

# **Articles Explaining Larry Mason's System**

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## Idle Capacity: A Form of Insanity

Have you ever noticed that people often buy exercise equipment, use it for a few days or weeks, then stop using it altogether and eventually throw it away? Does that seem silly to you? Well how about a company with lots of expensive machines for manufacturing something which has its workers stop coming to work and allows those machines to just sit there and rust? Sounds expensive and wasteful, doesn't it. Think next of homeless families living in their cars or in shacks they built of trash while down the street there are houses sitting empty and deteriorating because no one is maintaining them. Another of life's ironic tragedies.

Why do these things happen? Why do people live in poverty while the goods and services they so desperately need are wasted or not produced at all? Why is it that when millions of people who have no work, who *want and need* to work, who will take almost any honest job that they can do well, why are they not allowed to work, to produce, to make all of us more wealthy?

Surely you can answer those questions. We all know the answers. It's because *no one is willing to pay those people to work, to produce*. It's because those poor people *cannot pay* for the things they need. We don't work and we live in poverty because of *money and the way money is distributed*.

But doing that is insane. We might as well stop working because of the pattern of tea leaves in the bottom of the Queen of England's cup. We might as well stop working because of the shapes a diviner sees in the entrails of a freshly slaughtered sheep. We might as well stop working because of the planet Jupiter being somewhat in line with Mars.

We have the *raw materials*. We have the *tools* to process those materials. We have the *skilled laborers* to use those tools. We have the *transport* to bring those goods swiftly to market. We have *eager customers* wanting to consume what we could manufacture. We have everything we need except... well, except that *people do not think they will be paid for doing those things*. People do not think they have money to buy those things they would like to have. It's all in our minds. *It's a form of social insanity and it's all in our minds*.

What distinguishes a piece of paper which is worthless from a piece of paper which is worth lots of money? The distinguishing features are *in our minds*. It is what we *know* about those pieces of paper that allows one to be actual money and the other, which may look strikingly similar, to be just a piece of paper. What is it about certain electronic patterns in the memory of a computer which makes the one pattern money and the other pattern just random bits? The distinguishing features are all in our minds. It's a mental thing.

Why do we think about things this way? Why do we let this figment of our imagination, this dream, this concept, this set of beliefs, so dominate our lives and give us so much misery? Mostly we do so because *we don't know any better*. Mostly we do so because *that's what everybody else is doing*. That's just the way we think about things. That is *how we were trained*.

But do we have to *continue* to act this way? Does the insanity have to continue? Are we doomed to proceed down this path of suffering and want just because we don't know any better, just because our parents and grandparents and so forth back through history for thousands of years trod that same path *to their eternal regret*?

Well, no. We *don't* have to. We could choose to do otherwise. We could learn and invent new ways and change our bleak future into a brilliant tomorrow. Because, after all, it *is* all in our minds. It isn't as if there were some physical barrier that walled us off from prosperity. It isn't as if there were some physical constant like the speed of light or the force of gravity that was preventing us from producing. *It's what we know, or what we think we know.* We can change what we think. We can increase what we know. *We can overcome ignorance.* We really can. Because there really *is* a better way. There actually *is* a way to change our money so that "money is no object," so that money doesn't make us stop working or stop using perfectly good shelter or not take care of the sick. There actually *is* a way which *doesn't cost anybody anything.*

Yes, I know, you're thinking that *somebody* has to pay, that everyone else can benefit at your expense, that the only way to win is to defeat someone else, that goods are scarce and there aren't enough to go around. But remember, *goods are only scarce because we stop producing them,* not because there is an upper limit to goods. Remember that *just because you win doesn't mean that anyone else has to lose.* Remember that the best things in life are free, or could be.

Are you ready to live a better life? Are you still capable of learning? Are you able to change your mind about things that seemed certainties in the past? If you are ready, if you are capable, if you are able, but most of all if you are willing to do something about it all, then start now. Read Invisible Hand. Learn *why* we are suffering this social insanity. Learn exactly how it comes about. Learn that it *is not necessary that we live this way.* Learn the single change we can make that will solve all these problems and more. Read Invisible Hand and learn.

## A Brief History of Money: Part I

Once upon a time, thousands of years ago, people used no money at all. These people were living in extended family groups and survived by hunting and gathering. The men hunted and the women gathered and took care of the children and built the shelter and made the clothing and tended the sick and so on. The men would bring meat home from time to time but, as is the case with all hunters, sometimes they had no luck or bad luck. In those times the people survived on what the women and children gathered. In short, the women could get along just fine without the men and usually did because the men were off hunting anyway most of the time. But the men depended upon the women to stay alive.

Therefore when women in various places invented agriculture by domesticating some animals and actually fostering the growth of edible plants, the women no longer were willing to go off to new hunting grounds just because the men couldn't find many animals to hunt (having killed off most of them) or because the animals were migrating elsewhere. The women said something like, "I'm staying here with the kids because I have a big investment in this land and in this house I have built and in the fences I made to restrain the goats. If you leave, you're on your own." No doubt the men got huffy and left, swearing that the women couldn't live without them but came back later when they got hungry enough and blustered something about the game coming back soon anyway.

Now when they were nomadic, the people could get things like flint for tool making and salt and other things which they needed that weren't available all over by traveling from time to time to where the things were found. But when they settled down in just one place, they still needed those things so they either had to make long pilgrimages or trade with those groups and families who were still nomadic. Trade was found to be the easiest way to get things done because some were better at traveling and other groups were better at farming. Over time, trade routes and trading circles arose in which the needed items flowed in both directions among various sets of trading partners. Traded items might go hundreds or even thousands of miles. People became quite dependent on these trade relations. Families would even arrange marriages for their children which supported such trades. The age of specialization was just getting started.

Time passed and the farming groups became more skilled in their agricultural practices and they accumulated considerable tools and other capital (like houses and storerooms) that made their farming more successful and dependable. In some regions, they even developed irrigation. But these "capital goods" were not mobile in most cases. It is difficult to move 500 yards of fencing, for example, or a mud brick house. The farmers began to store large quantities (large for the day and time) of food since their harvest was seasonal and the farms could produce food only part of the year. (Yes, it was the *women* who invented various means of preserving food.)

That stored food looked awfully good to the hungry hunters of the nomadic groups when they were unsuccessful. With their families on the brink of starvation (for whatever reason) the hunters would actually take food from the farmers by force. After all, the hunters were killing animals and the same tools which will kill an antelope will also kill a person. So in some cases raids on the farmers became more frequent.

The farmers, to defend their property and their lives, would build defenses such as fences (walls) around their villages. As the villages grew larger and the populations of those villages

became greater, some of the men became specialists in defending the village. Of course if they are fighters, they aren't growing food so they have to be given food and clothing and so forth.

While these changes were taking place, money was being invented independently and unintentionally in each of these agricultural centers. Goods that could be transported long distances had to be relatively small, light, and valuable. Otherwise they would not be worth the effort to transport them. These goods, therefore, would be acceptable in a trade even if the person accepting them already had more than enough of that item to meet their own needs. In this way, traders could work out trades to get what they wanted, even though it meant making more trades than if they could directly trade their own product for someone else's wares. In other words, if you had corn to trade and wanted a sheep dog, you no longer had to find someone with a sheep dog who wanted corn. You could trade your corn to anyone who had extra salt and trade that salt with anyone who had a sheep dog to trade.

This made salt one of the more common commodities that was used as a medium of exchange. But there were any number of things which were used in this fashion. Those which worked the best, held value over time, did not deteriorate, and which were attractive to the most people, tended to become well-known and thought of as being particularly acceptable in trade.

By this time government (those fighting men again) was coming to be important. Those who defended the village discovered that they could use force to get themselves paid even if there was no immediate threat from hunting groups. It was the old "protection racket" in its early days. Thus were taxes invented. Since the fighters were setting the terms, they would demand the items most useful for trade as their pay. As government expanded, villages became what we would now call small cities, and the number of people became larger, the fighters discovered that they could "protect" more than one village at a time. All they had to do was replace the protectors of that other village. Whole regions came to be governed by single groups of warriors (now they were warriors because they had developed the art of war). Trade was getting more important because the warriors had to buy more elaborate defenses and weapons. The government needed better forms of the media of exchange that made trade easier.

## A Brief History of Money: Part II

Having developed government to the point that it was ruling many villages and several small cities, rulers began to desire more profitable trade. There were many problems with the diversity of the commodities being used as media of exchange. It was difficult to compare the value of two particular items since they might be quite different. If the region was using salt as its medium of exchange, for example, there might be sand mixed in with the salt. One pound of salt might be dirty and another clean. This made trade more difficult and led to conflict in the marketplace.

About this time, the development of metal technology was getting started. Tin, copper, and other metals were found to be useful for tools, weapons, and decorations. The people of the government would almost always be willing to accept metals for the citizen's taxes. But there were problems with metals as well. Was the metal pure? Was it in the form of ore or refined metal? Was it really *this* metal or actually *that* metal.

These problems existed for centuries but because metals lasted and were so useful for things the rulers wanted, they came to dominate (along with salt) the various things being used as money.

Then someone got a brilliant idea and sold that idea to some important ruler in the middle east. What if the government cast metal into disks of a standard weight of metal at a standard purity and put the ruler's image on the disk. That way the traders would know at a glance what they would be accepting for their products. Trade would be facilitated and the economy would flourish.

This was a great breakthrough. It enabled government to get even bigger and gave the rulers a strong motivation to convert some of their store of metal into coins instead of making weapons or tools of that metal. But it was found that some metal was better for making tools than other metals. Some metals were soft when pure and some would corrode and so on. It was found that gold and silver were not very good tool metals because they were too soft. In fact, gold was so soft that it was almost useless when pure. But gold was in short supply and it did not tarnish as silver did. It was nice and shiny, like silver, but it stayed shiny when handled. It didn't turn one's skin green as did copper. So, gold became the coin of choice with the highest value but silver was also valuable as decoration and was in great enough supply that it could serve as coins of lesser value and for those smaller and more frequent trades. Other metals were also used but silver and gold coins were the most valuable per unit of weight.

In fact, for most people, gold and silver were useless *except* as coins. Most people were too poor to have gold or silver jewelry, and bodily decoration came from other materials. But because gold and silver were so useful as money, the value people assigned to those metals increased far beyond their usefulness in making goods for consumption. Money, once a commodity which helped trade, was becoming a commodity in its own right regardless of its physical properties.

But this new and improved money - coins, while better than what had been used before, still had problems. Governments and others were tempted to mix other metals with the gold or silver to increase the supply of coins. This was a form of inflation, of course, but also a form of counterfeiting. The average citizen had to come up with various tests of the coins to be sure they were the right metal and weight. Did a coin "ring true" or did it have the wrong

sound when dropped. If you bit the gold coin, was it soft enough to have a high gold content or was it so mixed with some other metal or metals that it was too hard to have much gold? Did the coin meet the "acid test" of purity? And, of course, did the coin weigh the right amount on the scales? Even specie (metal coins) was not without its problems.

But there were more problems than the acceptability of coins in trade. There was the problem of money supply. Sometimes, the amount of coins increased and sometimes it decreased for various reasons. If a conqueror came through and the soldiers took all the money they could find, the local economy not only suffered from the depredations of the troops in destruction of capital goods and merchandise, it also suffered after the soldiers left in that people had no coins to use in trade. The populace was forced back into barter which simply doesn't work well enough to keep *cities* going. On other, less common, occasions, the supply of money increased (as when the soldiers came home from successful conquest) and the prices of goods and services shot up. These fluctuations in the supply of money were independent of the supply of goods and services for sale, of course, which made things difficult for everyone.

This was especially true for those who loaned or borrowed money. If the value of the money was changing, then either the borrower or the lender was being cheated. If inflation was taking place, the lender was being repaid in money that was worth less than the money which was loaned out, even if the units of money were the same as agreed. If the supply of money was dropping and prices were dropping, the borrower had to repay the loan in money that was worth much *more* than it had been worth when it was borrowed.

But on a larger scale, the supply of money had become a limiting factor in the operations of government and the rich and powerful. Those building projects (like city walls and palaces) and those wars were very expensive. Unless there was plenty of coin available one couldn't pay the army nor the workers who built the ships and fortifications and palaces. In some nations (like Rome) it was even difficult to get *elected* unless one could pay the citizens (those who could vote).

Clearly something else was needed.

### A Brief History of Money: Part III

Coins were valuable, and so they needed to be protected from thieves and robbers. Therefore, businesses would have strongboxes and other means of making their coins difficult to steal. But the average person could not afford such a luxury. Thus they would sometimes ask more wealthy persons to hold and protect their money for them until they needed it. Such persons were often jewelers who had gold and jewels to protect anyway so they almost always had something like a safe. This was the beginning of the "bank." The bankers noticed that they could charge people a fee to let them use the services of their strongbox. Then they noticed that there was almost always quite a lot of money that belonged to other people in their safe. They probably "borrowed" some of that money from time to time and put it back when they could. Then they realized that they could loan this money to others and charge interest because otherwise that money would just sit there in the safe anyway and it could generate some income if loaned out.

You will have noticed that this increased the effective money supply because the depositors had money and the persons who borrowed also had that same money. The weight of metal remained the same but the spending power increased. This worked just fine to increase the amount of spending being done and therefore motivated more work and production. But if the borrower could not repay the loan and the depositors all asked for their money back, the banker would be embarrassed, perhaps even sent to jail. This would result in a sudden contraction of the money supply.

Now before the bank and its loans, the money supply would increase and contract only when physical coins (or other forms of money) were brought into or taken out of the local economy. But with the banks, such an increase or decrease in the money supply could be much greater and much faster than before.

To make matters even more interesting, the bankers had been forced to develop accounting even further because they had to keep track of how much money each depositor had in the bank and how much each borrower had taken and how much they had repaid and how much interest was owed. This required considerable record-keeping. Not only that, but the person who was keeping the records had to be trusted because the only way the banker could know the actual situation was those records. If the record-keeper cheated, and took some coins for himself, the banker would never know because the records would not show it.

Naturally, the depositors wanted some proof that they had a certain amount of money in the bank. The presence of paper and the invention of the printing press made this relatively easy. Upon giving the bank some coin, the depositor was given a piece of paper indicating how much money was deposited. Thus each depositor now had an "account." The bank's accountant would be responsible for doing an accounting for the bank's owner upon demand to show exactly what the situation was at any given time.

The banker then discovered that these certificates of deposit could be used in place of the coins. If a person had ten silver coins on deposit, they could give the paper which stated that they owned those ten coins to someone else who could then go to the bank and get those ten coins (or some other coins of the same value). Thus, *the paper itself* became a medium of exchange. The supply of money was no longer limited to the supply of metal. This combination of loans and paper serving in place of coins gave a still further independence of the supply of money and the supply of goods and services for sale. Now when a bank failed, not only were the deposits gone, all those banknotes in circulation were no longer valuable.

Now the reputation of the bank became extremely important. People would only deposit money in the bank if they thought it had plenty of money. And people who became worried that the bank might lose its money would hurry to the bank to get their money back out.

Banks, in order to attract depositors, began to offer interest to depositors on the money they were, in effect, loaning to the bank. To protect themselves from runs on the bank, the bank would even pay a higher interest if the depositor agreed to not withdraw their money for a fixed time.

But governments were not merely idle spectators in this development. They were very concerned with money, of course. They could also borrow from the bank and pay interest. But the government had an additional power that the usual borrower lacked. The government could create their own money. The government could debase the coins by reducing the gold or silver in each coin. And the governments really liked the idea of banknotes. The government could literally print money. Therefore, the government which was short of money to repay a loan could simply manufacture more money. But once they got the hang of that the government realized that they didn't have to borrow money from the bank at all. They could just print all the money they needed.

Of course, the printing of money was taken to extremes. The temptation to just print wealth was too much for some governments. The result was a flood of currency which was soon considered worthless. The inflation that resulted would bring the national economies to their knees. The people would fall back on barter, which greatly reduced production.

But the most important thing was that the supply of money and the paths on which money flowed now had come to dominate the economy of almost all nations just as industrialization was coming to be a powerful force in the world. Industrialization would considerably accelerate the processes that had previously been inching toward the money situation of today.

## A Brief History of Money: Part IV

Industrialization was changing the economy in fundamental ways. The proportion of persons working on farms began to decline at an accelerating rate. The serf or peasant was being "freed" from, or in some cases forced away from, the land and with no other place to go went to the city. The number of different occupations was increasing dramatically. Specialization had reached a point that no economy so developed could function at all without some medium of exchange. Barter was almost irrelevant.

But since the money situation was now vital to the functioning of the economy, the government became even more concerned with what was happening in the banks. Thus we come to the situation we still have today of the quasi-governmental bank, the National Bank.

Through the use of various means, the government can attempt to control the supply of money and the rate at which it flows in order to control the rate of inflation (the normal condition) or to stop deflation (the uncommon but more disastrous condition). When joined to the government's power to create physical money (currency) this places in the control of government huge potential for creating wealth for individuals and banks. This power serves as a great temptation for those who have any influence over the process.

But despite the government's power, that power is limited. It seems that money is *not controllable*. In the form of coins or bills, money can be passed from hand to hand without anyone else knowing. Though bills have serial numbers printed on them, the tracking of individual bills as they move through the economy has not proven to be plausible. Therefore, currency is the medium of exchange which is used by organized crime in its mass-marketing of its various products and services. But currency is small potatoes today. Today, most money exists only in accounts of one sort or another. Most money that is transferred from one party to another is "moved" electronically, changing the balances of pairs of accounts in computer-maintained records.

So let's see how this computerized form of money is controlled. The computers are run by programmers, system administrators, and accountants. That is, the policy makers, the legislatures, the chief executive officers don't actually have any *direct* control over the money in those accounts. Naturally some of those lower-level people yield to temptation from time to time, and try to steal some of that money. They get away with it sometimes and those institutions from which they have stolen money are so embarrassed that they never let it be known (if they can help it) so we really don't know how much *is* stolen.

But that, too, is small potatoes. The really big money is *out of control* because there is no way to defend such amounts of money. The people who are most powerful, influential and wealthy are able to corrupt almost any enforcement agency just as organized crime always corrupts the criminal justice system of every city in the world. Those who are entrusted with the protection of those vast powers are exposed to temptations and forces (threats?) which offer deals they cannot refuse. Somehow, *in every case*, most of the money is diverted, shifted, directed into uses, projects, pockets, and accounts which were not intended. There are many people who are quite willing to do anything, no matter how evil, no matter how many people are harmed or die as a result, in order to get that money. This includes governments, businesses, churches, associations (like unions), organized crime itself, and families. The scale of the money to be had simply overwhelms any attempt to control it.

**This is what we now have in the modern world. Huge amounts of money being fought over by powerful, ruthless, unscrupulous people of all kinds. The fighting is no holds barred. They are willing to do anything up to and including war and the use of weapons of mass destruction.**

**Because the world now has more trade than ever and the world's economy is ever more interdependent, failures and excesses in the money system now have ever more far-reaching effects. We are more dependent on the patterns of flow of the money supply than ever before in history and failures in those patterns or even just sudden changes in those patterns can have a devastating effect on the economy of nations, regions, or the whole world. Yet we cannot control those flows, we cannot regulate those flows, we cannot assure ourselves that those flows will support a well-functioning economy. We are totally at their mercy and we can no more control those flows than we can control the weather.**

**The money which developed thousands of years ago simply is not suitable to even an industrial economy, let alone a post-industrial, information age, globalized economy. Our failure to replace this thousands of years old money, this outgrowth of the trading of meat and salt and flints, this reaction to the inadequacies of what was even for an agricultural society a desperately flawed tool ("the love of money is the root of all evil") our failure is bearing bitter fruit. It has meant the horrible deaths of millions. It has meant pointless, needless, suffering and want. It has made us the enemies of those who should have been our friends. It has led us into temptation.**

**The time has come that we must seriously consider replacing our current form of money with some form which does not bring with it the guarantee of disaster, conflict, and destruction. Our economy is so advanced, so interdependent, so fragile and vulnerable that the next money-produced disaster may drive us back to barter and kill most of the people on earth.**

**That's the bad news. The good news is that money is all in our minds. That which is money is whatever we consider to be money. There is nothing about the physical universe which prevents our changing what we consider to be money. We have an incredible (and threatening) information processing technology as a tool to use. We have all sorts of scientific knowledge. We are not limited by instincts as are our pets. We can come up with other forms of money which don't have these flaws. We can implement such forms of money quickly. We *can* save ourselves and the rest of the world from the consequences of economic collapse. We *can* do this.**

## POM: An Introduction

From the beginnings of human history, governments and nations have used money. In the beginning the money was some sort of commodity money like salt, pigs, blankets, or beads. But as time and technology advanced, money took on other forms, the most popular being coins of metal and then bills of paper. Today the most recent form is bank accounts. All these various forms of money are either tangible, physical objects or representations of physical objects. For human beings, money today is considered to be a set of physical objects even when it is just in a computer memory some place.

So what is money? Economists have given many definitions, but perhaps the most simple and most meaningful is that money is anything which constitutes a medium of exchange. As is often the case, the definition requires more explanation than the original term which most people understand pretty well already. So let's just say that money is anything which makes the exchange of goods and services easier and more efficient than barter. (Barter is the direct exchange of goods and/or services.)

Money has certainly made trade easier than barter. Without some form of money our economy would collapse. Regardless of the other consequences money in its various forms has brought, it has made possible agricultural society, industrial society, and our present information economy. This is obvious because we do live in an information society and all the nations of the world have always used money.

But money has consequences beyond just making trade easier. The form of the money has consequences. The fact that a money is a physical object or represents a physical object has consequences. It is those consequences which these articles exist to explore.

## POM Can Be Taken, Lost, Or Destroyed

Any physical object that is suitable for use as a money is small enough to hold in one hand. Any physical object that can be held in one hand can be taken away from its owner against the owner's will. I hope this is obvious to everyone so I will not belabor the point.

Therefore, since money is a physical object, money can be taken from its owner against the owner's will. This is true because money is a *physical object*. It is a consequence of the nature of our money as a physical object.

But what about money in a bank account? Yes, what about your bank account money: can that money be taken from you against your will? I think it can. I believe that the State (some level of government) can legally remove money from your account and transfer that money to another account just as if the money were a physical object. That is because we treat the money in bank and other accounts as if it were a physical object.

What about an embezzler? I believe that an embezzler can remove money from your account against your will. I believe a check forger can remove money from your checking account against your will. I am sure you can think of other ways (legal and illegal) in which money can be removed from your accounts against your will.

If we did not treat the money in your account as if it were a physical object, if you were the only one who could spend your money and if that money ceased to exist when spent, then no one would bother to reduce the numbers in your bank accounts. They would not be able to get possession of your money so reducing the numbers in your accounts would do them no good.

You will note that in every *other* case of money being removed from your account the party removing the money did so to gain possession of it.

A physical object can also be lost, destroyed or hidden. Therefore, like any other physical object money can be lost or destroyed or hidden. Almost everyone has found currency at one time or another. Therefore there is a good chance that almost everyone has lost money at one time or another. This illustrates another consequence of a money which is a physical object. The Spanish lost whole shiploads of money when the ships sank in storms or in battle. People whose homes are destroyed by fire often have some currency destroyed by that fire.

Now... none of what I have said above is news to you. It is obvious to every functional, competent adult. The point I am hammering home here is that these ways of losing money through force, fraud, or accident are *only* able to happen because our money is a physical object or is *treated* as a physical object.

There also is another aspect which you may not have thought about. We all know that we *can* take money from other people. There is always the temptation to do so because everyone wants and needs money. It is inevitable that with everyone exposed to the knowledge that they can take other people's money, against their will, by force or fraud that *some* people - perhaps even almost all people, will, from time to time, yield to that temptation. Even if we do not yield personally to that temptation, we may assist and cooperate with others who do the actual taking. Many corporations and governments find and use illegal and immoral ways of taking the money of others, whether they are individuals or organizations.

These bad consequences are only some of the most obvious. There are many more which are

not so obvious, to be described in articles to come. The purpose of these articles is to bring to your attention certain aspects of money, most of which you are already aware of, but which you have simply accepted as you accept gravity. Unlike gravity, we *can* control and change the nature of the money we use.

## POM Is Amoral

You hold a gun in your hand. The gun is loaded. Is the gun evil, immoral, saintly, good, or none of the above? I think everyone would agree that the gun has no morality. That it doesn't make sense to give moral character to an inanimate piece of machinery. In the same sense, a disk of metal, a piece of paper, or the numbers in an account have no morality. They are all amoral.

Therefore, any physical object money (POM) is also amoral. Any morality associated with money is a result of the use that one or more human beings makes of that money. The morality comes from the use of that money to motivate some other person's actions.

Money can be used to build hospitals to care for sick and dying children. Money can be used to create weapons of mass destruction. Money can be used for almost anything. There is nothing about money which prevents its use for evil purposes.

If money were not a physical object then it might possibly have some ethical content. One might be able to speak of money as being a moral force. But that could only be the case if money were not a POM and did not represent a POM.

As we brought to mind in the previous article "POM Can Be Taken, Lost, Or Destroyed" there will be a temptation on the part of virtually everyone to take money from others against their will by force or fraud. This temptation is increased by the fact that money may furthermore be used to motivate *others* to *help* one take people's money. I can hire (using money) a lawyer to fraudulently sue other people. This compounding effect of POMs is only possible because a POM is *always* amoral. If a POM were moral it could not be used to reward immoral behavior. And if a POM were used *only* to motivate immoral behavior that POM would be immoral.

Because physical object money is amoral, the power of those who possess or control money to do harm is greatly increased. Look back over history at the most evil actions: those historical events which were the actions of human beings harming and destroying large numbers of other human beings. In *every* case, money is an essential element of those tragedies. To use a traditional modern example, the actions of the Nazi party in exterminating minorities in the 1930s and 1940s were the actions of a bureaucracy *paid by money*. These horrific crimes against humanity could not have been carried out if the secretaries, guards, engineers, construction crews, and police were not being paid money for their work. No one would have manufactured the poison gas or built the death camps or kept the records of who was a member of a minority marked for death or sought them out or done any of the other work necessary to bring those innocent people to their deaths. *It was only possible because the economy used a POM and that POM was amoral.*

Thus the sins that would be the minor sins of individuals become the major sins of organizations with great power. The festering hatred of one diseased mind becomes the national and even global tragedy of a world war. That is the exponential multiplying effect of money being amoral.

## The Supply Of POM

John has three baseballs. Does this tell us anything about how many oranges Fred has? Now that's a silly question. The number of baseballs John has bears no relationship to the number of oranges Fred has. That is because baseballs and oranges are separate physical objects. We can grow more oranges or there can be a freeze in Florida which destroys most of the orange crop without there being any change at all in the number of baseballs or in the number being produced.

