

,

This package has 3 parts

- 1) A 2 page summary
- 2) A 10 page summary
- 3) The book "Bootstrapping" (US edition)

The summaries are too short and so do not fully represent the concepts.

The most important proposals in the books are "DirectVote" (Chap1) and "Legal Tender Laws".

Bootstrapping (US Edition)

By Rahul C. Mehta (DirectVote@hotmail.com, 1-888-RCMEHTA)
(One's opinion is the reality, rest of the world is an illusion) <hr>

A TWO PAGE SUMMARY OF THE BOOK

I have a few cool proposals.

FreeCom (Freedom To Communicate)

- Townships should be allowed to hire more TV-cable companies if they wish.
- If over 55% citizens in a town approve then FCC should not stop that company from putting cable.

Immigration

- There should be 1 year minimum prison sentence for an employer who hires more than 5 illegal workers for over 6 months.
- There should be a national referendum on reducing immigration.

Accountability of Govt Officers

- Power to fire is more important than power to hire. Don't just question the authorities. Fire them, if the need be.
- Govt officers such as FCC-Chairman, FTC Chairman etc should be more accountable to the citizens than they are now.
- A simple (and perhaps the only) way to do so is to create a simple mechanism (after right is useless without mechanism) to fire these officers (see Chap on "Direct Appointments and Replacements"), if citizens want to fire them.

Education

- Law (particularly banking related laws) should be taught to everyone from the first grade.
- Citizens should implement the following system to motivate students to learn Maths: make 400,000 multiple-choice questions for each age-group and them in the public domain. Each student will give 1-5 tests in a month. The tests will consist of 60-100 questions randomly chosen from the list. The students and teachers will get rewards every month if the student performs above median. The initial setup cost is less than \$50 per student and running costs will be less than \$100 per student per year (plus rewards). The reward can be \$10 per test per student (\$7 to the student and \$3 to the teacher) who scores above median. This system will be far more successful and cost-effective than all schools put together (for details please see Chap on "Establishing Math Tests").

State Property

- Any property which belongs to the State, belongs to all citizens present today and *those who will be born in future*. I invented this theory a few years ago.
- Today's Government does not represent those are not yet born. So the Government has right to sell "future rights" over that property.
- A law should be made, to implement the above theory. This law would prohibit the Government from selling "future rights" of any State property. Thus, a State property can be only leased for at most 30 years, cannot be sold forever.

How to implement the above laws

- The lawmakers may not appreciate the importance of above topics. Also they are very busy in general, with impeachment and other important issues
- Citizens may want to try DirectVote for at least next *10 years*.

"This... [is] a country where the will of the majority is the law, and ought to be the law." -- Thomas Jefferson: Answers to de Meusnier Questions, 1786

"I know no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is

not to take it from them, but to inform their discretion by education. This is the true corrective of abuses of constitutional power." --Thomas Jefferson to William C. Jarvis, 1820. 78

DirectVote

- **This mechanism does not replace existing Congress, Prez, Judiciary.** It also does not change existing system of referendums. It is merely an additional mechanism to make laws.
- The President shall hold nation wide referendums. He will disclose the cost of conducting a referendum. Each referendum will have at most 10 different bills presented by the citizens.
- The President shall hold an auction. The Bills of first 10 highest bidders shall be accepted. If the top 10 bids do not exceed the cost, no referendum will be held that month. If the sum total of bids exceed the cost of referendum, then the remaining amount will be distributed equally between all taxpayers. They will all get a check that month (this mechanism will ensure that if the rich try to out-bid a popular Bill, they will end up paying 10 times the amount to every taxpayer that month and each month they act smart).
- In the referendum, if more than 55% of the TOTAL number of citizens (not just 55% of those who voted) vote YES on a particular Bill, then it proves beyond doubt that the majority of the citizens approve that Bill. Then (and then only) the Bill should become a law.
- If the Bill gets less than 55% (of TOTAL) YESes, the Congress may or may not make it a law.
- Using a similar pre-paid referendum, it should be possible for the citizens to fire any Government authority (such as the President or FCC Chairman or any other authority) *if the need be*.
- Citizens should also create similar systems at State and County level.

Example of a DirectVote

- As an example, say that the President decides that cost of DirectVote is \$100 million (the cost can be brought down to \$1 million to \$5 million)
- Now if a citizen pays \$100 million on 5th April 1999, the President must hold DirectVote on his proposal on 15th May 1999. Suppose there is only one Bill on the referendum. Currently, US has 200 million citizens. So for the referendum to succeed, it must get at least 110 million YESes.
 - Now suppose 120 million voters cast their votes, and 90 million say YES, then also THIS pre-paid referendum will be considered a *failure*, since opinion of 80 million people is unknown
 - But if 180 million people vote an 110 million people vote YES, it will be considered successful.
 - And in case only 120 million people vote and 110 million vote YES, the also it will be considered successful.
 - In other word, necessary and sufficient condition for legitimacy is 55% of TOTAL number of citizens, not just those who voted.
- If the referendum is successful then the proposal shall become a law.
- Is DirectVote going to make it easy for the rich to make laws? NO. He may be able to buy referendum, but must get 55% of TOTAL votes. If law is unpopular, it will never get majority. This mechanism will make it easy for anyone to make only those laws which are acceptable to the people.

Why DirectVote?

"The will of the people... is the only legitimate foundation of any government, and to protect its free expression should be our first object." --Thomas Jefferson to Benjamin Waring, 1801.

The book describes several problems, which are causing misery to tens and hundreds of millions of individuals. The book shows how DirectVote can be used to solve many other problems.

How to realize DirectVote

Please see the attached letter. Please see the attached letter. It described a plan of action.

[In case this package does not have entire book, it can be **downloaded from <http://www.rahulmehta.com>** In case you received this book in loose sheets, I would recommend you put the book in a ring binder and then read.]

<hr>**Letter to Implement Direct Vote**

(Dear Reader,

I would request you make several copies of this letter and mail it to the President of USA, the Senators of your state and the Congressmen of your area)

To

The President _____

The Senator _____ (of your area)

The Representative _____ (of your area)

Dear Sirs,

I am a citizen of US, residing in State of _____.

We, the people, create legitimacy, not the administrators and judges. If a person has political power in spite of citizens' disapproval, it is a theft of political power. It is immoral and causes gradual erosion of legitimacy. Citizens have right to remove a representative/administrator/judge from his position. They also have right to make laws.

And a right is of no use without a mechanism to use it. This letter is a request to create a mechanism to implement the right we have. Please make a Constitutional Amendment to make following a law *for next 10 years*.

- The President would declare the cost of conducting a nation wide poll. The President will also disclose the cost of sending a check to each of the taxpayers (IRS already has that system).
- Each poll will carry at most 10 proposals. Polls will be held on every first Friday of every month.
- The President (or a person he designates) would hold an auction exactly 30 days before the poll's date.
- The citizens who have proposals shall bid for each of the 10 slots, 1 slot at a time. The 10 highest bidders' proposals will be accepted for the poll.
- If the total of the 10 highest bidders' bids is below the cost of poll, then no poll shall be held that month.
- If the total amount obtained from the 10 bidders exceeds the cost of poll and the cost of mailing checks to taxpayers, then the excess amount will be mailed to taxpayers.
- If over 55% of ALL registered citizens (voting and non-voting) vote YES on a proposal, then that proposal would become a law.

Thanking you,

Yours Sincerely,

(PRINT NAME)

(PS: I believe that the cost of referendum should not be higher than \$ _____ million.) <hr>

Postal Addresses

The President of United States, 1600 Pennsylvania Ave., Washington, D.C. 20500
Office of Senator (Senator' Name, State's Name) , United States Senate , Washington, D.C. 20510
Office of Representative (Name, State's Name), United States Senate ,Washington, D.C. 20515

Web Links

The President - <http://www.whitehouse.gov> The Congress - <http://www.congress.gov>

(Dear Reader,

I would request you make several copies of this letter and mail it to the President of USA, the Senators of your state and the Congressmen of your area today and on 1st of every Month.. You may also send it to other authorities in the State and the County Governments.

Please give copies to your friends, ask them to mail these copies and pass it on further.

If you can convince one person every 2 weeks to write and pass this letter, within a few months over 150 million US citizens would have sent this letter to the Congressmen and the President. In that case, they will gladly make a law to implement Direct Vote. With Direct Vote, several problems will get solved.

Ten thousand thanks in advance - The Author)

[File End][Two Page Summary]

Bootstrapping

A book on Pretty Good Direct Democracy

By Rahul C. Mehta (DirectVote@hotmail.com, 1-888-RCMEHTA) <hr>

A TEN PAGE SUMMARY

(One's opinion is the reality, rest of the world is an illusion)

Suppose over 55% of all citizens in a township want a new cable company to lay cables (over and above the existing company). Also suppose that over 55% citizens in neighboring townships have NO objections to the newcomer. IMO, the new-comer should not be required to get FCC's permission. Agree/Disagree?

What if over 55% of all 200 million US citizens say that FCC must not intervene, if the State's citizens want to take-over FCC's responsibilities? What if 75% of 200 million citizens say that FCC, FTC etc should not interfere? Then FCC, FTC should not interfere. Agree/Disagree?

[Knowing about Democracy is like medicine. One should know about it not because it is interesting, but because it is important.]

An Interview With Thomas

I firmly believe in Democracy. And to me it does not mean mere Representation, but the **Rule of Citizens**. Some 180-200 years ago, Thomas told me the importance of Democracy. I would recite it (to speak to Thomas, click here .

"The first principle of republicanism is that the *lex majoris partis* is the fundamental law of every society of individuals of equal rights; to consider the **will of the society enounced by the majority** of a single vote as sacred as if unanimous is the **first** of all lessons in importance, yet the last which is thoroughly learnt. **This law once disregarded, no other remains but that of force**, which ends necessarily in military despotism." --Thomas Jefferson to Alexander von Humboldt, 1817 ---
-- (1)

"**The voice of the majority decides**. For the *lex majoris partis* is the law of all councils, elections, etc., where not otherwise expressly provided." --Thomas Jefferson: Parliamentary Manual, 1800. ----- (2)

"The will of the people... is the only legitimate foundation of any government, and to protect its free expression should be our first object." --Thomas Jefferson to Benjamin Waring, 1801. ----
- (3)

"The measures of the fair majority... ought always to be respected." --Thomas Jefferson to George Washington, 1792 ----- (4)

"**All... being equally free, no one has a right to say what shall be law for the others**. Our way is to put these questions to the vote, and to consider that as law for which the majority votes." --Thomas Jefferson: Address to the Cherokee Nation, 1809. ----- (6)

This is how he described US

"**This... [is] a country where the will of the majority is the law, and ought to be the law.**" -- Thomas Jefferson: Answers to de Meusnier Questions, 1786. ME 17:85 ----- (8)

When I asked "can the majority be wrong?" he told me

"[With a majority] having declared against [our proposal], **we must suppose we are wrong**, according to the fundamental law of every society, the *lex majoris partis*, to which we are bound to submit." --Thomas Jefferson to David Humphreys, 1789. *The Only Source of Just Power* ---
-- (10)

"It is my principle that the will of the majority should prevail. If they approve the proposed constitution in all its parts, I shall concur in it cheerfully, in hopes that they will amend it whenever

they shall find it works wrong. This reliance cannot deceive us, as long as we remain virtuous." -- Thomas Jefferson to James Madison, 1787. (Forrest version) ME 6:392

"It is an encouraging observation that no good measure was ever proposed which, if duly pursued, failed to prevail in the end." --Thomas Jefferson to Edward Coles, 1814. ---- (11)

I asked him why he is so much fond of majority. He replied:

"I know no safe depository of the ultimate powers of the society but the people themselves; **and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education.** This is the true corrective of abuses of constitutional power." --Thomas Jefferson to William C. Jarvis, 1820. ME 15:278 ----- (12)

Now question is: How can majority's opinions be known? Wish we could have Direct Democracy like Greeks had. But with 200 million citizens it looks impractical. One solution is Representation. The Representation can be taken as an approximation of mass's opinion. But Representative may get swayed by lobbyists and media-owners who praise and blackmail them.

How about a mixture of both?

Pretty Good Direct Democracy (or simply PGDD)

- This mechanism **does not replace existing** Congress, Prez, Judiciary and Federal Reserve (the 4 branches of the Government, not 3 as your teachers told you). It also does not change existing system of referendums, as it is in some states. It is merely an **additional** mechanism to make laws. *PGDD gives best results when taken along with an Indirect Democracy.*
- The President shall hold nation wide referendums. He will disclose the cost of conducting a referendum. Each referendum will have 1 to 10 (at most 10) different bills presented by the citizens.
- The question is: which 10 citizens' bills be accepted? I thought on it for days and months and could not find an easy way to choose. If we knew which bills were popular, we would not need a DirectVote. I don't like the idea that a small group, such as Congress, should decide here. They would simply take whatever lobbyists want. In my opinion, an auction would be more appropriate than anything else. I would later show that this choice is "pretty good" (please bear with me for a minute).
- The President shall hold an auction. The Bills of the first 10 highest bidders shall be accepted. If the top 10 bids do not exceed the cost, no referendum will be held that month (no free lunch). **If the sum total of bids exceed the cost of referendum, then the remaining amount will be distributed equally between all taxpayers** (ain't it cool? Lobbyists pay Representatives. Why not make them pay the taxpayers?) They will all get a check that month (this mechanism will ensure that if the Rich try to out-bid a popular Bill, they will end up paying 10 times the amount to taxpayers that month and each month they act smart).
- In the referendum, **if more than 55% of the TOTAL** (voting and non-voting) **number of citizens** (not just 55% of those who voted) vote YES on a particular Bill, then it proves beyond doubt that the majority of the citizens approve that Bill. Then (and then only) the Bill should become a law.
- If the Bill gets less than 55% (of TOTAL) YESes, the Congress may or may not make it a law.
- Using a similar pre-paid referendum, it should be possible for the citizens to fire any Government authority (such as the President or FCC Chairman or any other authority) *if the need be.*
- Citizens should also create similar systems at State and County level.

Seldom did a President got votes of over 40% of *all* (voting and non-voting) citizens. This way, a Bill, if successful, will carry far more legitimacy than Congressmen or President have.

I would call this mechanism **DirectVote**. Once again, I would clearly mention that DirectVote is merely one more mechanism to make laws and replaces nothing.

DirectVote is a tool to improve Democracy and make better laws. It is like Operating System, which makes easy to make and use Applications. I will describe some really cool laws, which can be made. But before that I will take a few questions on PGDD and DirectVote.

What?? Give money and get a law made? What nonsense is that?

You got me wrong. **By paying the cost, the sponsor ONLY got a poll on his proposal, not a law.** For law, he would need a over 55% of **all** citizens of vote YES. Not 55% of just those who vote. By all means, either the sponsor has a very popular proposal or he is wasting money. In first case, he is doing a good job and we must thank him. In second case, well, he is wasting his own money for his choice. Bad choice, but there is nothing unethical about it. Also, it is not a waste. The process of polling creates awareness and several jobs. We must thank him for that.

In any case, the sponsor is a good guy (from democracy point of view), unless he is sponsoring the Bills to fill-up the slots and block others.

Also, I fully support the way referendums are conducted in states such as California, where there is no auction and bidding. We should also have a way similar to that at National level.

The Masses are not educated, and so DirectVote should not occur

People are less educated and less informed, but that is because the Elite ensured that they do not learn important subjects such as law, banking and Mathematics. The DirectVote will give more power in the people's hands than they have today. With this, more education will follow (please see chapter on "Establishing Math Tests" and chapter on "Establishing Law education System" for more).

Also, why assume that experts are any better? And moreover, I feel pain when you say "masses should not decide their fate". Didn't I just tell you what Thomas told me? If we say that masses should not make laws, for whatever may be the reasons, the system is dictatorship under a new title. We have only two choices: majority makes the law or an elite minority makes the law. Which one do you like?

But Congress is sufficient. Why have DirectVote?

Thomas (read the above quotes, particularly 9, 10 and 11) clearly told me that will of majority must not be ignored. In my opinion, if elite (includes those in-charge of the 4 branches of the Government, namely Congress, Executive, Judiciary and Federal Reserve) ever becomes capable of ignoring masses' voice, a democracy would degenerate into Aristocracy. The Aristocracy would create a sense of "most of the things are well" by oligopolizing media (such as cable TV, newspapers) and reducing the education amongst masses (of subjects such as law and mathematics).

Also, in case of DirectVote, the sponsor and his supporters are paying the cost. It does not cost taxpayers even a dime. In this essence, a DirectVote is an expression of speech. Denying DirectVote is opposing the spirit of free-speech.

In short, denying DirectVote is dictatorship.

We should be a Constitutional Republic based on "rule of law" and not a "mobocracy". DirectVote will make constitution ineffective.

It is very much possible that masses would mistakes, but then who doesn't? Does it mean that we restrict their power to make laws? No. Thomas says

"Among the latter [Europeans in 1780s], **under pretence of governing** they have divided their nations into two classes, wolves & sheep. I do not exaggerate. This is a true picture of Europe. **Cherish therefore the spirit of our people**, and keep alive their attention. Do not be too severe upon their errors, but reclaim them by enlightening them

If once they [the people] become inattentive to the public affairs, you and I, and Congress and Assemblies, Judges and Governors, shall all become wolves. It seems to be the law of our general nature, in spite of individual exceptions." --Thomas Jefferson to Edward Carrington, 1787

Without people's ability to make and change laws, a Republic degenerates into an Aristocracy and a constitution becomes an irrelevant paper. Who can stop this conversion of Republic to Aristocratic Autocracy?

