

THE OLD KING (2004)

In an ancient civilisation, people had understood **that both parties to a barter became better** off since each developed his abilities and thus exchanged the fruits of his labours with those of others. In those days, **one might**, for example, exchange a sheep against fruit and vegetables from another. Later they invented barter with a time delay: “I give you a sheep now and within three months you give me the agreed amount of fruit and vegetables.”

Since few people knew how to read or write at that time, pieces of metal - or money - came to be used as earnest of the barter agreement.

A system of trade developed that could be applied **to various transactions** ranging from basic needs to the exchange of services: “Jack builds a cottage for Peter; Peter goes hunting for Paul; Paul delivers fruit and vegetables to Jack.”

Some of the older people took to educating children. Those who felt capable of it defended the village against invaders. One, a wise old man, dispensed justice; another was a healer. **For their services they were paid in kind or in money**, which became tokens of trade. Mothers and fathers took care of their children and shared the work.

The system worked well and **profited** the inhabitants of a village or town. **Other towns** had different trade tokens, other moneys, and varied contacts grew up between different communities and gave rise to **commercial exchanges**. The different trade tokens – or moneys – were exchanged, and even people from the same community were happy to accept money originating in neighbouring towns, for it allowed them to buy goods from foreign salesmen. **Very soon traders began to accept moneys from other towns, which increased their opportunities for trading.**

As trade developed, **some crooks** started forging false money. Such forgery was severely punished, and one counter-measure was to mint money out of **precious metal**.

And what happened when **large undertakings of public benefit** were to be carried out? Like the construction of a new road or a port?

That could not be bartered ...

Mostly, **each participated** according to his means and finally everyone became involved in offering their services for realising such large undertakings.

One old King had found another way of doing things. **He minted supplementary coinage**, which he gave to those who worked for the public good.

“I shall see to it,” he said, “that those who receive this money will be quite sure of being able to exchange it, with me or with others, for food or other things.”

Thanks to the new roads, convoys, laden with pepper and salt, coffee and chocolate, were able to reach the town. **The old King** put customs guards **on the gates of the town** and inhabitants who wanted to buy spices from the foreign traders had **to pay taxes proportional to the amount of stuff they bought**.

In this way the King **recuperated the money** he had paid out to the population for working on public projects.

Nothing prevented him from undertaking other major public works so long as his subjects continued to buy foreign goods on which he could raise taxes.

But soon there were no more big public works to be carried out, and the King noticed **that the number of beggars was going up**. Some beggars begged so convincingly that they took in more money than those who worked hard in the fields. But there were also some, unable or too proud to beg convincingly, who remained really needy.

The King said to himself: “Remembering the period of major public works, I shall distribute money, but this time to everybody regardless of whether they’re in need or not. What I shall distribute will not be much but will meet people’s first needs.”

At the same time he instituted **a tax on jewellery** that people came to buy at the town gates. It worked very well. There was less stealing and everyone had more money and spent more.

To buy what? Food from the farmers, better shoes from the cobblers, beer at the inns, spices and jewellery. Farmers and cobblers grew richer, inn-keepers received more and more money; the town guards received more and more by way of taxes on the sale of spices and the well-to-do wanted more and more jewellery. Everything in the kingdom was going very well.

Then the King said to himself: “And what if I handed out a bit more money to everyone, and increased the taxes on spices and jewellery?”

That’s what he did. And at once poverty disappeared. Everybody spent their extra cash so that there was even more trade. More people could afford to buy jewellery and spices.

One day **the good King died**, in peace of mind, satisfied with what he had done for his people. **His eldest son succeeded** him in accordance with the custom in those days, for it had not yet been realised that women were at least as able as men at administration.

The son thought he had understood the lessons of his father. He said to himself: “All I have to do is to continue to work the system set up by my father and gain a bit more money by increasing taxes.”

But he did not give this extra money back to the people. He just distributed it among the people around him, at his court.

In the beginning that passed unnoticed, but his court started growing and needed more and more money. Taxes on spices, delicacies and jewellery kept going up, and the people, getting nothing in return, were not really satisfied having always to pay more; nevertheless they said that the new King must know what he was about. However, fraud started increasing and the new **King had to engage staff to fight against it.** He also had to build prisons, whereas before there was no need of them.

He acquired the image of a rich and powerful King who pleased the ladies of the court, and invited neighbouring princes to join in his festivities and admire his success.

Faced with this state of affairs, the number of discontents went up and criticism flowed freely. Times became hard, and people began to save money rather than buy spices and jewellery, **which caused the King’s revenues to fall.**

So, he decide **to reduce everyone’s allowances** – those that his father had put in place. He said to himself that people only had to work more to earn their money.

The people’s discontent turned to anger. Beggars appeared in the town again and the citizens had to lock their houses every night to avoid being burgled.

The people spent less and less, and less and less tax revenue found its way into the coffers of the King and his court.

So, the new King decided that when the people traded with each other – for example, 6 chickens against 24 cauliflowers –, one third of the value of the transaction should go to the King: in this example, 2 chickens and 8 cauliflowers.

The King had to engage staff to put the system in place and he had to strengthen the forces of law and order.

All that, naturally, **cost money** and when he looked at his accounts he found that **his reserves were going down every minute.**

But the majority of the people thought that **the King only had their good in mind** (and that, incidentally, is exactly how the King thought about himself). “After all, is he not the son of the good King? No-one could do better. Times are hard and we just have to tighten our belts,” they thought.

The new King went so far down this path that **he began to tax the work** of the nurses looking after the old as well as the work of the women who looked after the children of other women who had to go out and work very hard in order to pay the taxes the King had put in place.

Until the day when certain young people could no longer stand it. They had heard talk of the old King and that in his reign the only taxes were those paid on luxuries, that trading was free of tax, that there were no controls and that practically no police force was necessary, because there were few thefts and little poverty.

So it was that one day this very active group of young people, accompanied by some older wise folk, **left the town with arms and baggage.** They went to set up a new town, sufficiently far away. They built it, together with roads, and there applied the principles of the old King: everyone could trade freely and everyone received each week a sum of money to start the week with. And it turned out that merchants came to the new town, so that taxes could be levied on spices, delicacies and jewellery.

The group of pioneers decided furthermore that, in future, power could not be left in the hands of one person and that all those who had built the new town should designate a responsible chief. **The inhabitants of the town could likewise decide** to replace the chief if he was not benevolent enough. They also decided that everyone should **be able to participate in important decisions** like the levels of the basic allowance and the taxes. In their new town the disaster they had experienced with the son of the old King could never repeat itself.

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