It is obvious that the supply of one physical object is independent of the supply of other physical objects. This is particularly true of physical objects which are considered money. Since we also have money in accounts which are not actually physical objects, we just treat them as if they were, it is even easier for physical object money (POM) to be created or destroyed than most other physical objects.

It is obvious that the government of a nation can increase the supply of money in that country by printing more bills, or bills with larger numbers printed on them. This is a source of inflation. Though it is less common these days... it is also possible for the government to destroy currency.

It is also possible for the supply of money in an economy to increase or decrease in other ways. When a bank loans money that action creates money. For example, if you deposit \$100 in your savings account and the bank loans \$80 of that money to someone else, you still have your original \$100 and that someone else (Fred?) now has \$80 which he did not have before. That means that the supply of money just increased by \$80. So now what happens if Fred pays back the loan to the bank? Well, the supply of money just went down by \$80.

Note that in both these cases, the government printing more bills and Fred borrowing money, there is no necessary increase (or decrease) in the supply of goods and/or services for sale. The supply of a POM and the supply of goods and services for sale are independent of each other. There is no necessary connection. It is true that in some cases a change in the supply of money has effects on the supply of goods and services for sale. But it is also true that sometimes the relationship is one way and sometimes the other way. That is, sometimes an increase in the supply of money results in an increase in production and sometimes it results in a decrease in production. Economists tell me that there is an optimum money supply for each set of economic conditions and that the government, through judicious actions having to do with banking and such, can maintain that supply near the optimum. Somehow, this doesn't seem to happen all the time. You may have noticed that there has been a persistent inflation over most of our lifetimes in the United States, yet our economy has done rather well since the late 1930s. Other nations have not been so lucky.

But bank loans and government printing are not the only influences which can affect the supply of money in an economy. Money can be sent out of the nation. Physical objects can be moved from one location to another. If money is sent to some other nation via loan or investment or simple transfer from one bank to another, it is no longer in the first nation. This changes the supply of money. If the U.S. borrows trillions of dollars from other nations, that removes that money from those nations and changes the money supply in each of those nations.

Therefore a POM economy is always subject to erratic, destabilizing changes in the supply of its money. If a money is not a POM then the supply of money can be maintained in balance with the supply of goods and services for sale. It does not *have* to be in balance but that

balance is *possible* unlike with a POM.

Governments exercise power by the use of money. Those people who control governments want to control the spending of money. Therefore they want the government to have more money. Governments can get money by taking (such as taxes or confiscation) but that is often unpopular with those from whom they take the money. Another alternative is to borrow the money. This is more popular because the lender thinks there is a chance that they will get the money back and, perhaps, even some interest. But there is a third way open to governments and that is to increase the money supply by printing more bills or larger bills. You will note that the last two ways increase the supply of money and thus increase the chances of inflation. Therefore, most nations will have inflation to one degree or another most of the time until the economy is destabilized from one influence or another. This is a direct result of the money being a POM. Due to human nature, any POM government will have to act this way. The temptations are simply too strong for a government to resist for any length of time.

## The Control of POM

Every nation in the world attempts to regulate what can be sold and to tax economic activity. Because a physical object money (POM) is amoral, some of the uses of money will be immoral. Therefore the Church (of whatever faith) will attempt to control, to some degree, the use of money by its members. Parents don't want their children buying certain things... or at least not until they are older.

Yet every nation has organized crime. Every congregation has members who sin to some degree in how they spend their money. Many children buy things their parents wish they wouldn't.

Now you can say that using one's money to buy what one pleases is freedom and should not be restricted. I would agree with you. But you will notice that the government with all the force of law and police and the military and the criminal justice system is unable to prevent organized crime. You will note that even with the power of the faith and Biblical support of their injunctions churches still are unable to prevent sinful purchases by their members. You have also noticed, if you are raising children, that even though they love you and you love them when they have money to spend you can't prevent their spending it in ways you don't like or want or permit.

The conclusion is that POM is uncontrollable. Unless and until all money exists only in computer accounts it cannot be controlled and, if it is still a POM, perhaps not even then because then there will be the powerful temptation to cheat. But do you really want the government to know every purchase by every citizen? Doesn't that put quite a lot of power in the hands of those who run the government? So with a POM, either one has uncontrollable money (remember that POMs are also amoral) or one has an uncontrollable government. I will leave it to you to decide which you would prefer.

To be useful as a currency, any POM must be small enough and valuable enough to make secret payment for immoral actions possible and powerful. This is due to the nature of physical objects when used as money. No nation, no economy, no society, no church, and perhaps, no family can control how its members use a given currency, so long as it represents a tradable physical object.

## POM: A Zero-Sum Simulation

A zero-sum game is one in which the amount by which the winners win is exactly matched by the amount which the losers lose. A poker game is the usual example given of a zero-sum game. If player A wins the pot, everyone else who contributed to the pot lost and the total of what they lost is exactly what player A won.

As anyone can see with a moment's reflection, an economy *is not and never has been* a zero-sum game situation. Usually, most if not all, of the participants in an economy are winning. Sometimes, an economy goes really bad and then most of the participants are losing. So the zero-sum game is not at all a good simulation of any functioning economy anywhere in the world.

But all the nations of the world use physical object money (POM). Let's examine the influence of using a POM on an economy.

Let's start with the idea that the supply of a POM is constant. It is obvious that the money supply increases and decreases all the time. But is that how we think of it? I suggest that we do not. I suggest that it is very easy to count and watch the money as it moves around in an economy but very much more difficult to count and watch the movement of goods and services in an economy, especially if we are interested in the value of those goods and services. If we establish a value for those goods and services, it will be in terms of money. Therefore, it feels like only money is moving in the economy. We all know that isn't the case. In truth goods and services are moving. But we tend to watch only the money.

So we say things like "we should provide day care for all children with working parents but we don't have the money." "We should repair all those old bridges and highways but we don't have the money." "We should clean up the pollution at many industrial sites but we don't have the money." "If we spend more money on those things we will not have enough money for other things."

Now look at those statements. Don't they imply that the supply of money is fixed, a constant? Don't they give the impression that there is a limit to the amount of money? Don't they suggest that money spent for one thing is not available to be spent for something else? Doesn't every successful business have a budget and each part of the company has a fixed amount to spend and money allocated to one aspect cannot be spent on other needs?

So we are constantly in contexts in which the amount of money is a constant and those projects, activities, needs, and so forth which get money get it at the expense of each of the others. For each person and each organizational unit the amount of money seems fixed. The competing interests can only win at the expense of the other interests. The amount spent on one project reduces by exactly that amount the amount that can be spent on some other project. Isn't *that* a zero-sum relationship?

The more money spent on labor, the less money can be spent on executive offices. The more money the military gets, the less money can be spent on children's health. The more money spent on cigarettes, the less money is available for cancer research. You see what I mean. All those statements have the ring of truth because *that is the way a POM makes the situation feel*. Yet those statements are all silly. We have already seen that The Supply Of POM has no necessary relationship to the supply of goods and services. There is never any *real* physical reason why the supply of money should prevent the production of any needed good or service.

It is by being a physical object, the supply of which is fixed, that a POM simulates a zero-sum situation throughout every economy, business, family, church and government.

Now let us examine how zero-sum relationships affect human interaction. I think these effects will be pretty obvious to all of us. If my gain is your loss and your gain is my loss that makes us competitors. That makes us opponents. That makes me expect that you will attempt to hurt me, if not physically, then economically. It makes me defensive. It makes me try to think of ways to thwart you. It makes me unwilling to cooperate with you. It makes me count my change. And it makes me expect you to act the same way.

I have published my novel, "Invisible Hand" [here](#) as well as on [Gather](#) and at [my University-hosted website](#). I have offered it to all freely. I expect no compensation or money profit from people reading my novel. (I do get lots of satisfaction from folks reading it.) But how could anyone believe that I don't have a profit motive? How could any reasonable person in our modern world believe that someone would go to all the trouble to write a rather long novel and post it on the Internet unless they thought they would make a lot of money by doing so? It defies reason. I am sure that many of those who have seen my offers to others to read the book for free figured that I was at least trying to get [Gather points](#) which I could convert to money.

Why would you automatically expect a money motive on my part? You don't know me. (As the old cartoon puts it, I could be a dog.) So your expectation that I have a money motive must be what you expect of everyone who offers you something for nothing. And you have every reason to expect a trick. Why? Because other people can and will profit at your expense. Other people can win because you lose. Other people are motivated to get your money any way they can.

This psychological state is the natural consequence of a POM. It exists in all nations. Look what it does to us. It makes us think we can win/gain when others lose. It tempts us to do things which are immoral because we can gain at the expense of others. And remember that POM is amoral and uncontrollable and can be taken from others against their will, so it can be used to pay for help in taking your money. And always the excuse "Do unto others before they can do unto you." The zero-sum relationship guarantees that people will be motivated to hurt each other. It guarantees that people will treat each other as enemies. It guarantees that the slave will be kept down. It guarantees that the minimum wage will be kept low. It guarantees that people will steal. It guarantees that governments will spy on their own citizens.

The zero-sum relationship is a POM lie that breaks up families, a lie that creates labor/management conflict, a lie that justifies neglect of the poor, a lie that makes us distrust our neighbors. If our money were not a POM we would not believe that lie.

## POM Causes Instability

You hold a coin in your hand. You possess the coin. You give the coin to someone else. They now possess the coin. This is a two-party interaction using a physical object. You could substitute any money sized physical object for the coin and the interaction would remain two-party. Ownership is more complicated but so far as a POM (physical object money) is concerned, the interaction is still two-party.

The government collects taxes from you. You are one party and the government is the other party. You buy a house and you not only pay the seller, you also pay your lawyer, the guy who inspected the house, and probably several others as well. (I recommend the termite inspection, especially.) In each case you transfer money from yourself to someone else or some other party such as the law firm. This is the nature of POM transactions.

Two-party interactions are inherently unstable. We would like to think that marriages are very stable, for example. At the time of the marriage the bride and groom love each other. The whole community supports their new relationship being lifelong. The church may even threaten them with divine punishment if they do not live up to their marriage vows. Yet as we all know, divorce is far too common. An economy needs stability. Therefore two-party interactions are not good for an economy.

Why are two-party interactions unstable? Because when two parties interact *the power of the two will almost never be equal*. The party that has more power can use that power to gain still more power. By using power the strong party can increase their rewards at the expense of the weak party. This provides a motive, especially in the case of interactions involving a POM. The POM also provides a means, an amoral tool by which the stronger party can gain still more power.

This explains, in part, why money problems are one of the leading causes of divorce, why slavery tends to arise and why some men refuse to allow their wives to work.

## POM and Economic Depression

When an economy begins to have problems such as those faced today by the economy of the U.S. (and indeed, the world) people begin to remember bad economic times of the past. Days when the stock markets drop several percentage points remind people of Black Monday 1929 when the New York stock exchange dropped and seemed to lead the U.S. into the Great Depression. The stock market crash did not cause the depression, it was a reflection of what was already beginning to happen.

The nations of the world have always been economically interdependent. If one economy suffers there are adverse consequences for the other nations as well. On the other side of the coin, success in one nation can help the other nations. So a strong economy in surrounding nations will help ease the difficulties of a nation in economic trouble. Today international trade and corresponding economic interdependency has reached new heights.

Since the United States is the world's largest producer and importer we are very closely tied to other economies. If the United States experiences an economic dislocation of similar magnitude to the Great Depression, it will almost certainly likewise force the rest of the world into depression.

Take Mexico for example. As we know, the U.S. is Mexico's largest trading partner. If U.S. demand for the products of Mexico were to drop 50% it would be a small part of U.S. imports but it would be a much larger proportion of Mexico's exports and of Mexico's economic activity. There would be a significant increase in unemployment in Mexico driving a greater impulse to migrate to the U.S. But the workers from Mexico already in the U.S. would be experiencing less demand for their work as well which would reduce the income of the Mexican families still further. In short, there is a good chance that Mexico would experience an even worse depression than the U.S. would.

In the U.S. resentment of "illegal immigrant" labor would increase for a variety of reasons, many political. The increased attempts to cross the border for work would be met with increased enforcement and anger on the part of segments of the U.S. population, especially in those areas near the border.

Violence is almost certain to break out in several places near the border. Individual acts of assault would be the most common but semi-organized gang or gang-like activities could also be expected. One is reminded of Pancho Villa and his invasion of Texas in 1916.

Note that this situation is only plausible because all nations use POMs (physical object monies). Money factors are the predominant causes of reduced production. People don't work if they don't expect to get paid. People don't invest if they don't expect a profit. If nations employed barter rather than a medium of exchange, the supply of money on either side would become irrelevant. In the case of Mexico, barter-style trade with the U.S. as nations (not individual consumers bartering with producers) is feasible since each produces things the other nation wants.

## POM Needs Backup

So you're selling goods in a shop and this guy comes in and says he wants to buy one of the items. He offers you a bill that looks nothing like the currency you are used to. Will you accept that bill in payment? The customer assures you that the bill is worth even more than the price the two of you have agreed upon. Can you trust this guy?

You are clearly dealing with a physical object money (POM) in this case. You are trading an item of value from your shop for an item whose value you are having trouble determining. What is the value of that piece of paper? It is obvious that the paper, despite its beautiful engraving, is not, in and of itself, worth more to you than the item. So why would you accept the bill? Well, what if a banker from down the street entered your shop at that time, looked at the bill, and told you that the bill could be exchanged at his bank for five ounces of gold? Given that the item in your shop was worth to you only three ounces of gold would you make the exchange? Of course you would, because the paper bill was backed by gold. The bill had a backup.

But what if the bill had no such backup? What if it was backed up only by the assurance of the government of some nation that it was really money? Well, then you might refer to the exchange rates for your familiar national currency and the currency of the nation from which this bill came. If the rate was good enough you *might* accept the bill (and then hurry to the bank to exchange it for dollars).

This situation is quite normal for POM economies. That is because at the point of sale, one is exchanging one thing of some value for some other thing of some value. The transfer of value takes place in both directions at the same time. (Or at least the agreement or contract to give value takes place at the same time.) This is the traditional barter or trade relationship, a two-party interaction.

Now picture a different kind of money. A money which is *not* a POM. This new kind of money has no physical representation, so at the point of sale no value is being transferred from the buyer to the seller. This is not at all what we think about when we contemplate buying something. We always think of a transfer of value at the point of sale when a purchase comes to mind. But this transfer of value is not a necessary characteristic of a sale. Let's try to imagine a different kind of sale.

Joe has worked for Sam for two weeks. Sam is happy with Joe's work and tells Joe that Joe may have up to \$100 worth of the items in Sam's shop. Joe enters the shop, and selects an item. Ownership of the item is transferred from Sam to Joe. Joe has given his work, something which is considered by all to have value. Sam is giving Joe something of value, the item from the shop. But the value Joe gave was not given at the point of sale. In fact, at the time when Joe was working, Joe didn't even know how much value Sam would place on Joe's work. Joe did not know how much his compensation would be. Yet Joe's work was traded for Sam's item. Now the credit that Joe earned with Sam was expressed in dollars but there was no actual physical object that had the value of \$100 which Joe exchanged for the item. There was no physical object money. This new money that Sam employed was backed by all the items in Sam's shop. So long as there were items there whose collective price exceeded \$100, the "money" Sam employed was worth \$100 of items. So from Joe's point of view he was being fairly compensated. From Sam's point of view he had received full value for the item Sam gave to Joe. It was not a barter trade since there was no agreement beforehand as to Joe's compensation or that it would come from Sam's stock in the store.

Therefore it is not *necessary* for a money to be backed by metal or a promise to pay in some currency. The money need not have a physical representation. The money can be backed by the goods it can be used to buy.

There are those who would deny that the \$100 that Sam referred to was actually money. But it *was* a medium of exchange. It made it possible for Joe to trade his labor and Sam to trade the items in his shop. It was the medium by which an economic trade took place. Certainly this money would not scale well. Certainly it would be totally inadequate for an industrial society as a whole or even, probably, for a small village. But that is not my point or intention. My point is that it *is* a money and it is a money *backed by the goods that can be bought rather than by a metal or a government*. Such a money is possible though I have not yet specified any means by which such a concept could be expanded to a money suitable for an industrial society. Keep reading.

## POM And The Gold Standard

**"Gold, Glory, and God"** was said to be the mantra of the Spanish explorers who followed Columbus into the New World. They certainly found a lot of gold in Central and South America and sent tons of it back to Spain. But why did gold rank so high in their aspirations? The easy answer is that gold is very valuable. But let's look a little closer. What is the basis of gold's value? Is gold good to eat? Does a coat made of gold keep one warm? Is a gold knife able to cut things that a knife made of steel cannot? Of what use was gold to the Spanish of 1520?

Well, gold is an inert metal which means that it reacts chemically with very few other materials and therefore does not corrode. Gold is a soft metal which means that it can be easily shaped and even hammered to a very thin sheet. Gold reflects light well, as do most pure metals. So gold makes good jewelry. It is decorative. But many things make good jewelry. Costume jewelry can be very beautiful and can certainly look like gold even when it is not. Yet jewelry which looks just like gold is not nearly so valuable as jewelry made of gold.

That brings us at last to the only other thing gold was good for in 1520, making coins to be used as money. Gold was (and still is) in relatively short supply. It was easily made into coins. It did not corrode as did silver. It could be divided up into smaller and smaller pieces for making change. It was easy to carry. Gold became the standard for desirable characteristics in metals used for money.

It was because gold was used for money that made it so valuable to the Spanish. In other words, to say that a money has value because it is backed by gold has things backward. Gold has great value only *because* it is used as money. If gold had never been used as money it would not be nearly so valuable. True, in our modern world there are industrial uses for gold for which its properties make it quite useful. But there are other metals which are equally and sometimes much more useful. We could get along without gold much more easily than we could get along without iron or copper for example.

So when someone wants to return to the gold standard you might ask them what backs up the gold money that gives that money value. Why should one accept gold in trade, given that it has very little utility? They will look at you as if you were crazy because, well, because gold has always been valuable, hasn't it? Gold just *is* valuable. Ask anyone. But you and I know that gold is only valuable because it was used as money.

Don't tell anyone. It might affect the price of gold.

## POM Destroys Independence

You are the new kid on the block in a rather tough, run-down neighborhood. The police don't like to visit this area and would never dream of going alone on foot to patrol there. The parents in the neighborhood are, in many cases, addicts and worse. *You* are 12 years old. What will happen to *you*? First off, you can expect to be bullied by some of the local kids. They may steal things from you. They may give you a beating. They may force you to do things you would rather not do.

Most of the kids on your street are in some kind of gang or other. What can you do to gain protection? The obvious answer is to join one of the gangs. Now the gang protects you in exchange for your loyalty and obedience. But now you are *dependent* on that gang for protection from the other gangs. Now you must do as they ask or you will be punished. You are no longer independent.

Now let us compare that situation with a different one. Once again you are the new kid on the block but this neighborhood is upper middle class in a pleasant suburb. When you go outside or to the park to play there are parents around to keep an eye on the kids at play. If any kid tries to abuse you, your parent or some other parent will stop them. There are no gangs. In this context you are independent. Not in the sense that you don't need anyone else or you could get by if there were no other people. But in the sense that there is no one group upon which your well-being depends. There are lots of people you can go to for help and who will take care of you.

This is the sense in which a person can be independent. They can be in a situation in which lots of people are willing to meet their needs, to cooperate with them on projects, to protect them from harm.

Now let's see which of the above kinds of situation most closely approximates an economy which employs a physical object money (POM), a money which is or represents a physical object.

If you read "POM: A Zero-Sum Simulation" here or on Gather, you will recall that the use of a POM simulates a zero-sum game in which for one person to *win* or *gain* some other person or persons must *lose*. In a zero-sum situation the various parties are opponents, competitors, enemies. This matches the rough neighborhood situation. In order to survive, succeed, and win in such a situation, one must seek allies, in other words a gang. That's what people do. They find a powerful gang to join. There are legal "gangs" called businesses or corporations or unions. Some people form their own gangs. If one is a member of a gang, one is protected so long as one is obedient to the person who controls one's pay. But one is now dependent on that gang, on having that job. One is vulnerable when one does not have the protection of that gang and the income/security it provides. Therefore, one is controlled to a considerable extent by that employer.

Have you ever been asked by the requirements of your job to do something you thought was immoral or could harm someone else? Have you ever wondered whether the business you work for is doing more harm than good? I live in the heart of the tobacco belt. There are lots of tobacco industry jobs in the area. I would imagine that every one of the people who work for tobacco companies in this State know that cigarettes and other tobacco products kill and otherwise harm people, including children. Yet they continue to work at those jobs. They defend their self-image by a variety of rationalizations but they know that the work they do has bad consequences. They only do such things because they are dependent. The nature of

our money has destroyed their independence.

On the other hand, let us consider a new money which is *not* a POM. This new money exists only in computer accounts. The new money simply appears there when earned (we will ignore how that comes about for now) and ceases to exist when spent. That is, the money is not *transferred* into the account from any other account and it does not go to any other account when spent. Just take it as a hypothetical society.

In this hypothetical society one can only gain money by actions which result in a *net benefit* for others. In this society, one is able to gain help and assistance from almost any other person because that person will receive pay (though not from you) for such actions. It will not matter whether you have money or not. Any and everyone who wants to have more money to spend will be motivated to help you. Therefore, in this hypothetical society there is no zero-sum game simulation because of its money. One can only gain or win if someone else or many others also gain or win. It is an all-for-one and one-for-all situation. If one wins, then at least one other person must also win. If anyone loses, it detracts from the winnings of some of the others.

Therefore in this hypothetical society with this new kind of money, no one is dependent upon a single group or individual. There are many groups and individuals who will help. Everyone is independent due to the nature of their money.

## POM Feedback Loops

I think everyone has heard of the "law of supply and demand" from economics. This article is a discussion related to that law but is *not* a treatise on traditional economics.

The law of supply and demand has as a prerequisite: that the context be a competitive free market. That is, the price of items is free to change at the whim of the buyer and seller and that there are many buyers and many sellers of equivalent items. Such a free market is impossible with a POM (physical object money) but we won't let that hinder our analysis, nor will we explain in *this* article why the traditional concept of a "free market" is impossible.

So you are a seller in the competitive free market and you have a number of items to sell. You don't know what prices others are asking nor do you know what prices the buyers are offering to other sellers. But you know what prices your buyers are willing to pay.

One week you notice that you have fewer buyers than usual. Your income is reduced. Your supply of items is more than sufficient to meet the buyer demand at the price you are asking. But you want more income. What can you do, given that you wish to continue selling the same items? You can advertise more. You can be more courteous. You can be open for business longer. But let us suppose that all of these means fail to increase the number of sales. Therefore you lower your asking price, figuring that if you sell more items it will more than make up for a smaller profit on each item. That *does* increase your sales.

Later, you notice that you have more buyers than you have items to sell to them. You can't produce items any faster and you want more profit, so you increase your asking price until the buyers exactly match your supply of items. This increases your profit.

Thus the supply-and-demand works when all other elements in the economy are stable. But we know that all other things in an economy are never stable. Factors outside the economy, factors outside the control of the participants in the economy can also influence supply and demand. Therefore any competitive free market will be in a constant State of adjustment to those many changes. Now in theory and to a considerable degree in practice the free market does a remarkably good job of adjusting to those changes. But sometimes we get a kind of feedback loop which destabilizes the economy.

Let's take a hypothetical example. You have a number of competitors in your free market. One of them reduces prices more than the rest to the point that the others cannot remain in business and you and the others have your businesses fail. Your income is cut off. You must fire your employees. Their income is cut off. Some of your employees are employed by the dominant competitor. But since that competitor now has no competition, he has raised his prices for items to much higher levels which has reduced sales of those items so that not as many need to be made nor distributed nor sold. The unemployment rate goes up which reduces the amount of money people have to spend. This reduces sales and profits so even those *with* jobs are buying less. Lower prices mean lower profits since sales do not increase by enough to keep profits up. As more people become unemployed there is less demand for items which results in more item makers being laid off.

Note the feedback loop. As demand drops, employment drops which reduces demand which reduces employment and so on. The reason for this negative feedback loop is that "demand" refers to *money-backed* demand. It does not refer to actual need or desire. Since the supply of money with a POM is independent of the supply of items for sale (See "The Supply of POM"), such a negative feedback loop can occur quite easily.

Similar destabilizing feedback loops are made possible and even inevitable by the use of a POM. In a two party interaction, an advantage can be used to gain still further advantages. (Try playing a two-person game of Monopoly.) As we have seen in "POM Causes Instability," two-party interaction is the essence of POM transactions.

Contrast the POM condition with our hypothetical new kind of money (Non-POM) which comes into existence when earned and ceases to exist when spent. The new money will be earned by actions the consequences of which result in net benefit to others. A shop owner will not earn more money by providing fewer items at a higher price. That would not increase net benefit. In fact, the shop owner doesn't care what the price is because the price will not determine *his* income. Therefore, the price will remain constant. The shop owner can get more buyers by providing *better service* and by providing *higher-quality items*. If the shop owner goes out of business the producers of the items can simply give them to some other shop(s) to sell. The "demand" will always have just enough of the new money to buy all the items produced because it is the supply of items that determines the supply of the new money. Items which provide no net benefit (cigarettes?) will not be produced or will have a very high price. There will never be a shortage of the new money to pay for producing. Therefore there will never be unemployment.

## POM Makes Jobs

Physical object money (**POM**) creates jobs. There are all kinds of jobs with all kinds of people working at those jobs. People have jobs in corporations, in small businesses, in government, and in what one might call private enterprise.

But remember that a physical object is amoral, so all monies that are or represent a physical object are likewise amoral. The employer can ask the employee to do *anything* to gain the promised money. There are no limits to what might be asked. The employee trades obedience for money.

Who is responsible for the behavior of the employee? Is it the employee or the person who pays the employee for their actions? The assigning of responsibility is rather blurred in a POM economy. When a defective product injures people, who is blamed? Is it the individuals who actually assembled that product, those who designed the product, those who built the facility in which the product was made, the person who signed their checks, the management above them in the bureaucracy, the stockholders in the company or...? Well, you see what I mean. Because all those people were "just doing their jobs" no one is held to be responsible.

Now let us contrast that situation with the situation with a different kind of money which appears in accounts when earned and ceases to exist when spent, a money which the owner *cannot transfer to anyone else*. This is a money which can only be acquired by doing things which result in a net benefit to others. (We will ignore, for now, how this is brought about. Just pretend, for now, that it is possible.)