"The people...are the only sure reliance for the preservation of our liberty." --Thomas Jefferson to James Madison, 1787. ME 6:392

"I am not among those who fear the people. They, and not the rich, are our dependence for continued freedom." --Thomas Jefferson to Samuel Kercheval, 1816. ME 15:39

So **if power to make laws is taken away from people**, under any reason, sooner or later, they would loose interest in law making process [have you sensed general apathy and disinterest in politics and low turn outs?]. Citizens will become debaters rather than activists. **The creative zeal will degenerate into protesting, begging and bitching**. So masses must have some power to make and change some laws. But if the masses have the power to make/change some laws, they will ask for more and more till they have all. So in long run, we have only two options: lawmaking and interpretation becomes a privilege of a few or it becomes a right to all. In my opinion, we have only two above choices. I prefer that lawmaking (and interpretation) becomes right of all.

In the book, I have explained why any form of government/society, which allows privatization of Legal tender issuance and state privileges degenerates into an Aristocracy. And ANY form of government which avoids Direct Democracy would sooner or later end up privatizing Legal Tender issuance, making a road to Aristocracy. So without Democracy, Republic would soon collapse.

Doesn't democracy results into a system where lazy people take away the money from hard working?

If you are referring to existing tax system, it is not result of democracy, but lack of it. The tax system was created by agents of super-rich to take away the wealth of upper middle class so that they cannot compete against the super-rich. If not, why do we have mechanisms like foundations, which are nothing but means to transferring wealth without paying inheritance tax? Democracy will never go against interest of a hard-working person.

What if people act insane? Wouldn't it jeopardize the country?

"I am not among those who fear the people. They, and not the rich, are our dependence for continued freedom." --Thomas Jefferson to Samuel Kercheval, 1816. ME 15:39

Everyone, people or experts make mistakes. The reason why I have more faith in people than in experts is that people are far more concerned about well being of society and future generation than the elite.

We don't have to have DirectVote. Do we?

"if the control of the people over the organs of their government be the measure of its republicanism, and I confess I know no other measure, it must be agreed that our governments have much less of republicanism than ought to have been expected; in other words, that the people have less regular control over their agents, than their rights and their interests require. --Thomas Jefferson to John Taylor, 1816.

Suppose 55% of all citizens want a particular step to be taken, and if the Government Officers do not take that step, then IMO, it is denial of the Democracy and Republic. Now problem is how can one establish that over 55% population likes a particular step or not. Obviously we need some type of poll and poll will cost someone something. **The DirectVote is certainly a good way to solve this dilemma**. Here the sponsor and his supporters are paying the cost.

IMO, denying DirectVote is denying democracy, republic, individualism. Just as obtaining wealth without previous owner's approval is immoral at personal level, if power/authority exists with citizens' approval it is immoral at society level.

What if several sponsors are willing to pay the cost of referendum?

Suppose the cost of referendum is \$100 million. Now if sponsors are willing to pay the cost, I would wish that the President should let all their proposals on the referendum. But we need a limit. Too many cooks spoil the broth. Too many Bills may confuse the poll. I would propose a strict limit of 10 issues per poll. The total amount the sponsors give must exceed the cost. The additional revenue is simply an income for the taxpayers.

But what if more than 10 sponsors wish to present a bill? If we knew in advance, which Bills are more popular, the choice would be easy. But, in that case, we would not need a DirectVote. I am afraid, the choice is now not easy.

I thought a lot on this problem. One solution is to let Congress or President decide. But I am sure, in that case, the lobbyists ensure that they pick only useless Bills. I suggest we let the 10 highest bidders' DirectBills go to the DirectVote.

Why should sponsor pay the cost? Also the cost is too high

I also support a system of referendum where if a sponsor has signatures of 1%-2%-3% of the population, they would not need to pay the cost. **But there must be an option where he can pay the cost and get the referendum, without any signatures.** Why? Getting so many signatures needs support of mass mediemen, who are influenced by special interest. For example, a proposal that “starting a new cable company should not need FCC’s approval AT ALL”. This proposal will not get support from cable companies who own most of the new companies, newspapers and magazines. Thus sponsor will have very difficult time getting a million signatures. But getting \$200 million will be easier as 100s of small/medium companies all over US want to get in the cable-business. They can easily raise \$200 million.

Sometimes getting money is easier than getting signatures. Also, getting 1-2 million signatures on a nation-wide basis is expensive too. And this cost will not make sponsors completely dependent on biggies. There are 100s of small-medium companies who can contribute.

Also, by paying the cost, the sponsor is not burden on the people.

The Cost is still too high

A system can be created where people can vote over telephone. The system will be as follow:

- Each person can get a Voter Card, which is similar to MAC card or a credit card from a post-office. The card will have a 15-digit number, different from SS#. Each card will also have a PIN, just like MAC
- At the time of issuing card, the person will have to specify 1-5 phone numbers, which he often uses
- The person can vote from **only** one of these five telephones on a Direct Vote (ensures security).
- If a person does not want to use a card, he may optionally go to a Post Office or a polling booth and vote on the polling day. The Direct Votes should be held only on Fridays. The phone service should start taking vote from 5 AM to 11.30 PM. The regular polling booths may have usual time.

A call costs 1 cent. So the cost of polling is cost of 200 million local phone calls or \$2-4 million. But to create this system, we will need a good democracy to begin with. So initial DirectVotes will be costly, but necessary to create such cheap system.

Why 55% of TOTAL? Why not 51% of those who voted? Mostly majority does not vote.

In a system where referendum is sponsored by 1-2 million signatures, I would gladly agree that 51% of those voted should suffice. But in my system the sponsor is paying and so there is a possibility that a big corporation puts a proposal, the media blocks the news and finally only 5-10% people vote and majority votes YES and the bill becomes law.

The 55% of ALL is a safe-guard to protect this problem. This is a problem, but if the sponsor meets it, he has tremendous legitimacy, an asset. Also, if he fails to get 55% votes, the Congress can still make it a law based on how much popular response it got. The signature based referendum can be used now.

Also, most people do not vote. In my opinion, it is not laziness, but issues are dumb. If one takes a right issue and make a right proposal, over 80% would vote. Now why 55% and not 51%? To have a safe cushion. “Total” or “those who voted” is a valid point, but please let us not discuss 51-55% now.

But in spite of these drawbacks, denying DirectVote is denying Democracy. We should have systems without these drawbacks as well. And we should also have DirectVote.

With this bidding, only Rich will be able to make laws. No?

As if situation is any different today. DirectVote does not replace Congress. So a pro-poor Congressmen can still do what he wants and DirectVote would interfere with him. The fact that the sponsor needs to pay the cost up-front would enable the rich to buy a poll, but not a law. But if his proposal is anti-masses, he would not be able to get 55% votes. Further, a DirectVote can be negated by another DirectVote.

The poor can create this fund by raising a large number of small contributions. A DirectVote, if implemented properly, can cost as low as \$10-15 million. This is a small amount, if over 110 million citizens are going to approve it. The first few DirectVotes may cost \$100-\$150 million. For this cost they will have to do a systematic fund raising. The cost is \$1.00 - \$2.00 per supporter. Not an impossible amount.

Well granted that rich cannot make the laws, but with this bidding type arrangement, they can easily ensure that pro-Poor bills will never get to Poll

The bidding will enable the rich to stall the pro-Poor Bills, but not forever and certainly not easily. Suppose the cost of conducting poll is \$100 million. Suppose the Sponsor for the pro-Poor Bill has \$100 million. In that case the Rich will have to spend at least \$1000 million to block him. If there one poll a

month, the Rich would loose \$1000 million every month to the taxpayers. Since the cost of the poll is merely is \$100 million, the taxpayers get remaining \$900 million (or each taxpayer gets \$5.00) that month. Ain't it cool?

Now even if 5% of taxpayers give \$2.00 of that \$5.00 "gift" they received to the popular Bill's sponsor, the sponsor now has over \$120 million. So now to block him, anti-popular will have to shell out \$1200 million and each taxpayer will now get over \$6.00 check. In each iteration, the Rich, who wants to block a popular Bill, will keep loosing more and more and more till they are broke.

If the someone wants to stall a popular Bill by out-bidding the sponsor I would like to have 1 DirectVote every week. This way, each taxpayer will get \$5.00 to \$10.00 every week instead of month.

Given this mechanism, no one would use bidding to simply block the other person. In fact, the only reason, I invented this bidding and 10-slot scheme is to make a block impossible.

The DirectVote scheme does not look 100% perfect.

It isn't. In fact it ain't even perfect Direct Democracy. That's why I called it **Pretty Good Direct Democracy** instead of Direct Democracy. As good as it gets and as direct as it gets. Current Representative Democracy is less than 1% Direct. Mine is over 99% Direct. Software folks after years of research concluded that 100% security impossible. They finally settled for Pretty Good Privacy. Here we have a similar situation.

There are several problems with PGDD, the worst one being popular bill's sponsor needs to money to pay the cost of referendum. And he can be out-bided in the auction.

But, IMO, that's not the way to look at it.

As the saying goes, if the debate is about X, X would loose. In fact X would loose before the debate starts. Same way, if the debate is about PGDD (or DirectVote) in vacuum, PGDD would loose before the debate starts. But when compared against today's pure Indirect Democracy, it would be a winner.

This concept of DirectVote seems too radical. Shouldn't we think "a lot" before we implement it?

If you agree with the concept of elections, the concept of DirectVote is new but not radical.

We have Senate/House elections every 6/4 years. Will be really radical if we make it 3 years instead of 6/4 years? What if I make it 1 year? What about 1 month? Now having a Senate Election once a year or once a month is annoying and perhaps a waste of money, but the concept is not radical.

Now I am not insisting that we should have Congressmen's elections once a month. All I said is that: lets have Senate/House elections once every 6/4 years (as now) or *whenever* "we" want, which ever come earlier. All DirectVote does, is "lets have election today since we want it to be today". Now we need a poll to establish whether "we want an election or not". And who shall pay the cost of the poll? DirectVote is one consistent answer to these questions.

Now if we have a mechanism, where people can have Congress elections whenever they want, the law making power automatically passes into the hand of people rather than lobbyists and mediemen. If any very popular bill does not show up or fails, people would immediately have elections and fire all the Congressmen.

If you agree that, people's wish to have elections earlier than planned, is not so radical idea, then DirectVote is not radical.

What are the advantages of DirectVotes?

For centuries, masses have been trying to implement ways by which in-charge may not become despots. They had Kings, who became despots. He was replaced by Congressmen and President Laws, such as Constitution, were created to check them. But laws needed some human being to interpret and enforce. So Judges were appointed. They forgot that the Judges too are humans. Big mistake !!! And they too have "temptation to do good" (which is politically acceptable way of saying, "you people are stupid. We are smart. And since you are morons, you don't know that you are idiots. And you don't appreciate that we are smart. So please allow us to do a favor. Allow us to take 'care' of you. Or else ...").

Thomas had lot of expectations from the Judges. In 1780s, when the constitution was being drafted, he gleefully told me

"The judiciary... is a body which, if rendered independent and kept strictly to their own department, merits great confidence for their learning and integrity." --Thomas Jefferson to James Madison, 1789.

"Render the judiciary respectable by every means possible, to wit, firm tenure in office, competent salaries and reduction of their numbers." --Thomas Jefferson to Archibald Stuart, 1791. ME 8:277

Apparently, he forgot that Judiciary consists of the Judges and they are humans too. When he realized that in 1820s and he looked thoroughly disillusioned. He said

"...The Constitution on this hypothesis is a mere thing of wax in the hands of the judiciary, which they may twist and shape into any form they please." --Thomas Jefferson to Spencer Roane, 1819. ME 15:212

The disillusionment grew and became paranoia. In 1821, Tom told me

"It has long been my opinion, and I have never shrunk from its expression,... that the germ of dissolution of our Federal Government is in the constitution of the Federal Judiciary--an irresponsible body (for impeachment is scarcely a scare-crow), working like gravity by night and by day, gaining a little today and a little tomorrow, and advancing its noiseless step like a thief over the field of jurisdiction until all shall be usurped from the States and the government be consolidated into one. To this I am opposed." --Thomas Jefferson to Charles Hammond, 1821. ME 15:331

The very idea of "firm tenure" which he liked so dearly in 1780s was something is viciously hated in 1820s. 30-40 years of experience with the situation created by inability to fire an authority made him an angry and frustrated man.

So Judges, if Thomas is to be believed (and I do believe his opinion), **Judges are useful, but not sufficient to implement check and balances.** As I was looking for means, I created this concept of DirectVotes. How did I create this concept? I do not know myself. I think creation comes not from analytical, but lateral thinking and *lateral observations*. And I know of no analysis that can explain lateral thinking and observations.

The DirectVote is not just to regulate the regulators but to fire them if they have too much "temptation to do good". I could not think of an effective mechanism.

Except firing the Government Officers, what do I get?

DirectVote is also a form of communication. And communication is the community. So there are hundreds of advantages. I will mention a few.

This Combination of Systems (Direct and Indirect), will be worst of both or best of both?

Best of both.

Suppose I take two chains and combine them in *series*, the newer one is as weak as the weakest of both. But if I combine them in *parallel*, the resulting as at least as strong as the strongest of the two (in fact stronger than two). I would give an analogy from electrical circuits. When two resistances are in *series*, the effective resistance is sum of the two. But if they are in *parallel*, the effective resistance is *lesser* than the least of the two.

In general, when two objects are in series, you get worst of both or sometimes worse than both. But if they are in parallel, you get what is best of both or often better than best of both.

Here the Indirect and Direct democracies are in parallel not series. If one does not deliver, the other might. If other one fails, the first one may not. There are two independent channels, both competing for citizens' attention, influence, approval and votes. So we would get best of both or may be better than both.

Now lets see what useful things we can do using PGDD.

Townships and Cable Companies

Suppose over 55% of all citizens in a township want a company to lay cable (over and above existing company). Also suppose that over 55% citizens in neighboring townships have NO objections to the newcomer. IMO, the new-comer should not be required to get FCC's permission. Agree/Disagree?

What if I can convince over 55% of all 200 million US citizens that FCC must not intervene, if the town's citizens want to take-over FCC's responsibilities? What if I can convince 75% of 200 million citizens that FCC should not interfere? Then FCC should not interfere. Agree/Disagree?

The oligopoly in cable business created huge profits, with which the owners bought and cross-subsidized the print media. Today most newspapers and new-magazines are owned by this cable-mafia. This two factors have resulted in total block of critical information in mass-media.

FCC Commissioners instead of regulating cable companies' owners have assisted them in creating local monopolies. FCC Commissioners achieved this by systematically stopping new entrants into the industry by creating useless requirements. FCC Commissioners are agents of cable companies' owners.

FCC's job was to regulate only interstate-communication. It acquired the right to regulate intra-state cable by a court-order. The Judiciary, which most people think contains the power of Executive, extended the power of the Executive, proving that Judiciary and Executive do not check each-other anymore (in fact according to Thomas, this "Judicial Despotism" started in 1820). DirectVote is an easy way to restore FCC back where it was, or completely get rid of it.

FCC's and its Commissioners' role set aside, *what is the ethical* reason to stop a new entrant into a town, if he has permission of over 50%-60% of the citizens in the town, neighboring towns and citizens of the rest of the country have expressly approved the non-interference? None that I see.

With DirectVote, citizens can kill the oligopoly created by FCC Commissioners and cable companies' owners and their friends in Congress and Judiciary. This will not only lower the cost, but also democratize the access to media.

Chapter on "New Laws for Telecom and TV-Cable Industry" discusses more on this issue.

Allocating Bandwidth

Suppose a region has 1 million citizens and amount 1 Giga Hz (= 1000,000 kHz) of bandwidth is to be allocated to the TV-networks, radio stations, cell-phone companies etc. Currently, Federal Government Officers simply auction the bandwidth. I have a better idea

- Issue 1000 coupons to each citizen each month. The coupons will expire every 4 months. Each coupon carries certain amount (=1000,000/4000 = 250 kHz) of bandwidth.
- The citizens can sell/give coupons to the company of their choice.
- A company must have a certain minimum number of coupons to obtain a slice of bandwidth. This threshold will be set by Executive Officers. The company, when presents the coupons, will get that much amount of bandwidth. The exact frequencies will again be decided by the Executive Officers
- The coupons would expire and if the bandwidth using company fails to obtain new coupons from the citizens, it would loose the bandwidth

This will ensure that TV-networks and radio-stations are democratically controlled by the citizens. If a citizen hates a TV-station, it can simply stop giving coupons and instead give his coupons to a station he likes.

Here the citizens, at individual level, decide the amount of bandwidth a company has. Also, the companies are controlled by users as the coupons expire periodically. The Executive Officers and Judges only decided the minimum threshold and the exact slot. Now do I trust that the Executive Officers and Judges will act honestly and in good-faith and will not turn despot? Well, in God I trust and no one else. I am assuming that Executive Officers and Judges will turn into Despots. I am assuming that they will soon develop temptation to do good, which is euphemism to "screw you". I am also assuming that they will hurt a good guy in the process. I *believe* that good-guy will materialize a DirectVote against these despotic Officers and Judges. I *believe* that citizens will fire them mercilessly if they have acted like despots.

The fear that they might get fired will keep Executive Officers and Judges from restraining the "temptation to do good".

Chap 11 (New Laws for Telecom, Cable and TV industry) discusses more on this issue.

