

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.