With this new kind of money there are no "jobs". One is not being paid for *obedience* but rather for the *consequences of one's actions*. Note the major difference between the two. If I am obedient and get paid, I don't care what the consequences of my actions are, especially if I don't actually see those consequences. If all that matters to my pay is the consequences of my actions then I may do what someone else tells me to do but I will not do anything which I think might have bad consequences. My "obedience" is strictly conditional. In fact, one could hardly call it obedience at all. It is more like linemen in a football game executing the play the quarterback calls in order to coordinate their behavior and win the game. Doing what the other tells one to do in that situation is cooperation.

With this new kind of money, one works *\*with\** others rather than working *\*for\** an employer. One works in cooperation with others rather than at the command of others. Also, responsibility is quite clear. One is responsible for the consequences of one's own actions.

Given that the new money can only be acquired by producing net benefit to others, the money is moral. It has an ethical component. It cannot be used to produce net harm.

Given that the new money ceases to exist when spent rather than being transferred to some other person, there is no way a person can use their money to motivate someone else to do something that will harm others because they cannot transfer money to someone else. One might use one's money to acquire some physical object and use that to motivate obedience but then one isn't using the money but some physical object. One might promise a physical object one has not yet bought or even promise to buy some physical object that the "employee" can specify. But in those cases it isn't the new money that provides the motivation, it is the goods or services that it can buy. With a POM, the money itself provides the motivation.

## POM: What Free Market?

The free market has been a bedrock of economic theory for many years. Free market ideology has shaped politics, law, and economic theory for almost as long. The concept is, therefore, loaded with emotion for many. But a *true* free market and a physical object money (POM) have never been able to coexist. To my knowledge (admittedly limited) there has never been a true free market in any nation in world history.

"Nation" requires a government. But even in those cases in which the "government" is rather primitive such as during the middle ages in Europe, the government of every nation is very interested in money and in the acquisition of money. Money is changing hands at every market. Not only does government want its share (as defined *by* the government) but the government will have "friends" among the traders.

Governments are composed of people who want money. Therefore, traders who offer money to government officials can acquire advantages in the market that their competitors do not enjoy. This includes all levels of governmental activity from the creation of law to the enforcement of law to the court system.

Therefore all governments regulate, to some degree, the markets they can control and attempt to influence those that they cannot control. This regulation means that the market is *not* free at all.

But let's assume that a government of saints is produced by magic. This government enforces laws against theft and fraud and the initiation of force in the market. This government also resists the temptation to regulate transactions in the market in any way. Will that result in a free market? Sadly no.

Just because a government attempts to *enforce* law does not mean that no one *violates* the law. Remember that POM is amoral, so it can be used for bad purposes. POM is uncontrollable so government cannot prevent its misuse. POM simulates a zero-sum game situation so market participants will treat each other as enemies. Since there is money to be acquired by violating the law, some will violate the law. Those who do violate the law will act to remove freedom from the market. They will attempt to prevent other market participants from competing. They will use force and fraud to gain money. The market will not be free.

To illustrate this last point let us consider the activities of organized crime. Since their products are declared illegal, the competition in this illegal market is not regulated by government. *But that does not mean that the market is free*. The different criminal organizations use all sorts of violent and distasteful methods of keeping other sellers out of the market. There is a "no holds barred" competition and the result is that each market area is a monopoly or a "turf war" is going on.

POM provides too many temptations and too many opportunities to destroy free markets. The free market is simply impossible for a POM economy.

Only a society with a Non-POM money can truly have a free market. In fact, the markets in a Non-POM economy cannot help but be free. Non-POM governments do not regulate economic activities. Non-POM producers of goods and services are cooperating rather than competing. They have nothing to gain and everything to lose if the markets are not free. Consumers in a Non-POM market are not the opponents of the producers, they are the beneficiaries of the

**producers. Only with a Non-POM money can the great efficiencies and benefits of a free market be realized.**

## POM Makes Pollution

Let's say you are running a manufacturing business. The processes you employ to make those very useful and popular widgets happens to generate a pollutant. Now you could change your processes or you could clean up the pollutant as you manufacture your widgets but that would increase the cost to you of making the widgets.

Naturally you have competitors, after all, you are working in an economy which uses physical object money. (See "POM: a Zero-sum Simulation".) You can only dominate the market if you can defeat your competitors. They, also, use processes similar to those you employ and their processes also produce that nasty pollutant. Now the market is a free market so people can buy any of the widgets they like. Most people prefer to pay as little as possible for their widgets so the seller having the lowest price will tend to get more of the market share than the others.

What do you do? Do you keep pollution at a minimum and go to market with a high-priced widget? Do you sacrifice the environment to gain market share? Well we all know that you are a very moral person. You would never pollute more than absolutely necessary. But those other guys who make widgets, are they as moral as you? I think not. I strongly suspect that some of them will yield to the temptation to gain market share by allowing the pollution. In fact, I suspect that after a few years the only companies making widgets will be those that pollute.

Does it cost money to dump pollution into the air or the ocean or a nearby river? With a physical object money it does not. There may be laws against it but you can't put a *company* in jail. You may impose fines but in the meantime the company is making more money by continuing to pollute. With a physical object money (POM) one can bribe the enforcement officials to look the other way, to delay prosecution, to ask for only a minimal fine. With a POM one can even pay the legislature to make laws that allow only *you* to pollute. A POM also allows you to hire people to dump the pollution secretly where it won't be noticed. There are all sorts of ways a POM will encourage you to continue to pollute.

What about your employees? They must know you are running a polluting business. Will they let you get away with this? Well, they will if they want to keep their jobs. They will look the other way or rationalize in some way continuing to cooperate in the polluting. They need their jobs. They don't want to have to move to another city to get a job. They have expenses and debt to pay off. They are dependent on you. They have jobs. (See "POM Makes Jobs")

On the other hand, if our money were *not* a POM, polluting would reduce the pay of everyone whose behavior helped cause it. That would include all your employees, of course, but it would also include those who supplied you with capital goods and raw materials and those who distributed and sold those delightful widgets. You would not be able to get their cooperation in generating that pollution, even if you ordered them to do so because they would not need to work with you. But what would be true for you would also be true for all the other widget-making businesses. By avoiding the pollution, you would be paid more for producing those widgets (and helping them to be distributed and sold). You would increase your own pay by using the most pollution-free processes in producing those widgets. You would have no motive to bribe anyone nor to pay for favorable legislation. And you would have no means of using the Non-POM money to do so anyway.

## POM And Joint Ownership

When you were a child you may have had a pet animal. If your parents saw this as an opportunity to help you mature they may have made you responsible for the care and feeding of the pet. Now if the pet was yours alone, if no one else shared ownership of that pet and the pet was not fed or cleaned or "taken for a walk" then your parents would know whom to blame. If your pet was well taken care of then your parents would know whom to praise.

Now picture that same situation except that you have one or more siblings. If you share ownership of the pet with your siblings and the pet is not fed who is to blame? To say that all of you are to blame is the easy answer. But what if it wasn't your turn to feed the pet? How will you feel if you are punished when it was your brother who didn't do what he was supposed to do? You will notice that the more siblings who share ownership, the less responsibility each one feels. This is human nature.

There's nothing we can do to change that. But what will probably happen is that one or the other of the siblings will do all or almost all the work in caring for the pet and the others will share the credit for doing almost nothing.

With siblings, some are older and some have more free time and some are home more and some are more skilled at pet care and some like the pet more. Does it make sense for them to get equal credit and equal blame when their situations are so different? I don't think so.

Next we come to playing with the pet. What if two of those siblings want to play with the pet at the same time? Who determines which gets sibling gets to play with the pet? Will there be arguments over this? Will there be hard feelings? Will the pet serve to divide the family?

All these problems go away if the pet is owned by just one person. Property rights are clear. Responsibility is clear. All decisions concerning the pet are the right and responsibility of the owner.

In an economy, there are many things that are jointly owned. In fact, the major corporations are owned by thousands of people who are stock holders. These owners are, perhaps, allowed to vote on who will actually make decisions as to what the company will do. Yet the owners have no responsibility for what the company does. This is the whole point of a limited liability company. It helps encourage people to invest if they can own without risk or responsibility.

But look at the attitudes of the people in the company. Do they take responsibility for the actions of the company? Are they at risk if the company is sued? I think you will find that the employees in a corporation feel little or no responsibility for the actions of the corporation. If the company sells tobacco to children, the secretaries in the home office don't blame themselves. The people working in the shipping department who send the cases of cigarettes to the various retail outlets don't blame themselves. The people who stock the cigarette vending machines don't blame themselves. No one in the company assumes responsibility for selling cigarettes to minors. Everybody points the finger at someone else or at the company as a whole.

In short it becomes almost impossible to assign responsibility, credit, or blame for the use of property when the ownership of that property is shared. Only when each item of property is owned by one individual person can that responsibility, credit, or blame be clearly assigned.

Now what has this to do with POM? Why would a money that is a physical object or represents a physical object cause or make possible joint ownership? First, we can be certain that POM does not *prevent* joint ownership since joint ownership abounds in modern economies.

But POM goes beyond that. You recall, I hope, that POM creates the impression, the illusion of a zero-sum relationship in which for one to win other(s) must lose. This means that people feel that others are their opponents, especially when money is involved. Therefore you need allies to help you defend your self and your property. Such groups of allies need to be organized in order to be effective, especially against other groups. From families to governments and all the levels in between such organization must take place. Organizations require resources and that leads us to money. Therefore, all organizations in the modern world, from the family on up, jointly own money and other property.

If people did not see each other as enemies, competitors, or opponents in the economy, there would be no need for joint ownership. One would not need allies to defend one's property from others. It would be assumed that almost everyone else was an ally.

For example, marriage often includes the assumption that the couple will pool their resources. Why is this the case? What purpose does it serve? Tradition would have it that the woman was not able to own property. Therefore, at marriage, the property that would otherwise be hers, would become the property of her husband. She could not protect that property from those who would take it from her. Her husband would take care of her and would have the property to do so.

If there were no threat that others would take her property, there would be no need for her to have a man to guard her property. She could have independent ownership of property.

In the modern world it was found that the resources needed for many useful projects were far beyond the limits of any one person. Governments could invest in such things since they controlled the resources of the State, the largest of joint ownership cases. In order to collect enough resources for such projects outside government, the investments of at least several and sometimes thousands of individuals (and groups) were pooled with those parties (some individuals and some groups) owning some fraction of the proceeds of the enterprise. Industrial society has many such useful projects and therefore it has many instances of joint ownership in the form of corporations.

You may have noticed that these cases of joint ownership have the same failings as those siblings who share a pet.

In a Non-POM economy, individuals are held responsible for their property. They do not share credit or blame for the consequences of how their property is used. Thus, if someone owns a gun and gives it via trade or sale to someone else and that someone else harms others using that gun, then the original owner is held to be responsible for making the gun available to the criminal. Today, we do not hold responsible those who arm criminals via trade or sale of weapons. Why? Because we use a physical object money.

## POM, Capitalism and Socialism

Today in the world there are two main political ideologies, they are Capitalism and Socialism. In the U.S. these terms are treated as if they were polar opposites with conservatives being Capitalists and liberals being Socialists. In other nations the conservatives may be Socialists or Communists (Russia and China) and the liberals may be Capitalists. But in either case, people around the world consider the difference to be significant. Yet, the difference disappears in the absence of physical object money (POM).

We will use ordinary dictionary definitions of Capitalism and Socialism but any of the common understandings of the two terms would probably do just as well.

From Webster's Seventh New Collegiate Dictionary:

"Capitalism - an economic system characterized by private or corporation ownership of capital goods, by investments that are determined by private decision rather than by State control, and by prices, production, and the distribution of goods that are determined mainly in a free market.

"Socialism - any of various economic and political theories advocating collective or governmental ownership and administration of the means of production and distribution of goods."

Now let us examine the common features of these two definitions. Both definitions refer to *ownership* explicitly and *control* implicitly. There is an assumption that ownership and control go together. But in a POM economy, ownership and control are *not* closely tied. If I own some shares of stock in a corporation, I have some ownership but no control of capital goods. As an employee I have control of capital goods (as, for example, a truck or computer) but no ownership. My employer may have the legal right to tell me what to do with the capital but I control it. It is my hand at the wheel of the truck or the keyboard of the computer. The vast majority of capital goods are not owned by those who physically control those goods.

In Capitalism and in Socialism, those who own are not those who control in the immediate sense. It isn't control of capital that's important, it is control of those who *use* that capital and that control is exercised through control of money. (That's why the accountants and budgets in corporations and governments are so important to their functioning.) Notice that this is equally true in both Capitalism and Socialism. From the laborers' point of view, there is no difference. They work for the money. If they do as they are told there is the promise of money in return for their obedience in both systems.

Therefore the ownership distinction between private ownership of capital goods and State or collective ownership of capital goods is meaningless. It is the control of the *money* that matters not the ownership of capital goods. If the State controls the money, it is Socialism and if other organizations control the money it is Capitalism. As you no doubt realize, all nations are a mixture of State and other organizations both of which control money.

Next we come to the market. Both Capitalism and Socialism have markets in which consumers purchase goods and services. How are these markets different? (We will use the theoretical concepts concerning market rather than actual, "real world" markets because there are no *true* free markets anywhere in the industrialized world.) In the Capitalistic market, the "free" market, owners are free to set prices as they choose. In the Socialistic market, the government sets prices. In both cases, those who buy in the market are free to buy or not buy

as they choose. In neither case does the buyer make decisions as to what items and services will be for sale. The buyer, in both cases, can only choose from what the owners (producers) make available.

So the only real difference between the two markets is in the number of owners of the goods for sale in the market. In the free(er) market there are supposed to be many owners of products whereas in the Socialistic market there is supposed to be only one owner, the State. Of course, there are actually many sellers in the Socialistic market due to the nature of bureaucracy. There will be many departments, each of which will be responsible for a part of the products for sale. But we can say with confidence that, in theory, in the Socialistic market there will be fewer owners than in a free market.

But this is all in theory. Is this distinction in number of sellers (owners of goods for sale) in the market born out in historical experience? No.

Remember that POM (physical object money) is not controllable, that POM is amoral, that POM simulates a zero-sum relationship. There will be a black market which the Socialist State may try to suppress but which it will be unable to prevent. POM allows too many opportunities for corruption of government officials, especially in Socialist economies. There will also be successful attempts by the participants in a Capitalistic free market to eliminate the freedom of that market for others by fair means or foul so that the market will be controlled by only a few owners to increase their profit. Therefore, the Socialist market will have lots of owners and the Capitalist market will have many restrictions on the number of owners. The two systems come out to be not very different at all in practice. This is the nature of POM economies. This is a consequence for an economy of using a POM. They get a mixed market.

Therefore, there are few differences between economic systems called Socialist and Capitalist. The differences are mainly in the labels and the window dressing. The differences between a State with only one huge corporation (the national government) and a State with a few large corporations (which dominate the government) are minimal. Do we call the top man in the organization President or Chairman of the Board? Does it matter? The relationship is still the same. The top man controls, as best he can, the money regardless of the label on his office. Whether one experiences oppression or freedom depends upon how those top men exercise their power over money.

Compare that situation with a Non-POM economy in which money is not transferable and the free market is between the producers and the Payers. In that case, workers are rewarded for what they do with what they, themselves, control. The person at the wheel of the truck or at the keyboard of the word processor controls that capital and therefore owns that capital in the most meaningful sense. In the post-POM economy the actions of those who control capital will not be controlled by the State nor the head of the corporation because workers don't earn money by being obedient but by producing net benefit. Workers are working for themselves, not in the employ of someone else. Therefore, the distinction between Socialism and Capitalism in a Non-POM society is meaningless. One can say that the society owns all capital goods or say that the capital goods are owned by the workers or any other organizations (businesses?) within that Non-POM society. But the behavior of the workers, the Payers, and the consumers will be unaffected.

The ownership of capital is unimportant in comparison to the control of capital. Does the top corporation officer of Exxon own all the capital of that corporation? No. But that officer has a lot of control of that capital which is the important thing and that control is exercised by control of the money of Exxon. In a post-POM society, the money power is vested in the

**Payers and their relationship to those who control the capital is that of free market buyers. Therefore, the concepts of Capitalism and Socialism have no meaning in a Non-POM economy even though a Non-POM economy has *only* private property owned by individuals and has true free markets at its heart which one would *think* would make it Capitalist.**

## POM Causes Tyranny

**POM nations often have elections. But there appear to be some problems with most of those elections. Many elections are shams. The outcome is decided by those in power in a number of ways. They may control the counting of the ballots and announce whatever results they like. They may have only one candidate for each office. They may assassinate rivals who appear to have a chance to win. The motive is to control money and the means is by hiring people to carry out these actions.**

**In nations which have real elections in which the votes cast are actually counted and the candidate who receives the most votes wins, even in these nations there are often problems. The lists of voters may be purged of people who might "vote the wrong way". There may be requirements for eligibility to vote which are unfairly administered (as in the literacy tests in the South a few decades ago). People may vote early and often and the "graveyard vote" may exceed the number of living voters. Again, the motive is to control money and the means is to hire people to do these things.**

**Beyond these types of cheating there are campaigns which seem to go on forever and the "issues" often have little or nothing to do with the candidates' qualifications for office. Candidates for office may declare that they are seeking the office months or even years before the party in which they run conducts a primary election. This is because the candidate who is "leading" in the polls can get more campaign contributions. The motive is money and the means uses money to hire campaign workers and buy advertising.**

**But perhaps the greatest problem with these real elections is that people make gifts of money to the candidates to use in their effort to get elected. The candidates realize that without substantial amounts of money they will not be able to advertise their candidacy to the public. The more money one has the more ads one can put on TV, the more staff one can hire to work in the campaign, the more travel the candidate can do from place to place. Therefore these contributions of campaign money are very important to the candidates, so important that candidates are quite likely to show their gratitude by favorable actions to the donors when they are in office. In fact, one suspects that such donations do more than just get the elected official to listen to what the donor has to say but to also take actions that are not in the best interests of the people who elected that official. Thus campaign donations are a form of bribery. Again the motive is money and the means use money.**

**Some candidates are rich enough to spend lots of money on a campaign without needing contributions from others. Therefore, the wealthy are more likely to win public office over better-qualified opposition. In fact, the poor are excluded from office no matter how well-qualified they may be.**

**This brings us to the campaign itself. As any student of political science or history can attest, there is a lot of lying by the various candidates and their supporters. Some of the lying is blatant and obvious. But a significant proportion of the lying is by more subtle means. Lying by omission or by using words creatively is almost required for most candidates to have a chance to win. Politicians are known for their ability to talk for hours without saying anything meaningful. The high-sounding "sound byte" that is a staple of our current TV coverage of campaigns rarely has any real meaning. There are also "code phrases" that sound innocent but are really a call to bigotry and intolerance. Symbols are flourished and spectacle is paraded before the voters. Babies are kissed and free beer is provided. But very little of the whole campaign is useful for or intended for revealing the true nature and character of the**

**candidate. The motive is money and money provides the means.**

**The result is that if a good person who can and will do a good job in office gets elected it is mostly by accident.**

**Yet when we compare the democratic nations with those which don't bother with elections we see that even as imperfect as they are, elections really do help prevent some of the worst abuses of tyranny.**

## POM Elections

Terrorists are a major topic of government concern in the U.S. today. In order to fight the terrorists, we are told, the government must watch everyone and everything they do. The government must be allowed to use torture to force information from our secret enemies. In order to protect our freedoms, our property, our way of life, the government must be allowed to deny us freedom, property, and our way of life.

These arguments have been used for, literally, thousands of years around the world. Governments have feared loss of power and internal enemies at least as much as they have feared the external threat. But they have used the external threat to justify actions that would be considered immoral, unacceptable, and even criminal in other times.

What does the nature of our money have to do with any of this? Isn't that just how governments are? Is there any way to prevent government abuse other than eliminating government altogether?

Let's examine the situation and see. First, governments are not some strange collective mind with a will of its own. Governments are composed of individuals, each of whom is trying to improve his own situation. In the context of a physical object money (POM), a money which is a physical object or which represents a physical object, governments must take money from their citizens (taxes) in order to pay those who do the work of government. Naturally, those in government want more money. They want the power that money can buy for them. Therefore the government will spend money to get more money. The government hires people to take money from the citizens. The government pays its police and soldiers to overcome any force the citizens may use to resist the collection of taxes.

Naturally, this tax collecting puts the government as an organization in opposition to the interests of the citizens who don't *want* the government to take their money. The government must expect people to conspire to keep their money. Therefore, the government must watch the people closely to spot potential opposition to the government and crush it before it can grow.

But the collection of taxes by a government creates a rather large amount of money that can be spent by the government. Lots of people would like to have control of that money. Whoever the head of the government is, they must suspect everyone else of wanting their position. There is enough money involved that the head knows that people will do anything they can think of to get that money. They are willing to kill and torture and violate the law to become head of the government. Therefore the head must be afraid of everyone and trust no one. In that situation, the head must spy on everyone and have as complete knowledge as possible of everyone. The head must stop at nothing to find out about plots against him. Torture is not too extreme a measure to use to force information from plotters. Suspicion is sufficient to warrant punishment, torture, and death.

Meanwhile, the bureaucracy that actually *operates* the government is being paid to carry out these measures. People are being rewarded for doing terrible things to other citizens. They are afraid of losing their jobs. They are afraid of being suspected. If they don't do these things someone else will and then they will get the money.

Contrast that situation with that of a Non-POM economy. In a Non-POM society, no one can

get money without someone else benefiting. There are no taxes at all of any kind since money cannot be transferred from one person to another. Money in a Non-POM economy comes into existence when earned and ceases to exist when spent. A person with money *cannot have it taken away*. Therefore, the government does not have an adversarial relationship with its citizens. Persons who work in a government bureaucracy can only gain money by doing things which make life better for others. The head of the government controls no money at all and no one's pay. If the head of a Non-POM government asked to have someone tortured or killed his order would be ignored or he would be checked for insanity. Not only would the bureaucracy not cooperate in any spying on the citizens or attempting to force confessions, it and everyone else would be paid to help prevent and/or stop such actions. So long as the Head of State made decisions that helped keep the citizens safe and happy, that leader would have power, respect, and the cooperation of almost everyone. No one could gain money by overthrowing the head of State because such an action would be seen as being harmful and therefore, any who cooperated with such an action would lose money they might otherwise have earned. In fact, everyone could earn money by resisting such a conspiracy. Because all citizens would be on the same side, terrorists actions would bring the people together and all citizens would cooperate in preventing such actions. They would be paid for that also, of course.

So POM provides the motivation for oppression and provides the means to carry out such actions. The motivation and means are always present in every POM nation so that whenever a head of State weakens, loses confidence, feels that others are opposing him, there is the risk that he will yield to the temptation to oppress. If it doesn't happen with *this* head it will, perhaps happen with the next, even in supposed democracies. There is too much POM at stake to allow freedom to flourish.

## POM Causes Advertising

So you are still selling goods in your shop but you don't have many people coming in to buy. How can you increase the number of people who purchase goods from your shop? The answer is advertising. We see advertising everywhere. We even buy clothes that advertise the company that manufactured the clothes.

This is the case in every nation that uses a physical object money (POM). Those who have products to sell want every possible customer to know that these products are available, where, and when. A customer will not *come* to buy unless he knows there *is* something to buy. You cannot take your shop to the customer (we will assume this, although some tradesmen in the past did exactly that) so you must somehow get word to the potential customers.

You also have competition from the shop across the street. Both shops sell similar items. So you need to convince the customers that your shop has better products or less expensive products than that other shop. Otherwise customers might buy there instead of at your shop.

You send messages to customers in a variety of ways. The messages provide information but it is a special kind of information. It is information that *persuades*, whatever else it does. It probably provides information, perhaps a few laughs, perhaps it has something that catches the eye, and it may even set a tone of comfort, style, success, or whatever. This is a special kind of communication. This kind of communication is what we call advertising. It is a product of POM, really.

Now let's say that you have the same shop but in an economy which has a money which is not a POM. In this hypothetical economy, money simply appears in one's account when it is earned and ceases to exist when it is used to buy things. So Joe works hard and does good things and \$100 appears in Joe's account. If Joe had done bad things no money would have appeared there. If Joe had worked less hard and produced less net benefit for the people in his community, he would have had less money appear in his account. So you would like to have Joe buy things in your shop. By selling items to Joe you will be doing something good for Joe and for your community because you will be rewarding Joe for the work he did. Therefore, you will have money appear in your account. Joe enters your shop and buys an item. The money Joe spends does not get transferred to you because when Joe or anyone else spends money that particular money merely ceases to exist. The money that appears in your account for selling to Joe is not the money that Joe spent. But what do you or Joe care? You are gaining money and Joe is buying things he wants to have. Joe doesn't care what happens to the money he spends and you don't care how money happens to appear in your account so long as you are confident that the money that appears there will be at least a reflection of how much net benefit you have provided others. In other words, if you get paid for the value of your work, you don't care how it happens.

So to get Joe and others like him to come to your shop you want to advertise. So you go to the newspaper and ask them to put the message you have prepared in their paper. They look at the message and say they will be happy to put in the location and hours of business of your shop. They will be happy to include accurate descriptions of your stock. But they will not be willing to include those very subjective and obviously exaggerated claims about how good your stock is. They also refuse to print the picture of the barely dressed young woman holding an item from your shop. They also refuse to print the part about how much better your

shop is than the one across the street. In other words, they are willing to provide accurate information, education, if you will, but they will not print lies or do anything else that they think might mislead a customer.

Why would they refuse? Well, you aren't paying them. You can pay to have the message placed in their paper. But that money simply ceases to exist when you spend it. They are paid for the good things they do for their readers, for providing information that will help or entertain their readers, not for lying to them. Therefore, you can walk up and down the street saying whatever you wish about your store but no one else will help you lie about it to others because that would cost them money to do so and you can't give them money.

In this economy that uses a different kind of money which is not a POM, there is no way for you to use money to reward someone for helping you hurt others in some way. You can buy items and offer those items (physical objects or services) for such help but then it would be obvious who hired them and you, also, would lose money for causing that harm. You could not benefit from advertising and no one else would either. Therefore, there would be no advertising if there were no POM. There would be education, making information available to those who need or want it, but there would be no ads.

## Depression, its Cause and Cure

The news isn't so good these days. Major financial institutions are in serious trouble. Some have failed and their assets been taken over. The stock market has been fluctuating sharply. Various experts disagree regarding the magnitude of our current crisis. Some say that the fundamentals of our economy are sound, while others say we haven't had such a serious economic situation since the Great Depression of the 1930's.