Math Education

The question is how to motivate students to learn and teachers to teach mathematics. Answer: cash rewards if and when they learn and teach.

Chapter on "Establishing Math Tests" deals with **Mathematics Education**. It explains a simple, cheap and extremely efficient system which will improve students' mathematical skills. The system involves creating a list of 200 million questions divided into 50 age groups and making it public. All students (between age 4-20) would take 4-8 tests per month. The test can be administered by the township government. The test will consist of 30-60 questions which will be randomly selected from the list of 4 million questions of that age group. *The students who score better than median will get rewards*. Each student will get rewards (*every month*) based on his *relative* performance. The rewards are to motivate the student. This test-and-reward system will motivate students to learn math from an early age. The parents can

select a teacher. If the student has a teacher, half of the award will go to the This way parents can compensate teachers and keep them motivated.

Law Education

I insist that law education should start from 1st grade. The most important laws in the today are banking laws. Contrary to the belief, the laws are simple enough that a first-grader can understand. In Chapter “Law Education”, I would explain simple courses, which any township can implement in 1 week to teach the law to the students. Also, the students should divided into groups of 4-8 and be encouraged to randomly pick a case in any court in the country and study it.

Who (which individuals) own State Property?

Suppose a piece of land “belongs” to the State consisting of 200 million individuals. Hypothetically, lets say that ALL 200 million agreed to sell to a company and the proceeds were equally divided amongst all 200 million. Is it fair?

No. I don't think so.

Citizens did not create that land. So they are not the only owners. It belongs to them as well as the generations who would come in the future. The existing citizens only own the “present rights” on that property, and the citizens who arrive in future, own would come own the “future rights”.

I will give a following analogy. Suppose I get a farm from my uncle after he dies. He had said that I could use the farm and after I die, the farm shall belong to my son. Thus, I have all rights to use the farm and keep the food I grow on it. I may even rent it for 10-15-20 years. But I have no right to sell it. I have only the “present rights” over it, no “future rights”.

Similarly, God created this earth and gave it to his children. Not only to the men and women who lived at that time, but He gave it to those as well who would come in the future (in case you don't believe in God, I would put it other way: who-so-ever who created it abandoned it. Abandoned property's first owner is the society, which consists of men and women who live and those who would come in future). So citizens can only decide the “present” users of the earth and not the “future”.

If the citizens sell a piece of State owned land, forever, they implicitly they have taken a decision for the forth coming generations. This is a crime (may be un-intentional) as no person should be allowed to decide for others.

Once again, citizens will need DirectVote to establish the above fact.

Now following law should be made: a state owned land cannot be sold can only be leased for 10-20-30 years.

Once again, citizens will need DirectVote to establish the above law.

Now using Elections and DirectVote, citizens can appoint/fire Officers who would rent this land to private companies. The rent income from this lease should be divided equally between the citizens and can be an excellent replacement of existing social security tax.

States vs. Federal Govt

IMO, if $\frac{3}{4}$ of States' Legislatures pass a bill, Congress's approval need not be required. Agree/Disagree? In other words, States should have a way to bypass Congress altogether if the need be.

How to bring this Silver Bullet?

20 min a week and in 1 year we can have it.

IMO, DirectVote is the Sliver Bullet, which will make all problems disappear. The implementation is not difficult. All we need is to ask Congressmen to make a Constitutional Amendment which would require the President to hold an auction and conduct a referendum on the highest bidder's proposal.

Will Congressmen agree to make this law?

If Congressmen believe in democracy, they will certainly if about 150 million citizens write to them. 150 million ($\frac{3}{4}$ th of all citizens) is a large number, but not impossible. All we need to do is following

- Write a letter to Congressmen (see the letter enclosed). If you believe in democracy, in my opinion, you should write this letter ASAP.
- Please forward this idea of PGDD to friends, enemies and strangers. Please ask them to write a similar letter to Congressmen.
- Also ask friends, enemies and strangers to forward this idea as well

- The idea of Pretty Good Direct Democracy comes from the Guardian Angels. The first copy was given to monks 50 million years ago. The original copy is still preserved in the Monastery of Shaolin on the Mountain of Pilascu. It is your duty to forward this idea. To forward this idea, make 10 copies to this booklet and give it to friends, enemies and strangers before the sun sets soon heaven will come on the earth your cable bill will go down ... your children's math score will improve If you fail to do so

The networking is must to spread the idea of PGDD. How effective it is? Well , if you can convince 1 person every two weeks, to write a letter to Senator and ask him to convince his friends, in a shorts period of 12 months, over 150 million of US citizens would have written a letter.

Now Congressmen are not so easy to convince. However, many would agree when they see so many letter. And to some, 150 million letters would mean nothing. But even those Congressmen know that if 150 million citizens have written and they still ignore, they would loose very badly in the next elections. Worse, advisors and media will point out that a few angry ones will do something more drastic. We know that FBI and military, cannot stop these angry ones as they can't even find them. Worse, many of them are not worried about their life. How many citizens out 150 million will get that angry? About 10,000. Is that a big problem? Even 100 is a major problem.

Am I depending on violence? Hell no. But this would happen even if I don't want. If Congressmen accept the public opinion, there will be no violence. But it may happen if they ignore the letters altogether. In that case, no one should blame anyone but Congressmen for the mess.

Now I would conclude this summary with reforms needed in banking industry.

Banking

How about following reforms in banking industry:

- The Federal Reserve Banks (all 12 of them) should be completely privatized
- They should be privatized in such a way that most Americans **do not know** about it. You may think that it is not possible to do so. It is possible. **I will outline a way by which Federal Reserve Banks can be privatized in such a way that over 95% Americans would never know.**
- These owners of these private banks should have complete control over money supply and Board of Governor's and its Chairman must not have any significant power over the banks.
- We already have over 10,000 independent banks and no more banks are needed. Laws should be created so that it becomes difficult (or rather impossible) for common citizens to open banks.
- The US\$ should be replaced by a new currency, which is simply a piece of paper signed by bankers. This new currency should be Legal Tender to settle debt, public and private.
- When a bank receive a deposit of \$100 "cash", it should be entitled to issue a loan of \$1000. Further, citizens should have no right to interfere in bankers' business. But the new deposits that these loans create should be insured by Citizens. In other words, the citizens must insure every loan which banker gives. Also, the citizens must bail-out any banker who has taken wrong decisions for what-so-ever reason and bankers should be free from interference of the citizens.
- Each time a person deposits \$100 of cash with a banker, the government should give that banker an interest free loan of \$900
- Bankers should be allowed to buy what ever that is for sale without any labor or wealth in return.
- Government should not create currency. Only bankers should create currency and govt should borrow it from them at 5-10% interest a year. This way bankers can obtain wealth worth a few hundred billion dollars without providing any labor or wealth in return.
- The currency system should be implemented in such a way that it would be impossible for all borrowers together to repay the all the loans. This may result in millions of bankruptcies, but is good for (whose?) economy.
- None the above reforms can hurt citizens. In fact, it will create small governments and an egalitarian society. Most economists would agree with that.

In fact, I am late at making this proposals. These reforms (surprise !!!) have already been implemented. The Federal Reserve Banks are already private. See didn't I tell you that there is a way to privatize them in such a way that 95% Americans would never come to know? They have been private since 1913 and seldom would a newspaper write that. Also, when a person deposits \$100 of cash in a bank, the bank can issue \$900 of loans. This loans increases FDIC (and hence citizens') liability. *Since govt promise*

to pay Legal Tender is as good as Legal Tender, when bankers' give loan, volume of Legal tender increases. Further, banks can create as much money as they want, and they do so whenever they need. Also, most media companies are under deep debt. Most this short-term debt is owned by banks. So they have pretty good control over media-companies' executives.

But why bother even if above points are true. Fed Banks regulate the private banks, no? Yes, but those private banks own these Fed Banks. So it is same as saying that cat is guarding the milk. But aren't Congressmen also 'checking' Fed Banks? In my opinion, **believing that Congressmen can regulate bankers is as unrealistic as accepting that a bunch of rabbits can scare a herd of elephants.**

Don't believe all these facts? Please read Chapters "Intro 8, 15 and 16 of the book. Want to reverse them? Please read Chapter 10 of the book.

But please hurry up before more reforms like above get in place.
(the book can be downloaded from <http://www.rahulmehta.com>)

[File End][Ten Page Summary]

[File Begin][Letter To Congressmen]

(Dear Reader,

I would request you make several copies of this letter and mail it to the President of USA, the Senators of your state and the Congressmen of your area)

To

The President _____

The Senator _____ (of your area)

The Representative _____ (of your area)

Dear Sirs,

I am a citizen of US, residing in State of _____.

We, the people, create legitimacy, not the administrators and judges. If a person has political power in spite of citizens' disapproval, it is a theft of political power. It is immoral and causes gradual erosion of legitimacy. Citizens have right to remove a representative/administrator/judge from his position. They also have right to make laws.

And a right is of no use without a mechanism to use it. This letter is a request to create a mechanism to implement the right we have. Please make a Constitutional Amendment to make following a law *for next 10 years*.

- The President would declare the cost of conducting a nation wide poll. The President will also disclose the cost of sending a check to each of the taxpayers (IRS already has that system).
- Each poll will carry at most 10 proposals. Polls will be held on every first Friday of every month.
- The President (or a person he designates) would hold an auction exactly 30 days before the poll's date.
- The citizens who have proposals shall bid for each of the 10 slots, 1 slot at a time. The 10 highest bidders' proposals will be accepted for the poll.
- If the total of the 10 highest bidders' bids is below the cost of poll, then no poll shall be held that month.
- If the total amount obtained from the 10 bidders exceeds the cost of poll and the cost of mailing checks to taxpayers, then the excess amount will be mailed to taxpayers.
- If over 55% of ALL registered citizens (voting and non-voting) vote YES on a proposal, then that proposal would become a law.

Thanking you,

Yours Sincerely,

(PRINT NAME)

(PS: I believe that the cost of referendum should not be higher than \$ _____ million.) <-hr>

Postal Addresses

The President of United States, 1600 Pennsylvania Ave., Washington, D.C. 20500
Office of Senator (Senator' Name, State's Name) , United States Senate , Washington, D.C. 20510
Office of Representative (Name, State's Name), United States Senate , Washington, D.C. 20515

Web Links

The President - <http://www.whitehouse.gov> The Congress - <http://www.congress.gov>

(Dear Reader,

I would request you make several copies of this letter and mail it to the President of USA, the Senators of your state and the Congressmen of your area today and on 1st of every Month.. You may also send it to other authorities in the State and the County Governments.

Please give copies to your friends, ask them to mail these copies and pass it on further.

If you can convince one person every 2 weeks to write and pass this letter, within a few months over 150 million US citizens would have sent this letter to the Congressmen and the President. In that case, they will gladly make a law to implement Direct Vote. With Direct Vote, several problems will get solved.

Ten thousand thanks in advance - The Author)

[File End][Letter To Congressmen]

One's opinion is the reality, rest of the world is an illusion.

Bootstrapping

(A book on “Pretty Good Direct Democracy”, simple ways to achieve it
and its applications in Education, Cable-TV, Banking and Mining)

(This book has discussions on the features (or bugs?) of the banking system, proposed new law making procedures, proposed new laws for Legal Tender, proposed new laws for telecom industry, proposed new ways to manage state-owned mines and new means to manage bus-stations, roads and railroads. All this in less than 110 pages.)

Rahul C. Mehta

(DirectVote@hotmail.com, 1-888-RCMEHTA, www.rahulmehta.com)

[USA, Dec98 Edition]

Preface

This book mainly describes simple implementable solutions to several problems citizens face everyday.

It discusses several topics in Economics, Politics, Banking, Communication, Tele-Communication, TV-Cables, Education, Mining, Governance, Elections etc. from self-financed Engineers' perspectives.

Being low on analysis and high on synthesis, this book is the first of its kind.

My formal education is in the field of Mathematics and Computer Science. Mostly, I have worked as a computer programmer. I have no formal education in Economics and Politics except a few elementary courses I took in the undergrad school. The material presented here is based on several years of my personal research and experience.

After years of research and experience, I have concluded that several problems (economic and non-economic) cannot be solved without fixing the banking systems. To prove this point, included several chapters. A reader not familiar with intricacies of banking may find these chapters mind-boggling. I would recommend him to skip these chapters in the first reading.

This book is written in simple language. The solutions presented are simple, but reading all details can become intense. I have skipped many details to keep the book small. I strongly suggest the reader to take a complete printout (in case the book was sent to you on the floppy or email) and then read the book.

Summary of this Book

Although US prides as being a "rule of law" society, no definition of Legal Tender exists, by which one can calculate amount of Legal Tender. Is all money Legal Tender? Also, what is exact amount of outstanding Legal Tender in circulation? No one, including Treasury and IRS have answer to these questions. A clear distinction between Legal Tender and money is required to understand (and change) the interaction between political and economical activities.

Definition of Legal Tender is a mess. So is implementation of "money". It is very well known amongst economists that all M3 (one definition of money or one "type" of money) which exists in US is created by private banks. Further, the money may circulate from hand to hand in exchange of goods and services, but when it is *created*, it is issued as a loan. *In other words, total amount of money can increase only if more loans are issued, not otherwise.* Next, banks are in a position to create as much money as they want to bail out or finance their ventures like mergers, acquisitions, start-ups, expansions etc. For example, between Aug 2, 1998 and Oct 26 1998, banks increased money supply (M3) over by \$180 billion. Using this newly created money, several of their operations were funded (such as LTCM bailout).

When bank issue loans, the amount of deposits increase. The deposits are generally insured by FDIC (a govt agency). *Since govt promise to pay Legal Tender is as good as Legal Tender, when bankers' give loans, the volume of Legal tender increase.* In other words, private bankers are creating and allocating Legal Tender.

However, few outside the circles of economists and those working for banks know this. Most people think that the Federal Reserve Banks are government bodies. Most economists consider ability and power of bankers to create money at wish as a feature. They further believe, without stating explicitly, that masses should not have the power to regulate the supply of the Legal Tender, only private bankers should have it. It appears that media-men believe that this topic is unimportant for most people. I differ. I think it is of paramount importance.

Technically, banks are supervised by Congress. But as I will explain later, bank is nothing but bankers and Congress is nothing but 434 Representatives and 100 Senators. Using ability to create money

and by issuing billions of dollars of short term loans to the media companies, the bankers have tight control over media. If these short-term loans are not renewed, the CEO's career shall get be ruined. So media companies' executives firmly obey their banker masters. Media-men grab every opportunity to serve bankers to get a raise or a promotion. These two factors (one the ability to create money, at wish, and give it to whosoever they like and second the control over media companies) have made the bankers so strong that Congressmen are no longer capable of regulating them. In my opinion, **believing that Congressmen can regulate bankers is as unrealistic as accepting that a bunch of rabbits can scare a herd of elephants.** A Congressman is a weakling on a life support system while a banker is like a heavy weight Boxing champion on steroids. I mean no disrespect, but this is the reality. Any Congressman (the individual) who takes an initiative against bankers may end up against an extremely hostile mediemen. In fact, today it is impossible for a person to reach into Congress without the support of bankers. So any Congressman, who likes his career, is unlikely to take any initiative against bankers. Besides, what is the incentive to do so?

This leaves citizens to look for an alternative.

I figured out these problems some 5 years ago. However, I did not publish any book or articles as I had no solutions. Today, I believe, that I have "implementable" and inexpensive solutions to these and several other problems. I published this book, to propagate the solutions, not the problem descriptions.

The solution is age-old. It is to Democratize as many aspects of Government and State-Owned-Property as far as possible. What is my *original* contribution is the mechanism.

The first mechanism citizens would need is to by-pass the Lawmakers if the need be. Citizens need a Legal, Non-violent and Democratic way to bypass the law-makers. One is to have referendums. The process is in several states, but it requires gathering millions of signatures. This process of gathering million signature make the sponsors dependent on media, which is owned by bankers. I simplified the process of deciding if a referendum should be conducted or not. Anyone who wants a referendum can have it on two conditions. First he must pay the cost up-front. Second he must be able to get 55% of TOTAL number of citizens in that area, not just those who voted, to vote YES. In other words, he has an uphill task. But he succeeds, he proved the legitimacy and his proposal will now be a law.

Will anyone pay for the DirectVotes? Yes. In fact, my concern is that very soon there will be too many people willing to pay for DirectVote. Later, I will explain why.

Next, citizens will need to free communication media from the grip of the bankers. If a tree falls in the forest and no one hears it, did it make any noise? If a man make a statement and his wife does not hear him, is he still wrong? In short, freedom of speech is useless if communication is not free. Today, the principle means of communication are TV and Cable. *Both are government protected closed oligopolies.* How to free them? I suggest two simple steps. First, the citizens should move cable from Federal Government's agenda to County or Township government's agenda, using a National Level. DirectVote. Second, using County level DirectVotes, they should use their right to invite more cabling companies and they should also use their right to fire misbehaving cable companies. Using these two rights, they should create several (3-10) cable companies in each town. Using DirectVote, they should clearly ask FCC and Federal Judges not to interfere in this district level process.

These (DirectVote and Cable related) simple laws will change the face of entire civilization in *less than 2 years*. You may ask that why do we need DirectVote? Why don't we ask Congressmen to make these laws? Well, you may ask them to make these laws. But since I have no faith in them, I would prefer DirectVote.

Now if competition is materialized in cable industry, cable prices will drop to \$5 per month. Total savings will exceed tens of billions of dollars every year. A DirectVote would could cost \$50-\$100 million. In any case, it is cost-effective.

