

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 giant 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 preserving 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 tough to fathom when central banks' monetary policy 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.

Does this monetary policy need to be modified to preserve civilization during cataclysm? A fourth monetary policy instrument 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 a decrease in population. To keep the equation **money supply = 20 x ground rents** accurate, reserves must be destroyed.

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

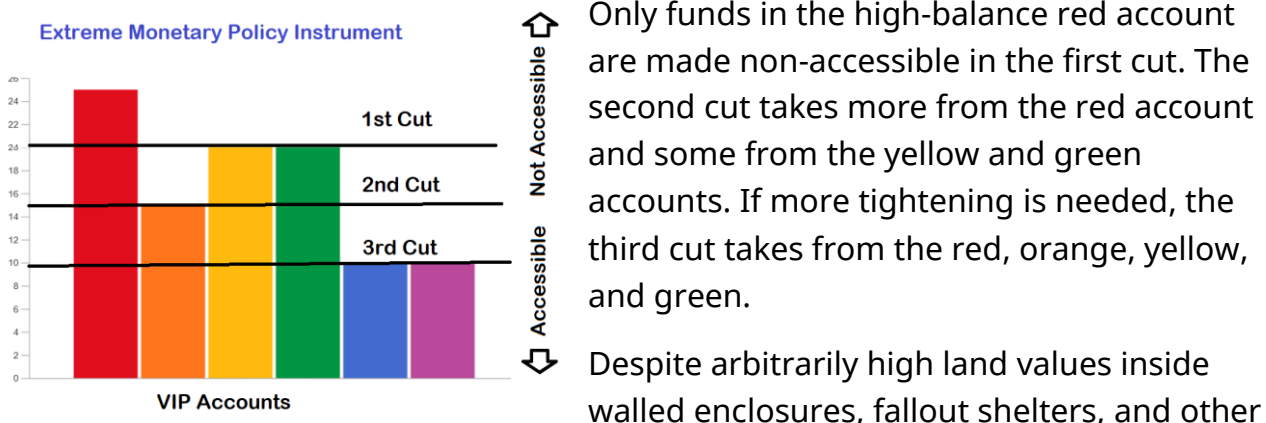
Consider that during a catastrophe, food prices increase toward infinity everywhere. As such, it becomes impossible to maintain a fixed price on a basket of goods, including many food items. The rule states that enough and only enough currency can be released into the economy to maintain a fixed price 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, often violently.

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 monetary policy instrument is needed to destroy currency in circulation. The fourth instrument is a far cry from typical inflation, where the remedy is to release less money into the economy for IP royalties and infrastructure reimbursement.

The Fourth Instrument

Currency is transferred from the [Elsie account](#) having the highest accessible balance at any given moment to a non-accessible escrow account under the same [identity](#). All non-[earmarked](#), accessible accounts associated with a single identity or [sovereignty](#) are considered one account for 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.



Only funds in the high-balance red account are made non-accessible in the first cut. The second cut takes more from the red account and some from the yellow and green accounts. 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, the 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.

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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 preserve civilization when currency is made non-accessible. The government can do little to protect rights after a cataclysm. But these are natural rights, and, in a sense, nature protects them (with help from the Elsie Toolkit).

How does it work? Preservation of the Elsie Toolkit is required. Some underground bunkers holding redundant account 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 Elsie, here is how monetary policy saves civilization.

The extreme monetary policy instrument shown above is used if food inflation persists. 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). The VIP Treasury cannot freeze these balances because food and housing are constitutional rights. In extreme cases, every person in the world has an equal monetary claim on 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. Elsies will be restored from the non-accessible escrow accounts to the depleted accounts in the reverse order from which they were taken: Last In (to the non-accessible accounts) and First Out (from the non-accessible accounts). This is abbreviated LIFO. Only when all accounts have been fully restored will new currency be again used for intellectual property royalties.

Perhaps more than the food distribution, the housing distribution preserves civilization. With most Elsies 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 monthly. If one can accommodate 10,000 refugees into their walled city, that is an income of over \$4 million monthly.

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

The incentive created by the housing distribution brings refugees of the cataclysm together. However, the economies of scale created by this clustering of refugees end the food inflation and begin the recovery process.

In summary:

- Removing accessibility to most or all non-earmarked currency in circulation gives survivors equal access to food through the food distribution.
- Removing accessibility to most or all 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 recovery process.