Regardless of how one explains such events, and there have been many explanations, they all depend on and deal with one factor, money. There is talk of prices or debt or money supply but always the subject of the explanation is some relationship involving money. Whenever an economy is not doing well the subject of money will arise. But one question that is never asked and never answered is "Why are such troubles possible at all?" What is it about an economy such that with a lot of skilled people and many resources and many needs to be met, they sometimes stop working to produce things from those resources? After all, people will suffer from want because they need those products that are no longer being made. They become poor. None of these people want to stop working, and producing. None of these people want the situation in which they find themselves. No one wanted this to happen because it harms everyone, even the rich. And yet there it is. Different people have different ideas about how to solve the problem but for one reason or another, the problem seems to continue and get better or worse in its own time, uncontrolled by governments or businesses.

Let's try to answer that question of why such economic dislocations and disasters are possible in the first place. The first thing to notice is that the supply of a physical object money is *independent of the supply of goods and services for sale*. The supply of money can be quite volatile increasing rapidly (the usual thing) or decreasing rapidly which can be just as bad. Increasing the money supply by printing or coining more currency is one *obvious* way of increasing the money supply but it is not the *only* way at all. It is much more common for the supply of money to be changed by loans. When one loans money one increases the supply of money because the person who lends still owns the money and the person who borrows also can spend the same money. (Yes, I know that sounds silly but money *is* pretty silly in what it lets us do.) So if a bank has \$100 in deposits and loans \$50, there is \$150 of money that can be spent. Thus when lots of people in an economy borrow lots of money from one another the supply of money can increase hugely. If they cannot pay it back (and there is never *really* enough money to pay back what is borrowed because of the interest) then the money is gone and neither the borrower nor the lender has the money and the money supply shrinks. Okay, that is all pretty simple. So what's the problem?

Well the problem is that there are things in all economies which we can call feedback loops. For example, if Joe loses his job and stops having income, Joe can't spend as much money as before so there is less demand for goods since Joe isn't buying as much as before. That drop in demand means that Sam will be laid off since demand is down. Now Sam isn't spending either so Willy and Fred are laid off. This sort of thing can also work the other way, of course. Usually there are enough good and bad things happening for the economy at any one time that they sort of balance out. Things may be trending generally toward expansion or toward a little contraction but *generally* they are stable and trend to more production. However, *if there is a big enough change in the economic situation*, like lots of people not being able to pay their mortgage payments, the amount of feedback of one kind builds up a sort of momentum. Then a *lot* of people stop spending so a *lot* of people lose their jobs which results in *much* less spending. *This* feedback loop affects the loop those who make loans.

With people losing their jobs, the lenders are less willing to loan money out since it is less likely to be repaid. The reduction in money for loans means that less money can be borrowed for general spending which again reduces demand and decreases employment. The increase in defaults on loans results in banks losing money since the value of the property they had accepted as collateral is now less than the amount of the loans that are not being repaid. So the money supply decreases even faster.

Why can this happen? Mostly because *the supply of money has little to do with the supply of goods and services for sale*. There are many other contributing factors but that is the single most important.

Why is this not possible in a non-POM economy? Because in such an economy the amount of money *is* a product of the amount of goods and services available for sale. In fact, the balance between the two is very close. If something is produced for sale, that amount of money comes into existence. If something is purchased, that amount of money ceases to exist. The balance is always maintained.

But beyond that, whenever one produces beneficial things, one gets paid for that benefit. One always has a money motive to produce since money *is* no object. One's very act of production increases the available money just as one's very act of consumption reduces the supply of money.

In a non-POM economy money *cannot be borrowed or lent*. There is no credit. To buy something one must have enough money to pay in full. But this doesn't reduce the demand for goods and services because there is plenty of money available to buy them all. There is no unemployment because anyone can produce. There is a tacit agreement between the Payers and the producers that the Payers will pay any who produce net benefit. Thus all who desire to work are employed. The very idea of people not producing even though they want to work in a non-POM society is just laughable. In a non-POM society money is no object. If it is good for others there is money to pay for it, always.

## Non-POM: Utopia? Hardly.

We all want to live in utopia. In a utopia we would all be happy. There would never be any problems. We wouldn't even be bored.

Like it or not, utopia will never be more than a dream. Philosophers and sages down through the ages have given us visions of near perfect societies based on religion or a clever philosophy. But they all have foundered on the realities of national economies and human nature. Can you imagine a nation in which there are no problems? I cannot. Even the non-POM society will be peopled by ordinary folks like you and me and *nobody's* perfect.

Just because there is no poverty and no taxes and no oppressive government in a non-POM economy that doesn't mean there are no problems and that no one suffers. People are, after all, people. They still will make gross errors from time to time. They will still be irrational and emotional and grumpy and afraid of dying and so on. Men will still fail to understand women and many women will be unable to tolerate men leaving the toilet seat up. Disease will be a constant threat. Earthquakes, volcanoes, tornados, hurricanes, and floods will continue no matter what kind of economy we use. There will still be global warming and the planet will still have more people than it can comfortably support. Pollution will still exist despite our best efforts. Insanity will still happen.

But these are things that no economic system can prevent though a non-POM society can cope with them better than POM societies. That still ignores problems that come with a non-POM society that simply don't exist in a POM economy.

For example, in a non-POM society what does one do if one's spouse becomes a payer? Payers can never have luxuries (things so designated, though this designation can change). So that means they could not live in a luxury house or apartment. Your spouse might therefore have to move out of your home. They could not have luxury foods so you would not be able to bring luxury foods into the house for fear that your spouse would be suspected of eating them. (It would be legal but risky.) They could not go on vacations with you to the beach or the mountains. They could not wear luxury clothes. Your life would be adversely affected by your spouse becoming a payer. Of course, you could also become a payer but let's assume you aren't ready to give up all luxuries (like wine or cigarettes). This is a problem not faced in a POM economy.

What if you had some "crackpot idea" that you wanted to pursue. In a POM society if you have the money you can buy the cooperation of others. In a non-POM society you would have to persuade others to cooperate with you. You would have to gain their willing cooperation rather than being able to buy it. (Please note that in my situation of trying to get people to consider an "outside the box" economic system I should be the last one to call the unusual ideas of others "crackpot.")

When things go wrong in a POM society we can always blame the government, particularly the head of that government, and with some justification. In a company one can always blame the chief executive officer. But in a non-POM economy, there is no individual to blame. There is hardly any government worthy of the name and what little there is has no control over day-to-day life. Therefore one cannot blame the President if one doesn't like what is happening. If one works with others in a producing organization, one is cooperating voluntarily rather than obeying in exchange for money. Therefore, one shares the responsibility for what the organization does.

Of course one can always blame the Payers but there are millions of them and they don't tell anyone what to do so it's hard to get that strong emotional release from blaming them.

There would be almost no laws. The fact that something is legal or illegal in a non-POM society would have almost no influence. It would be difficult to feel like one is controlling the behavior of others by getting a law passed. Let's say one is opposed to pornography. (You can fill in some other behavior that you consider bad if you like.) In a POM society, it may be legal or illegal depending on the nation. But in a non-POM society, if someone produces pornography there will be no adverse response from the police unless that pornography *does some harm*. Then everyone who contributed to the production of that pornography would lose potential income. The manufacturers and distributors of the film and camera (if it uses film) would lose income. The people who allowed the pornography to fall into the wrong hands would lose income. Thus, pornography would exist, as it has in every society, but there would not be any law needed nor paid attention to in deciding what to do, if anything, about each individual instance of pornography.

The lack of law will be most uncomfortable to some people. They are used to being told what they cannot do and what they must do. This gives them a freedom from having to think for themselves. In a non-POM society one must consider the consequences of *everything* one does in order to avoid losing money. To maximize income, one must be thoughtful and considerate. Many people will find this irksome. The requirement (not required by law, just the way things are) that one be responsible for one's property and actions is something that many will find most annoying. One will be unable to say "that's illegal" and thereby justify some behavior.

But beyond that, one will be unable to excuse one's self by saying "he made me do it." For example, today, one can say, "I was just doing my job." "I had to do it to keep my job." In a non-POM society that will be no excuse at all. No one can make you do anything in a non-POM society. (This is an exaggeration, of course.) If you are doing a particular kind of work it is because you choose to do that work. You are working for luxuries only, so you could get along just fine and your family could do all right *without* your earning any money at all. You are not *compelled by fear* to do anything. You are *lured by desire* to do work. Therefore, one must take responsibility for everything that one does. This, too, can be disturbing. Many people don't like responsibility but it comes with the non-POM.

Finally, for those who always wanted to inherit a fortune, *non-POM money cannot be inherited*. If your father dies rich he took it with him because no one in the world will ever be able to spend that money. He could have given you luxury items or paid for luxury services while he was alive but that ends at the moment of death. Any luxury items (like that big house and all those jewels) can be inherited, but *not* the money. This will disappoint many who would like to get money without effort on their part.

So though a non-POM is a definite improvement over a POM in terms of living conditions, lifestyle, security and so forth, one still will have problems, concerns, jealousy, envy, annoyances, and the risk of an untimely death in a non-POM society just as today.

## Non-POM and Animal Cruelty

We all know about animal cruelty. We have seen it on the news and even on sports shows with Michael Vick's case of dog fighting. But were you aware of the relationship between money and animal cruelty?

Much of the systematic animal cruelty is motivated by money, our physical object money (**POM**). Some people like to gamble on animal sports like horse racing, dog racing, and cock or dog fighting. These are industries, although those last two are illegal. Quite a lot of money changes hands over these sports.

There is a large market for popular breeds of cats and dogs. The "puppy farm" tries to make money from such demand. These breeding operations often are conducted in pitiful circumstances and discomfort for the animals involved and the over-breeding (in-breeding) produces animals which frequently have genetic weaknesses. But these operations, too, make money.

In agriculture there are certain practices which raise animals in most unnatural circumstances which are detrimental to the animals and the health of others in the area. Factory farms for hogs and chickens and the producing of veal come to mind but there are many others.

These agricultural practices not only mistreat thousands of animals, they also produce inferior foods for our tables. Animals raised under stress or with unnatural amounts of hormones or antibiotics do *not* provide the most nutritious meat (or eggs in the case of chickens). These practices also help create "super bacteria" which are immune to most antibiotics and place animal hormones in our food and environment. All these practices have been found to be profitable to many of the larger farming interests.

But the above has to do with our current POM economy and nations in the modern world. What would be changed with a conversion to a non-POM money, a money which had no physical object nature, a money which came into existence when earned and ceased to exist when spent?

In a non-POM society, those who produce food are paid for the net benefit that results from their actions. Thus, all those hormones and the antibiotics would reduce the pay for such production. Those high-stress living environments for the stock would produce less income. That, in and of itself, would cut back on such practices. But also, the family farm as opposed to the large factory farm would likely become the norm. Family farms are much more likely to avoid the over crowding and highly polluting of the factory farms.

Gambling would still exist in a non-POM society, but it would be what one might call "amateur gambling." There would be no money for those who conducted illegal cock fights or dog fights. Those who contributed to horse racing would lose money whenever horses were injured or had to be destroyed. Horses which were not good for the racetrack and were too "crazy" to be ridden would cost the owners money. Since the gambling industry would not exist, and since there would be no money for purses and such, the races that did exist would be more localized and amateur for the most part; run for the love and enjoyment of the animals and competition in general.

None of this should lead one to believe that animal cruelty would cease to exist in a non-POM society. There will still be individual sadists who delight in the pain of others, both human and

animal. But these unhappy people would not have the cooperation of others in producing pain. Also, as human activity becomes more and more observed by technology, it would be more and more difficult for a sadist to hide (and get away with) such activities.

Finally, for the inadvertent cruelty of pollution and destruction of wilderness and other habitat areas, a non-POM economy will be less destructive since pollution and environmental destruction will reduce income for all who participate. That reduction will not be a one-time event either. So long as the consequences of that destruction exist, the effect on the actor's net benefit equation will exist. Producers will be very slow to do anything that might cost them money every payday for the rest of their lives.

If you like animals, if you hate to have animals suffer... you will notice that the worst abuses, the abuses that are on the largest scale are being done for *money*, not for the pleasure of making animals unhappy. Most of the suffering of animals is preventable, unnecessary, and results from the nature of our money.

## Non-POM: What Government?

**POM** nations always have government. One would even be tempted to say that a society without a government cannot be a nation at all. But that is the case today and has been throughout recorded history (many thousands of years) for societies which use a POM (a physical object money).

Would a society whose money comes into existence when earned and ceases to exist when spent (non-POM) have to have a government? Of course, that depends upon what one means by the word "government."

Referring to my dictionary, the most appropriate definition I can find is as follows:

**5 a:** the organization, machinery, or agency through which a political unit exercises authority and performs functions and which is usually classified according to the distribution of power within it.

But there is also 5 b which could be considered:

**5b:** the complex of political institutions, laws, and customs through which the function of governing is carried out in a specific political unit.

[The term "govern" (from 5b) is defined as "to exercise continuous sovereign authority over; especially: to control and direct the making and administration of policy in."]

In a POM nation that authority comes from the control of force, that is, if you don't do what they say they can hurt or kill you. The military and police are the instruments by which this force is organized. These parts of government play their roles in the expectation of being paid for their services. There has never been a government in which the military and police were not paid by the "sovereign authority" whether that authority was an individual (king, despot, ruler) or group (the Roman Senate) or legislative body (the English Parliament).

Obviously, the functions of police and the military will be necessary for a non-POM nation even as it is for POM nations. The police and military of a non-POM nation will have to be paid. They will be paid by an organization, the Payers organization (read Invisible Hand for a complete description and explanation of the payer organization). But does that organization constitute a government? Does it "control and direct"? Does it "exercise authority"?

The payer organization does not control nor direct nor exercise authority. Each payer only pays after the fact. Each pays only for the consequences of the actions of individuals. Payers give no direction. They give no orders. They tell no one what to do. The Payers only respond they do not initiate. The Payers have no authority to tell anyone what to do, not even each other. The Payers have no power to punish. There would be millions of Payers in an economy the size of the United States and each would be independent, making up her own mind about whom to pay and how much to pay them. (Since most Payers would be old, there will probably be more female Payers than male.)

What about the "organization" or "machinery through which a political unit exercises authority and performs functions"? We have already indicated above that those who perform the military and police functions would be paid for doing so but not controlled by those who pay them. The same would also be true for any other actions by individuals which accomplish

those functions of government which produce benefits. The criminal justice system (beyond the police), for example, would be paid for their actions if those actions result in net benefit. *Judges would be paid based on the consequences of their decisions, not on whether their decisions matched the law.* The same is true for all the other roles individuals play in law enforcement. *It will no longer matter what the law is since the law is neither an excuse nor a justification for any actions.* All that will matter is *the consequences of one's actions.*

Therefore, the government will have very little to do. There will be no laws to pass concerning human behavior since such laws would not be enforced unless their enforcement brought benefits. But laws would also be unnecessary since if the behavior they require brought benefits then people would already be motivated to act that way. If their behavior they prohibited caused damage, the behavior would already cost those who did these acts money. Plus, others would already be trying to prevent those actions even *without* the law. The government would have and spend no money at all (and not tax at all) so there would be no appropriations bills. Various Cabinet posts and their entire departments could cease to exist. There might be something for the Secretary of State to do but little for the others. About the only role remaining for government officials would be to represent the nation in relations with the governments of other nations.

In many respects one might even consider the result "anarchy." But that term merits definition since it is used in many ways. The definition which fits best for this situation is "absence of government." (That's also from my dictionary.) There would be no *disorder* since disorder would cost a lot of people a lot of money. No one gets paid for chaos.

Another definition of anarchy is "a utopian society having no government and made up of individuals who enjoy complete freedom." That comes near the situation except for that word "utopian." The non-POM society would by no means be a utopia. There will always be plenty of problems to address and difficulties to overcome. Mother Nature will see to that even if people get along with each other much better. But since a non-POM society would have almost no government and since the individuals of that society would not be constrained by law or the government, one could say they "enjoyed complete freedom." Always bearing in mind that behaving irresponsibly would at least cost those individuals income they might otherwise have gained and at most the revocation of that cherished freedom.

My conclusion is that shortly after the adoption of a non-POM, a nation would experience rapid withering away of that bureaucracy which we now call government, while at the same time the *functions* of government would be performed *far better and more dependably than ever.* The whole idea of a government as a controlling or directing agency will come to seem strange and abhorrent.

## Non-POM Elections

Non-POM economies may have governments which do not have elections. There is nothing about a non-POM that produces or requires a democratic form of government (or any government at all, for that matter). But those nations whose economies do *not* use a physical object money (POM) will likely be democratic to some degree, at least at first. Actually, the non-POM society represents the truest form of democracy possible, but it differs in many ways from our current idea of democracy.

So what would a non-POM nation's elections be like?

The context of the election would be quite different than the context in a POM nation. For one thing, government officials would *not be able to see to it that anyone got any money*. Non-POM governments do not *spend* money. Non-POM governments do not *allocate* money. Non-POM governments do not generate procurement contracts. Non-POM governments *do not regulate business activities in any way*. Non-POM governments *do not own land*. In short, *there is no way a non-POM government can make anyone else richer*.

This removes a great amount of the motivation to offer bribes or to otherwise attempt to control the outcome of an election. With less motivation to cheat there will naturally be less cheating.

That brings us to the *means* of cheating. The powers that be today can hire people to carry out their orders to rig elections. A dictator can pay his secret police to do whatever is necessary to see that the dictator is announced as the winner of the election regardless of how it is done. But in a non-POM economy, the powers that be *can't pay anybody* since they cannot transfer money from their accounts (no matter how much money they have) into someone else's account. Therefore, the people who do their bidding will only obey if they think that what they are doing is going to generate a net benefit for others. Rigging an election is *not* likely to be seen as producing a net benefit. Also, those who would bribe a candidate would have to leave a "paper trail" if they bought luxuries and gave them to a candidate. But those gifts would not help the candidate get elected. The only way one could help a candidate get elected would be to attempt to convince others to vote for that candidate.

So how does one convince voters? No individual in a non-POM economy can control a significant part of the communications mass media. Therefore, to put information on TV or radio or newspapers or on the Internet will require *cooperation from other people*. Those who work in any communications capacity *will not be paid for helping spread lies* about anyone, especially candidates for office. In fact, they will be paid *most* for providing *the most relevant and accurate information* about the candidates. Thus it will be exceedingly difficult for an individual to gain the cooperation of enough people in mass media to spread lies about one or the other of the candidates for an office.

But let us assume that such has been accomplished and a lie has been widely spread about a candidate. In that case, anyone who brings to the attention of others that the lie has been spread would be *paid* for correcting the error. Thus, almost anyone who is exposed to campaign information can earn money by correcting errors in that information. So even if someone or some organization *managed* to spread a lie, the lie would probably be short lived. It would be soon contradicted and those who had helped to communicate the lie would lose money, as well as gain negative Declarations on their reputation.

**In these circumstances it would take little time to present the relevant information about the several candidates for an office and to conduct the election. In fact, even if a candidate began to campaign many months before the election, the mass media would tend to ignore it.**

**Therefore, under the non-POM situation and circumstances, elections would be honest and the campaigns would be short. There would be relatively few ads and those would be to *honestly inform* rather than to argue for one candidate or another. Political parties would tend to be many and each centered around only a few issues. Most people would not care much about politics.**

## Non-POM Jobs

**Non-POM** economies have no unemployment. Let me say that another way. Non-POM economies have full employment. By that I mean that anyone who *wants* to earn money can do whatever they want that produces a net benefit to others and be *paid* for it. They don't need to come to an agreement with anyone else before working. Everyone is working for themselves or, to put it another way, everyone is self-employed.

In a POM economy, businesses compete *against* one another. In a non-POM economy, everyone works *with* other people, cooperatively, to produce net benefits for others. One may work in some sort of organization or completely alone. But if one wants the cooperation of others, one will be cooperative, reliable, honest, and will do whatever it takes to maximize benefit to others and minimize harm.

This means that current job descriptions may change at the time of a transition to a non-POM economy. For example, we now have such occupations as cashier, bookkeeper, accountant, tax collector, bank director, stock broker, insurance salesman, and others that are involved in some way with our current POM. When our money is no longer transferable from one person to another and exists only in computer accounts, such occupations will be pointless. There will be no insurance or banking industries. There will be no stock market. There will be no tax collectors (or taxes).

In a POM economy the ending of an industry would mean that many people would be out of work, unemployed. But in a non-POM economy, such an event would mean that many people would be freed to contribute in other ways. Those who work in banking, insurance, and stock markets are intelligent and capable people. Their skills, abilities, and knowledge are not limited to their current occupations. Accountants, bookkeepers, and cashiers are careful, meticulous people who can use those talents in many other fields.

So let's say you are working in one of these jobs that will cease to exist at the transition. What do you do? How can you earn money?

First, you should not panic. Your needs will be met because other people will be paid for meeting your needs. Your children will be educated. Your family will be given food, clothing, housing, and medical care, all without you having to pay a penny since the Payers will compensate those who provide you and your family with these goods and services.

But far beyond the changes in job activities and the nature of the work being done there will be a change in the relationships of the workplace. Surveys I have read about have indicated that most people really don't *like* their jobs. Most people find their jobs are a source of stress, anxiety, anger, bitterness, resentment, and discouragement. A large proportion of the working population say they don't like their boss.

With the advent of a non-POM economy, this will change. People will find success only by working with others and through cooperation. The people you work with will greatly desire that you have success and will want to help you have success. Why? Because *your* success means more money for *them*. The better you do your job the more money you make, and the more money others also make. We will all be in it together.

So how do you find something to do that needs doing and that you can get paid for? Just as you do now. Want ads, employment agencies, friends and the Internet are all sources of

information about work that someone wants to have done. Anyone who wants someone to help them with their work will want to publicize the opportunity to earn money. Since this work can earn money, those who help bring worker and work together will also be paid. In short, lots of people will help you find work to do.

Also, no one has to pay for *necessities* so people *don't have to remain in jobs they hate*. If you don't like your job you can always do something else or even nothing. A mother who prefers to stay at home to take care of her children can do so, and *get paid for it*. A man who wants to be an artist or an author or a song writer can follow his muse *without harming his family* and if he is good enough at what he does, get paid for it. If you want to take off for a few months to "recharge your batteries" you can do so. You can also pursue a career with singleminded determination, and everyone around you will help.

You have probably heard the phrase "if money were no object" meaning if there were plenty of money available to pay for whatever was needed. In the non-POM economy, money is *never* an object. That is, whatever you do that produces net benefit will be paid. There is never a shortage of money to pay for benefits. For every activity, money is no object with non-POM. This means that you will never be "fired" or "laid off" due to a lack of money. You work cannot be "exported" as has happened to so many of our traditional industries. Of course, you might decide to change what you do to make more money or seek education (which you will not have to pay for) to improve your skills but that is up to you.

So what could the society expect from these changes? One would expect that people would work happier with less stress and far more cooperation. One would expect production to increase dramatically since there would be far more people providing actual goods and services rather than merely dealing with money. One would expect that the goods and services produced would be those which actually benefit people. One would expect the infrastructure of roads, sewage systems, utilities, and conservation would be greatly improved since those things provide an obvious benefit. One would expect products which lasted rather than wearing out quickly since long-lasting products would produce more benefit and thereby generate more pay. One would expect trustworthy clerks and sales people in the marketplace since they would be paid for how they benefited the customers. One would expect products which are safe and whose documentation is accurate and easy to understand because that would increase the pay of all those who contributed to those products.

But there is another side to this new work situation. That is the *reputation* of the people who work. Just as one can earn money by bringing together those who want to work with those who need work done, one can also earn money by getting the right person for that job and preventing the wrong person. In other words, everyone will accumulate a reputation based on their past performance. Have they been honest, trustworthy, easy to deal with, dependable, cooperative, intelligent, careful, hard working? Or have they lacked these qualities. Making available such information about one's work performances is useful in making decisions about with whom you will work. Since each person is self-employed, when you choose to work with others you are employing them in the same sense that they are employing you. Therefore, you have just as much right to know about *their* reputation as they have to know about *your* reputation. If they are reluctant or refuse to let you know their reputation, they reveal themselves. If they share willingly their reputation then you will know what others have shared about them.

This sharing of reputation information is something that in a POM society would be prey to many abuses. People might lie or otherwise cheat or libel in creating a database. People might provide information that is inappropriate. There would be all sorts of ways to make money by

such a system. But in a non-POM economy, any abuse of such a reputation system would cost a lot of people a lot of money. Therefore, they would build in many protections for the individuals who were described by the system as well as those who get information from the system.

So let's say you have had only one job and your supervisor didn't like you for some reason. When contributing information to your work reputation, your supervisor in a non-POM economy will risk lots of money and the cooperation of others if he does not give an honest evaluation of your work performance. His own reputation is going to be affected by the information he provides about you. And his is not the only source of information on your work performance. Everyone else you worked with will also be able to contribute. And like your supervisor, their reputations will also be affected by how accurately they evaluate your work. Therefore, if you are doing good work it will be very difficult for just one or two people to give you a bad reputation.

You will have access to the reputations of those with whom you may be working as well, of course. If someone is a poor supervisor, you will be able to find that out ahead of time and make your decision as to whether to work with them or not. (Note that poor supervisors do not long remain as supervisors and they cannot simply go to another town leaving their reputation behind: it goes with them.) You will be able to have a very good idea of what the people you will work with are like.

Finally, I would like to bring to your attention that there is a lot of work that needs to be done in our society and in every other industrial nation in the world. (Only industrialized nations can be non-POM because of the technology required.) In many cases we say that we really need certain things done but "we just don't have the money" to get them done. We have children in need of care and education. We have infrastructure like bridges, roads, and buildings that need maintenance. We need alternative sources of energy. We need energy efficient appliances. We need better security against terrorist threats. There are many things we need which are not being provided. In a non-POM economy, anyone who provided those things would be paid. Therefore, not only will there be plenty of work available for everyone who wants to earn money, but the work that gets done will be the work that produces the most real benefits.

## Non-POM Luxuries

In a non-POM economy, money can buy only goods and services designated as "luxuries." But luxury is in the eye of the beholder. What seems a necessity to one person is likely to be perceived as a luxury to someone of more reduced circumstances.

Anything can be designated as a "luxury" or as a "necessity" or as a "pink elephant," for that matter. What is important is the consequences of restricting the purchasing power of money to a single category of goods and services. Payers can have no money at all and are not allowed to consume luxuries. Therefore, to label something as a luxury item or service is to deny Payers access to that good or service. Therefore, no good or service which is actually necessary to support life may be labeled a luxury if the system is to succeed.

Also, if people are to desire money and be willing to work to get money, the things which money can buy must be desirable to many people. Therefore, in order to meaningfully be designated a luxury, a good or service must be one whose consumption by a person would give pleasure. This also excludes many goods and services from being treated as luxuries.