Now, who will pay for such anti-cable DirectVotes?

1000s of companies are eager to start cabling but are struck down by FCC. They would be more than happy to pay the cost of the referendum. With a improved system, which I will suggest later, cost of DirectVote can drop to 2-3 cents per citizen. Cost will not be a major issue.

Other issues I discuss in this book are related Natural resources such as mines, Mathematics Education, Law Education (in my opinion, law education should start from 1st grade) and a few side topics.

Chapter Summaries

Chapters 15 (A Proposal: The Legal Tender Law) describes how the bankers can be stopped from creating further damage. It is a slightly modified version of Prof. Irving Fisher's and Prof. Ronnie Phillips's "100% money". It elaborates the concept of "Legal Tender". The basic idea is that supply of Legal Tender should not change without an explicit referendum. Now it is possible to implement a system whereby a referendum can be materialized with less than \$15-20 million.

Chapter 8 (New Laws for Telecom-Cable and TV-Cable Industry) describes ways to *improve communication industry* (namely TV cable, telephone, television, radio and cellular phones, newspaper and magazine). I would explain what I mean by "improve" - lowering the cost, increasing the openness and democratizing access to it. It discusses new laws citizens should make to manage TV cables, telephone and bandwidth owing companies. *It advocates that townships must have right to fire the cable companies they dislike and should be allowed to invite arbitrary number of cable companies if the wish.* Entire country's citizens should ask FCC and the Federal Judiciary not to interfere in that township's business.

Chapter 11 (CiziCorp (or FEleCorp)) explains how citizens can effectively manage the State owned mines. It offers nature based currencies (called Stonies) and a mechanism for implement pensions for old and disabled. It also explains why private ownership of mines is fundamentally unethical and unjust and asserts that all mines must be nationalized. I got these ideas from the movie "The Fifth Element".

Chapter 12 (EP-Corps) explains a way to manage public utilities such as Railways, Bus Stations etc. I named the concept after the initials of the person who first described it to me.

Chapter 5 (Establishing Math Tests) deals with **Mathematics Education**. It explains a simple, cheap and extremely efficient system which will improve students' mathematical skills. The system involves creating a list of 200 million questions divided into 50 age groups and making it public. All students (between age 4-20) would take 4-8 tests per month. The test can be administered by the township or the county government. The test will consist of 30-60 questions which will be randomly selected from the list of 4 million questions of that age group. *The students who score better than median will get rewards.* Each student will get rewards (*every month*) based on his *relative* performance. The rewards are to motivate the student. This test-and-reward system will motivate students to learn math from an early age. The chapter also describes a way to keep the teachers motivated.

Chapter 6 (Establishing Law Education System) insists that law education should start from 1st grade. It explains simple courses, which any township can implement in 1 week to teach the law to the students. The students should divided into groups of 4-8 and be encouraged to randomly pick a case in any court in the country and study it.

Chapters 13, 15, 16 and 17 talk about the way bankers "make" money from thin air. Amongst economists, it is well known that the bankers create money from thin air. The chapters show how they use this "right" (to make money at wish) to control Congressmen, Judges and companies (particularly media owning companies). These chapters also explains the way bankers siphon the wealth from the State and non-banking citizens. And they explain what I exactly mean by the word "banker", who are they and why I hate them.

Chapter 7 (Non-Competition) explains why today mining and communication industries are non-competitive. It also explains why competition may not occur even if there are 100 suppliers in a market.

In short,
Chapter 15 describes solutions that would stop the bankers from creating further damage.
Chapter 8 describes means to improve communication industry.
Chapter 11 shows how citizens can manage state-owned mines and asserts that all mines must be nationalized
Chapter 12 explains a way to manage public utilities such as Railways, Bus Stations etc.
Chapter 5 explains means to improve students' mathematical skills
Chapter 6 insists that law education should start from 1st grade and explains simple courses to teach law

Chapters 13, 15, 16 and 17 talk about banking, bankers and problems they create.
Chapter 7 (Non-Competition) analyses *non-competition*.

The **most important** chapters of the book are Chap 1 and Chap 2 *Direct Appointments and Replacements*, which talk about **Implementing Democracy**. It describes the concept of "Direct Vote". The DirectVote is a pre-paid sponsor-paid referendum which must get 55% (of TOTAL population) YESes to succeed. The DirectVote, if implemented by the existing law-makers, can be used for law making as well as firing members of Executive and Judiciary. This mechanism is must to implement solutions described in the above mentioned chapters.

So how do we ensure that lawmakers will implement this silver-bullet called DirectVote?
Chapter 18 (BootStrapping: A To Do List) explains a citizen level political movement, which will ensure that the *existing* lawmakers implement DirectVote.

Chapters' Layout

So if you execute the actions mentioned in chapter 18 (BootStrapping: A To Do List), lawmakers implement will DirectVote, which will implement the solutions described in Chapter 15, 8, 11, 12, 5 and 6, within 2-3 years.

These implementations would solve not only problems mentioned Chapters 13, 15, 16, 17, and 7 but several other problems

The ball is in your court.

[File End][Preface]

I strongly recommend the reader to read this page.

IMO, analysis of an issue or a problem is 1% logic, 1% mathematics, 1% observation, 1% stated assumptions and 96% unstated assumptions. I see the world as set of 100 unknowns with less than 10 inequations. Only way to solve 10 unknowns is by assuming the values of the other 90 unknowns. Of course, one can obtain 1 more equation (or inequation). But every time that happens, one also ends up getting 1 more unknown variable.

Given this and other dilemmas, I concluded that an analysis is an illusion. Only the synthesis (i.e. solution to a problem) is the reality.

Therefore, I like to confine myself to synthesis. But presenting some analysis was unavoidable.

Entire analysis presented in this book is essentially my opinion. This is particularly true about my analysis of the bankers (I would use the word “bankers” instead of “banks”, as I believe, that only individuals exist, companies don’t. IMO, “company” is an important legal concept, but is of no use for analyzing relationships in economics and politics). I would clearly mention it here that of ALL major contemporary economists (about 30) that I have read so far, almost all of them would disagree COMPLETELY, with my analysis of bankers and banking systems. To make a long story short, most economists say that the bankers are Angels, while I intensely dislike and hate them. IMO, they are 100% pure evil, no impurity at all.

This analysis may become your opinion too, in case you choose to accept it. How right is my (and could-be-yours) opinion? Well, one’s opinion is the reality. Rest of the world is just an illusion.

The Indian Edition of this book is more detailed and complete, most of the details applicable mainly to India. The Indian Edition also focuses a lot on some international events and the role of different countries in those events. I omitted those sections in US edition, as those events are unlikely to cause any negative effect on US. **The Indian Edition is virulently critical of the American Bankers and the members of the Indian Elite who work for them.**

All examples used in this book are hypothetical and resemblance with any real individual or any real company is an unintended coincidence.

I would recommend a reader to read every section twice before moving to the next section.

(This is the 1st edition, printed in rush and lack of time and resources. I apologize for the spelling, grammatical and other typographical errors. In case you find such an error, please inform me at mehtarc@aol.com. Your cooperation will be appreciated.)

List of Important Acronyms used in the book

IMO In my opinion, which was based on my information, my observations, my interpretations and my speculation about missing information (a.k.a. stated and unstated assumptions)

TABLE OF CONTENTS

1. Pretty Good Direct Democracy	27
2. Direct Appointments and Replacements (DAR)	36
3. Power of DBDV and DAR-DV	41
4. SOMETHING YOU CAN DO TODAY	45
5. Establishing Math Tests	47
6. Establishing Law Education System	50
7. Non-Competition	52
8. New Laws for Telecom-Cable and TV-Cable Industry	59
9. Death of Free Internet and Small Presses.....	67
10. A New Way to Talk.....	69
11. Managing a state owned mine	72
12. EP-Corps.....	78
13. Introduction to Bankers	80
14. Bankruptcy	88
15. A Proposal: The Legal Tender Law	92
16. Putting Banking, COSSGN and COSSCN Together.....	96
17. Underground Banking	111
18. BootStrapping: A To Do List	113
19. To Critics.....	119
20. Dollar Puzzles.....	120
21. An analysis of Software, Telecom and TV-cable industries	122
22. Cure To F??	127
23. Democracy vs. Dictatorship vs. FELISM vs. Capitalism vs.	129
24. Summary.....	131
25. References	134
26. SOMETHING YOU CAN DO TODAY	135
27. Three Short Stories.....	137
28. Forth coming publications.....	138

1. Pretty Good Direct Democracy

"All... being equally free, no one has a right to say what shall be law for the others. Our way is to put these questions to the vote, and to consider that as law for which the majority votes." --Thomas Jefferson: Address to the Cherokee Nation, 1809. ME 16:456
(see <http://etext.virginia.edu/jefferson/quotations/jeff0500.htm> for more)

1.1 A Few Good Changes

I would start with a few good changes. Good for who? I will answer that later.

1.2 TV Cable

Lets suppose a *hypothetical* town in USA, called YourTown. Suppose it has 50,000 citizens. Suppose a person in the town decides to put TV-cables at his **own** cost. Suppose out of 50,000 citizens, more than 40,000 like his idea (after all, they are getting an additional supplier at no up-front cost). Suppose the town has 5 neighboring towns each having about 50,000 citizens. Also suppose more than 75% citizens in each of the neighboring towns explicitly say that they have no problem with the new cable guy in YourTown. Suppose 75% of 200 million US citizens also agree that if citizens of YourTown want a new cable-guy, than they should have one.

Suppose FCC Commissioner does not like him.

Summarizing, a person wants to put cables at his own cost, over 75% of the folks in YourTown *explicitly* agree and rest of the country (over 75%) does not mind. But FCC Commissioner hates him.

Do **you** think FCC Commissioner should be allowed to stop him?

Sorry for asking a useless question.

I will ask a few useful questions. Suppose you are the FCC Commissioner would you arrest/fine this person? Suppose FCC Commissioner arrests/fines this new cable-guy and you have power to fire the FCC Commissioner, would you fire him or let him continue? Suppose the FCC Commissioner threatens to arrest the cable-guy and you have power to fire the Commissioner, would you fire him or let him continue?

IMO, a township has right to have as many cable companies it wants. Communities must have right to allow any person to implement cable system if free speech is to make sense.

(At this point, I need to talk straight with **you** (the reader). I am a die hard (real hard) believer in democracy, particularly when it comes to means of communication such as TV-cable. IMO, to implement free speech, a community must be free to implement the means of communication. If you support that Fibbies should be allowed to overrule an explicit YES from over 75% of town's citizens and to overrule an explicit "don't bother that township" from over 75% of the remaining country, then I dismiss you as anti-democracy. In case you think you believe in democracy, then whatever you believe in, IMO, is an imitation and I call that fascism with a new title. If you believe that Fibbies should be allowed to arrest cable-guys, who have explicit permission of the *citizens* of that townships/counties/state/country to lay the cables, you will hate this book.)

1.3 Good Change#2: New Law for TV-Cables

- Townships should be allowed to hire more cable companies if they wish
- If over 55% of citizens in a town agree and over 55% citizens in a country also agree, that the new cable company need not obtain FCC's permission.
- The above law should be implemented only after 55% of 200 million US citizens have approved it.

The challenge, for FreeComs (those who believe in *implementing* Freedom to Communicate) like me is to materialize the above law and establish over 55% support.

1.4 Good Change #3: Law Education

IMO, it is a good idea to teach law from 1st Grade. every citizen is expected to know the law and so everyone should be taught law. What is your opinion?

This suggestion creates a lot of other questions, namely what should be the syllabus? What should be the system to teach the law etc. I shall later answer these question.

1.5 Establishing Federal Bureau of Operating Systems

Suppose DoJ (Dept of Justice by name and Dept of Jokers by action) wants to regulate Microsoft, they can do so. I just have one question: Why? Of course, it is to protect the “consumers”. On behalf of consumers, I have a suggestion

- Let DoJ mark each product/service as Good for Users/ Bad for Users. To be short, I would call it Good or Bad.
- DoJ should support a hotline called 1-555-SayNoToDoJ. If a citizen does not like DoJ, he can call the number and say the magic sentences “I hate Reno, I hate Joel Clown and I hate Jokers. I also hate Judge Jackson and hate his Kangaroo Court.” Upon saying that magic sentence, he will receive a DoJ-hater ID card. This way the citizens who do not like DoJ to baby-sit can free themselves.
- Thus by default, every citizen likes DoJ. But if he explicitly says that he hates DoJ, we must accept that he hates DoJ.
- MS can sell Good SW to anyone. If MS (or retailers) sell (or give for free) a Bad SW to a someone without ID, they go to prison. But if they sell (or give) a Bad SW to someone with DoJ-hater ID, then nobody gets hurt.
- Later DoJ should be divided into two parts: one would regulate OS products, other would regulate Applications. Soon we will have Federal Bureau of Operating Systems, Federal Applications Commission, FB-Java and FB++.

Cool? Questions? Call me at DirectVote@hotmail.com

This way anti-MS people can regulate MS to their wish. After this SW Police is established, anti-MS folks can mark every product as Bad, as if anyone would care.

Now MS-folks (and pro-MS folks), if you think that the above solution is anti-MS, please read it again. It will really make no difference. Within 48 hours, DoJ will stamp all MS products as Bad. MS revenue will be zero. For next 48 seconds. Within next 48 minutes, over 48% citizens in US will call the hotline and get DoJ-hater card. Within next 48 days over 99% of citizens would get do the same. Of the remaining 1% , two of them are Linux users and remaining are Amish (big difference !!). They would not have bought your products anyway.

1.6 Good Change #4: A New Way to Regulate

If the regulators claim that the regulation are for the buyers’ benefit, a buyer should have option to say “get-lost’. The seller does not have this option. And if the buyer exercises this option, the an unregulated seller’s mere act of selling (to that specific anti-regulation buyer) cannot be taken as a crime.

This suggestion does not translate into law. I only plan to use it as guideline when making a specific legal proposal.

1.7 Regulation QA

Q)Can a supplier walk out of regulation

A)No. Only the buyer can walk out.

Q) Is this same as saying that a person can call police and say that he does not want to obey the law and so law should not be applied on him?

A)NO. In case of regulation, the buyer is the beneficiary and seller is the one who is being regulated. In case of common law, the situation is opposite. The society is the beneficiary of the common law and the individual who is asked to obey the law, is the one who is being regulated. The one who is being regulated cannot have option to quit. Only the beneficiary should have option to quit.

Q)Will this create unregulated businesses?

A)No. It will ensure that suppliers cannot be regulated by Government as long as suppliers can convince buyers that they do not need to be regulated.

Q) Do I hate DoJ? Am I biased?

A) Yes. Yes, I am biased in the favor of end-users who hate DoJ

1.8 Good Change #5: Banking

IMO, Federal Reserve Banks, the banks which issue the currency **should be privatized**. In other words, the Legal Tender to pay public debt should be in private hands and there should be minimal government interference in their decision making process. IMO, this will create a fair society. What is your opinion? Do you think most Americans will like the idea of privatizing Federal Reserve Banks? IMO, their opinion is irrelevant as it is possible to privatize Federal Reserve Banks in such a way that most US citizens will never come to know. You may think that independent media would leak the information to the people and people would object. Yes, they might object if they come to know. But if media owners are given shares in the now privatized Federal Reserve Banks, then they would ensure that journalists would not leak this information.

1.9 How to Implement the Above Mentioned Changes

Just as SW works on HW, Economy works on top of Law. Sometimes changes in Economic policy need changes in Law. So to implement above good idea, it will be necessary to change some of the laws.

Whom should I speak to have the laws modified?

1.10 The Existing Law Making System

In most democratic countries, law making occurs as following

- the country is divided in constituencies
- citizens elect 1 representative per constituency, for 4-5-6 yrs
- any representative can draft a law proposal, commonly called a bill
- if the bill fetches required (1/2 or 2/3) YESes, it becomes law.

Following are some of the **disadvantages** of this system:

- Citizens have no direct control over the exact text of the law.
- Citizens, even if they want, cannot bypass the representatives.
- after a representative is elected, it is next to impossible for citizens to fire him.
- if a representative changes his agenda/behavior after the election, citizens have no direct option to execute the abandoned agenda except to wait for another 4-5-6 yr.
- even if a Representative or a Senator is determined to propose a Bill, he cannot do so without permission of the House or Senate committees.
- mediamen and their supporters, claim that mediamen will ensure that representatives follow the citizens' agenda. I disagree. IMO, citizens need some formal, legal and direct means to ensure that.

I propose NO change in existing process. I do not support any law-regulating behavior of representatives. These laws may sound righteous but are futile and waste of time.

Instead of that, I propose that citizens should create ADDITIONAL law-making systems. These systems would compete with each other and existing "representative based system".

1.11 Good Change #1: Pretty Good Direct Democracy (PGDD)

Representation delayed is representation denied. -My own quote. Based on "Justice delayed is Justice denied". IMO, Justice and Representation are the same

If you want to do something, do it yourself. NOW !! - Jean Baptiste Emmanuelle Zorg (played by Gary Oldman) in "The Fifth Element"

For next 10 years, I propose we should have one more following system.

Any citizen, by paying (to the President) the price of conducting a referendum, can ask for a referendum on his proposal, called DirectBill. Upon receiving the funds, it shall be President's *duty* to conduct a referendum on that bill.

(Cost of conducting a referendum cannot be more than cost of conducting a presidential election).

