BTC conceives of a cashless world of quantitative theory, where maximum limits for currency volumes are set mechanically in advance on a PC program. At the same time, from the standpoint of global managers, national governments and central banks are impacted by ideas, and central banks are pushing for research on “digital currency,” or “distributed ledger technologies” (DLT), which form the foundation of BTC. Some central banks support this idea because it completely eliminates cash distribution costs, and due to the pit that negative interest policies have created. However, in the anti-cash world of the 21st century, promulgated by classical anti-bullionism conceived by both sides, credit and debt offset each other, with an actual balance among products that is central to Say’s law, a fundamental idea in orthodox economics. Accordingly, let us expose this idea as a dangerous fantasy that denies the possibility of the monetary crisis and cannot deal with the sudden shift from ideal to real money that occurs when no offset exists, as seen in the Lehman shock.