But within these very broad limits any commodity or service which may be consumed by people could be designated as a luxury. Therefore those whose task it is to actually choose those items to be designated luxuries will have considerable flexibility and freedom in their choices.

What considerations will lead those who decide to choose one or the other category for specific items and services? I have no way to be certain but I would suspect that this freedom of choice would lead them to use the designations to control the proportion of persons in the society who are Payers. It seems obvious that the more goods and services which are denied to Payers, the fewer people will be willing to make the sacrifice in order to become Payers. Alternatively, the more goods and services which are not really necessary to life which are available to Payers, the higher the proportion of people that will decide to make such a lifetime commitment.

Obviously there will be an optimum proportion of Payers in the population. If there is a very high proportion, each payer will not feel important and will be more likely to be ignored and relatively powerless. Therefore they will not try very hard to do their jobs well. On the other hand, if there is a very small proportion of Payers, they will be overworked and they will not be able to pay for everything that should be paid for. Therefore, the Payers are probably the best organization to decide on what goods and services should be designated as luxuries and which as necessities. That organization will be highly motivated to get it right and keep it right.

Will the designations vary from place to place and change over time? I should think so. After all, goods and services which we take for granted today such as plumbing and electric lights were considered luxuries at one time. I should think there would be similar changes in the future as well. So far as I can tell, there is no reason why such designations should be fixed forever.

## Non-POM Ends Your Debts

Credit cards are a blessing while you're spending. Credit cards are hell when it's time to pay. From what I hear the average American family owes over \$10,000 on their credit cards. As if that weren't bad enough, the average homeowner has a mortgage. That's still *more* debt. The U.S. economy is experiencing problems due to foreclosures on homes. It seems that people have been borrowing in the expectation that they would have an increase in income and that their homes would increase in value. When those expectations were dashed by the loss of jobs and the bursting of the real estate bubble, those mortgages became impossible for the owners to pay off. As a result, there are many homes whose market value is less than the money still owed on them.

Wouldn't it be nice to just have that debt go away? Wouldn't it be pleasant to contemplate a future in which you didn't owe anyone any money at all? If you have a crushing amount of debt today in our physical object money (POM) economy, you know that you are stuck. Your reputation is shot. Your chances of taking care of your family are just about nil. You have trouble getting more credit. But at the transition to a non-POM economy, your debt simply disappears. It's gone. It doesn't exist any more. There is no credit and no debt in a non-POM economy.

How can that be? How is it that at the transition to a non-POM economy one's debts simply are no more?

It's simple, really. You see, non-POM is not transferable from one person to another nor from one group to another nor from one organization to another. So even if you retained your debt you could not pay it off. There would be no way for you to give any of your money to any other person nor to any organization. Whether your debt is to a friend, to a business, or even to the federal government, it simply *cannot be paid*. So the debt is no more.

If you have a home it cannot be foreclosed. Since in non-POM there are no taxes of any kind, you cannot lose that home for failure to pay taxes. Your assets are *safe*. They cannot be taken for failure to pay any debt you may have had on them.

Of course this lack of debt also means that you can never borrow money but then you will never *need* to borrow money in a non-POM society.

But what about the debts of organizations? Let's say that corporation XYZ owes corporation ABC a million dollars before the transition from POM to non-POM. What happens to that debt? At the transition corporations cease having money. A corporation is not a person and only a person can have money. Therefore the whole issue simply ceases to exist. Though we today treat corporations in the law as persons in many respects, we secretly know that they are not really people. If a corporation ceases to have money, that is no person's loss. So if corporations cannot have money there is no way for them to give each other money.

That brings us to the largest debt of all, the national debt. The government also is not a person. A government cannot have money either. It cannot accept money nor pay money. The national debt will also cease to exist at the transition.

## Supply and Demand in a non-POM economy

A POM economy runs on demand, dollar-backed demand. If people with money enter the market and buy, prices are driven up and that motivates sellers to produce more items for sale. When there is too little demand, prices fall and sellers, lacking motivation, provide fewer items for sale. But that means that if few people have money to spend there is little demand and therefore, little production takes place. In other words, even though there are lots of people who *want to work* and who are skilled at what they do and even though there are plenty of raw materials to work *with* and even though people really want the things they can produce, the supply of *money*, a *figment of the human imagination*, limits and reduces the amount of goods produced. I know it sounds insane but it's true.

Those people with POM to spend are usually also producers of goods and services. Their supply of money comes from other people spending. But the flow of money to the buyers of goods is not always steady and regular. There are all sorts of irregularities in the supply of money that is available for spending. For example, let's say that there is bad weather and the crops fail on a large part of the farms in a region. That reduces farm income. The farmers cannot repay their loans so some banks fail. The people who had money deposited in those banks lose their money. Thus we have a large number of people who spend less which results in lower prices for goods and less incentive to produce more goods. Therefore, the sellers of those goods lay off their employees who produce, distribute, and sell those goods. (This actually happened in the late 1920s and 1930s in the United States and was a major factor in producing the Great Depression.)

This is the way recessions and depressions are caused. In a POM economy there is a way to prevent the supply of money from being reduced with a resulting reduction in demand. That way is through the use of credit, loans and debt. The *borrowing* of money (artificially) increases the *supply* of money because with a loan both the borrower and the lender each own money that only the lender owned before the loan. Therefore, the central banks of industrialized nations make loans less expensive when people seem to be reluctant to buy due to recessions or depressions. They encourage an increase in the supply of money so that there will be more demand. (Of course if the only people who can get those loans already have plenty of money and don't increase their consumer spending, the increase in the money supply just results in inflation with no increase in jobs.)

How does a non-POM economy operate without debt? How can a non-physical object money prevent recessions and depressions without there being any debt?

The key is to remember that in a non-POM economy, the supply of money depends *only* upon the supply of goods and services designated as luxuries. If more luxuries are produced there is more money available to pay for net benefits. Therefore, from the point of view of the producer, an increase in production will almost always result in an increase in income. This is a relationship between producers of goods and the Payers who credit their accounts. Note that the customer's buying does not control the supply of money. The money that the customer spends ceases to exist and the supply of luxuries for sale is reduced by the same amount since the customer now owns that luxury. Thus there is always money available to buy the existing luxuries and always luxuries available to sell for the existing money. The supply of money and things that money can buy is always in perfect (for all practical purposes) balance. *Money does not exist independently of the supply of goods and services for sale with a non-POM*. Therefore, there is no need for credit or debt to help provide motivation for production. If you produce there will always be money for you to earn.

## Non-POM and Responsibility

A car careens out of control due to a blowout on the Interstate, smashes into oncoming traffic killing three and injuring eight. The highway is closed for three hours. (I just made that up but something like it has probably happened at some time in the last 50 years.) Police investigations reveal that the tire was poorly made and failed far earlier than it should have. Who is responsible?

Our current money is a physical object money (POM). All monies that have ever existed in the world have been either physical objects (coins, bills, salt, blankets, spear points...) or representations of physical objects (bank accounts). With this kind of money, when someone suffers injury or damage to property, one can go to court and sue for damages. But usually, nothing happens. When one does go to court there is but a small chance that those who actually brought about the damages will in any way suffer for their actions. The tire salesman was just doing his job. He had no way of knowing the tire was defective. The guy in the shop who actually put the tire on the wheel was just doing his job. The store manager who accepted the tire from the manufacturer knew almost nothing about tires but their price. The truck driver who brought the load of tires to the store was just delivering another load of goods. The guys in the factory that manufactured the tire didn't see anything that would have led them to believe that they weren't doing their jobs well. They treated that tire just like all the others. If they made an error in its construction somebody else should have caught it. Their supervisors and managers didn't touch the machines nor the tire during its construction. The management team of CEO and others are just setting company policy to generate the greatest profits they can for the company. The unions that the workers belong to are trying to keep the workers satisfied with their jobs so they'll keep paying dues. The suppliers of the machines in the factory and the raw materials from which the tires are made say that their resources must have been used improperly if the tire failed because it wasn't their fault.

So as you can see from the above, all those people from the designers of the machines and the tire through all those people who contributed resources and those who helped get the tire on that car and even the engineers who designed the highway and the workers who built the highway and on and on, nobody is responsible the way things now stand.

But that's because we use a POM economy. Our economy and money is based on a zero-sum game simulation, a false simulation that leads us to believe and act as if we were the rivals, opponents, competitors, and even enemies of everyone else. A POM does that. It seems like the only way to get money is for some else to lose that money. What one gains another must lose. That's the nature of a zero-sum relationship and that's what we have in money transactions if one pays attention to only the money. It may be foolish to do that but it's very seductive to refer only to the money and notice only the money. For example, the balance of trade is said to be out of balance if more money is going to one nation than to its trading partner. But *shouldn't the goods and services bought balance the money that's going the other way?*

In a non-POM society, one is paid for the consequences of one's actions. If there is a net benefit from those actions, one's account balance is increased. If not, there is no increase. Therefore, in the above case, those who judge benefit would examine the accident and determine how each element in the crash contributed to the damages. Everyone involved, the surviving drivers, the tire manufacturers, the suppliers of the manufacturers, the road designers and builders, everyone involved would find their pay reduced because of the accident.

It would not matter that they didn't do it on purpose. It would not matter if it was mainly one person's fault. All would be affected adversely. But not all would be affected the same. There would be no court case, no lawsuit, no trial, no lawyers, and no settlement. Each person would have a percentage of the responsibility assigned for the part they played in the tragedy.

The consequence of this arrangement is that those who provide resources will be *extremely* careful about the reputations of those to whom they give those resources. They will not want to risk their income by giving them to incompetent or careless people. Those who design and manufacture goods will not want to risk having their suppliers refuse to supply more materials or having their distributors refuse to accept their products. Those who distribute (sell in today's terms) the goods will want responsible agents who will be sure that the consumers will use the goods appropriately. They stand to lose income if they give dangerous goods to careless fools. In the car accident case above, those who design and build roads will attempt to make them as safe as possible and to minimize damages when the inevitable accidents do occur.

Contrast that with today's POM situation in which no one in the chain from basic raw materials through design and manufacture to distribution and customer service seems to have any real responsibility. In a non-POM society people behave responsibly because their rewards depend upon being responsible. The consequences of one's actions have consequences for the actor. Thus, every producer, every worker will insist that those they work with act responsibly and will not give their goods to anyone whom they don't trust. No one will take the attitude of "I'm just doing my job" because their *job* is to produce net benefits, not widgets. Saying "I gave it to Jones" makes no difference because it's your property and you are responsible for anyone you give it to. That makes all the difference in the world.

## Non-POM and Religion

So far as I know all human cultures have religion. Those religions vary from culture to culture, of course. One's religion is often the first thing people notice when distinguishing a member of one culture from a member of another culture. Religion serves as a marker for "us" and "them." As such, religion is often "flourished" by those who want to reject or attack members of another group. It is easy and tempting to say that their beliefs show that they are evil and a threat to us and must be destroyed. Note that this is a use that people make of religion, not what the religion, itself, would necessarily have them do.

Religion also keeps groups together. An excellent example of this under very trying circumstances is the Jewish faith. Despite social factors that would have destroyed the group identity of most cultures, the Jewish religion has maintained itself and its cultural identity over thousands of years with no corresponding national or societal identity until recently. There are Jewish persons of all sorts of societies and cultures.

My point here is that religion has many consequences, some good and some not so good. Please note that I am talking about religion, not faith, not doctrine, not spiritual truth, not God. I am talking about what people do with faith, doctrine, and the social organizations that develop around these beliefs. It is about those not-so-good uses that some people have made of religion that I want to address here.

We have all heard about the "Elmer Gantry" type of man who preys upon the religious to get their money. We have also heard of those who exalt religion as a means of raising their own status as the priests of ancient Egypt did. We have heard of those who use their high place in a church to live a life of luxury and ease. There is even the Biblical case of the money changers in the Temple. And we know of those who use religion as a political device to control others.

These cases all involve a large element of money. Acquisition of money is the objective or motive in some cases. In others, money is used as a tool to bring about a desired, non-religious end. But in all these cases, religion is being abused, subverted, debased, and exploited.

Physical object money (POM) lends itself to such unworthy ends and means. In fact, it provides the temptations that motivate much of it. But what about a non-POM? Would that kind of money have any affect on religion?

A money which has no physical object representation, which comes into existence when earned and ceases to exist when spent, would have a considerable affect on the unsavory aspects of how people have used religion in POM societies. For one thing, one would never have to suspect an ulterior money motive of the minister. One *cannot* give one's non-POM to a church or anyone else. It ceases to exist when spent and can buy only luxuries. Therefore, the minister would have no incentive to ask for your money. The minister could ask for luxury goods and services, of course, but that rather makes his greed transparent. One doesn't ask for a fancy sports car for the minister to show the glory of God.

Also, unless they are doing things which actually benefit others, the highest officers in a church would be gaining no money regardless of how exalted they claimed to be.

If a politician attempted to use a religion to justify conquest it would do him no good because conquest always costs far more than peace and generates far fewer benefits. Therefore, the armed forces would not obey orders to march in conquest since it would end their being paid.

Many religions use tithing, the giving of a certain percentage of one's money income to the Church. Obviously, the gift of money would no longer be possible. But that does not mean that one would be unable to give to one's church. The most precious thing one can give is one's self. I think that this giving of one's self would greatly increase and would likewise greatly benefit the churches.

However, if one did want to give material things to a church, one could give any of one's property whether acquired by purchase, as in the case of luxuries, or by gift as with capital goods. But the church, itself, cannot own any property. Only individuals can own property. This would be a significant change from the current situation.

Some individual would own the church building and grounds (including any cemeteries). When one gave to the congregation by helping to build or maintain the building, one would be giving that labor and materials to the one who owned the church building. If benefit were derived from that building, all the contributors would be paid accordingly. In other words, people would be rewarded for their gifts. This might give rise to interesting theological questions of whether one is getting credit in heaven for works which are rewarded on Earth. If one wanted to give secretly one would need to be careful to not let the Payers know of one's good works.

A church might have available for its use a comfortable building and equipment which was constructed and maintained by those of some other faith. On the other hand, if some church building were not used to benefit anyone other than the owner, there would be no pay for those who labored to build or maintain the building. Those who had provided the materials would not be paid. Thus, those churches which clearly provide benefits to the community will prosper. Those which do harm (preach hatred and such for example) would tend to wither and die.

So the wealth and magnificence of a church building would reflect the good being done by the congregation and its ministers.

Those who are called to the ministry by their faith today must find some means of support, some congregation or other source of money. Congregations would not even be able to pay their ministers. In a non-POM society, those who are called to the ministry need have no concerns about survival. They will be provided with their body's requirements while they attend to the requirements of the souls of themselves and of others. No inspired person will be prevented from preaching by the need to support a family.

I cannot say whether non-POM will result in a greater attention to religion and its place in our lives. I cannot say whether non-POM will bring anyone to Christ, for example. But I can say that non-POM will reduce the incidence of sin (as defined by every religion I know). If this is important, if less sin contributes to religion, then non-POM will be an important contributor to religious life.

## Non-POM and Divorce

Marriage is one of the most wonderful, delightful, satisfying and fulfilling of institutions known to humanity. (And I'm not just saying that because my wife told me to!) Over 90% of adults in the U.S. will be or have been married at some time during their lives.

But not all marriages are like that. For some marriages the only solution seems to be divorce. We all know about the kinds of things that happen in a POM economy. When the money is or represents a physical object, money can be taken from a person against their will. The State or corporation or a former spouse can take money against one's will.

The result is that many divorces take place in an atmosphere of enmity, competition, high-powered lawyers, and animosity. The lawyers get rich. The courts are overcrowded. The former couple has a bone of contention that will keep them hating each other for many years. The children just suffer. Unfortunately, some of the lawyers really *like* what our culture does with divorce.

The settlement of the divorce requires dividing up the jointly owned property. The division need not be fair or in any way equitable. There is also the matter of child support if the couple has children. Sometimes the one who is required to pay such support actually pays it and sometimes not. This situation often results in frequent returns to court. Finally, U.S. culture has the tradition that women cannot support themselves and carefully pays women less for equal work in the attempt to make sure that is true. This tradition has led the courts to require that the husband (and on some occasions the wife) pay to support the divorced woman until she remarries or dies. These payments also are sometimes not paid with resulting returns to court.

The non-POM economy is one in which money cannot be transferred from one person to another because money comes into existence when earned and ceases to exist when spent. Also, in a non-POM economy, there is no joint ownership of property, and especially money. What one person earns is theirs alone. No one else shares in that ownership. Therefore, child support and alimony are impossible and there is no jointly owned property to divide. All the court needs to settle is child custody, visitation rights, and whether the couple should be granted a divorce.

Divorce is quite simple and takes relatively little of a court's time so that the court can investigate more thoroughly which parent should retain primary custody.

As far as child support is concerned, anyone who provides care for a child or food or clothing or housing or education or medical care is paid for providing that benefit. So there is no need for a divorced parent to provide money for what doesn't require money anyway.

The same is true for alimony. It is both impossible in a non-POM economy and unnecessary since everything one needs is available without money.

But the best news for non-POM divorces is that they would be less likely. If one investigates the *motivations* for divorce one will find that the most commonly cited factor is money problems. As is pointed out in the article "POM: a Zero-sum Simulation" the nature of a POM is to simulate a zero-sum game in all money relationships. So if a family has a certain income, anything one person spends is no longer available for the other to spend. What *benefits* one *costs* the other. If he buys a new set of golf clubs, she cannot afford new drapes for the living

room. If she gets that face-lift, he can't afford to go to Hawaii on vacation this year. But more than that, what one borrows the other is responsible for paying back if they share a credit card. All sorts of family decisions, to buy a house or a car or whatever, can put the family in very stressful circumstances as the current mortgage crisis illustrates. Such stress is a great source of problems between husband and wife. Such circumstances lead them to believe the other no longer loves them or they reveal that the other only claimed to love them for the money.

In a non-POM economy, there is no simulation of a zero-sum game relationship. It is obvious that what benefits one party benefits the other in the marriage. In a non-POM economy, there is no debt so one spouse cannot be expected to pay the debts of the other spouse. If one spouse spends money on something, that is not a problem for the other spouse because they cannot spend that same money for themselves under any circumstances. To allow one's spouse to enjoy things one has bought is to give them a present.

When it comes to buying things members of the family need like housing or food or medical treatment, again any person who provides the basic necessities will be paid for doing so whether they are a member of the family or not. The family will not suffer if one of its members stops working since those necessities will still be available. This avoids the need to replace a husband who doesn't earn much money with one who earns more. It is never necessary to divorce your spouse to get more money. Finally, since your spouse never stays with you because of financial dependency, they only stay because they love you.

Therefore there will be less need for divorce and fewer unhappy marriages in a non-POM society.

## Non-POM and Taxes

Today I have been working on my income tax returns. That brings to mind the relationship between a non-POM citizen and the government of a non-POM State.

As you know if you have been reading the POM series of articles, a POM or physical object money is the only kind of money ever used in any society or nation with any kind of government. Money which is or represents physical object(s) can be taken from you against your will. POM can be used to buy any goods or services from anyone. Therefore, everyone wants the POM you have or might have some day. The "everyone" includes your neighborhood government. From the township or county level through the State to the federal level of government there are a wide variety of taxes and fees which the various governmental units levy upon the citizens and anyone else who happens their way. This is motivated by the nature of a POM and is made possible by the nature of a POM and the use of a POM is how the money is collected by appropriate means and otherwise.

But what about that non-POM society which several of these POM articles have been talking about? If such a society has a government, doesn't it need to collect taxes to operate?

A non-POM is not a physical object and it does not represent a physical object. When earned, this money simply comes into existence in the worker's account by virtue of the number there increasing in size. That increase in the money supply doesn't come from any other money account. The people whose decisions result in the money being there do not lose any money as a result of crediting the earner's account. When the account owner spends money, that money is deducted from the account balance. It is not transferred to another account it is simply deducted from the owner's account. That's it. No more, no less. Thus money spent simply ceases to exist, poof! (I've always wanted to use that word in an article. :-) )

Therefore, even if a non-POM government wanted to take money from a citizen (or someone else) it would have no way of doing so. For one reason, only individuals are account owners. There is no "Uncle Sam" account representing the government. For a second reason, this money can't be moved from one account to another. This money is not that kind of money.

So how does government pay its bills?

The government has no bills. The non-POM government has no money and no budget. The non-POM government cannot loan or borrow money. If some office of government needs a desk for performing its paper work and someone chooses to give to that office worker (not to the office but to the person using that office or occupying that office) some desk and if that worker uses that desk to do work which deserves to be paid, then the person who provided the desk will also be paid. So long as that desk is useful in producing benefits to others, the person who gave the desk will be paid. The office worker doesn't pay that person. The government doesn't pay that person. Those whose job it is to appropriately add money to the accounts of people who deserve that money are the ones who have the power/ability to increase the account balances. And these "Payers" are not a part of the government. They take orders from no one since they are the only ones who can pay. What about the persons who provided the wood and metal and tools to make the desk? Yes, they get paid also and in the same way, as do those who moved the desk from the desk factory to the office. Of course the government worker also is paid in that fashion. Therefore, the government functions just fine without money.

**In fact it functions much better without money because all those "desk people" get paid only if that government worker is doing something which actually produces a net benefit. Enforcing silly rules where they really don't apply produces no benefit. Adding miles of red tape to procedures produces no benefit. Being rude or insolent to the citizens who need the services of that worker reduces the net benefit. In other words the better the job that worker does, the more the worker gets paid and the more all those who contributed to that work getting done get paid. Workers who do well will have suppliers of equipment and other resources asking them to accept their materials. Workers who perform poorly find they have nothing to work with and someone else doing the work in their place.**

**(As an aside, there would be remarkably few government workers since there would be almost nothing for the government to do but that's a subject for some other article.)**

**So what taxes are collected? What about import or export taxes? Nope. No taxes of any kind. What about property tax? No taxes of any kind. What about inheritance tax? No taxes of any kind. What about... Didn't you hear what I said? No taxes of any kind at any time for any reason by any level of government under any circumstances. What part of no taxes didn't you understand?**

**Government in a non-POM economy has no taxes, no need for taxes, and no means by which to collect taxes because no payer is going to pay for anyone to try to collect taxes. Taxes just don't happen.**

**I hope that's clear. NO TAXES.**

## Non-POM and Terrorism

Since it would be so dangerous for a nation's leaders to invade a non-POM nation, there might be those who would want to attack it via terrorism. This would not even require that the threat be coming from a national government. It could be done by almost anyone or any group no matter how small and radical. This leads to the conclusion that there would be terrorist efforts on the part of individuals or groups no matter how few people were motivated to perform such acts.

Now if there are enough attempts at terrorist acts and given the technology available for destructive acts there will be some "successful" acts of terrorism. But the number of such acts, the success rate of the attempts, and the recovery from such events will be better for a non-POM economy than for a POM economy.

There will be fewer attempts at terrorist acts because the international trade of a non-POM economy will be by barter. This is functional because a national economy has many products and services to offer and has many needs for goods and services to meet. Therefore the inherent win-win relationship of barter will promote amicable relations between the producers and consumers of the trading nations. This will avoid the colonial exploitation relationship that many industrial nations have experienced with third world nations.

Another reason for fewer attempts is that entry into a non-POM nation is much easier to control. That is, everyone who enters the nation will be identified to the accounts computer system. Unless the entrants expect to live on the charity of their hosts, they will be bringing money from their own nations. To be spent, these assets will have to be given to the non-POM nation in exchange for money in computer accounts. To have an account a person must be identifiable to the computer. That is, the computer must recognize their voice, fingerprints, retinal image, smell or some other measurable aspect of their person such that the computer system can transfer ownership of goods to them in the event they buy something. This means that every retail outlet can identify anyone who comes in. It also means that anyone that the computer does not know is automatically under suspicion. Therefore, there is almost no anonymity in a non-POM economy.

Next, the terrorist either must bring the destructive device(s) into the nation or must acquire the item once in the nation. Smuggling will not be done for profit because there is no tax on importing goods. But protecting the consumer from defective or dangerous merchandise would be paid. Therefore imported items would be examined. On the other hand, in a non-POM society, weapons and other destructive devices are not likely to be given easily since the person who sells or gives any dangerous item will be held responsible for its use even after they have given it to someone else. Thus it would be difficult to acquire explosives, poisons, hardware, and other resources needed to create those items once in the nation. Now none of these actions will be *impossible*, just more difficult than in a POM economy and thus less likely.

Next we take up the success rate of attempts at terrorism. The current attitude of the vast majority of people in a POM economy is "that's not my job" or "it's none of my business" or "I don't want to get involved." This is a product of the POM simulation of a zero-sum game relationship. Contrast that with the non-POM attitude of "what can I do to help?" Since one can get paid for getting involved, since one can get paid for doing anything useful whether it is a part of one's job description or not, everything in public is everyone's business. In a POM economy such an attitude would be considered offensive since it would be seen as some act

of nosiness or selfishness in curiosity or somehow taking advantage of someone else. But in a non-POM economy it would be recognized as being neighborly and those benevolent attentions, the actions of a friend or friend-to-be.

Therefore, anyone who appeared to be secretive, or not welcoming the attentions of others would look suspicious. If they were near some important equipment or in a crowd, they would be likely to be noticed and questioned. Those who enforce the law (police) would find this attitude on the part of the public to be quite helpful.

Some terrorist attacks would inevitably be successful, even as they are under a POM economy. When damage occurs or when people are injured, money is no object (that phrase has a literal meaning which is the one intended here) in the recovery. Whatever anyone can do to help will be paid. Unlike disasters in a POM economy, there is no delay while the decision is made as to who, if anyone, is going to "pick up the tab." This means that resources would be available for the recovery as quickly as word spread about what was needed. Those who spread the accurate, well-considered word would also be paid. In other words, the response would be optimized because *that* would generate the most pay. There is never a shortage of natural disasters to provide practice and lessons in emergency response and each time additional procedures and techniques would be learned, as they are now. However, in a non-POM economy these discoveries will be put into practice much more quickly than they currently are, since people will want to be paid for benefiting others by making these things possible.

Terrorist attacks can never be completely eliminated but the motivations for them as well as the opportunities for their implementation would be greatly reduced, so the resultant damage, loss, and suffering from successful attempts can be minimized by a non-POM economy.

(See "[non-POM Open-source](#)"; for a related article that explains defense in the case of terrorist computer hacking.)

## Non-POM and War

I hope you have just read the "[POM and War](#)" article for which this is the companion article. In that article we showed how physical object money (POM), money which is or represents physical objects, provides the motivation for war on the part of nations *despite the damage and expense* of war. In this article we will demonstrate that using a non-physical object money, war will become impossible.