In the referendum, if more than 55% of TOTAL citizens (not just 55% of voting citizens or just 55% of registered citizens) explicitly say YES, the DirectBill, shall become the law. If the % of YES votes is less than 65, the Congressmen may negate it by passing a bill in the Congress with 2/3rd majority. They cannot,

if % is higher than 65. Further, the Supreme Court Judges CANNOT negate the law if YES votes were more than 75% (of TOTAL)

(Please note: My proposal is **not to replace the Congress** by above system, but to have an **additional** mechanism to make laws.)

1.12 Details of PGDD

IMO, abstractions are useless, only details are important. Staying with this view, I shall enumerate the details of DBDV. A downside in specifying all the details for a new process is that I need all the details of the CONTEXT, in which the process will be implemented. So I shall describe only proposed detailed implementation for US (the Indian Edition of this book discusses detailed implementation for India).

1.13 Implementation Details for PGDD in US

- This mechanism would not change existing way Congress, the Executive, the Judiciary and the Federal Reserve works. This mechanism also would not affect the way referendums occur today in several states. It is a new and additional channel to make laws.
- I would call this mechanism DirectVote.
- The President should appoint a Direct Vote Commissioner (DVC) in charge of conducting Direct Votes.
- There will be some limitations on number of DVs (DirectVote) that can be conducted in year. 1 DV a month is good start.
- DV Commissioner (or the President) shall decide referendum's price. Cost of DV shall be less than the Presidential Election. DVC's decision on the price shall be final.
- The exact DirectVote date must be disclosed at least 2 months in advance.
- One DirectVote shall involve no more 10 DirectBills at a time
- There can be several citizens eager to propose DB on a particular date. In that case, DVC shall hold an auction in public. The non-refundable fee to participate in the auction should be US\$ 50,000.
- DB sponsors shall bid in the DV-auction.
- 10 highest bidders' DirectBills shall be chosen for that DirectVote. The total of the 10 highest bids must be more that the cost of DirectVote or else the DirectVote shall be cancelled for that month.
- Further, in case in a DirectVote has 10 Bills then there will be a DirectVote next week as well.
- If any weekly DirectVote gets less than 10 Bills, then there will be only monthly DirectBills and not weekly.
- If the total of bids exceed the cost of referendum and cost of mailing 200 million checks, then excess amount will divided between all taxpayers equally. All registered voters will get a check from that excess amount.
- A citizen will have right to specify the name of a non-profit organization and one of the 4 fractions 1/4th, half, 3/4th and 1.00. In case a citizen has specified a non-profit and a fraction such as 1/4th, then 1/4th of the excess amount will automatically go to that non-profit. If a citizen has not specified any such account, the entire amount will go to that citizen.
- As the system improves, effort should be made that all sponsors who can pay DV-price can have DVs. It could be a good income generator for citizens too.
- The DB sponsor shall submit the entire DB text to DVC, along with a less than 100-word summary. DVC shall have NO right to check consistency between summaries and DB-Text.
- Only the DB summaries shall be printed on the ballot paper. The DB summary will NOT be part of law in case DB becomes the law. Only the text will become the law.
- It shall be voting citizens' responsibility to ensure that summary and text are consistent with each other.
- The DVC shall execute DirectVote and counting (this counting will be easier than elections).
- Upon completion of DirectVote and counting, DVC shall submit the results to the press and the President.

1.14 Counting Rules for Direct Votes

- DVC will disclose what he thinks are the TOTAL number of citizens in a constituency. His opinion will be final. He will disclose on Jan1 of every year. This number will remain same for entire year.
- The DirectVote shall have 3 options, YES, NO and VOID (VOID is equivalent to saying "please do not count me.").

- Suppose a constituency has 1,000,000 citizens.

Out of which 900,000 cast their votes.

600,000 vote Yes,

100,000 vote NO and

200,000 vote VOID (All “invalid” votes will be considered NO).

- **Every non-voting citizen is considered as if he voted “NO”. I FIRMLY insist that this MUST be the case.**

- Now YES votes fraction = $YESes / (Total - VOIDS)$ i.e. $6/8 = 75\%$

- NO votes fraction = $(NOs + NonVoting + InvalidVotes) / (Total - VOIDS) = (100,000 + 100,000 + 0) / (1,000,000 - 200,000) = 2/8 = 25\%$

1.15 Condition for DirectBill to become a Law

DB automatically becomes the law, from the next day after the Direct Vote Commissioner announces result, if

- 55% of (TOTAL - VOIDS) in at least (50% + 1) House of Representatives constituencies (251 by present count) said YES **AND**
- At least (50% + 1) states have at least 55% of (TOTAL - VOIDS) of YESes **AND**
- 55% of (TOTAL - VOIDS) in the country said YES.

(Note: It is next to impossible to decide exact 55%. Number of YESes can be easily counted, but “total number of voters” is difficult to establish due to deaths, relocations and change in age. Thus DVC will decide what EXACT number is 55% for each constituency and entire country and his decision will be FINAL.)

DB can be negated or amended by Congress by passing a Bill. This CANNOT be done, for at least next 5yrs., if the Bill obtained more than 65% of (TOTAL - VOIDS) YESes. If DB has more than 65% votes, only a DV can negate or amend it.

Supreme Court Judges too may negate it. They cannot, for next 5yrs, if Bill obtained more than 75% (of TOTAL - VOIDS) YESes.

This completes my description of national level, DirectBill-DirectVote, in US.

1.16 State and District Level DirectVotes

The similar process can be used for the state level Direct Vote.

- Governor shall appoint “state level DVC” to conduct state level DBDV
- SLDVC shall announce the DV-Price for his state
- SLDVC will announce the date for DV in a given month, at least 2 months before the date.
- The auction will be held by SLDVC in the state’s capital, in public, with the same procedure as the national level DB. Same procedure for the DB selection apply
- DV will be conducted by SLDVC.
- The results of counting will announce by SLDVC.

A DB at State Level will become law if it meets both conditions

- At least 55% of (TOTAL - VOIDS) in at least (50% + 1) of Assembly Constituency cast YESes
- At least 55% of (TOTAL - VOIDS) in that state cast YESes.

A similar process can be used for the district level Direct Vote. At district, only condition shall be obtaining more than 55% of votes.

Further, State Assembly Members cannot negate or amend the DB if DB got more than 67% (of TOTAL voters) YESes for 5 yrs. The High Court Judges cannot negate the law, for next 5yrs, if DB got more than 75% YESes.

The Congressmen may negate the state DV by a bill, no matter how many YESes the bill obtained, but would need 2/3 votes and a national level referendum which must have more YESes than NOs, and at least 1/4th of TOTAL must cast YES. Supreme Court Judges cannot negate the SLDB if SLDV secured more than 67% YESes.

I would further elaborate the Executive's duty in conducting the DirectVote

- No part of government should participate in bidding. All bidders must be private citizens or private companies.
- It should NOT be Executive's responsibility to educate citizens about the bill. The Executive should be free to campaign for or against the bill or stay altogether silent. It will be sponsor's responsibility to MARKET the Bill amongst the citizens
- No money will be refunded to the sponsor even in case DVC voids DirectVote in one or more constituencies in the country.
- The Executive may or may not make contributions to the DV fund as tax deductible.

From my above description, it should be clear what I mean by DBDV. The purpose is to have a "referendum based" **alternative** channel to create laws. The entire burden of system falls squarely on the DV sponsors and his supporters. Using this process not only citizens can make laws, but also create more systems to create laws. One of them could be Proxy Voting, which I will describe later.

1.17 Can Rich now block a Popular Bill?

Not anymore.

Suppose a person has a popular proposal (such as "if over 55% citizens in a town approve new cable companies, FCC should back-off"). If his proposal comes to a DirectVote, he will easily get over 150 million YESes. Piece of cake. Now the Rich can block his proposal by out-bidding him (in general, good guy is any guy with a proposal and bad guy is some one who wanna block the good guy's proposal from going to the ballot).

Suppose the cost of DirectVote is \$100 million and cost of mailing 200 million checks is \$400 million. Suppose anti-FCC sponsor (the good guy) has only \$110 million. He can make a DirectBill and put \$115 million in the PayMe clause. Now in the auction, there are 10 slots, one for each Bill. The cable companies' owners (the bad guys), in order to block him will have to make 10 bids of at least \$110 million each, one for each slot. In other words, cable companies spent \$1.1 billion and good guy is still not hurt. Now since there were 10 Bills in that month's DirectVote, there will be another DirectVote next week. Once again, the cable companies will have to spend \$1.1 billion.

Of this \$1.1 billion, \$600 million goes straight to the citizens. Each citizen is now getting \$3.00 per week. Of this, if he contributes \$1.00 to the anti-FCC guy, the next time anti-FCC guy can make a bid of \$310 million. This time, the cable companies will have to make ten bids of \$310 million each. If they don't, anti-FCC bill will come on the ballot. This way total profits DirectVote agency would make that month would be over \$10 billion. With this each citizens will get \$50.00 in that month.

Now even if each citizen contributes \$2.00 to the anti-FCC guy, next month, he can make a bid of \$710 million. Now to block him for one week, bad guys would need \$7.1 billion (from which each citizen will get over \$30.00) and to block him for one month, the bad guys would need \$28 billion (from which each citizen gets \$125.00)

Soon the cable companies (bad guys) will give up. And anti-FCC Bill will get on the ballot.

In case of Congressmen, they have successfully blocked them from making pro-poor laws. In case of DirectVote, each time they try to do so, they will end up loosing 100s of billions a year. This money will straight go to the citizens. With this citizens will become more powerful and it will become further difficult to block them. In 3 or 4 iterations, the Rich will be broke.

Yes, the good guy will need \$110 million in the start. That is a problem he will have to solve on his own.

1.18 DBDV as a double edge sword

It will drastically reduce the power of Lawmakers, Executives and Judges on the citizens. It will also reduce power of lobbyists who fund them, mass-mediemen, who praise/oppose/blackmail them, corporations which own those lobbies and mass media, and CEOs/directors who control those corporations and the bankers who finance those corporations. On the other hand, it will increase those citizens' power, do not have easy access to lawmakers, judges, lobbyists, mediemen, CEOs, directors and bankers.

The increase in power will obviously bring more responsibility on citizens' part. It gives them an opportunity, but not for free. DV price is a cost to be paid up front. Worse, now they will no longer be able to blame politicians for the state of affairs. Everywhere in world, it has become a common habit amongst citizens and mediemen to complain about the state of affairs, and finally blame it all on politicians. IMO,

this is nothing but escapism. After implementation of DBDV, the criticism will become blunt and lose much of the justification. The criticism can be easily dismissed by telling the critic “well, if you think you have a better idea, why don’t you make a DirectBill, raise the money from your supporters, and sponsor a DBDV. See if more a dozen citizens cast YES.”

DBDV will empower citizens and will reduce the justification for blaming governments. IMO, given the former they no longer would need or should have the latter.

1.19 DBDV Q&A:

Q)What good would DirectVote do?

A)What good is a hammer or a nail or an Operating System? After people buy hammer and nails to make furniture and they buy Operating System to run Applications which do some useful work. DirectVote is similar to Operating System. The reason to have DirectVote is to make other laws which over 55% of citizens find cool.

Q)Are people dumb?

A)This will be the first criticism of DirectVote, and so here is my rebuttal. *Many citizens have taken improper decision in past because of lack of information, not because they were dumb.* The lack of was information because the media is owned and controlled by a few (less than 700) bankers. They will loose all their power and assets, if citizens were to get information about alternatives. As a result, they ensured that journalists are always covering mundane and useless topics.

People are smart and the more important reason why DirectVote will be more productive than Congress is that they care. As a programmer, I observed that the programmers who cared for users made much better applications then those who did not, irrespective of the ranking of the university they came from. Concern, is the mother of creativity. And DirectVote sponsors, supporters and voters will be more concerned than Representatives.

Q)DirectVote will be nuisance to the people

A)Nuisance to who? The government should not complaint as it is their job to conduct the poll and they got very well paid for it. Taxpayers should not complaint as it didn’t cost them a dime. The condition to success needs 55% of all citizens to vote YES. So if a citizen does not like the Bill, he can simply ignore it. He does not even have to go to the polling booth. So IMO, it causes no nuisance to him. Now if a citizen is voting YES, it is not a nuisance either. In fact, DirectVote is favor done to him. So DirectVote is not a nuisance on anyone.

Q)Many states have system of referendum. So why have DirectVotes if referendums are already there?

A)In some states, organizing a referendum needs a million signature. This is not a bad idea, except that this makes the sponsors dependent on the media. The media (TV, cable, newspapers, news magazines etc.) are owned and controlled by bankers and so they would simply not campaign for some of the referendums. So the direct-indirect cost of getting million signatures will exceed the cost of conducting referendum itself. Paying the cost will be easier and cheaper option to a sponsor on many case. Also, the DirectVote have a stronger condition that 55% of all citizens must say YES. Referendums, in there existing forms, are good channel. Every state should have and so should country. But DirectVote too must be there.

Q)What if media fools the people?

A)It is lot harder to fool 55% of TOTAL population than bribe or blackmail a few hundred Congressmen. Blackmailing 55% (or even 10%) population is out of question. And bribing 55% citizen is too unrealistic. There is a possibility that 55% citizens will take a wrong decision, but it is lot lesser than today’s system. Also, so called experts have been wrong far many number of times than people.

Q)Given the cost and the fact that 55% of citizens needs to be mobilized, will there be several DirectVotes?

A) There will be a few National Level DirectVotes. Most DVs will be county or township levels. The important National Level Direct Vote will ensure that the Federal Govt. cannot interfere into a state’s affair without permission of at least 25 states. Similarly, a state level direct vote should ensure that

Q) Why shouldn't govt. pay DBDV cost, instead of auctioning?

A) In that case too, DVs will cost citizens. And power to decide "which DB should be presented" will pass in the hands of those individuals who form the governments and those private individuals (mass-mediemen, lobbyists, money-creators etc.) who control them. In that case, IMO, only useless DBs will get picked. Thus citizen will end up paying and will get nothing in return.

Q) How can a DB-sponsor obtain such a huge sum?

A) There are several methods. Sponsor can put his own money. This may be too large, even if the DV process is efficient and cheap. In that case, the sponsor will have to raise fund from the supporters, who believe in his Bill. He may also approach the citizens who would benefit from his bill. In US, if the price of national level DBDV is set to US\$2000 mil, it would be \$8 per person or about \$12 per citizen. Thus if 100 million people support the Bill, sponsor may ask about 10 million of them to contribute \$200. \$200 is large, but not an impossible amount.

If DBDVs becomes popular, and I hope they will, then citizens would want more DVs in a year. Say 1 DV a week or even 2 DVs a week. Then DVC may be able to support permanent staff and infrastructure for DVs. This will further reduce the cost *per* DV, thereby decreasing burden on the sponsor.

In any case, cost of marketing DB will be more than that of sponsoring DV.

How DB-sponsor can use DBDV to fund DBDV cost?

Suppose DBDV bid was \$2000 mil. The **last clause** in the DB can be a "**PayMe**" clause, which would read as follow.

"The Gov. of US (or that country) shall pay Mr. (Sponsor) \$2100 mil, one-time, before date mm/dd/yyyy."

Thus if 55% citizens cast YES to DB, DB becomes a law and the government will be obligated to pay the sum. Thus it will be sponsor's responsibility to obtain the money, in the first place. But if his Bill is worth the money, and citizens shall decide if the Bill is worth the money, he may be able to get the cost plus a small profit

Q) Is it legitimate that the Sponsor is paid by govt., as described above?

A) IMO, it is legit as long as it was CLEARLY stated on the DirectBill and DirectVote approves it. The decision to pay him was duly approved by citizens. Therefore it will be undemocratic not to pay him. After all there are no free lunches. Citizens always pay for govt. expenses. By making a law, the sponsor has done the job of govt. and therefore is entitled to obtain money.

Down the line, I would expect sponsoring individuals/corporations to come up, whose full time job will be to make DirectBills and campaign for them. The chief source of revenue for these companies will be PayMe clauses of the Bills. Of course, they will get paid only after DirectVote approve the Bills. These corporations will be similar to modern PC-software corporations, who without taking a penny from govt., build hundred-million dollar packages and stand to gain ONLY if consumers approve (i.e. pay for) the product. Initially, these individuals will need to get money from believers/investors etc. Later, their talent of making popular Bills would fund them.

Q) Is Direct Vote legitimate?

A) Compared to what?

Seldom has turnout been over 60% (of TOTAL) in any President's or any Congressman's election. Out of those 60% rarely a President or a Congressman got above 65% votes. Thus most Presidents and Congressman have less than 35-40% (of TOTAL) affirmative support. Rest of the population's opinion is either negative or simply unknown. More often it is a sense of disgust and distrust. On the other hand DirectVote proves a positive support of over 55% of total number of citizens. By any comparison, DirectVote is more legitimate than a law made by Congress or a power exercised by the President.

Qa) Am I converting lawmaking process into a business?

A) Yes

Qb) Is it legitimate?

A) IMO, Yes.

Lawmaking is already a business, in USA, India, Russia, UK, France and ALL countries I know. IMO, we rarely had moments in history when politics and lawmaking were NOT businesses. As far as “modern politics” goes, other than colonies’ fight for their Independence, it is has always been a business. IMO, only the freedom fighters, who sacrificed or at least risked their own lives and blood, had patriotic/emotional reasons. Many of them stayed that way for rest of their lives. For new-comers (those who joined politics after the Independence), lawmaking was a business. Nothing but a business. And I don’t see anything unethical about it. IMO, this is unavoidable.

