

How AFFEERCE Responds to Cataclysm



What if climate change renders large portions of the Earth uninhabitable? Or the Yellowstone Caldera erupts? What happens if a large asteroid crashes into Earth or nuclear winter threatens to thrust us into a new dark age?

It is generally believed that no political economy can withstand such catastrophes. Our fate is to be killed or accepted into a band of thugs; raping, pillaging, and fighting for gasoline, food, and supplies of fresh water.

It is hard to fathom that the preservation of civilization under such circumstances relies on the same essence of [land-based capitalism's](#) monetary policy that powers the economy during times of great prosperity. It is especially difficult to fathom, when the monetary policy of central banks today is to print money in response to a severe supply shock. The old metaphor about throwing gasoline on a fire could not be more appropriate.

Recall that land-based capitalism's monetary policy is relatively simple:

- The total money supply = 20 x ground rents.
- Enough new currency and only enough new currency is released into the economy to maintain a fixed price on a basket of common goods, excluding land.
- New currency is released for [intellectual property](#) royalties, and [reimbursements for local infrastructure](#) financed outside of the distribution package that increase land value.

Does this monetary policy need to be modified in order to preserve civilization during cataclysm? Not modified, but a fourth instrument of monetary policy might need to be added.

Consider the consequences of cataclysm. Land values go to zero in many areas and increase toward infinity in others. But in total, land values drop, if for no other reason than the decrease in population. [Banked currency](#) must be destroyed to keep the equation **money supply = 20 x ground rents** true.

But what if there is not enough currency in the bank to destroy? Then currency in circulation must be destroyed as well. This is done with a fourth instrument of monetary policy described below.

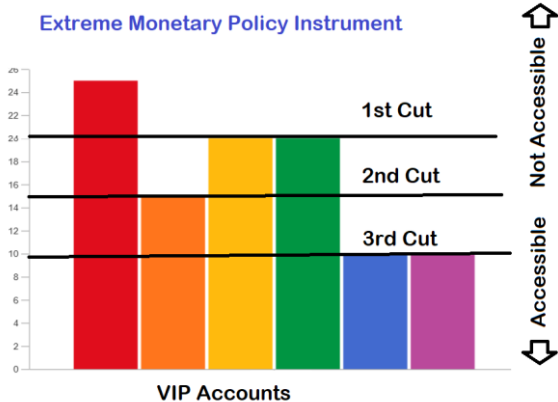
Consider that during a catastrophe, food prices increase toward infinity everywhere. As such, it becomes impossible to maintain a fixed price on a basket of goods, including many food items. The rule states that enough and only enough currency can be released into the economy to maintain a fixed price on a basket of goods. This is adequate in the typical case where land values and inflation move in the same direction. Yet during a cataclysm, they move in opposite directions and often violently so.

The rule must be modified to state that enough and only enough currency can be released into **or removed from** the economy to maintain a fixed price on a basket of goods. To accomplish this, the same fourth instrument of monetary policy is needed to destroy currency in circulation. The fourth instrument is a far cry from normal inflation where less money is released into the economy for IP royalties and infrastructure reimbursement as a response.

The Fourth Instrument

Currency is transferred from the [VIP account](#) having the highest accessible balance at any given moment to an account under the same [identity](#) that is not accessible. All non-[earmarked](#), accessible, accounts, associated with a single identity or [sovereignty](#), are considered as one account for purpose of balance calculations.

As money is transferred from a set of accounts with the highest accessible balance to a non-accessible account, a different set of accounts somewhere else becomes the account with the highest accessible balance.



In the first cut, only funds in the high balance red account are made non-accessible. The second cut takes more from the red account and some from the yellow and green account. If more tightening is needed, the third cut takes from the red, orange, yellow and green.

Despite arbitrarily high land values inside walled enclosures, fallout shelters, and other havens, total land value after a cataclysm is

smaller than before the event, often considerably. Food prices, on the other hand, are infinitely higher. Currency must be removed from the economy! This is done by making it non-accessible.

In most economies, removing currency from the economy after a cataclysm would make no difference at all. But in AFFEERCE, the right to food and housing are natural rights provided by the bounty of the Earth. These rights are what preserves civilization when currency is made non-accessible. Government can do little to protect rights after a cataclysm. But these are natural rights, and, in a sense, nature does the protecting (with a little help from the VIP).

How does it work? You need the VIP. Some underground bunker holding redundant VIP data and hardware must survive. Transmission and reception over large areas must be possible through satellites if cell towers do not survive. Armed with our two natural rights and the VIP, here is how monetary policy saves civilization.

As long as food inflation persists, the extreme monetary policy instrument shown above is used. Each cut takes more circulating currency from the economy. The longer this depletion continues, the greater the equality in accessible account balances. The process stops when the fixed basket price stabilizes.

If need be, the process continues until the only accessible balances are in the food and housing accounts (not likely even in the worst cataclysm). These cannot be touched by the [VIP Treasury](#), because food and housing are constitutional rights. In the extreme, every person in the world has an equal monetary claim on the scarce food resources.

When any semblance of stability returns, the price of the fixed basket of goods will deflate and an injection of new currency becomes necessary. VIP\$ will be restored from the non-accessible accounts to the depleted accounts in the reverse order from which they were taken, Last In (to the non-accessible accounts), First Out (from the non-accessible accounts). This is abbreviated LIFO. Only when all accounts have been fully restored will new currency be once again used for intellectual property royalties and reimbursement of local infrastructure.

Perhaps more than the food distribution, it is the housing distribution that preserves civilization. With most VIP\$ not accessible, the \$404/month in housing distribution becomes pure gold. If a person can fit 100 people into their fallout

shelter, that is an income of \$40,400 a month. If one can fit 10,000 refugees into their walled city, that is an income of over \$4 million per month.

If food inflation is still a problem, this profit will be made non-accessible as soon as it is earned, but once stability returns, accounts will be restored using LIFO, so profits earned during the disaster will be the first to be restored.

It is the incentive created by the housing distribution that brings refugees of the cataclysm together. But it is the economies of scale created by this clustering of refugees that end the food inflation and begin the process of recovery.

After a catastrophe, there will be a great need for new infrastructure beyond the Building Capital distribution (\$20/person/month). The reflation of rebirth (currency = 20 x ground rent) repays investors for fronting this construction, with up to 150% of the initial investment.

In summary:

- Removing accessibility to most or all of non-earmarked currency in circulation gives survivors equal access to food through the food distribution.
- Removing accessibility to most or all of non-earmarked currency in circulation provides a powerful incentive to shelter as many refugees as possible in return for the housing distribution.
- Reflation through LIFO encourages housing distribution profits even when profits are immediately non-accessible.
- Economies of scale created by the clustering of refugees end the food inflation and begin the process of recovery.
- The new currency created during rebirth is released through normal monetary policy to repay investors for rebuilding local infrastructure.