We will deal with the trivial case first. If two nations are *both* using non-POM monies they cannot go to war because no one would be paid for engaging in a war of aggression. There is no net benefit from starting a war for any of the participants. There is lots of money to be made from *preventing* a war and from *restraining* others from starting a war. Finally, two such nations would be making lots of money by trading with each other and the citizens of each nation would want to continue that relationship to keep the money appearing in *their* accounts.

This brings us to that case of a POM nation's relationship with a non-POM nation. Obviously, the POM nation has nothing to fear from the non-POM nation attacking them since there is no profit (net benefit) to be had by a war of invasion by the non-POM nation. Giving the orders to invade another nation would result in the orders being ignored and the author of those orders being restrained as mad or corrupt.

Therefore the only kind of war that might come about between a POM nation and a non-POM nation would be the case of the POM nation invading the non-POM nation. In such a case, the non-POM nation would benefit by expelling the invaders. It is obvious that the people who pay in the non-POM society would pay for the defense of their nation against attack.

Now I have not yet written the non-POM and Bureaucracy article since that title is unlikely to get many readers but I can say with considerable confidence that bureaucracies in a non-POM society are much more efficient and productive than those in a POM society because in a non-POM bureaucracy the workers are working *with* each other while in a POM bureaucracy the employees are working *for* their employers. This makes a huge difference. Also, each and every worker from the CEO (yes the CEO is also just a worker to those who pay) to the least skilled worker, is paid based on the *consequences of his or her actions*. Therefore the quality of the work is high and cooperation to make things better is rewarded. Poorly performing workers are asked to leave by the other workers. Those who don't "pull their weight" are encouraged to do better. The result is that the military bureaucracy of the non-POM nation will be much more efficient and effective than the invading POM nation's military bureaucracy.

The equipment available to the non-POM military will be of superior quality to that of the POM military since the production bureaucracies of the non-POM factories and such will be much more efficient and productive than the POM production bureaucracies. The non-POM workers will be paid on the basis of how good the weapons and protective devices and so on are rather than by the hour for time at the machine. The "back room boys" who come up with new kinds of weapons will be much more effective and quicker to develop ideas for equipment since they will be sharing ideas and helping each other rather than keeping their ideas to themselves to maximize profit.

The officers in the non-POM military will be of better quality since they are a product of the better bureaucracy and its "free market" selection process for those who lead. (Yes, that's another article to come.)

Therefore, there is every chance that the non-POM military would quickly defeat the military of the invading POM nation unless the size difference in the militaries was huge.

But it requires considerable preparations on the part of a military organization before launching an invasion. The scale of such an activity is so large that it cannot be hidden. Thousands of people must participate in the preparations so it cannot be kept secret.

Therefore, the non-POM nation must be able to discover that an invasion might be in preparation. Upon discovering the threat, the non-POM nation has many options as to how to stop such a threat. They all revolve around the fact that the POM State will have a centralized authority which expects to benefit (there's that POM again) from an invasion. In order to stop the invasion the non-POM nation can use any technique which makes it clear to the rulers of the POM nation that they will personally lose heavily in the event of an invasion regardless of what their armies do. This could include assassination or threats to their wealth or support for their rivals in the government. You will have noticed that POM governments are always in fear of losing their powers to rivals within the government. If properly conducted, such operations could prevent a likely threat from ever coming to power in the first place. But whoever does prevent the invasion would be assured of major rewards from the Payers. This would be like a standing reward offer to literally anyone, whether a citizen of the non-POM nation or not, who took action to prevent the invasion. Military leaders in the invading army would be aware of that of course. Could they resist the temptation to "take a bribe?" Would assassination replace war as a means of stopping aggressor nations? Would the POM leaders be willing to risk being killed or overthrown if they prepared to invade a non-POM nation? Remember that the non-POM nation simply by virtue of the nature of its money would create this situation for the POM invaders. They would not have to decide upon assassination or rewards for POM nation treason or for overthrowing an aggressive nation's leaders. Their money would provide that context for any aggressive nation. It would be automatic.

The obvious conclusion is that wars involving non-POM nations would be exceedingly rare and if there *were* any such wars, the POM nations involved would change leaders soon and the war would be brief. This might be hard on the dictators of the world but it would take a considerable load off the innocent bystanders of the world.

## Non-POM And The Military

I was born just a few months before the United States formally entered World War II. Some of my earliest memories include watching the troop trains and military equipment on the trains across the street in the switching yard. This and the stories my father told of his brother's service in both wars gave me an early interest in military history. I have read avidly such works as the complete Navy history of destroyer operations in World War II. I enjoyed reading Xenophon's "Anabasis," a history of the Greek military unit that rented itself as mercenaries to the Persian Empire in the time before the Greek wars with Persia. When I was in college, I used to spend the idle hours between classes reading the manuals in the ROTC offices. I loved military games and built a huge map of eastern Europe so I could simulate WWII on the Eastern front. So although I was never in the service (ROTC discovered I was 4F), I do have considerable knowledge of military history and requirements.

Wars are fought by military organizations. Those organizations must be bureaucratic or be so inefficient that they are ineffective against the coordinated actions of bureaucratic armies. The American Plains Indians were some of the best light cavalry in the world. They were fast, brave, they could subsist without a supply train, their tactics were excellent, they even had better weapons in some cases. But they had no chance against the U.S. army even though the army was quite outnumbered.

In a non-POM economy, what good *is* a military? It's no good at all if there is no organized, armed threat to the society. *If all the world adopted the non-POM economic system, there would be no need for military.* But in the meantime, until that happy day, there are nations and organizations in the world which constitute threats which can only be countered by military organizations. Therefore, participating in and supplying the military of a non-POM nation would be paid by the Payers. How much that pay would be depends on the perceived threat, of course. If the only threat is pirates off the coast of Somalia then the total pay for military might be relatively little. If the threat is from nuclear war with Russia and China, then the pay would be a quite large proportion of the nation's money.

It's pretty obvious that soldiers would be paid. Those guys carrying rifles into harm's way would earn every penny they were paid. But remember that the military is a *bureaucracy*. Those secretaries and office boys would also be paid. The people who donated land for military bases would be paid. The producers who gave weapons, food, clothes, and built buildings would be paid. In short, the military "budget" would automatically adjust to the perceived threat and that threat's requirements. As soon as the information indicating a threat was known to producers, some would decide to take the risk of providing arms, supplies and so forth. (Of course the necessities provided to the military would be paid for as even soldiers need to live.) There would be no need for any Congressional actions or bills to be passed to increase supplies. The response would be immediate and would not have to await debate and such in the Government.

But what about things like aircraft carriers or jet fighters? They are very expensive and represent the contributions of a considerable number of people. It will take making a pretty good case to convince a large number of people to cooperate in the production of something which might not ever actually participate in any kind of war. One could work for a couple of years on a new plane or huge ship and never get any pay at all for it. This is good in a number of ways. For one thing, it prevents a lot of waste in the production of military goods. But for another, it means that the producers are much more likely to provide ships that are useful not only as military vessels but also as civilian craft. An aircraft carrier can serve as a hospital, for example. It can also carry considerable cargo given its huge internal spaces. Therefore, there

is a good chance that most military equipment produced would be designed so that it was not purely military in functionality. Sure, a rifle designed for war is not likely to be useful for hunting deer but most military gear isn't the weapons themselves.

So now we have paid for the soldiers and other personnel, we have arranged for supplies, what about command? Who's in charge here?

There is no reason to believe that the President would lose his status as Commander-in-Chief. The Pentagon would probably remain the predominant office building for the military. The chain of command should remain the same. But that "Declaration of War" business would likely be considered irrelevant. Everybody, from the President on down, would be paid based on results, on the consequences of their actions so the actions of Congress would be rather unimportant.

Also, let's assume that a commander gives an order which his soldiers think should *not* be carried out. They know that the Payers will not accept "I was just following orders" as any kind of excuse if things go badly. They will make their own judgments. The "Charge of the Light Brigade" would never have happened with a non-POM economy. This same factor will make it all the more important for commanders to keep their subordinates fully informed of the situation and the plan so that their actions can be appropriate. Units will share information with neighboring units. The various services will share information with each other because that's just the way things are done in the non-POM bureaucracies. It's more *efficient*. The centralized computer system also makes such sharing easier. Coordination and control will be much easier.

Soldiers will all be volunteers because the *Payers will not pay to enforce any kind of draft*. On the other hand, the pay for those who enlist in time of war might be huge depending upon what they accomplish. The pay will be the free market lure to meet the nation's demand for soldiers. AWOL and desertion will be almost impossible to get away with but since such escapes from service do harm, such acts will cost the deserter future income.

The biggest difference in the military will be the tactics employed. What is the least expensive way to win a war? Prevent it. What is the least expensive way to stop a tyrant from invading a nearby nation? Take him out by kidnapping or killing him. There is no need to damage or destroy anything else. Knowing that starting a war will result in your own death is something to make even the most cruel dictator pause. Therefore, there will be considerable attention paid to seeing trouble coming and preventing it.

This will be helped by the fact that all international trade will be through barter. This means that all our trading partners will value that trade and want it to continue. If they didn't like them, the trades would never happen in the first place. This means that the business communities of all nations would not want war with us. That is a powerful deterrent to war.

Technology improvements give advantages to the side which is quickest and most successful at adopting and integrating the changes in gear and techniques. As you may have noticed, it takes *months* to get a government to choose a new weapons system, years to produce and test it, and still more years for the military to learn to use it. The higher-ranking officers were always brought up in and trained in the previous war, not the one to come. There are all sorts of reasons why people can make more money by slowing down the process of creating and deploying new weapons in a POM economy. There are no such reasons in a non-POM economy. There are many reasons to provide defective weapons to the military (see the sorry

history of fraud and defects in the military supply chain in the U.S. in WWII. It's sickening. Thousands of American service men and women died needlessly because someone wanted a quick profit from selling defective goods to the government.) There are many profit-related reasons to delay the stopping of production of the old weapons. In a non-POM economy, the better the weapons, the more money you make. Defective weapons will cost you and all those who helped produce them money. Everyone involved becomes very careful about making sure every weapon works well. The testing of new weapons is eagerly shared not only by the original producers, but by anyone who is willing to participate. Finding a major flaw in design before the weapon fails when most needed is worth a lot of money.

Training will be innovative and thorough because poor training results in needless deaths and failure to complete the mission. Innovative, because the trainer is personally responsible for the results so he will do what works rather than follow some "book" by rote. He will also spread the word about what works for him because he can gain income that way. He will want the ideas of others because that can also improve his own pay. You may know about the "Peter Principle" in which people are promoted until they can't do the job and then they stay at that level or better. That doesn't work in a non-POM bureaucracy. If you aren't doing the job people will no longer pay attention to you and you are out whether you are sitting in the big chair or not. This also applies to the military. A high-ranking officer will generally have a staff that has an excellent idea whether that officer is good at his job or not. There will also be frequent training and tests of those officers. The weakest part of any military organization is the commander. If the commander is weak, stupid, indecisive, foolish, or pig-headed, the unit will perform badly. Therefore, this single point of failure will be the most frequently tested part. This is the consequence of feedback based on consequences with no excuses being acceptable. It doesn't matter what you were trying to do, it only matters what the result was.

There was a time when close order drill was very important to military organizations. There was a time when instant, mindless obedience was key to the success of a military formation in time of war. But the modern war is not like that any more. The military of a non-POM economy nation will adapt and change to meet changing conditions and circumstances just as the economy itself quickly adapts and changes to meet new conditions and circumstances. The rewards for successful adaptation are quick and go to everyone involved. The lack of rewards, the consequences of failure, are similarly felt by everyone involved. This means that the whole organization and its suppliers react immediately to success and failure. The whole organization learns quickly what will work. It is another triumph of the free market.

But what about the interaction of the military and the civilian? In some nations the military takes over. Could that happen in a non-POM economy? Of course not. Pay to the soldiers who participated would cease immediately. People would not give them food except at the point of a gun. The best they could do would be to become wandering bandits. They would almost immediately start to suffer the consequences of using POM. (You may remember them.) Also, think what the reward would be for stopping such a coup attempt. Think of how many thousands of people would have to be in on the attempt. All those privates and corporals would have to agree and go along with it. They would not be subject to mindless obedience, remember? Their pay is not controlled by their officers. They aren't all armed robbers in disguise. Most would be patriots loyal to the nation. They would never allow such a thing to come to pass. Such an attempt would fail even without the all-pervasive computer system that, whether we remain a POM society or switch to non-POM, is coming.

## Non-POM and Insurance

As a young college graduate, my first job was as an insurance agent. My family had always considered insurance to be a good thing and, so far as I know, both my father and mother had insurance on their lives all the time I was alive. In the short time I worked for an insurance company I never saw or heard of any attempt to cheat the people to whom we sold insurance. In fact, one of the agents got in trouble because he paid some premiums for some of the poor people who had policies through him when they couldn't make the premium payments some months.

Insurance is available to provide protection against all sorts of unpleasant contingencies. If one has property one can get insurance against its being damaged, destroyed, or stolen. One can get insurance against one's death or illness. The forms of insurance that are available are many and varied and much of modern business would be difficult to carry on if it were not for insurance. It is, of course, a feature of a POM (physical object money) economy.

In a non-POM economy, there is no insurance at all of any kind for anybody. This is because money cannot be transferred from one account to another in a non-POM economy. Money comes into existence in one's account when earned and ceases to exist when spent. Therefore, one could not pay premiums and one could not collect money from a policy. Does this mean that people are defenseless against disaster? How does one mitigate the consequences of unfortunate events?

Let's consider life insurance first. One buys life insurance in a POM economy in order to provide for one's dependents in the event of one's death. In a non-POM economy, one's dependents will be just fine so long as material possessions are concerned. They will be given food, clothing, shelter/housing, medical care, and education without having to pay for it because those who gave them these things would be paid for doing so whoever they are. Though no one is *obligated* to give necessities to them, they will be paid for such giving which is enough to see that they will have the necessities. Also, if one's dependents have earned money, they will not need to spend any of that money if they don't want to. Therefore one doesn't *need* life insurance.

What about medical insurance? People will still get sick and become injured. But medical care is one of the necessities of life and those who practice medicine will be paid for doing so. Thus, one needs no medical insurance either. Medical treatment doesn't cost money in a non-POM economy.

But what about insuring property? Well, what about it. If the property is necessities one gets them without paying. If the property is capital goods, one gets them without paying also. All that's left is luxuries. If one doesn't want one's luxuries destroyed one will have to be careful with them. Protecting one's luxuries is up to the owner, of course. But providing places of safekeeping for valuable objects is a beneficial service for those who own very valuable luxuries so one would be paid for providing such places. Thus, the property owner can store that jewelry or that painting in a vault and pay a rental. Fortunately, theft in a non-POM economy is quite rare so that is of small concern. Finally, the loss of luxuries, though regrettable, is hardly going to damage the economy or result in harm to others.

What about the various kinds of business insurance? Those policies are insurance against damage or destruction of capital goods such as buildings, equipment, or products. Again, we

**note that money doesn't buy such things so there would be no point in a policy which gave one money for their loss.**

**The absence of insurance eliminates an entire category of POM economy crime from non-POM economies. The resources which are devoted to the insurance industry in a POM economy are devoted to *production* in a non-POM economy. Much more attention is paid to preventing loss rather than to recovering money to compensate for loss. The lawsuits which today are a by-product of insurance are completely absent in a non-POM economy.**

## Non-POM and Sports

We have all seen news reports of the professional sports figures doing various things over the years. The reports on the front pages are usually rather embarrassing. Usually there is money involved in some way in those embarrassments. Players gambling on games, players taking money to shave points, referees taking money to shave points, players holding out for more money from management, management locking their teams out for more money, owners demanding free stadiums and other perks for keeping the franchise in the city and on and on.

These things would cease to happen of course in a non-POM economy. Players couldn't be bribed with money. There is no organized crime gambling. The team owners wouldn't be the ones paying the players. In short, lots of these issues simply would not exist if we were using a non-physical object form of money.

So how would a professional sports franchise function in a non-POM economy? To begin with, those who do the paying would recognize that professional sports is show business. Therefore, these franchises would be paid for entertainment. Being physically present in the stadium to see the teams play would be a luxury as would concessions, and programs so one would have to pay for those things. Players would be paid after they performed rather than having a contract which set pay terms before they performed. Those who did the most to improve the fans' enjoyment of the game would be paid the most. Naturally, this extends to all those who participate in providing the show from the janitors through the secretaries and on to top management.

The professional leagues would not be in charge of advertising and could not pay for it in any event. The teams could agree to hold drafts of new players or not. Rival leagues could appear. In short, the providing of professional sports to the public would be a completely free market at all levels.

What about colleges and high schools and their teams? The answer is that if they choose to have teams and decide to provide their contests as a luxury to be sold to the public then they are professional sports. Their participants, players, coaches, janitors and all would be paid accordingly. If they make the spectacle available to anyone who wants to attend and do not charge for the privilege then they would be paid for any benefit which the games provide. If the players appear to benefit, then the coaches and school administrations would be paid. If the players appear to suffer, then not only would the adults (in the case of the high school players) not be paid anything for their efforts but any other pay they might have earned would be reduced.

Injuries would be extremely expensive for those who contribute resources to such affairs. Those who provide equipment would be paid for doing so but could lose money if those who used that equipment were injured. This applies at all levels of sport from the individual recreational sport participants through the highly-skilled school players in high school and college through the professional athlete. This means that the quality of equipment and the issuance of equipment would be much more controlled and regulated by the owners of equipment. As a result of injuries to players, coaches would lose money they might have had. This also applies at all levels from the earliest pee-wee leagues through professional. Thus, the games would tend to be far less violent.

Colleges today in a POM economy recruit players. There are a host of rules provided by the NCAA in the U.S. and cheating in various forms is rampant. Most of the forms of recruiting in

use today would cease to exist in a non-POM economy. Coaches would probably not want to spend their own personal money to fly all over the country to scout and recruit players. Coaches would not be able to pay anyone else to help. Since all education and necessities are free anyway at all schools there would be no scholarships since everyone attending would be on the same "scholarship." Players would be paid in college as they are on any other sports teams for the entertainment they provide the fans. If college teams continue to be as popular as they are today, many players could earn more pay in college than they would earn on professional teams. Therefore, many more would stay in college for the full four years.

The use of drugs such as steroids and other performance enhancers would not be regulated by the leagues but by those who manufacture such drugs. Any harm done by the inappropriate use of their product would cost the manufacturers and all their workers and suppliers money. Therefore they would be very careful as to whom they gave their products. They would not want to have some rogue doctor misusing the drugs. Though such abuse would undoubtedly occur, it would be far less common than it is today because there would be no way to gain money from supplying such drugs.

## Non-POM and Gambling

People have been playing games of chance and betting on the outcome of contests for thousands of years. Many people take great pleasure from gambling. For some, gambling serves as a diversion and a pastime which augments their pleasure in life. For others, gambling is a curse that draws them again and again to risk that which they can ill afford to lose. It is largely because of this latter group that many moralists condemn gambling as a sin and many legislatures have made gambling a crime.

But what would happen to gambling in a non-POM society? We know that with a physical object money (POM) the objects cannot be controlled and organized crime can use money to corrupt law enforcement because a POM is amoral. But in a non-POM economy, the money cannot be transferred from the loser to the winner of a bet. This makes gambling rather pointless for organized crime. There is no way the syndicate can take money from those who like to gamble. Thus the large, elaborate, flashy gambling casinos would be a thing of the past. Oh they might provide one or two as showcases somewhat like the Colonial Williamsburg recreational area and one might have to pay to get in and be given tokens with which to play the slot machines and other games of chance. But since one is paying money to get in and one cannot win non-POM money there, just those tokens which are not money, the thrill will be lacking for the addicted gambler.

So let's assume that there are those (and I am sure there are) who would want to gamble as if they were using a POM. Several of these individuals get together and play poker using chips to which they assign dollar amounts in the non-POM money. They play for a time and, having finished their game, the loser(s) owe the winner(s) money. This is a debt of honor since there is no contract and no way for the losers to transfer their money to the winners so they must work out some other means. Perhaps the losers write IOUs to give to the winners and those IOUs promise to accompany the winner to some place where money can be spent and to buy object(s) not to exceed the amount of the debt and to transfer, as a gift, ownership of the object(s) to the winner. In this fashion, one can actually risk one's money in a game of chance or skill (like chess). One can also reap a reward from winning in such a game, just as if one had acquired actual money instead of an unenforceable IOU. Thus, though perhaps not as much fun as losing the rent money, one could simulate gambling with a POM.

But let's examine the differences in the POM gambling experience and the non-POM. For the POM gambler, there is a real risk of injury or death if gambling with organized crime. Also, since with a POM money is required to acquire the necessities of life, one may be gambling with the health and well being of one's family and dependents. In a non-POM economy, one can only lose what one already has earned. There is no risk from organized crime though one can't always depend on one's gambling buddies to take quietly one's "welching" on a bet. Also, since one receives necessities without having to pay for them in a non-POM economy, one's family will not suffer if one loses all one's money. They will still have housing, food, clothing, and medical care regardless of how much money remains in the gambler's account.

Also, with a POM one can borrow money and gamble that away. In a non-POM economy there is no debt and no credit. One cannot borrow money. Of course, one can, perhaps, persuade one's gambling buddies that one will earn money later and will use that money to pay off their gambling IOUs. But, again, though that hurts one's reputation it doesn't hurt anything else.

Therefore, in the non-POM society, one can gamble with minimal risk to one's self or to others. The potential harm of gambling will have been eliminated and most of the fun will

remain. Of course, the police would not waste their time attempting to enforce any laws that happen to be on the books about gambling.

## Non-POM and Migration

One of the political hot buttons today is the subject of migration. Those who are well read in the history of the United States will recognize most of the positions taken and the complaints about the migrants by those who arrived earlier. What is *not* recognized is that those complaints and the perceived problems associated with migration are a product of the nature of the money we use.

We use a physical object money (POM), a money which is or represents physical objects. This kind of money has many harmful consequences because it is amoral, it cannot be controlled, it can be taken from you against your will, its supply is independent of the supply of things for sale, and it simulates a zero-sum game relationship which often makes us act as enemies to each other, even within families. (See the other articles in the POM Education section for a detailed exposition on each of the above points.)

It's easy to see that because money makes economic interaction seem like a "dog eat dog", "every man for himself" situation, then any group that we don't belong to *must be working against us*. When we see others win economically we feel that they must have won at our expense. So when we see people who don't look like ourselves or who don't speak our language or who don't worship at our church or who don't eat the same foods or who don't listen to the same music, we naturally feel that they are our opponents. If they have jobs and I don't, it must be because they took my job. If they have more money than I do, it must be because they cheated in some way. Our money makes us have these feelings even though they are silly and harmful to everyone.

What would the situation be like with a non-POM economy? Non-POM transactions do not give the impression of a zero-sum game relationship. One can only win in a non-POM economy if others also win. What benefits others benefits me. So the feeling that those others are my opponents does not occur. If they have money it must be that they are doing good things which benefit me.

But how can they get money? In our POM economy they might be involved in organized crime. In a post-POM economy there is no organized crime at all. They can't steal money since non-POM money is not transferable. If they steal property they would have to transport that property out of the nation to some POM economy in order to sell it for money. There simply is no way that they can gain money without helping others (us) in some way.

What about jobs? Wouldn't those immigrants be taking our jobs? Well, no. They wouldn't. There is no unemployment in a non-POM society. Anyone who *wants* to work to help others may do so. *The number of jobs is not limited by the supply of money because the more work that is done the more money comes into existence.*

What about illegal immigration? Let's say Michael (the most common man's first name in the U.S. the last time I heard) illegally enters the U.S. In order to get money Michael must have an account with the money computer system. To have such an account Michael must be identified. If Michael attempts to get an account he identifies himself as an illegal immigrant. If Michael does not get an account Michael cannot be paid and Michael must live without money. This means that Michael will be consuming a minimal amount of resources in the U.S. Also, no one is *required* to help Michael in any way. No one is required to give him food or housing or medical care. Under those conditions, I don't think Michael will stay very long. Also, no mechanism for enforcement of immigration law is necessary since the situation, the

circumstances in which Michael finds himself will take care of him without effort on anyone else's part. If that weren't bad enough for Michael, he will be unable to travel except by the free transportation so after he crosses the border it is walk or hitchhike to get almost anywhere beyond the city bus lines.

What about *legal* immigrants sending money that they have earned in the U.S. home? They can't do that. POM can be sent home. Non-POM is *not transferable*. It can't be given to anyone else. It cannot be sent anywhere to anyone. Money earned here can be spent only here. Of course, the immigrant could buy things and carry them home or send them out of the country. But that's just like barter. The immigrant is trading work for goods. I don't see any problem with someone doing that.

What about immigrants coming in just to get the free necessities which are available to everyone in a non-POM economy? Keep in mind that *no one is required to give their property to anyone else*. No one has to give anyone else food or clothes or housing or medical treatment. So it will not cost U.S. citizens anything if some citizen *wants* to feed someone else with their own food. Is it any of your business if your neighbor chooses to give to the poor? Remember that non-POM economies have *no taxes at all*. They have no State welfare system. All property is private property owned by individuals. Therefore, if immigrants come for the necessities and no one wants to give them anything then they get nothing. In other words, with a non-physical object money migration isn't a problem for U.S. citizens.

But let's consider a worst case situation in which some deranged killer enters the U.S. by crossing the border away from the normal entry points. Lacking an account, this maniac would be noticeable since the computer system must be able to identify all persons who have money and all persons who are authorized to credit accounts (two mutually exclusive groups, of course). Therefore, when interacting with anyone in a store or other business, the crazed killer would be identified as an outsider. It would be quite appropriate for any citizen to ask the stranger who he was and what his business was there. As described in the non-POM criminal justice article, any citizen who helps to prevent crime or enforce the law is paid to do so. Therefore, suspicious actions such as not being known to the computer system, would tend to generate considerable interest on the part of ordinary citizens. Lacking money, the killer would find travel slow and difficult so getting away would be unlikely. All this makes enforcement of immigration law, even in the worst case, easier and more effective and efficient than is currently possible.

## Non-POM and Violent Crime

Crimes of violence in which physical harm is done to the victim are one of the most frightening of events for most people. The range of such crimes spans the depths of human depravity. Many of these crimes are products of mental illness which may be a result of genetic characteristics or of traumatic events. For those crimes, a society can offer only research into the causes and cures with the hope of early detection and restraint of the criminals.

There are also drugs such as alcohol which remove inhibitions and/or make one paranoid. The availability of such drugs to the general public in POM economies cannot be prevented since if they are illegal then organized crime will provide them. The sale of these drugs makes lots of money for the producers and distributors. Therefore, there are many violent crimes that are the result of temporary mental states induced by drugs in POM societies.