Using DBDV, citizens will be OPENING-UP or liberalizing this business. DBDV will make the business more direct and easily accessible to citizens.

1.20 Conclusions

IMO, improving the state of 2 of the existing businesses can help citizens improve their conditions. One of those businesses is business of making laws. Later, I shall describe changes I want in the second business.

Existing law making process is inadequate The representatives have EXCLUSIVE right to make law. This has made representative based law making process inefficient, expensive, slow and unfair to economically lower 90%. Law making bodies, like monopolies, have become oblivious of citizens.

Why should there be EXCLUSIVITY? IMO, some alternatives and competition are required. Citizens need more distinct and independent channels to make laws. DBDV could be one of them.

Every proposal for starting a new system, private or government owned, must answer 2 questions:

- Is the process possible with existing technology and infrastructure?
- Who (which individuals) shall pay for it?

Here I have answered both questions

The process is feasible as US already has infrastructure to conduct elections of representatives.

The cost part is unavoidable, just like cost of election. Or cost of anything for that matter. Here the problem is solved by the requirement that sponsor shall be paying the cost upfront. Thus it does not cost the citizens AT ALL, unless they decide to pay for it.

DBDV is 100% democratic. *Denying DBDV, IMO, is same as asking to accept slavery.* IMO, this denial as first step towards denying me right to exist. In order, to implement DBDV, citizens will have to depend on the existing lawmaking bodies. Citizens can “encourage” existing lawmakers to implement DBDV using methods I would discuss later.

For DBDV to be effective, we would also need one more mechanism, called DARDV or Direct Appointment or Replacement using DirectVote.

[File End][CHAPNAME]

2. Direct Appointments and Replacements (DAR)

In the previous chapter, I presented a scheme by which citizens can make a law by themselves, without involving the Congressmen. Here I will outline the means by which citizens can control the Executive and the Judiciary.

The DAR-DV involves, as the name suggests, a direct vote. But instead of a Bill, it shall have list of individuals who, according to the sponsor, deserve a certain position in Executive or Judiciary. And it may also have a list of names of individuals (and details necessary for unique identification) who, sponsor thinks, should be fired from their current positions in the Executive and the Judiciary.

DAR sponsor will have to compete with DB sponsor in the same bidding process. Exact same rules should apply. DAR will come into effect the moment DVC announces the result and if DV secures threshold YESes.

2.1 DAR for Supreme Court Judges

"It has long been my opinion, and I have never shrunk from its expression,... that the germ of dissolution of our Federal Government is in the constitution of the Federal Judiciary--an irresponsible body (for impeachment is scarcely a scare-crow), working like gravity by night and by day, gaining a little today and a little tomorrow, and advancing its noiseless step like a thief over the field of jurisdiction until all shall be usurped from the States and the government be consolidated into one. To this I am opposed." --Thomas Jefferson to Charles Hammond, 1821.

(In many countries, Judiciary is considered next to God. This is stupid. The Judges, like everyone, are corruptible. In fact, later I will show that they are corrupt. In any case, they need to be checked by citizens periodically. If citizens cannot challenge and fire the Judges, it is slavery.)

Citizens should allow the Supreme Court Judges to negate DBDVs and DAR-DVs. The Citizens have given responsibility to SCJs to guard the laws, and so they need this power. However, what if citizens decide to replace SCJs (one or more)?

IMO, allowing SCJs to negate this DAR-DV is ridiculous. Therefore, I propose two simpler, well defined DAR of special category, called DAR-for Supreme Court Judges (or DAR-SCJ) and DAR for Supreme Court Chief Justice (or DAR-SCCJ)

2.2 Detailed Description of DAR-SCCJ

DAR-SCCJ will have name of the individual, whom sponsor wishes to be SC Chief Justice. The individual must be present at auction so that DVC can clearly identify him. The only restriction shall be that the prospect shall be above 21 (obviously, he will need more than that to get 55% YESes).

DVC will conduct the DirectVote. The ballot paper will clearly mention that the DV is for SCCJ. DVC will publish the results of counting. If the DV secures 55% (of TOTAL-VOIDS) YESes in at least (50% + 1) of the constituencies and more than 55% of (TOTAL -VOIDS), the Congress will have 7 days to negate the DV. Further, negation is not possible if DV secured more than 67% YESes. After 7 days, the candidate shall become new SCCJ and will replace existing SCCJ. If DV secures more than 67% YESes, the transfer will be immediate. Further, the outgoing Chief Justice cannot become a SC Judge for at least next 2 years. The Congress, for at least 2yrs, cannot impeach the newcomer.

DAR-SCCJ shall have only 2 parameters, name/details of proposed candidate for SCCJ and amount in the PayMe clause. The name of outgoing person is implied.

2.3 Detailed Description of DAR-SCJ

The DAR-SCJ is direct appointment replacement of Judges in Supreme Court other than Chief Justice. It will have list of names of the persons who sponsor wants to be Supreme Court Judges, and a list of existing Judges whom the sponsor wishes to be fired. An outgoing Judge cannot be made a Supreme Court Judge for next 2 yrs.

The candidates must be present at the time of DV auction, so that DVC may identify them. Only restriction should be age above 21.

If DAR-SCJ succeeds, EVERY Judge on outgoing list will be fired and will be replaced by individuals on incoming Judges' list.

The DAR-SCJ shall have 3 parameters. List of incoming Judges, list of outgoing Judges and amount in the PayMe clause.

2.4 DAR-HCJ

Citizens may also need Direct Appointment and Replacement to fire/replace Judges in the High Courts. Similar will be the case for districts and lower courts. DAR-HCJ will be conducted at state level.

This provision will be similar except to DAR-SCJ. If DAR-HCJ direct vote gets more than 67% votes, Supreme Court cannot negate it.

2.5 DAR-SCJ, DAR-SCCJ for State and County courts

Different states have small/major differences. I am not familiar with all the details.

The idea behind DAR-SCJ and DAR-SCCJ is that Judges can be appointed/fired by DirectVotes. Drafting a law, by which a referendum can replace SCJ and SCCJ, should be a cakewalk for any lawyer in US. I leave it as a small exercise on their part

2.6 Executive DAR

Executive DAR is for any a member of Executive

The Executive DAR shall have 3 parameters

- List of titles, with description needed for unique identification, on which current individuals, sponsor believes, should be fired. The list can have up to 200 names
- List of titles, with detailed description, on which new individuals will be appointed. Again the list can have up to 200 persons, all must be above 21.
- The amount on the PayMe clause

The outgoing person cannot be become a government employee or a government owned corporation's employee for next 2 yrs. except through a DAR-DV.

In case of National Level DAR-DV, the titles in the first list must belong to only Federal Government or a Corporation owned by Federal Government (like FDIC, FRS-Board of Governors, FCC, FDA, FAA, FTC etc.). In the same way, State-Level DAR-DV, the titles in the first list can only belong to that specific State Government or corporation owned by (that) State Government. Same restrictions apply for County level DAR-DV.

The ballot paper will have the summary as provided by the sponsor. The summary may or may not have all the names. It shall be citizens' and sponsor's responsibility to communicate names of other individuals involved.

A Note on Executive DAR

In US, after examining the favors big companies get from FRS, FCC, FDA, FAA etc. *at the cost of citizens*, I concluded that eighter the officers in those offices were/are fools or corrupt. I believe they are not fools. Somehow their "mistakes" never get disclosed by cable TV networks or newspapers, even though they routinely appear in books published by small time authors/publishers (and lately on Internet).

DAR-DV will enable citizens to fire such officers/judges and replace them with better individuals.

DAR-SCCJ and DAR-SCJ will be definitely needed in the beginning. All existing Judges are elitist (although they pretend other way). They would certainly hate the idea of common citizens making laws directly. If so, citizens may need to fire them.

2.7 "PayMe Clause" in DAV-DR

DAR-DV is similar to recruiting or headhunting business. The process of appointing senior govt. officers and judges has always been a business, in all countries. And I am proposing that this business should be opened-up and made less restrictive. Down the line, individuals/corporations would come up, whose full-time job will be supplying man-power for executive and judges using DVs. The people will pick the ones they like. The companies, who supply better persons, will be able to generate more business, revenue and profits.

For startup cost, DAV-DR sponsor will have to pick extremely unpopular officers/judges. The targets should be unpopular enough that lots of people would pay to support the bid. Also the replacement should be popular enough.

In the future, given the possibility of **promptly** getting fired, officers/judges will behave properly and in accordance with citizens' interests.

2.8 Cost of DirectVote

Is it very expensive to implement Direct Vote?

How about implementing it in a following way

- Each person can get a Voter Card, which is similar to MAC card or a credit card from a Post-Office. The card will have a 15-digit number, different from SS#.
- Each card will also have a PIN, just like MAC
- At the time of issuing card, the person will have to specify 1-5 phone numbers, which he often uses
- The person can vote from any of these five telephones on a Direct Vote
- If a person does not want to use a card, he may optionally go to a Post Office or a polling booth and vote on the polling day.
- The Direct Votes should be held only on Saturdays The phone service should start taking vote from 5 AM to 11.30 PM. The regular polling booths may have usual time.

The scheme is practically fraud-proof. The voter must call from one of these five phone numbers, which ensures that system cannot be rigged. Also, each voter has a PIN. With such a system, cost of Direct-Vote may fall to 5-10 cent per voter per vote. The cost of National Level Direct Vote may drop to 20 million dollars.

I would suggest that citizens should ask County and State Government officers should implement such systems rather than Federal Government officers.

2.9 How to Implement DirectVote

It would need a constitutional amendment. But it is not as difficult as it sounds.

- See Chap 4 (SOMETHING YOU CAN DO TODAY). There is a letter. Make the copies and mail to all the persons mentioned (please do NOT use junk emails).
- Convince your friend to do the same. Also, ask your friend to convince his/her friends and so-forth.

If you can convince 1 person every two weeks to write this letter and your friend also does the same (and so forth) then within 1 year, over $2^{26} = 64$ million US citizens would have written letters to Congressmen, Assemblymen etc. Within 14 months, over 150 million (75% of TOTAL) would have made this request. Most Congressmen would not like the idea. But following two reasons may make them implement the law.

- The Assemblymen, who are closer to the citizens would accept the idea. Now Article 10 of US Constitution says that if $3/4^{\text{th}}$ of Assemblies agree, then a convention of Constitutional Amendment can be called, even without the consent of the Congress. So citizens should ask Assemblymen to bypass the Congress and directly make the Amendment.
- When 150 million citizens ask the Congressmen and they refuse or stall or talks vague, a few (hardly a few) angry and impatient men will take up arms against Congressmen. These believers in democracy would not mind dying for this cause. This people would not kill or die for millions of dollars, but would gladly sacrifice their lives to slay tyrants. The Congressmen know that even with all this FBI etc, they cannot save themselves from these soldiers. Only options they will have is to hide in bunkers or to DirectVote a law. They would make DirectVote a law.

Do I believe in violence? No.

Well, Alvin Tofler and 100s of wise men have said that it is cool to slay tyrants. Congress was created as logistics did not allow direct democracy in 1780s. It is Congressmen's duty to make a law which people want. If they don't do so, they are acting like tyrants. Nobody wants to hurt anybody and nobody wants to get hurt. But tyranny begets tyranny and there is nothing one can do about it (see chapter 18 (BootStrapping: A To Do List) for details).

So to make long story short, it is implementing DirectVote is extremely simple task. Just send a letter (see Chap SOMETHING YOU CAN DO TODAY) and call your friends.

2.10 Implementing DirectVote: Q & A

Q)Will people agree with DirectVote?

A)If they believe in democracy, they will. If they don't believe in democracy, they won't.

Q)Will they decide to ask others to campaign for this idea?

A)The campaign is merely asking others to write letters to Congressmen, Assemblymen etc. and asking 1-2 friends every 2-3 weeks. This does not involve investment of a lot of time, money and energy. If you ask them to participate, they may. If you don't ask them at all, they never will.

Q)How will this idea spread?

A)You write/email/tell others and ask write/email/them to tell others (please don't spam).

Q)Will telling be sufficient?

A)If I had never told you (or anyone), you would have never heard about it, right? Same way if you don't tell anyone, no will know. It may happen that when you tell a person, he may not like the idea at all and disagree. On the contrary, it may also happen that he would like it so much that he would instantly start spreading it more aggressively than you or me.

Q)People will not do so as they are foolish.

A)Hmmm. Why do you call them foolish? Because they didn't agree with you in past? Many times masses have acted foolish and so have experts. Masses acted foolish only when the information they got was incorrect or incomplete and that happened because communication means were rigged and in the hands of few.

Q)Why would Congressmen make the law even if all 200m citizens agree?

A)They don't have to. The Assemblymen will bypass them if they don't. Also, if they stall or go vague, the disgruntled but firm believer in democracy would take up the arms against them

Q)Am I evoking violence?

A)Alvin Tofler (author of 'Power Shift') and many wise men over past 200 years have said that it is cool to slay tyrants who do not believe in democracy. If 150m citizens ask Congressmen to make a simple and logical law such as DirectVote and if they stall, clearly they acting like tyrants and they get what they deserve. Now lets do a reality check: no fear, no action.

2.11 Will DirectVote be Anti-Rich?

So far in my life, I have identified six methods by which people became rich

- luck
- ownership of Natural Resources (such as oil well, mines etc)
- ability to create Legal Tender (aka banking)
- by acquiring exclusive state privilege (such as exclusive right to put cable or phone wires in an area)
- by creating labor (includes administration, planning etc.) such as programmers, doctors etc
- (secondary richness) by serving the people who become rich by above 4 means.

A typical activity may include combination of two or more. For example telecommunication involves skill as well as state-privilege. Software is almost pure labor. Medicine is labor and state- privilege (license to practice medicine).

The 1st mean so small that I would ignore it. The richness which comes due to next 3 means creates more poverty than wealth. The richness acquired by means 1-3 causes poverty in the society. It gradually increases stratification in the society and finally degenerates into social and political inequality based on birth or contacts. While richness which from the 5th mean creates more wealth for the society than it creates for the person who became rich. A laborer, who becomes rich, first has to create labor and sell it. Thus for every penny he acquires, he gives a penny's worth to the society. Thus he can never cause poverty in the society.

Commonly held belief is that Democracies would be anti-rich. I disagree. Many people attribute high taxation to democracy. If this is so, then how come all high taxation countries have systematic means by which super rich can escape from paying any tax. Eg. US allows so called "foundations". 90% of the foundations are simply means to avoid inheritance tax. If the taxation was result of democracy, how come such loop-holes (or flood gates) exist?

High Taxation was created by super-elite to ensure that upper middle class does not become too rich. It was result of the demise of democracy. Had there been a good democracy, the governments would have systematically reduced the poverty which means 2,3 and 4 create and would have encouraged richness caused by 5th mean.

Democracies will be oblivious of Rich1, anti-Rich(2nd 3rd and 4th mean) and pro-Rich (5th mean). While the richness acquired 4th mean (labor) causes wealth. An Aristocratic society will be pro-Rich(2nd, 3rd and 4th mean) and will be anti-Rich(5th mean).

2.12 Democracy or Republic?

As you can see, I am not proposing to overthrow or replace the existing system a new system built from scratch. I am simply proposing a small change in the existing system. One small simple tax-free, cost-free law.

The new system which will come from this, would it be a Republic or Democracy or both or none?

This is the scariest question that I can think of. I would never answer it without a lawyer. Not because I am afraid of not answering, but because neither of the words have exact definitions and different people at the same time has different connotations from this terms. In this respect different people who ask me this question may have different meaning about the words and their meaning can be different from mine.

But still, I would answer this question. But first, I would let my lawyer speak.

"It must be acknowledged that the term *republic* is of very vague application in every language... Were I to assign to this term a precise and definite idea, I would say purely and simply **it means a government by its citizens in mass, acting directly and personally according to rules established by the majority**; and that every other government is more or less republican in proportion as it has in its composition more or less of this ingredient of direct action of the citizens. Such a government is evidently restrained to very narrow limits of space and population. I doubt if it would be practicable beyond the extent of a New England township." --Thomas Jefferson to John Taylor, 1816

"A democracy [is] the only pure republic, but impracticable beyond the limits of a town." --Thomas Jefferson to Isaac H. Tiffany, 1816

Other than Tom, there are a few 100 definitions of these words. One of the definition is that Republic is Rule of Law and Democracy is Rule of Mob. But to implement the "Rule of Law", we need law-interpreters and arbitrators (aka Judges). Do people have power to fire the Judges? (And is there a simple easy to use mechanism to fire the Judges? Power without simple mechanism is as good as truck without engine). If no, the system, whatever may be the label, will soon become "Rule of Judges". If people are the final arbitrators(over the committee of arbitrators who arbitrate on day-to-day basis) how this system not a Rule of Mob?

So my answer to "Will DirectVote create Democracy or Republic?" is as follows:

A Republic will not last long without a system where people have easy mechanism to fire any one in government they dislike aka democracy. Not having Democracy will mean end of Republic

A democracy may or may not choose to be a Republic based on what people decide. But Republic is best way for a democracy to exist, be effective and to create a productive environment.

So DirectVote would lead to a more democratic society, which will, most likely (keep fingers and toes crossed) lead to a Republic. It will be "Rule if Law" as far as possible and discretion will come when a situation arises where arbitration is necessary and Law is insufficient (so called Manual Override).

2.13 Conclusions

"If the control of the people over the organs of their government be the measure of its republicanism, and I confess I know no other measure, it must be agreed that our governments have much less of republicanism than ought to have been expected; in other words, that the people have less regular control over their agents, than their rights and their interests require. --Thomas Jefferson to John Taylor,1816.