But other violent crimes stem from other motivations. Some are clearly related to money. In some cases such as armed robbery, the crime is an attempt to steal currency or negotiable bonds. In other cases, as in the case of organized crime battles over control of illegal trade, the violence is directed toward profit for the criminal. Both types of crime would clearly not have a place in the post-POM society since they would in no way make higher pay more likely for the criminal. In the former case there is no currency to steal and in the latter case there is no organized crime.

There are other circumstances in which one may profit in a POM economy from death or injury of someone else. One may collect insurance in the event of someone's death or injury. One may inherit in the event of someone's death. Arson sometimes kills. In a post-POM economy there is no inheriting of other people's money. In a post-POM economy there is no insurance. In a post-POM economy there is no way to make money from arson.

It is difficult to think of a set of circumstances in a post-POM society in which one could gain money by committing a violent crime. Therefore violence to gain money would be rare.

In addition to the motivations for violent crime one should also examine the opportunities for violence, that is, the availability of weapons. In a POM economy the person who sells a weapon bears almost no legal responsibility for any use of that weapon. In a post-POM economy, it is the consequences of one's actions that determine one's pay. Therefore those who produce and distribute weapons will be very careful to whom they sell or give those weapons. They would never give or sell a weapon to just anyone who had money. Also, ownership of a weapon becomes, in a post-POM society a risky thing to do unless one has taken great care to be sure that the weapon cannot be misused by someone else. Having a hand gun, for example, could cost one quite a bit of money if that gun were stolen and used in a crime of violence or in an accidental shooting. Providing gun locks and storage would be a source of profit. Therefore, weapon security would be greater in a post-POM society.

But perhaps the greatest reason why crimes of violence would be rare in a post-POM society is that people expect help from other people. You may remember the article on the simulation of a zero-sum relationship that POM induces in money transactions. That expectation that others can benefit from our loss, that others are our competitors and enemies, that helping others gains you nothing unless they pay for that help is psychologically stressful. It puts one on edge. It makes one anxious. It makes one likely to take offense. It makes one fearful and therefore, angry. Now most people have these feelings only occasionally or feel them only

slightly. Their times of stress and upset are few and are offset by the frequency with which they interact with friends and loved ones. But for a large number of people these feelings of fear (anger) are common and powerful. When the circumstances are right (or wrong from the victim's point of view) the anger boils over and violent acts are the result. When this happens in a crowd, riots and other destructive events occur. Race riots, lynchings, violent political demonstrations, and looting of businesses are other events which can result from these fears. Therefore violence is much reduced when the people of a society have less stress, less fear, and expect everyone else to be willing to help.

Next we can consider the enforcement of laws against violent crimes. Almost every society has such laws. But every society has organized crime as well. Every society has theft, robbery, fraud and many other property crimes which simply do not exist or happen rarely in a non-POM or post-POM economy. The enforcement of laws against these property crimes takes considerable time and resources in a POM economy. Therefore, the resources available to both prevent violence and to enforce laws against violence are much greater in a post-POM economy. Also, the rewards for preventing violent crime and for stopping the criminals who commit such crimes would be great since such crimes make people afraid. For example, wife beating is almost ignored in most POM economies. But in a post-POM economy, such actions would cost the abuser considerable money and those who helped the victim would be rewarded. In fact, calling in a report of an attack taking place would be paid. Defending the victim would be paid. Screams for help are likely to get lots of eager, greedy people coming on the run to get money for helping. Finally, the attacker in such cases would quickly become known for being dangerous. Spreading the word about such people would earn money. A reputation for violence would make it much more difficult to get work, a place to live, and cooperation from others. The price one would pay for violent acts would be high.

## Non-POM and White Collar Crime

Some of the most well-respected members of the community are criminals. No, I'm not referring to sex crimes between consenting adults or use of recreational drugs. I'm not even referring to fireworks or fishing out of season. I am referring to crimes that are worth many billions of dollars in the U.S. economy and which cost thousands of innocent lives each year.

These are the so-called "white collar" crimes. These are the crimes of business, finance, and retailing. These are crimes of the middle and upper classes. These are the crimes for which the criminals rarely are accused, rarely brought to trial, and almost never sent to prison. Yet these crimes cost the average citizen thousands of dollars each year.

Occasionally some white collar crime will make it to the headlines. The dollar amounts are usually in the millions in those cases. Sometimes, as in the case of the defective tires several years ago, lives are reported as being lost. Sometimes the failure of a bridge, building, or highway makes headlines with or without injury or loss of life. Sometimes, a celebrity is involved or a big name political figure and then the headlines appear because of who is involved. But generally, the crimes go unreported, unnoticed, unremarked, and certainly not investigated.

These crimes are often committed by businesses as means of selling merchandise or getting people to sign contracts by misrepresentation (lying) or in providing a product that does not meet specifications. The employees of a company may be required, *as a condition of keeping their job*, to participate in these crimes. In this way, millions of people become accomplices to crimes.

But all the above is how things are now in a POM (physical object money) economy. How would a non-POM or post-POM type of society fare with regard to white collar crime? The answer is that it would do quite well. (You weren't expecting me to say it would fail, were you?) Almost all these crimes are committed *for money*. That is, they are committed in order to get money. These actions would not gain anyone money in a post-POM economy. Many of the industries which participate in white collar crime do not even *exist* in a post-POM economy. There are no banks or insurance companies or stock markets or government regulation of business. There are no lawsuits. This eliminates the opportunity for a very wide range of white collar crimes.

When we move to the area of retail, a similar situation is found. Those who sell items are not paid by the consumer but by a third party. That third party is an expert (relative to the consumer) in the product. That third party is much more difficult to fool. Also, the pay is made only after the product has been consumed at least to some degree and it continues so long as the product is generating benefits. Therefore, the motivation of the retailer is to provide the best product which is as exactly suited to the customer's needs as possible in order to maximize their own pay. The owner of the retail establishment does not pay the clerks so the clerks are there to serve the customer, not to keep the owner happy. Of course, by maximizing their own personal pay they also will maximize the owner's pay so the owner will want them to do what's best for the customer.

Reputation is also very important in post-POM business in part because the customers can easily discover the reputation of those with whom they are dealing. The coming information society, the society in which all one's actions are monitored by the computer system regardless of whether the economy is a POM or non-POM economy, will make it very difficult to cheat without being found out and without having everyone that one later deals with

knowing *how* one cheated. One simply will not have to blindly trust those one works with or one buys from. This removes most of the temptation to even try to cheat.

The conclusion is that in a non-POM society since there will be few opportunities to gain money by unethical conduct, there will be few temptations to be unethical, and the enforcement of law and convention will be swift and effective. Therefore, white collar crime will almost completely disappear in post-POM society.

## Non-POM and Criminal Justice

Every nation has laws and creates an organization or even several organizations to attempt to enforce those laws. The parts of the law that can be considered criminal law and the organizations that exist to enforce that law are considered to be the criminal justice system. The police, the courts, the prosecutors, the defense attorneys, the whole prison bureaucracy, the bail bondsmen, parole officers and so on, all are parts of the criminal justice system.

We know for sure that there is lots of crime in a POM (physical object money) society such as the U.S. We have a very large prison population which has a recidivism rate of perhaps 40%. So the prisons and the rest of the criminal justice system do not seem to be preventing very much crime nor reforming very many convicted criminals. We also hear of enough cases where the innocent have been convicted of crimes and sent to jail for many years to know that a substantial proportion of those in jail for crimes are innocent of the crimes for which they were convicted. Of course, given the amount of crime in society, they are probably guilty of some other crime. We have many more crimes reported to law enforcement authorities than are ever solved. We have many more crimes committed than are ever reported to the authorities. The courts are overburdened and slow. Prosecuting attorneys are rewarded for convictions, not for justice.

In other words, the criminal justice system is an abysmal failure in almost every respect. It neither prevents crime nor reforms criminals and it does it all in a haphazard, unjust fashion at enormous expense.

But that all can be explained by the society's use of POM. The criminal justice workers are not paid to prevent crime nor to be just.

How would a non-POM criminal justice system work in comparison? First, we should remember that there is far less crime in a post-POM society since there is far less opportunity and far fewer rewards for criminal acts. The corrupting influence of organized crime will not exist. Most of the crimes for which jail time is an appropriate response in a POM society will be impossible in a post-POM society. Crime will simply be a much smaller scale problem in a post-POM society.

But when crime occurs anyone who participates in its detection and the enforcement of the law will be paid. Those who make crime more difficult will be paid. Those who prevent miscarriages of justice will be paid. Prosecuting attorneys will be paid for seeing that justice is done as opposed to being paid for convictions. Judges are paid on the basis of the consequences of their actions.

Therefore justice is much more likely to be done since the prevention of injustice and the detection of injustice will be paid well.

Today when a crime is committed people don't want to get involved. In a non-POM society people would be paid for their involvement if the consequences of that involvement were beneficial. This involvement starts with preventing crime and includes helping the victim, preserving evidence, providing honest testimony, apprehending a suspect, serving on a jury, and reforming the guilty.

Notice that there is no pay for *punishment*. Revenge or punishment produces no benefits for anyone. Incarceration may be necessary for some violent criminals but for other crimes, there

are other, much more effective sentences than jail. Judges will be paid well for handing down appropriate sentences that fit the criminal and the criminal's situation. Judges will not be paid for sentences which are expensive and help no one. Judges will have far more latitude than do judges in a POM economy because they have no motive to be irresponsible or corrupt. Also, they can do no harm unless others participate and others will only participate if they think that by doing so they will benefit others. Therefore, even a corrupt judge could do minimal harm.

There are many cases in today's POM criminal justice system in which certain organizations are underfunded. One of these is probation and parole officers. But in a post-POM society, there is never a shortage of money to pay for actions which produce benefit to others. So long as there is a need for probation/parole officers, those who take up that work will be paid for the good they do. This is also true of all other aspects of the system and includes pay for equipment, offices and so forth.

The level of crime will determine the resources that are devoted to dealing with it. This is because of the free market relationship between the Payers and the producers of benefit. If there is little crime then there will be little benefit to be derived from dealing with it. As crime increases, the pay for those who act to reduce it increases. This attracts more resources to deal with crime. Since there is a large number of Payers and a large number of producers (millions in each case) the market is quite free and anyone can participate however they like. Thus, the society pays the minimum (in resources) for its criminal justice system and gets the most benefit possible for the investment.

## Non-POM and Property Crime

Having eliminated organized crime, what kinds of crime are left? One major category is what might loosely be called "property crime." Of course, in one sense all crimes are property crime but I don't think most people look upon assault or libel as property crimes. So let us confine ourselves in this case to crimes in which a person's property is taken by force, stealth, or deception or destroyed by vandalism. I will include intellectual property but exclude reputation.

I think we can agree that most property crimes as described above, are motivated by the desire to acquire money. Stolen articles are usually sold soon after being stolen. Now in a post-POM society money is not transferable so money cannot be stolen. But physical objects can be stolen from their rightful owners. But can they be sold after being taken illegally? They cannot. Only Payers can increase the thief's account balance and they are not in the market for luxury items. Anyone who wanted a stolen item could gain physical possession of the item from the thief but could not pay in money. And having gained possession of a stolen item, they would be holding the evidence of their own crime in receiving stolen goods. Therefore, there would be almost no market for stolen goods. The same argument applies to items taken by force or fraud as well. Property crime simply does not pay in a post-POM economy.

Since all property is owned by single private persons and the records of that ownership are maintained by the accounts computer system it is very easy for law enforcement agencies to confirm the ownership of items suspected of being stolen. This factor also reduces the motivation to commit property crimes.

That brings us to the theft of intangible items. These items are things like patents, or copyrighted materials. There has been considerable concern expressed by some about others stealing their written, art, musical or photographic works. But what about in a post-POM society? So far as money goes, the creator (writer, composer, or inventor) will be paid for the use their creation is put to. It does not matter who spreads the word or how the end user comes to have access to the product. No matter who publishes the book, the author is paid. The only question is who was the author. But that is easy to establish in today's society for those who post on the Internet or save their notes or drafts of chapters and such online. The accounts computer system can easily retain all copies of everything anybody writes or composes or invents. I won't say that there will *never* be any theft of an idea but I do say that it must be rare unless one goes out of one's way to prevent the computer system from having a record of one's efforts.

Since copyright and patents are to preserve the creator, author or inventor's ability to make money from their works, these features would not exist in a post-POM economy. The producers of such ideas would be rewarded so long as their works resulted in net benefits. They would not need the protection provided by such laws.

Finally we come to vandalism. It is hard to say what motivates vandals but one supposes that the predominant mood for all but small children is anger. The post-POM society does not have the POM zero-sum simulation making people feel like enemies. In the post-POM society, one has the impression that everyone else is a friend because they can all benefit from helping one another. Therefore one would expect less anger, especially from teenagers who would be able to do meaningful work and get paid for it. They would not need permission to work.

**But there is another aspect of vandalism. In a post-POM society the only thing one pays money for is luxury goods and services. Destruction of any other item would have its cost to the people of the society spread over all of them in one way or another so that it would be only a trivial cost to the immediate victim in money though the inconvenience might be considerably more. In a post-POM society if a kid rides by on a bicycle and smashes your mailbox with a bat, you will have the inconvenience of replacing the mailbox but it won't cost you any money and someone else may replace it for you to earn some money. People are so nice in a post-POM economy.**

## Non-POM vs Organized Crime

Organized crime has been around ever since the development of government.

There is no nation in the world today that is free of organized crime. In some cases, the criminal organization is closer to being a government than the recognized government. Organized crime is very powerful and very rich. But it isn't just one organization. There are many criminal organizations in the world today.

So how can anyone assert that with a particular solution organized crime will cease to exist in any economy that adopts that solution? What is special about the solution that relates to crime? The very features of post-POM (after physical object money) money preclude its use in organized criminal activities. For example, post-POM money is moral. It cannot be acquired by doing bad things. But let us assume that organized crime can force, somehow, the Payers to give them money. Wouldn't that permit organized crime to continue?

Then I must ask you a question. Doesn't organized crime flourish *in order to get money*? If they are getting money directly from the Payers, they don't *need* gambling, prostitution, drugs, extortion, smuggling and so forth to get money. So the crimes would stop for lack of interest.

Since those being paid as a result of coercion of Payers are identified by their accounts, their arrest and conviction would be easy. Therefore coercion of Payers would be obviously a stupid thing to do.

But if participants in organized crime are doing it for the money, why deal with people who cannot *give* them money? Only Payers can credit their accounts. The usual customers of organized crime cannot give them money because post-POM money is not transferable to anyone else. It comes into existence when earned and ceases to exist when spent. Therefore, the motivation to try to get money from anyone else is eliminated.

But couldn't organized crime switch to using the currency of some other economy which still uses a POM? Not very well. For one thing, one would have to leave the post-POM economy to spend it since few would accept it in a post-POM economy. For another thing, how would post-POM customers of organized crime acquire POM to give to the crime organization? In a post-POM economy, all property is owned by individuals and every item of property is registered in the computer accounts. Therefore, every bill of POM would be known to belong to person A and to give it to person B would require transferring ownership of that bill. This would leave a "paper trail" connecting the organized crime person "B" to the customer "A". Again, enforcement of law would be easy. It would be as if today all organized crime activities were conducted by check.

So if foreign currency will not work, organized crime is reduced to barter. With barter the only property which could be used would be things money can buy. Again, the ownership of those things is also tracked by the computer and thus a trail again exists linking the customer to the organization.

So much for conducting business. What about within the organization? How does the organization pay its criminal minions? How does one hire thugs? One cannot use post-POM money to pay them since that money is not transferable. One cannot use a foreign POM since

the "paper trail" of ownership of the POM is present and the employee would have to leave the country to spend it. One cannot use luxuries to bribe them since the computer accounts would record those transfers of ownership as well. So the boss has no way to reward the employees in the illegal organization. Since all organized crime groups are hierarchical and bureaucratic, the only way the bosses *can* operate is if they can control the rewards of their members. Post-POM money makes such control impossible.

Therefore, though there will be crime in a post-POM society it will not be organized crime. But that crime is the subject of some other articles.

## Non-POM and Open-Source

When we talk about a post-POM economy we refer frequently to "accounts." We have no idea how such accounts will be maintained in the far future since we have no way of knowing the technology of that distant time. But in the relatively short term, we expect those accounts to be maintained on computers running software quite similar to the software currently maintaining accounts in banks and other businesses.

The people who write the programs that maintain accounting systems are just ordinary people. They have the same temptations and moral weaknesses as the rest of us. From time to time in the past, the huge amounts of money that their accounting systems keep track of have lured some programmers into putting in various program tricks or hacks that have allowed those who knew about them to divert some of the money for their own uses. In other words, some of the accounting software not only has the accidental bugs which all software suffers, it also has some "features" which should not be there and which allow some people to steal money. This is an inevitable feature of any POM (physical object money) accounting system because very intelligent and driven people will use their ingenuity to find ways to steal that money.

Wouldn't the same thing be true of a non-POM accounting system? In fact, wouldn't it be even more likely given that money comes into existence in the accounts and ceases to exist when spent? If there are no transactions as money is shifted from one account to another, who's to know whether someone has received more money than they should have or has changed the numbers in their accounts?

These are exactly the questions one *should* ask about a non-POM system of accounts. So let's see if we can give a good answer to them.

To begin, let's assume that the computer system can uniquely identify those persons that interact with it. Today we use passwords, a most imperfect system, to identify ourselves to the computers. Some of us have more advanced computers that can recognize fingerprints. This is only the beginning. The technology currently exists to provide any number of ways of identifying who is communicating with the computer. Therefore, one can be confident that for the computers of any non-POM accounting system, the persons who provide code to execute will be known.

Next, let's assume that those who establish the computer system during the POM economy for use right after the transition have attempted to build into the programs ways to cheat in their own favor. To me this seems almost inevitable. The habits of mind and the temptations of the present would guarantee such attempts and it is only reasonable to assume that some will succeed at hiding bad code in the many thousands of lines of code necessary to operate such a system.

Finally, let's assume that the persons who pay (we'll call them Payers, for now) want the system to work properly because unless it does they will suffer. People will be angry with the Payers and the Payers cannot escape the consumers' wrath. Therefore the Payers will pay well for anyone who improves or debugs the accounting software. They will also pay for anyone who helps those who debug the software.

There are two basic ways to prevent hackers from exploiting bugs in programs. One way is to keep the programs as much a mystery as possible. Keep the source code of the programs a

secret so that no one can examine it to find the flaws. The other way is to give *everybody* access to the code and have as many as possible looking for flaws so that they can be corrected before harm can be done.

If the code is kept secret, people will rightly suspect that there is cheating going on. They will suppose that the programs unfairly benefit some people and harm others or that the programs are under the control of some group conspiracy. This suspicion is bad for the Payers because they are the natural people to blame when things go wrong. This is one reason that the accounting programs would be made public.

Imagine that you are a skilled programmer. You have access to a copy of the accounting program code and you want a lot of money. You search and find a bug in the code. You now have two choices. You can keep your discovery secret and exploit it to get more money. Or you can expose the bug along with improved code that does not have the bug. If you take the first path, you risk other programmers finding the bug. If they do, your exploitation of the bug will be discovered and you are caught. Remember that the computer recognizes those who deal with it and for you to get money your account must be modified. Therefore, exploiting the bug would be risky. Your other choice, to expose the bug, guarantees a significant reward, improves your reputation, and gets people to help you find more bugs.

Now some people will follow each option, of course. But those who decide to steal using the flaw will be removed from the exercise and those who improve the code will be retained. Over time, the proportion of those who choose to publicize bugs will become very high.

The above situation is the simplest, most primitive, one at a time approach. But programmers don't think that way. Rather than searching for one bug at a time, programmers like to have searches automated (because really good programmers are all lazy) so they would write programs that sought out bugs. That way the successful programmers don't just find a bug or two, they find numerous bugs at a time and they provide tools to search for bugs in proposed improvements to the basic accounting code. In short, the improvements build on themselves because that's where the rewards are. One gets paid for making things better and the rewards for improving the accounting programs are high because this software is, to the Payers, one of the most important parts of the economy.

Will there be some people who manage to cheat the system? Of course there will. Will some people get away with giving themselves extra money? It is almost inevitable. But with a non-POM system there are records of the benefits that were realized to justify each payment. To get a large payment there must be some large benefit. Such large benefits are obvious and noticed. Therefore, if a person suddenly has a lot more money than before, there must be some corresponding benefit that "accounts" for that increase in money. So to get away with cheating, one must "cheat small" or make oneself obvious. Thus even successful cheating in a non-POM system is minimized.

## Non-POM On Credit

Having established that POM (physical object money) causes a system with loans and interest and rapid fluctuations in the money supply, one naturally wants to know how an economy can operate without credit.

The first thing one should consider is that a non-POM money comes into existence when earned and ceases to exist when spent. It is never transferred from one account to another nor from one person to another. Any dollar that exists is uniquely the property of one person. It never has belonged to anyone else and it never will belong to anyone else. Therefore, the non-POM money cannot be loaned or borrowed. Credit using a non-POM money simply does not exist.

For the ordinary person, daily life in a non-POM society is pretty much the same as now except that instead of being in debt one is on the "pay as you go" plan. If one wants to buy something, one saves up the money until one has enough to buy the item (good or service) and then one can buy the item, "paying cash" as it were. This means that one never has any bills to pay and one never, ever has to pay interest. Today, using a POM, people have real trouble saving up money because they have to buy everything they consume. That is, they either have to rent or buy housing, and pay for food, clothing, and medical care. They have to pay taxes. They have to contribute to Social Security and pension plans. When one looks at one's pay stub there are all sorts of deductions. For most people the majority of what's left has to go to just staying alive. Very little is left over for the luxuries of life.

In the post-POM economy, the only thing one has to pay for is luxuries. That is, everything else one gets without paying. Those who give others necessities are paid, but not by the consumer. Therefore, it is easy to save money since it buys only luxuries. Whatever one earns one can keep or spend right away. One is never forced to spend money.

But that's just the consumer's point of view. What about someone in business? How would you function in business without credit?

The first difference in doing business with a non-POM is that one cannot buy anything. Sure, if you have money you can buy luxuries for your own use or to give to friends, but those luxuries have nothing to do with your business. In a post-POM economy, if you are in retail you will need a store, you will need stock, and you will need clerks and others to help operate the business. Since you can't give anyone else your money, (it ceases to exist when spent and comes into existence in your account when earned) what can you offer them to get them to work with you? You can offer them a chance to benefit others. In a post-POM economy that's how people earn money, by doing things which have good consequences for others. So if you have a computer store, for example, your clerks could benefit others by helping them get just the right computer and software to meet their needs. Since others will be paying your clerks, your business won't need to have money for staff.

What about the building your shop is in? Your shop is a business, not a luxury so you won't need to buy or rent the building either. Someone who owned the building gave you the building or at least permitted you to set up your shop there. That's how the owner can earn money, by helping you to help others. When you get paid for the good your shop does, they get paid some as well. The better you do, the better they do. So to get a building to open your shop you will have persuaded the owner that the use you will make of the building will provide

more benefits to others than any of the other uses for the building. That way the building doesn't cost you money either.

Finally, what about the stock your shop will sell (if it is luxuries) or give to others (if necessities or capital goods)? How do you get that stock? Well to produce benefits, the producers of your stock items have to get those items into the hands of people who can benefit by their use. They will be looking for people who will see to it that their product is used to produce the maximum benefit. The producers will happily give you stock for your store if they believe that you will give or sell those items to people who will greatly benefit from their possession because that will earn the most money for the producers. So you don't need money to acquire stock for your store.

The same thing goes for store utilities and all the other many things like office supplies and advertising that go to make a functioning business. And in every case the money doesn't come from you but as a result of how much benefit you produce for others.

Now to get other people to work with you and to give you their products and to allow you to use their building, you must have a good reputation. If you lie, cheat, and steal word will soon get out and no one will be willing to work with you or give you capital. Therefore, you will be very careful in how you treat the building and your stock of merchandise and especially how you treat your employees. Remember, you aren't paying them. They can get along just fine with no money at all so they really don't need this particular work. On the other hand, their reputation as good workers who do a good job and are easy to work with is what makes other people want to have them as co-workers. Therefore, they have a vested interest in doing good things while working with you. In other words, you are all on the same side, the same team and it's obvious to all. You are not in a zero-sum situation because the more money one of you makes the more the others make. You can't win if they lose and they can't lose if you win.

Finally, as a store owner, you can't lose money. The worst you can do is make no money at all. Any money you already have is not at risk. You don't need to buy insurance since your business needs no money. You can't be sued for money. You don't need to provide pensions for your staff or medical insurance. You don't have to worry about government regulation since there is none. So your business needs no payroll office nor any of a host of other expensive, labor intensive, bothersome bureaucratic procedures and processes that produce paper shuffling but do nobody any good. And, of course, your business does not have to pay any interest on any loan. Your business has no expenses at all.

## Non-POM and the U.S. Constitution

Is a non-POM form of money Constitutional?

In regard to the U.S. Constitution, in the Article 1, Section 8 - the Powers of Congress it States:

"Congress shall have Power... To coin Money,..."

Later in Section 10 of Article 1 it States:

"No State shall... coin money,..."

Therefore, the Constitution clearly assigns the power to determine the nature of the nation's money to Congress and not the individual States.

Point two is that the framers of the U.S. Constitution never imagined (so far as we know) that there could be a money which had no physical representation and which was non-transferable. Therefore they could not have attempted to ban such a money. They could not have had the intent to make such a money impossible for the United States.

The third point is that the Constitution speaks of "To coin Money" and of "foreign Coin" and otherwise refers to specie or monetary coins. It does not refer to paper money nor to money in computer accounts. Yet Congress of these United States every year passes laws that regulate and allocate and disperse these non-coin forms of our current physical object money. Therefore, it is clear that Congress does have the authority to create a money that is not in the form of coins.

The fourth point is that many years ago Congress created money that was not backed by any metal, neither gold nor silver. The money we use today is a "fiat" money, money that is money just because Congress says it is money. Therefore, the fact that the proposed money does not represent a physical object cannot be a valid objection since our current money does not *really* represent a physical object either.

The fifth point is that these *powers* "to coin Money" do not have to be exercised. There is no provision that Congress *must* coin money.

The conclusion is that the new form of money is quite Constitutional and in no way violates the spirit or the letter of the Constitution.

## Non-POM and Power

Don't you wish you had power? You could get people to do pretty much what you wanted. The rich seem to have quite a lot of power. Presidents, popes, CEOs, and head coaches all seem to have a lot of power. Some power is open and considered to be legitimate while other power is hidden and may be considered illegal and/or immoral. Power and even authority can be used for good or for evil. Its exercise can make life better or worse for many people.

We probably all know quite a bit about power in the POM world we live in. Our physical object money (POM) is amoral so people can use it to do bad things which will gain them more money. Organized crime, white collar crime, political corruption, and just plain fraud are ways people have used to gain money and the power it makes available.

But what would power be like in a non-POM economy? How would people gain power, exercise power, and what would they do with the power they gain? Remember that in a non-POM economy, no person can give their *money* to anyone else. When one earns money it comes into existence in their account and when one spends money, that particular money ceases to exist. Also there is a special set of people who have volunteered to give up all their own money and all the things which money can buy (only luxuries, in a non-POM economy) in order to be able to create money in the accounts of others. These people are called Payers.

### Payers

So let's start with the Payers. After all, in our POM economy those who can give others money are very powerful indeed. Surely the Payers would also be powerful. And indeed, they are powerful. But as we pointed out above, not all power is the same and not all power is exercised in the same way.

Payers can reward but they cannot punish. The power of a POM is a power that can reward OR punish, but a non-POM can only reward. If one loses one's POM income one may starve or be homeless. If one loses one's usual non-POM income one may not be able to go on that fancy vacation for another month. Also, Payers are in a free market. Just like other buyers in free markets, they collectively have power but individually cannot exercise power over any particular seller since the sellers can always sell to another buyer. Therefore, though a payer can influence what gets accomplished, the payer has no power to require, force, coerce, or make any particular individual do anything. The closest a payer can come to controlling a given individual in any sense is to entice, lure, or tempt someone into doing something. If that individual does something that he knows the payer wants done then the individual can expect to have a little more money before too long.

Thus, the power of Payers is great in terms of getting things done but is almost useless in getting any given person to do any particular thing.

Payers only pay after the fact. That is, only after the Payers know the consequences of some action do they pay for that action and they only pay for the net benefit of that action. This is not by regulation or some rule that needs to be enforced, it is a consequence of the situation in which Payers have placed themselves. They are completely vulnerable to the common people among whom they must live since they cannot have money or the luxury accommodations money can buy. The Payers have no way to avoid ordinary people. Thus, if the ordinary people are suffering they will know just whom to blame, the Payers. And the Payers must take the blame because they cannot escape. Therefore, the Payers are going to

pay only for those actions which result in the ordinary people being at least content if not happy. This being the case, there is no need and no point in paying until they know the consequences.

Given all this, Payers will pay morally since that is the only way to be treated well by those among whom they live. Therefore, the Payers will use their power only for good actions. The more power the Payers have the better the consequences for the lives of others. Thus, no one tries to resist the Payers having power. They support and encourage the Payers to exercise their power.

So the power of a payer is safe both for those among whom the payer exercises that power and it is also safe in the sense that no one else is trying to take that power away from the Payers.

But there are other forms of power than that which stems from being able to see that other people get money. Let's examine how a non-POM economy affects the acquisition and exercise of those other forms of power.

### Charisma

Some people have charisma. Others are attracted to their personality and they willingly do what such people ask of them. One can easily imagine such a person causing terrible things to happen. Examples from POM history include preachers who led their followers to their deaths, political leaders who have led their nations into terrible, destructive wars, and popular celebrities whose example has led the foolish to harm themselves.

We really don't understand yet exactly what charisma is and how it comes to be. But we do know that such people are often motivated by a desire for money. Many of the destructive things such people have done have been an attempt to get money. With a non-POM they would have no such motivation. When it comes to political leaders, non-POM societies need not fear their despotism since their followers will not be willing to lose very much money and others would be paid to prevent and resist harmful actions by those followers who are willing to sacrifice their income. Finally, the media in a non-POM economy will not show self-destructive behavior in a flattering light. They will not make celebrities of those who would lead others astray. Thus, one is relatively safe from the consequences of the exercise of charismatic power.

### Property

According to Marx, the Capitalists were able to exploit the masses because the Capitalists owned the means of production. So what about the people in a non-POM economy who own the means of production? Do they have power? The simple answer is yes they do have power. They have lots of power.

In a non-POM economy, those who own property have considerable "property rights." They are completely free to do what they want with the property they own. Not only that, all property that is owned at all is owned by individuals. There is no public property. There is no group owned property. There is no "community property." For all practical purposes there are no laws or ordinances or other restrictions on what a property owner can do with their property.

In a POM economy this would result in considerable abuse and suffering as you can read about in history. Marx was responding to real suffering by millions of people in his day and property rights then were not as permissive as they will be in a non-POM economy. But the context for these complete property rights is not the same context that a POM society presents.

In a non-POM economy, there is no way to gain money by harming others. The only route to wealth is to produce a lot more benefits than harm for others. Thus, all of the things one is motivated to do by this sort of monetary system are all moral, ethical, beneficial actions. This concentration of power or "rights" is *safe* for the common person.

Next, because one *does* have these rights over one's property, one is held *completely responsible* for one's actions and inactions with respect to one's property. If one allows one's land to become a breeding ground for pests and disease (mosquitoes for example) then one will lose money one might otherwise have earned. If one allows erosion runoff to pollute a stream one may lose income. (Note that once money is in one's account only the owner can *remove* that money by spending it. *No judge or payer can ever remove money from one's account.* It is only the net benefit in the present that is affecting what one earns for this time period.)

So let's say that Bob owns several trucks. These trucks can be used to distribute goods to people who need them. If they just sit in the parking lot they earn Bob nothing. So Bob wants them to be used. To earn money he will *\*give\** a truck to Sam with the understanding and agreement that Sam will return the truck to Bob after making some deliveries. Now Sam owns the truck. He drives it making deliveries and returns the truck to Bob and *\*gives\** it back to him. Bob gets paid some for his actions in helping Sam make those deliveries which generated net benefit. Bob will get income from that truck so long as he himself, Sam or some other person or persons to whom he or Sam gives the truck are generating net benefit by using it.

Note that unless one is personally using capital goods (like tools or materials) one gains income by *\*giving\** them to others to use. One gets income from that giving only if those who do use them produce net benefit. It is similar to a bank loaning money to someone and getting interest only if the person uses that money to make a profit so that the loan and interest can be repaid. In both cases the person giving will be rewarded only if the person they give to uses the resource well.

Therefore, the owner of capital (in the Marx sense) cannot use it to exploit others. In fact, one makes money on capital by giving it away. Thus, the literal ownership of capital tends to permeate the economy. Each person who is given capital has a vested interest in using it well and preserving its value. To do otherwise will result in others being reluctant to give one more capital and reduces one's income. Drivers take good care of their trucks. Land owners take care that their land is not damaged and does not damage others. Owning property is a responsibility. Those who assume that responsibility own that property.

Organizational power, the office holder.

In POM economies those who have high offices in large bureaucracies have power. This power exists because they can control the pay of others. This is both the power to reward and to punish. They also control the allocation of money with and outside the organization via their departmental budgets. In a non-POM organization, the pay is always controlled by

**Payers who are not a part of the organization. The organization must request the gifts of resources from others and must request the cooperation even of those who work within the organization. Those who have high office have power only to the degree that those with whom they work choose to grant that power. They attained high office by helping others earn money. The more successful they have been in the past at helping produce net benefit, the more likely they are to be trusted to do so again. Naturally, their past successes and failures in producing benefits are public information. It must be public or the Payers would not know about it either. These office holders suggest what should be done by those beneath them in the organization and they provide coordination but they cannot command, coerce, or require anything of those who work with them. They are like a football quarterback who calls the signals but the others run the play called not because if they do not do so they will be punished: but because they believe that doing so will give the team the best chance of success.**

**In other words, high office gives power only when it is *granted* and only when the office holder is helping to provide benefits to others.**

**So, in summary, all the various forms and sources of power available to people in a non-POM society come from actions that benefit others. In no case will actions which cause harm to others gain someone power. Therefore, power can be safely concentrated when useful in the hands of a few but ceases to exist if the powerful attempt to abuse that power. Power benefits *all* in a non-POM society.**

## Non-POM and the Homeless

In today's POM (Physical Object Money) economy, thousands of people are losing their homes. Bad loans, loss of jobs, unexpected medical bills, family emergencies and other factors have led to hundreds of thousands of families being at risk of homelessness. But even in the best of times there are people in every industrialized nation who find themselves homeless for one reason or another.

How does a non-POM economy deal with people who have no money and who need a place to live? In a non-POM economy those people who own real estate such as houses or apartment complexes or hotels are perfectly free to do what they like with that property. If they don't want to allow a certain person or persons to enter or live in some house they own then the society will support them in preventing that person from moving in or entering at all. Therefore, those who are in danger of being homeless cannot *demand* housing. Well, they *could* demand it but they would likely be ignored or told to go away. This sounds heartless but it is not.

You see, if one owns housing one can get money for allowing people to live in that housing. That's right. The person or persons who live there do not have to have any money at all for you to get paid for the benefit you do those people by allowing them to stay in your property. The same holds for food, clothing, and other necessities. If you provide them to those who need them (almost everybody) then you will be paid for providing that benefit. Therefore, every property owner has a motive to allow others to live in their housing.

But not every person who needs a place to live is the kind of person whom one would trust with one's property. Some people have earned a reputation as being careless and irresponsible or just downright destructive. No one is required to give *them* housing. But giving them a place to live *is* a way to make money. Therefore, some housing will be constructed that is simple and inexpensive to make, yet extremely difficult to damage or destroy. The utilities will turn themselves off when usage exceeds a certain limit. The furniture may be either extremely sturdy or so cheap as to be recycled after a short time anyway. In other words, those who acquire a reputation for being irresponsible renters will find that only a few housing options are open to them and those are pretty primitive.

Naturally, as time goes by, one would expect building materials to improve such that an apartment could look nice despite having almost indestructible walls, utilities, and furniture. This kind of construction would generate the most income for the builders and property owners.

Would everybody have the housing they would like to have? Almost certainly not. Would everybody be able to live in the neighborhood they prefer? That, too, is unlikely. But will everyone who is willing to take care of their surroundings be housed, except in cases of natural disaster (like floods, tornados, or hurricanes)? Of course, because there's money to be made and a free market to assure that the owner gets a fair price.

## Non-POM and Medicine

In a non-POM society, basic medical care will be available to everyone and they won't have to pay for it. After all, medical care is a necessity for most people. In fact, medical care in the form of public health keeps most of us from being killed by plagues. But medicine in *today's* economy is very expensive. How can a non-POM society just *give it away* for free?

There are a lot of things to consider here and we will take up a few of the more important. First, basic medical care such as checkups does *not* require those specialists who today demand and receive high fees for their services. It is true that there will probably always be medical services which are so expensive in resources that they literally cannot be made available to everyone. There will also come times when the number of people who need treatment will exceed the capacity of the available medical resources, as when flu season comes and there is not enough vaccine for everyone. But basic medical care is all that most people need *most* of the time.

Second, a lot of the expense of modern medicine in the U.S. comes from regulations, insurance, and lawsuits. Since there is a lot of money involved in medicine, insurance companies go to great lengths to be sure that they pay a minimum of claims and pay as little as possible in each case. But these expenses simply don't exist in a non-POM economy. Doctors will not be regulated since it will not be necessary. There is no insurance and there are no lawsuits in a non-POM economy. The receptionist who greets you at the doctor's office will only need to know who you are and what your complaint is. Medical records will be readily available. Therefore, a very large component of the cost of medical treatment will be avoided.

Third, since treatment doesn't depend on how much money the patient has, there is no need for the poor to use the emergency room for primary care, there is no need to wait until a condition is severe before seeking treatment, and preventive medicine can be practiced.

Fourth, many maladies of today are made worse by poor diet, lack of exercise, and dangerous work and home environments. The food industry provides many foods that are bad for our health (like corn syrup). In a non-POM economy, the nutrition one gets from food is what gets the pay, not the flavor. Therefore, the food provided would have little of the junk calories now found there. Offering people entertaining ways of getting good exercise would earn people money. Creating a workplace or a home which contributes to accidents would greatly reduce a builder's income. Thus, there should be far fewer industrial accidents and other injuries in proportion to the products produced.

As for the role of the medical personnel, they are neither restricted nor regulated. They are not required to provide treatment to anyone and they can withhold treatment if they so choose. But they don't get paid for doing nothing. Also, it is the consequences of their actions that determine the level of their pay, if any. Therefore, if they want more money they will have to treat more people or treat them better. Mistakes cost them all money; from the suppliers of drugs and equipment to the janitors who keep the halls in the clinic clean... so everyone has a motive to minimize errors, whether their own or others. Those who provide medical supplies like drugs and equipment are also paid for the consequences of their actions. Drugs' adverse side effects reduce the pay of those who provide and prescribe them.

Therefore, drugs would only be prescribed when the doctor *really* thought they would actually help the patient and they would be very careful about such things as drug interactions since

those could cost the whole establishment lots of money. No longer would those who market drugs attempt to get them prescribed as much as possible since that would actually reduce their pay. No longer would hospitals buy expensive equipment they didn't need for status. This would also reduce costs.

But when there is a shortage of medical resources (such as after a disaster or other catastrophic event), those who provide the services will decide whom they will choose to treat and whom to ignore. Naturally, those who can provide the most benefit to society would be treated first while those whose contributions are minimal or are all in the past would be treated last. But usually, there *would be* treatment for any who needed it.

There are some medical procedures which are not at all necessary. Cosmetic surgery, for example, is sometimes a necessity to give one an acceptable appearance. But in other cases, it is purely for vanity and is a luxury in every meaningful sense of the word. In those cases the treatment would have to be paid for in full by the patient at the time the services were rendered.

So to summarize, there is no payment required for most medical care. There is no medical insurance and there are no malpractice lawsuits. There is no regulation of, nor restrictions upon those who provide medical services.

## Non-POM: May I see your License?

It used to be that if one wanted to drive a car one simply got in the car and gave it a try. If one wanted to hunt or fish one got the appropriate equipment and tested one's luck. If one wanted to have a dog one asked a neighbor for one of their pups. Of course that was back when cars could only go a few miles an hour and the roads were tracks with only a very few of them paved. And the woods and streams were full of game and unpolluted. Those were the "good old days" and I am very glad that I did not live then.

But today we have laws to protect the public (and to generate a little income for the county or state). Having someone driving at 70 miles an hour on the roads when they don't know what they are doing is very dangerous for all the other drivers. The supply of fish and some other game is precarious with many species in danger of following the passenger pigeon into extinction. And, of course, the number of dogs in an urban neighborhood must be curtailed and we must be sure that they don't contract dangerous diseases like rabies. We can't have stray dogs roaming the streets spreading danger and attacking horses, people, and other dogs.

But how would a non-POM society protect its drivers, fish and game, or dogs? Well, let's begin with the dogs. Dogs which are not owned are dangerous and therefore those who do something about them would be paid for doing so. If there are people who are willing to assume responsibility for them, they may do so by registering the dog as being their property. Naturally, I would expect each owned dog to be identified in some fashion. The collar and license tag is old technology so I would expect something like paw prints, retinal images, smell, or the sound of the bark would be used. Perhaps even some sort of chip imbedded in the skin of the animal would be employed. One can relocate or execute unowned dogs and be paid for that. One will not have to pay for a license nor ask the permission of anyone else to adopt a stray. However if one begins caring for a stray one might find it executed if one does not register the dog. If one wants a luxury dog such as some rare breed or show dog, one might have to pay for that, of course, but no license. Working dogs, like seeing eye dogs or guard dogs are capital goods or medical equipment (like glasses).

Hunting and fishing requires the permission of the owner of the game or fish. I would assume that wild deer and fish and such would be considered the property of the owner of the land or stream. As such, to kill or capture that game without permission could get one into serious trouble. (Just what that trouble would be is beyond the scope of this essay.) Since there are no public lands in a non-POM society, all the land is owned by individuals. Therefore, the state or federal government has no say in whether the game is hunted or the fish are caught. But the owner does have complete responsibility. Now this is not minor matter when the game or fish might be rare species. Such species are valuable and to allow their destruction is to reduce the pay one might receive for their preservation. So land owners whose land is the habitat of species in need of protection will have a considerable financial incentive for preserving those species. No one would be able to use money to bribe them to allow the killing of or the endangerment of such species. Other bribes are easily traceable. The reputation of both the land owner and the hunter or fisherman would also suffer.

Licenses to drive in a non-POM society would be, in effect, letters of recommendation from those who attest to the driving ability of the person attempting to purchase or rent a car (or truck or motorcycle or whatever). In as much as the person who provides the vehicle will share responsibility for any accidents the driver has (as will those who contributed to the vehicle falling into the driver's hands including the manufacturer and his/her suppliers) the

vehicle provider will be very careful to sell or give the vehicle only to someone they have excellent reason to trust. Thus, drivers who seem likely to have accidents or to be irresponsible in their dealings with others will be unlikely to have much chance to gain access to vehicles. In short, the driver's license will no longer exist because it will no longer be needed.

But there is another meaning of the word "license" that has to do with permission to use an invention or process or to practice some profession. This meaning will also change in the non-POM society. One doesn't need a license to use an invention or a process developed by someone else. They will desire that one use it because that can increase their income. Their interests will coincide with the user's in the use of the invention. If the invention or process results in harm, others will attempt to prevent its use and repair the damage. Everyone will have a motive and incentive to prevent the damage by improving the process or ending its use.

The same applies to such things as a license to practice medicine. There will still be those who attest to the qualifications and character of persons who wish to practice medicine or law or any other profession. Their recommendations will be taken very seriously because they will profit or lose money based on the actual performance of those they recommend. If they are asked to recommend an incompetent and they do not describe that person as incompetent, they will lose money from the resulting harm. Therefore, a license is unnecessary because everyone will have a known reputation regardless of what they do. Finally, it is not the government's business in a non-POM society to tell people what they may and may not do. There simply will be no enforcement of any laws that would attempt to control the citizens.

## Non-POM and the Rich

You are a billionaire. You wouldn't *think* of flying first class. Nothing so rushed and inconvenient as that. You take your private jet when you want to drop in on grandma for Christmas. You don't stay in fancy hotels when you travel. You have your yacht if the destination is on the coast and you have homes in various places that you might want to travel, all fully staffed. You can drop in on Senators without an appointment and they drop everything to see you. Your influence is felt in boardrooms all over the world. Sounds nice doesn't it?

So do you have any problems? Well, maybe one or two.

Does anyone else want your money? You bet they do. What are they willing to do to get your money? Anything they can think of. They will lie, cheat, steal, murder, and worse (if you can think of worse). You can't really trust (safely) any of your many employees. They are all exposed to temptation. So you can't rest easy because your vast wealth is not safe.

Is your fortune safe? Perhaps not. If your money is *in* money the value of that money can change. Inflation is a great fear. So you need to have parts of your wealth in a variety of currencies around the world. Even then banks can fail and inflation that strikes in one nation's economy tends to affect other nations' economies as well. If your money is invested in corporations their value may drop as we have recently seen on Wall Street. Even some of the most well-respected firms have gone bankrupt in the last year. You could lose money in the market. If you are in a nation with an unstable government, the government might simply confiscate your assets as was the case in Russia and China in the 20th century.

But you will always have your family, right? I'm not so sure. For one thing, your fortune is a great temptation to kidnappers. No matter who you may hire to guard your loved ones, the guards may be bribed or may go into kidnapping for themselves. Your family is always at risk because you have such great wealth.

Your family will want your money as well. Just because you have made them wealthy in their own right doesn't mean that they have all they want. They just might want it all. They just might want your position. And *of course* your wife married you because she loved you. Her affections were not affected at all by your wealth. Or were they? How can you tell? Do you have friends? Are they *really* your friends or only people who like your wealth and power? Do they really tell you the truth about yourself or do they say just what they think you want to hear?

What about your reputation? What do people really think of you? Do they think you earned and deserve your wealth and power? Do people think you must have been doing illegal and immoral things to get so much money?

The Bible has several stories about wealthy men. One gets the impression that rich people are not likely to get into heaven. If you are very rich, how can that sit with your conscience? How can you have all that money while there are so many poor people suffering and dying that you could save and have chosen not to do so?

How would things be different for you if you were just as rich but the society and economy of which you were a part was using a money which was not a Physical Object Money, a POM? So let's start with whether other people want your money. Since a non-POM money cannot be

transferred from one person to another, there is no way they could get your money. They may envy your wealth or even be jealous of your wealth but they can't get your money so they won't even try. That means you don't have to worry that any of the people you work with has designs on your money. Your family cannot inherit your money so they want you to live a long time and continue to give them presents. Your fellow man in a non-POM economy will have no temptation to do you harm because that would cost them money.

Is your fortune safe in a non-POM economy? It is as safe as the continued existence of the society. Short of some disaster which destroys the productive capacity of the nation (a meteorite or a super-volcano, perhaps) your money will have a constant buying power. It will never suffer from inflation and there will always be lots of luxuries for you to buy. You can't lose any of it to the courts since not even judges can have the numbers in your account decreased. Your money can only buy luxuries so the failure of the enterprises in which you participate cannot reduce your money.

Is your family safe? We there is always the possibility of accident or illness but no one would want to kidnap them since you can't pay a ransom. There is no way their being kidnapped could benefit others. Also, preventing their kidnapping would earn those who prevented it quite a bit of money. Should you hire body guards for them anyway, there would be no way to bribe them using the non-POM since it can't be transferred.

Since you can give people expensive gifts I cannot promise that people would be honest with you about how they really felt. In that regard things would still be the same. That is just a price you pay for having so much wealth.

Your reputation would rise with your account balance. Anyone in a non-POM economy who is rich has done things which greatly benefited many other people. Your wealth is silent testimony that you have been a great benefactor. Others will respect your goodness as well as your capacity to do good. They will be eager to cooperate with you in whatever enterprise you choose to pursue. They will believe in you and will "obey" you in the sense that if you tell them to do something they will likely do it in the expectation that it will make a lot of money for them. Your power would be unrestrained. There would be no laws restricting that power. There would be no person opposing that power. All would support and encourage the exercise of that power. Your power would be safe.

The conscience of a wealthy man could rest easy about having a lot of money. Rather than being a sign of having ignored the needs of others, such wealth indicates that one had done great works for others. It would be a sign that so far as man can determine, the rich man is, indeed, on his way to heaven.

## Privacy in the World to Come

Years ago one of the running jokes that Johnny Carson had on The Tonight Show was that the television worked both ways. We could see him and he could see us. Today people don't think that's quite so funny. They own cell phones which allow one to record live video while simultaneously broadcasting it to the world. They drive cars which keep track of where they are and probably how fast they are going and can send help if the air-bag deploys and can even talk with them. It's no stretch of the imagination to picture a television being able to hear what one says and see what one does since we can rig up our desktop computers to do that now.

Do you think that trend of "smart" tools and appliances will continue? I certainly do. Can you easily picture the day in the near future when someone can use those appliances with their built-in computers to see and hear what we do whether we like it or not? I can, too.

Some of those who read the novel "Invisible Hand" are frightened by the computer system that is integral to that book. They associate the money system proposed by "Invisible Hand" with that computer always watching and listening. They somehow fear that the new kind of money being suggested by that novel is what will bring about a complete loss of privacy.

They are right that the loss of privacy is coming. They are wrong that the non-POM form of money is what is bringing it. In fact, the non-POM form of money is *the only thing which can let us maintain and protect our privacy*. Non-POM defends our privacy.

There are many motives for others to spy upon us and anyone who has the money can buy tools and learn techniques for spying. You can walk into a store and purchase these tools, no questions asked. Your government and your boss can tap your phone and your computer. Even if such activities are against the law, people do them today and few, if any, are punished. So just making a law against invasion of privacy will not prevent your government or your employer or your neighbor or your ex-husband or your boyfriend or even your church from taking away your privacy. If the tools exist, they can be bought by a POM, though one might have to pay black market prices.

So how can a non-POM be any different? Doesn't the accounts computer keep track of all money earned and all money spent and the property of every individual? Doesn't the accounts computer make public what you did to earn that money? The answer is yes. Of course it does. But are you ashamed of owning property? When you come out of your home in the morning to get the newspaper aren't you telling the world that you own that house? When the accounts computer makes available that you did a good job and others benefited from your actions are you ashamed of having actually earned money by doing good things? These are not things that any rational person would try to hide. In fact, we buy expensive homes and cars and clothing to show others what good people we are.

But let's go deeper. In a non-POM economy people are paid for the net benefit of the consequences of their actions. Is your loss of personal privacy a benefit or a loss? I think we all feel that it is a loss. I don't want people to watch me in the bathroom or bedroom or even when I'm just sitting around the house. If I put up a fence or wall around my back yard, I want that to keep people from seeing me when I go there. I think most people feel the same way I do about these matters. Therefore, if someone helps others to spy on me, I want that to cost them money. Not just the person who did the spying but the persons who provided the tools to do the spying. I think that the Payers would see it that way as well. Therefore, those people

who make the tools for spying would be very careful about who gets access to those tools. Thus, lots of people would be paid for protecting my privacy and that of everyone else.

But what about that computer system? It controls lots of cameras and microphones. That is coming whether we like it or not no matter what kind of money we use. If we still have a POM then *we can expect that system to be used to control us and to exploit us* because people can gain money by doing so. People will pay programmers to write the code that lets someone spy on us. People will pay the computer manufacturers and their employees for making the microphones and cameras and putting them in our appliances. People will pay to get access to data about us. And you know that a law or two or even a thousand will not prevent it from happening. It will be done legally or illegally and almost certainly by the police and other government agencies.

A non-POM society, on the other hand, will pay programmers to write code that prevents your personal information from being accessed by anyone without your consent. Since the security of your information is a good thing and its falling into the wrong hands constitutes harm to you, people will earn money by protecting your information and failing to protect your information will cost them money. This is completely different from a POM economy in that no one can earn money as a result of invading your privacy. No one can buy your information. No one can use money to bribe those who might be able to gain access to your information. Sure people can make errors and have accidents but the results of such mistakes are unlikely to destroy your privacy. Those who discover such an accident will be paid for correcting the problem with minimal damage. No mass media can make money by spreading word of your private life. In fact, it would cost them lots of money to do so.

The computer system in a non-POM society would be the strongest supporter of your privacy because it puts you in control of the information that is made available to the world. Doing things while an appliance is watching would be like having a cat watch you. It sees but it just doesn't care. It may remember but it isn't going to tell anyone. And like a faithful dog it will summon help if you have a problem. The "I've fallen and I can't get up" situation would have the computer system trying to send help since the programmers would get paid for its doing that.

Finally, today the most common motivation for invading the privacy of others is monetary. One can earn money today by doing so. That motive is eliminated in a non-POM society because there's no way to make money by prying into others lives. No one can hire you to pry.