Don't just question authorities. Learn to fire them. And actually fire them, if the need be.

3. Power of DBDV and DAR-DV

By 2 examples, I shall highlight the power of DBDV and DAR-DV. **My point is NOT if such laws are good or bad.** If citizens think that such laws are bad, they need not implement them. What I want to demonstrate is that if citizens of a country/state/county/township want such laws, how easy it is to implement using DVs.

3.1 Vehicle Tracking

Suppose citizens of a district decide to make a law which would require all motor vehicles, to have a transmitter which would transmit a “globally unique” ID and vehicle’s registration number at least once every 20-30secs, up to a distance of 20-30ft. The vehicle owner can be subject to a fine of \$10-\$50 per day, if he does not have such transmitter.

(Such a law is can be useful if crime rate in a region is high. Though not all, but most crimes involve use of motor vehicles. It can also reduce car-thefts. It will also make it easy to trace hit and run vehicles. **I do NOT want to discuss the merits/demerits of the law. Suppose 90% citizens in a region want this law, how can they implement it using a DirectVote.)**

If citizens have DAR-DV, a sponsor may draft a DB as follow

- One yr. from now, all NEW cars must have a transmitter (the law should also detail out specifications of the transmitter)
- 2 yrs from now, ALL cars, old or new must have such transmitter
- If a transmitter-less car is caught on a public-road, \$5-\$50 per day of fine may be imposed, depending on no. of times car was found transmitter-less in a year.

(Is it against civil rights? Please see “Vehicle Tracking Q&A”.)

Such transmitter may increase the cost of car by 1%. The electronics industry is well known for scale of economy. Later the cost may come down to a few dollars.

The law should leave enough time of citizens to catch-up. The county’s or township police will need to put sensors along the road or under the road to trace vehicles who do NOT have such transmitter. They may also put receivers at key places, which will receive and record the IDs of passing Vehicles. If these receivers are networked, police may be able to trace vehicles anytime. Also, later in courtroom, it would be cheaper and more objective to prove/disprove presence of a vehicle at a certain point (e.g. if such receivers and transmitters were in place, O.J.’s Bronco’s journey could have easily proved/disproved. The case may not have taken so many months to resolve).

Further, neighborhoods may install sensors/receivers at their own cost to record passing vehicles.

Left on existing lawmakers, we may see this law in next 10-40 yrs. With DVs, it can be realized in few months. Of course, law alone will not create the whole network. That may take a few yrs.

All that is needed is a sponsor, who can draft an agreeable law. Agreeable not to lawmakers, lawyers, judges etc. but agreeable to the Electoral Market a.k.a. citizens. On technical side, problem is that districts must design “inter-compatible” specifications.

Legally, the only problem can be a judge overturning the law. If that happens, citizens may need to pass the law again with 75% of (TOTAL - VOIDS) or fire the judge using DAR-DV.

3.2 Vehicle Tracking Q&A

Q) What will stop the vehicle owner from removing the transmitter?

A) The sensor will sense the vehicle (by weight, movement or some physical property) and notice that NO signal came from it. Thus vehicle has no (or faulty) transmitter. Immediately, it can take picture of the vehicle and inform the near by policemen.

Q) Is requiring such a transmitter against human rights?

A) A person needs registration, insurance and a driver’s license to drive a car. Is that against human rights? Further, police/households can always install camera which will read the registration plate of every car passing by, scan it and transmit the information to a station. The technology is currently available, its just that it is too expensive.

IMO, I am not violating anyone's right. Nor I see any violation of my rights, if I have to add a transmitter along with a registration (car license) plate. IMO, "cost and cross compatibility" are the only issue, rights are not.

Q) What if MOST citizens think if requiring such a transmitter against human rights?

A) This Bill becomes law only if at least 55-75% of (TOTAL - VOIDS) in that state say YES. Further, non-voting are considers NO, and thus DV results are positive proof. If citizens feel that it is against human rights, they should strike it down. However, if 55-75% citizens approve and only a few activists/lawyers/judges oppose, it is undemocratic not to have such a law.

Q) Who should be allowed to make such law, nation, state or district?

A) This answer will vary from country to country. In US, it is up to state weather they want to make it state level or county level.

Q) What if one state/district (say RegionA) makes a law and a neighboring state/district (say RegionB) does not?

A) If RegionB's vehicle comes on the local roads of a RegionA, it must obey the laws of the RegionA For example what if one state has stronger pollution control limits and a neighboring state does not? There hundreds of problems involving "inter state" issue, one more.

This law, along with, with network of sensors/receivers, has tremendous potential in tracking criminals, stolen cars and tracing hit-and-run or rough car/bus/truck drivers. Given the potential, I am convinced that about 70% citizens in US will approve the Bill. And I am also sure is that if left to lawmakers and Judges, this law would not materialize in next 20yrs. in ANY country.

3.3 Emigration-problem in US

Most (80%+) US citizens believe that emigrants, like myself, are against their economic interests.

IMO, it is true.

Here is a strange fact: In Scandinavian countries, there is zero illegal and negligible legal emigration. In US, it has been increasing everyday.

How is it that Scandinavians have been able to stop illegal and drastically reduce legal immigration and US citizens have failed to do so? How is that Scandinavians could protect their wages and jobs, but US citizens cannot?

Apologists promptly say that US has a long border with Mexico and Sweden does not. They are wrong.

The reality is that about top 5% of US population benefits from legal/illegal emigration, and bottom 30-40% pays a heavy price. And the top 5% has control over Congressmen while bottom 30-40% does not.

Here I will analyze the problem only briefly and move to the solution.

Till 1964, most farm and urban unskilled laborers were African Americans and poor whites like Italians and Irish. Till then, it was possible to get a lot of work out of them at lows wages and zero benefits. Routine minor injuries at workplace rarely resulted in lawsuits. But the civil right movements and subsequent awaking changed it, not just amongst blacks but also amongst poor whites.

They came to know about laws, which would improve their salaries, get them better working conditions and compensation in case of injuries. Overall labor cost started to increase. So the Congressmen/Presidents, upon "request" (or bribe?) from the employers, changed the laws and made govt. programs which made it easy for legal/illegal emigrants to work in US. Here is one such law made by the Reagan administration: If an illegal immigrant who has worked on farm for 6-7 yrs was eligible for green card. On farms, illegal emigrants work for \$0.50 - \$1.00 per hr. In NY restaurants, illegals work for \$2.00 per hr although legal minimum wage is \$4.50.

Due to huge supply of unskilled illegal emigrants, African Americans were hit below the belt. So were unskilled and semi-skilled whites. In general, a laborer rises in social and economical ladder by using the surplus salary i.e. money left after spending on basic necessities and surplus time i.e. time available after fetching enough to get a surplus salary. Since emigrants were willing to work for very small amount, American unskilled laborers could never get a high salary, and could never rise. In short, the US elite

imported planeloads of emigrants to reduce the wages and bargaining power of Americans, both Blacks and Whites. Lack of income and power resulted into lack of opportunities.

The Congressmen, Presidents and Judges didn't care. Nor did mass media. Lack of concern was NOT due to racism., but purely due to funds/support given by emigration-beneficiaries. Later, semi-skilled illegals and skilled legals came, thereby hitting US middle class (economically from top 5th percentile to 70th). The mass media (cable + TV + newspapers) made loud noises, but never discussed any solution.

As an example, in US ex-mainframe programmers have very difficult time getting job after layoff. The reason, analysts say, is change in technology, from mainframe to UNIX/PCs. These analysts forget to mention another fact. Same change in technology happened in Germany. How come German ex-mainframe programmer does not face unemployment? Simple answers. In Germany, companies are not allowed to import programmers. So German companies spend money and efforts to retain and re-train their mainframe programmers. In US, they fired them and replaced with emigrants. To make matter worse for the 40-45 yrs old American, the emigrant was younger, unmarried, desperate for green card and so willing to provide more labor for same money. In India, Pakistan and China ALL managers and company-owners treat engineers like garbage cans. For programmers from those places, "more work for same money" was still a fabulous deal.

However, if import of immigrant labor was prohibited, the US programmer would have been better off.

I will present a detailed analysis in some other book. As in most cases, the analysis of the problem contributes NOTHING to the solution. So a detailed analysis is only of academic importance, a politically correct phrase for useless debates.

3.4 DB and DAR based solution

I briefly studied anti-emigration laws in Sweden and Germany, Within minutes, I concluded that this problem is very easy to solve. So easy, that any lawmaker ever interested in solving this problem could have solved it (which proves that NONE of them ever wanted to solve the problem). All it needs is an efficient network by which employers can establish legality of a candidate and **heavy fines and prison sentences to employers who hire illegal emigrants**. Given a prison statement, employers will stop hiring illegals and so illegals will stop coming. (Instead of this, US govt. is currently planning to put fence. This is idiotic.)

Next step should be to gradually reduce temporary work permits (H1 etc.). Say by 30% each year. And stop issuing/renewing green cards altogether. Thus existing legal emigrants will be gradually on their way back. No violence, no heavy hand is needed

Illegal and legal emigrants benefit individuals in top 5% of US. Their "influence" on Congress/Executive/Judiciary is well known and well documented. US citizens, who want to curb emigration, should forget getting any help from Congress, Executive and Judiciary. **DBDV is one way out. IMO, DBDV is the only way out.** Further, DAR may be needed to fire Judges and Executive officers who do not cooperate.

Further, the Bill should allow State (and local Govt.) to arrest, fine and imprison law-breaking employers. The law should also make provisions for bounties for the individuals who provide information about such employers.

3.5 Details of anti-emigration DBDV bill

I have not worked out exact details. It should be similar to ones in Germany and Sweden. IMO, law must punish the employer. Six months prison statement for more than 5000 man-hours should be mandatory. States and local govt. must also be allowed to enforce laws.

3.6 What would happen if Emigration stops?

In US, hundreds of restaurants, shops etc. employ illegals and pay then \$2.00 - \$3.00 per hr. The desperate illegals are willing to work for 12hrs a day, 6 days a week. Once this stops, employers will be forced to hire citizens.

Thus demand for unskilled citizens will explode. Even without any law, the minimum wage in market may shoot to \$10.00/hr. This will further push the wages of semi-skilled workers who getting \$10.00/hr and their wage may rise to \$15.00- \$20.00 per hr. The wages will not come for free. If a deli hires all citizens, it will have to raise to the price of food. Similarly farmer will have to increase the price and so forth. In general, the costs will rise.

The rise in wages will improve net incomes and thus living standard of workers currently making less than \$20.00. This rise can do magic. This will not only improve living standard but also give surplus incomes, which they can use to start their own small ventures. The labor between \$20-\$40/hr will see some rise in nominal wages, which will only offset the cost increase. But the well offs be worse-off. Their nominal wage may not fall, but they will be now paying more money for the same services. The effective living standard of existing well offs may fall.

For emigrants, it will be disaster all the way. Back in their country, employers now know that entry to US is closed. So they will exploit more labor rigorously.

On the other hand, emigrants must understand that they ARE burden on lower strata of US. This, IMO, is not fair for them. Life is hell back home, but this gives us no right to take someone else's job and dignity. Most US citizens (80%+) DO NOT want us, and so, we should not be here. Imagine US invading our countries and setting up bases against the wish of the majority citizens, and with the help of a tiny elite minority. We are doing exactly the similar.

Emigrants might be the first causality of a direct democracy. I see direct democracy as MUST. In spite of this loss, I support it.

3.7 Anti-Emigration Q&A

Q) Is such law against human rights?

A) Well, Sweden and Germany have had such laws for several years. Besides, it is ethical to fine/imprison tax-evading citizens. I see no violation of rights if employers are punished for hiring illegals. Further, I have no sympathy for the employers who pay 50cents- \$2 per hr and make a person work 70hrs a week. As long as punishments are realistic, this law is OK. I would certainly oppose a 2 year sentence for hiring an illegal to clean house for 1 day. But I see no harm in a 1-year sentence for hiring 5 illegals for 6 months.

Q) What about cost of implementation?

A) It will lot cheaper than IRS or any other enforcement agency.

Employers have opened business for money. They are not going to risk a prison statement, no matter what the economic benefit of hiring an illegal might be. I would expect less than 10,000 violation countrywide. The cost will be a minor issue

With DBDV/DARDV, such a law would easy to make and enforce. Without it, citizens will be in endless loop of demonstrations and discussions, with no real results.

[File End][CHAPNAME]

[File Begin][CHAPNAME]

4. SOMETHING YOU CAN DO TODAY

(Dear Reader,

I would request you make several copies of this letter and mail it to the President of USA, the Senators of your state and the Congressmen of your area)

To

The President _____

The Senator _____ (of your area)

The Representative _____ (of your area)

Dear Sirs,

I am a citizen of US, residing in State of _____.

We, the people, create legitimacy, not the administrators and judges. If a person has political power in spite of citizens' disapproval, it is a theft of political power. It is immoral and causes gradual erosion of legitimacy. Citizens have right to remove a representative/administrator/judge from his position. They also have right to make laws.

And a right is of no use without a mechanism to use it. This letter is a request to create a mechanism to implement the right we have. Please make a Constitutional Amendment to make following a law *for next 10 years*.

- The President would declare the cost of conducting a nation wide poll. The President will also disclose the cost of sending a check to each of the taxpayers (IRS already has that system).
- Each poll will carry at most 10 proposals. Polls will be held on every first Friday of every month.
- The President (or a person he designates) would hold an auction exactly 30 days before the poll's date.
- The citizens who have proposals shall bid for each of the 10 slots, 1 slot at a time. The 10 highest bidders' proposals will be accepted for the poll.
- If the total of the 10 highest bidders' bids is below the cost of poll, then no poll shall be held that month.
- If the total amount obtained from the 10 bidders exceeds the cost of poll and the cost of mailing checks to taxpayers, then the excess amount will be mailed to taxpayers.
- If over 55% of ALL registered citizens (voting and non-voting) vote YES on a proposal, then that proposal would become a law.

Thanking you,

Yours Sincerely,

(PRINT NAME)

(PS: I believe that the cost of referendum should not be higher than \$ _____ million.) <hr>

Postal Addresses

The President of United States, 1600 Pennsylvania Ave., Washington, D.C. 20500

Office of Senator (Senator' Name, State's Name) , United States Senate , Washington, D.C. 20510

Office of Representative (Name, State's Name), United States Senate ,Washington, D.C. 20515

Web Links

The President - <http://www.whitehouse.gov> The Congress - <http://www.congress.gov>

(Dear Reader,

I would request you make several copies of this letter and mail it to the President of USA, the Senators of your state and the Congressmen of your area today and on 1st of every Month. You may also send it to other authorities in the State and the County Governments.

Please give copies to your friends, ask them to mail these copies and pass it on further.

If you can convince one person every 2 weeks to write and pass this letter, within a few months over 150 million US citizens would have sent this letter to the Congressmen and the President. In that case, they will gladly make a law to implement Direct Vote. With Direct Vote, several problems will get solved.

Ten thousand thanks in advance - The Author)

[File End][CHAPNAME]

5. Establishing Math Tests

Entire chapter is dedicated to implement means to improve mathematical skills amongst the citizens, if the country or the county decides to allocate 1-2% of GDP for this purpose.

5.1 Description of System

- Create a question list of about 200 million questions divided equally into about 50 sections (each section represents a quarter of 3 moths). (If one mathematician can create 10 questions per hour, it would take a staff of 5000 mathematicians and 4 yrs to make such a list. If one question, creating and verifying, was to cost \$10, the whole process would cost \$2 billion) or about \$8 per person in US. The list would fit in about 10-15 CDs.)
- The questions should be made from mathematics textbooks written before 1920 only. This way copyright issue would not occur (copyrights expire after 75 yrs).
- $3/4^{\text{th}}$ of the questions should be multiple choice. Each question will have 6 choices. Last choice shall always be “none of the above”. Exactly one choice will be correct.
- Other $1/4^{\text{th}}$ of the questions will be “true or false” questions. To be more specific, the questions will “always true or not always true” questions.
- Thus each quarter has 3 million multiple choice and 1 million T/F (or AT/NAT) questions.
- The list should be published and shall be in public domain.
- Depending on the county’s/ country’s choice, students shall appear in 1-4 exams per month.
- Each exam shall have 30-120 questions randomly chosen from the list for that quarter. Duration should be 1min per question.
- Every student in a specific group (based on age) shall be given SAME question paper. The questions and the choices to the questions may be in different order to avoid cheating. Thus each test will enable the student to know where he stands nation-wide.
- **There should be prompt cash rewards based on the performance in the exams.**

(An idea about cost: Suppose 1 exam is taken per week, consisting of 90 questions. The exam will take 2 hr (including breaks between exams). So 1 desk and computer terminal in a testing center can be used to test = 3 (students per day) * 5 (days per week) = 15 students. A terminal would cost \$1500, which makes it \$100 per student. The cost of building testing center (the building) would be significant, but would be $1/15^{\text{th}}$ of all schools presently in place. It would be no more than building less than 10% more schools, at worst. Cost of preparing tests and correcting would be negligible. One full time person per 100-200 terminals would be needed to support the operation. At salary and benefits of \$60,000/yr, it would mean $\$60,000/(100 * 15) = \40 per student per year. Again, it is not a major cost.)

About 1-3% of GDP should be allocated for these rewards.)

5.2 Rewards

The instant (weekly/monthly, not necessarily daily) awards will be useful to motivate the students. Also, if the student or his parents have designated a teacher (or a teaching company), then a designated fraction (10% to 50%) of the rewards will go directly to the teacher. In this way, the teacher has strong incentive to improve the student’s performance.

Please note such a system is possible only for the subjects where there is a cheap and *objective* mechanism to test, both the student and the teacher. In case of Mathematics, such objective mechanism is there. It also exists in case of Physics, Chemistry, Biology, Grammar and Vocabulary. No such mechanism exists (or at least, I could not find or construct one) in case of Music, Painting, Sociology etc.

5.3 An Important Detail: Allocation of Rewards

(I advise the reader to read this topic in 2nd reading of this book)

Several methods to allocate rewards can be made. One method is as follow:

Suppose US has GDP of 5 trillion and 48,000,00 between 5-16, suppose 4 million for each year. Suppose total awards are 2.4% of GDP i.e. \$120 billion. I would recommend amounts as follow : age5 = \$5 billion, ages6-9 = 10 billion each, ages10-11 = 15 billion each, ages12-15 = 10 billion each, age16 =

5billion. The idea is to have thrice the amount for in middle. Award per test will be total amount for that group / (no. of test in a year) for that group. At the end of an exam, all students' scores are available. The money will be divided as follow:

A% ($1 \leq A \leq 100$) of the reward (for that test) will be divided as follow

- $1/8^{\text{th}}$ will be divided equally amongst top x% students
- $1/8^{\text{th}}$ will be divided equally amongst top y%
- $1/8^{\text{th}}$ will be divided equally amongst top z%
- $3/8^{\text{th}}$ will be divided equally amongst top 50%
- $2/8^{\text{th}}$ will be divided equally amongst top $(50 + w)\%$

here x, y, z, and w are integers with following restrictions

$$1 \leq x \leq 10$$

$$x < y \leq 20$$

$$y < z \leq 30$$

$$1 \leq w < 50$$

$(100 - A)\%$ will be divided equally amongst all students who got at least 10% questions correctly answered in at least 10 out past 20 tests.

(A student may get amount from more than one condition)

Also, numbers A, x, y, z and w will be chosen after the test is over and before the answers are examined. Again, the numbers will be chosen randomly, with equal probability in its range.

Here is the reason why I chose above scheme: highest "possible" motivates one more than "rationally" expected. E.g. Lotto. Randomness is the only way to increase "highest possible" without increasing mean.

Each number here has a significance. A is meant to ensure that relatively weak students do not lose interest all-together. If they get 10 questions right in 10 out of past 20 test, they have still stand to gain some. x and y are to encourage toppers. Since a multiple question type exam is not sufficient to obtain "top x%" of students, I do not want to put too much money for toppers. z and w are for mediocre students.

This completes my description of system I recommend to teach Math. In the next chapter, I shall elaborate on teaching 2nd most important subject : Law .

5.4 Conclusions

Importance of mathematics cannot be overstated. It is very powerful tool to create wealth, extremely powerful weapon to "steal" wealth and most important in avoiding such a theft. It is for the third use, that I want entire society to learn math. Most the finocratic con-games, such as fractional reserve system, survive only because population at large, has poor mathematical skills to understand the damage they create.

I was a teaching assistant at Rutgers University, NJ. In 1 week, I could see why US imports so many engineers. US students were very weak in Mathematics. After studying US education system, my opinion is that this weakness has been deliberately created by US elite (top 5% of the population) so that citizens cannot understand the way elite works. Later, as I studied more about histories of other nations, I concluded that the elite tries to ensure that masses know as little math and law as possible. IMO, elite will spend money, resources and efforts on educating masses *only if* it is having (or anticipating) a conflict, such as war. The best example is education between and during World Wars. It can also happen if they realize that masses are already too literate and smart (e.g. GI Bill). However, in the moment of peace, elites across nations, try to collude and try to develop mechanisms to implement those collusion. Once they have faith amongst each-another, de-education of masses begins till it reaches illiteracy.

US and European elites (those who own law, banks and have state privileges) certainly developed an efficient education system for masses. This was not out of any good heart. Wars for colonies, WWI, anticipation and preparation of WWII and WWII itself were the prime reasons in the early half of the century. They would have closed most of the colleges after WWII, but then came the Cold War. Also, due to education till 1950, masses had become "smarter" and would not have tolerated a cut in education. So schools went on, but a steady decline continued in education dedicated to improve mathematical and analytical skills (this coupled with channels like hMTV and hard rock music would soon produce a generation of zombies. They may be difficult to manage at inter-personal level. But due to lack of

mathematical and analytical skills, would be as easy as cattle, from macroscopic point of view). Once the Cold War ended, US and West European elite started cutting on education as never before. Soon govt. in US would stop funding public schools and reduce funding to county and technical collages. The funding of elite schools would continue and may increase. Same will be seen across the Western Europe, and later all over the world.

With integration of world elites slowly taking place, masses should forget any help from elite in educating themselves. The elite no longer needs well trained masses to protect itself from another elites. The welfare (to the poor) is over. All over the world, now elite is “encouraging” cuts in general education for masses. At best, elite would not obstruct any education program, if masses show strong affinity to it. But expecting members of elite to contribute money and resources or even time and efforts is out of question.

As an alternative, I thought of creating education system which does not require too much commitment and contribution from the economic elite. Later, I decided that system must not need “reliable” human beings at all as any system which need a reliable being is unreliable. It should be simple and intuitive enough that I can convince people to adopt it. And it should be cheap and something which can be started on a small scale and then expand.

With this, I started studying the process of education. My feeling is that the processes are different for different subjects. I focused on 5 (7 in case of India and several other countries) subjects which I think are more important than others: Math, Physics, Chemistry, Law and “basic engineering skills”. Finally I could make a system for each of them.

From all my experiences I concluded following:

- Learning needs opportunities which are very cheap. Math education would only need lots of books and occasional tutoring.
- Since one needs to spend time and some resources to learn, learning is not possible unless the person has spare time and some extra money. Thus learning under absolute poverty is not possible.
- Students only need to be motivated and should be tested continuously. One test a year or one test in 12 year (like SAT) is useless.
- IMO, best to motivate to is give cash rewards after every test, based on the relative performance. Also there should be continuous testing about 40-45 tests per year.

When I compared schools and universities with non-academic software training centers, I has a positive example to prove my point. Today, non-academic training centers are contributing more to software professionals (and wanna-be) than academic institutions who cost lot more (if tax exemptions and govt. grants are included). Training centers only provide an opportunity to learn. In this case, motivation is provided by market.

From this, I later developed the system which I have mentioned before. Since I believe that elite would try its best to distort any education system which increases math skills of masses, I decided to replace “question papers preparing individuals” by a list of 200 million questions and a random number generator to pick the test questions. IMO, no one should be trusted with an important thing like math education.

[File End][CHAPNAME]

6. Establishing Law Education System

6.1 Description of the system

IMO, law education should begin from the 1st grade (including laws on the Legal Tender).

The education should obviously include information about existing laws, punishments, legal procedures and evidence acts. But over and above that, the emphasis should be to develop ability to “create” new and “modify” existing laws. This would require a rigorous training in drafting laws and punishments.

One scheme I would suggest is as follow

- a group of students (4-8) should be asked to attend a complete session of case in a court-room.
- once the case is over, they should be asked to **discuss and write** their views covering the following issues (analysis)
 - was the judge fair? was the verdict fair? was the form of punishment (prison, community service etc.) fair?
 - was the punishment (or acquittal) fair? what exact laws were applicable in this case?
 - are these laws fair? what were the evidences? were these evidences fair?
 - what impact the verdict can cause on the society? what would have been their verdict if they were on the jury?
 - how would have you acted if you were the judge? how would have you acted if you were the prosecutor?
 - how would have you acted if you were the defense lawyer?
- **discuss and write** about following (alternatives)
 - what should have been the laws, if the laws were unfair?
 - is the text of the law simple enough to understand? Is there a text that you can provide which would be simpler?
 - what should have been the punishment in your opinion? what should have been an alternate type of punishment?
 - is there anything that would have made the trial faster? Simpler?
- could anything have been done to stop that crime?

And so forth. Each case would invoke new issues. Much of the plan should be left to the students. The students should be supervised by a teacher for 1-2 hr. a week. It would be more interesting if schools can ask retired a Judge or a retired or practicing lawyer or a relevant expert in that field of the case to occasionally participate in the discussion.

Typically, they should be asked to take 1 case in the county court, 1 case in high court and 1 in supreme court. The cases should be chosen at random.

Since it would be too expensive and time consuming to attend the court rooms, the courts should be asked to video tape EVERY case and later (after the case is over) release the tape to the public. The text is not sufficient and could be boring.

With this, awareness about law and law making and implementing structures would grow. This will encourage the people to take actions necessary to simplify laws and law-making processes. Hopefully, this will lead to a more democratic society.

Unlike Math, most people take interest in law. So a rigorous test-and-reward system is not required. Some baseline test-reward scheme should be there A small test involving multiple questions should be created. Securing $[\text{Median} - (\text{Max} - \text{Median})/2]$ would be a pass. Failing students should be penalized with 50% reduction in their Math test rewards.

6.2 Conclusions

Modern PC software packages get increasingly more and more and more functional and complex. Yet, the user-interface to use them becomes simpler and simpler and more intuitive. On the other hand, law becomes more and more complicated everyday, and more difficult to use and understand.

The main reason is that market of software packages, particularly PCs, is open and competitive. Consumers simply throw away the difficult-to-use packages. As a result, “difficult-to-use” software simply

get replaced by “easier-to-use” (e.g. X-Windows getting replaced by Windows-NT). Besides consumers not just have choice to pick, but also have an option to create more options on their own. In fact, many vendors in PC software industry were former users. So when they make user-interfaces, it accurately meets users’ needs.

The law-making on the other hand closes itself, moment elections are over. So law becomes more and more and more difficult to understand and apply. As a result, all over the world, no country being an exception, citizens get mugged and robbed in broad day light right inside the court-rooms. Legally. *IMO, lawyers are not to be blamed for this mess. The law-makers and the Judges are responsible for this.* Its the law-makers who make incomprehensible laws and leave hundreds of loop-holes to please the cash-loaded lobbyists. Next, the Judges come up with interpretations which only they find sensible.

Mass education of law is to make citizens capable of drafting text of the laws. Of course, this education of law will be useless without a Direct-Vote type efficient and simple and **fast** mechanism to change laws. Both will give positive feed back to each other.

Best of all, mass education of law would also educate people about the limitations of the laws and the limitations of the concept of law itself. IMO, rule of men is the reality, rule of law is an illusion. Law education will enable people to understand this fact.

Is it possible that “common citizens” would be able to master the art of drafting the law?

If 200yrs ago, one had asked “is it possible for every one in US to learn driving?” Or if 30 yrs ago, one had asked “can every one learn Computers”? what would have been your answer?

As a commodity becomes more common (like software), easier means to use (e.g. Graphical User Interface) and learn (e.g. CBT) arise. Similarly, several new means to teach law would spring up.

The need and opportunity teaches everything to everyone.

Do you or any “common citizen” need to understand law? What if I say that if you do, your cable bill will come down by \$200 per yr.? Then is it worth spending 3hrs and \$30 per yr. and to understand the law? What if understanding the law can enable you to have unlimited long distance calls for \$10 per month and having 10 phone lines for just \$2 a month each? Then is it worth spending extra 3hrs and \$20 per yr.?

If DV is realized, citizens will be directly voting on laws 12-24 times a year. This will automatically increase the “market value” of learning and drafting laws. This will improve the law education automatically.

[File End][CHAPNAME]

7. Non-Competition

Eco-texts do discuss different type of markets, like free-market, oligopoly, monopoly, state controlled, mixed-economy etc.

Two forms of markets make up above 60% of US and above 80% of west European GDP.

Most economists failed to notice them.

I didn't.

COSSCG (Collectively Owned Supply Side, Closed By Government) is where ALL suppliers (i.e. supplying corporations) are COLLECTIVELY owned/controlled by a few hundred or a few thousand individuals. And governments, under the pressure from these individuals, have made rules so that new suppliers do not come up. COSSCN (Collectively Owned Supply Side, Closed By Nature) is similar case, except that entry into the supply side is closed not by the Government, but by the Nature.

7.1 Free (from what?) Market

Lets examine the flaws in description of so called Free-Markets. One requirement of Free Market is several producers. Well, what if there are 10,000 companies in the market supplying goods. Will it meet the requirement? Yes? What if ONE persons owns all these companies? If I re-phrase the requirement as "there should several *independent* producers", then what are the criteria of independence in real life? How do I prove/disprove that two hypothetical companies say hATT and hMCI are independent? IMO, such "independence" cannot be established/rejected without looking at ownership/control of the suppliers at the individual level.

Most economists analyze at company level. This is stupid and fatally incorrect since the companies are illusions. Only the individuals are reality. The analysis must be done at individual level.

Here I would re-evaluate markets with following assumptions

- Companies do not exist. Also, government agencies do not exist.
- Only players are individuals. And some of them are Policemen, who have guns and they obey the Judges.
- Individuals want to maximize their consumption of goods (and bads) they like.
- **Economy of bads is as important as economy of goods.** Here is an example of a bad: A cable company owner does not want a newspaper to publish that government officials are helping him in establishing a monopoly. So he buys (or merges with) the newspaper. Even if the newspaper was making loss. Thus some of the profit of his cable monopoly will get added to the editor's salary. The dog got some meat and keep his mouth shut. In other words, misinformation/disinformation is a "bad" and has its own well-established economy, in all the countries, not just Communist or ex-Communists. Since I want to keep this book PG-13 and PC-Acad. (Politically Correct even for Academicians), I shall not discuss more important bads.
- Would individuals collude? Certainly. If and only if collusion increases suppliers' (supplying companies' controlling individuals) profits (= consumption of goods and bads).

The last one is important

7.2 Collusion

Most economists ASSUME that individuals DO NOT collude. This is nonsense and naïve. I wonder how one can make such a stupid unrealistic assumption. The very fact that those individuals get together and form a company shows that they may collude. Besides, this assumption violates the assumption they made previously, that individuals want to maximize their profits. What if collusion increases every supplier's profit?

I am open to the possibility of collusion. Collusion may or may not occur. My assumption is simpler and more accurate: If collusion increases their consumption of goods or bads, they will certainly collude else they will not.

Here is an example.

- Suppose there are no government rules against collusion and trust establishment (there is no harm in assuming so as most government officials, who implement these anti-collusion rules, are also "influenced" by the colluding corporations and banks.)

- Suppose a township with 10,000 households has 1 cable company, called OldCable. Suppose the cost is \$2 per household. Suppose it charges \$30/mo from each of the households.
- Now township allows one more cable company, NewCable to come in business.
- The newcomer is desperate for business and offers service at \$20/mo. Suppose 2000 households join him in first month.
- Obviously OldCable will have to reduce the rate to \$20 to stop the exodus. Say NewCable further reduces the rate to \$15.00.
- So would OldCable.
- Suppose township authorities, under influence of cable companies' owners, or under influence of economists who says there must not be competition in "utility" business, makes rules that NO MORE companies will allowed to lay cables.
- Now both OldCable and NewCable will realize that by increasing rates, both benefit. **If they compete, only at most one's profit will increase, TOTAL profits will certainly shrink.**

Q: Will there be competition between the 2 cable companies?

Here is my answer: The question is incomplete.

Competition is **ONLY** due to competing individuals. Companies will compete if and only if owners/controllers in those companies are different individuals. The above question CANNOT be answered without ownership/control information about both cable companies.

Suppose completely different individuals own the company, there may be competition. But suppose, same individuals who owned OldCable own NewCable, I rule out competition. The competition will reduce those **individuals'** profits.

In real world, companies are owned by individuals as well as other companies. Suppose we find that OldBank owns OldCable. And NewBank owns NewCable. Does this mean competition will occur? Well what if the 100 individuals who own 60% of OldBank also own 70% of NewBank? The competition between OldCable and NewCable will reduce total profits. Thus total profits of NewBank and OldBank will fall, other factors kept same. So profits of the EACH of 100 individuals will fall. So in such a case, OldCable and NewCable will not compete.

7.3 Condition for Competition

Simple Case: Only individuals own company, companies do not own companies.

Suppose 2 companies have 100 shares and 100 individuals own the companies such that each person owns 1 share of both, IMO no competition shall occur between them. If the companies compete, the profits of EACH of the individuals go down, and so they will give "hints" to the managers in the companies not to compete.

In general, if 10 companies are owned by 1000 individuals such that each individual who owns x% of a company, also owns x% of each of the other nine, no REAL competition between the companies will occur.

Real Life: Both individuals and companies, own companies

Let me simplify real life. Say if CompanyA owns shares in CompanyB, CompanyB or any "descendants" of CompanyB shall not own shares in CompanyA. Thus we would not have circular ownership (e.g. CompA own 20% of CompB and CompB owns 10% of CompA. Or worse, CompA owns 10% of CompB, which owns 20% of CompC, which owns 10% of CompA.) The circular ownership exists, and make it difficult, but not impossible, to analyze the situation

If circular ownership do not exist, we can easily find ownership % of each individual down the line till the Leaf Company. Then we can apply simple case.

If circular ownership exists, then the algorithm is complex and I shall discuss in some other publication.

[A side note: Ownership vs. Control

Control is the reality. Ownership is an illusion.

Ownership is right to control. This right, by itself may not translate into control. Overall, owners have complete control over company. Thus I defined the word ownership. Now what is control?

I will make no attempt to provide a formal definition of control. Following is the rough model I use to decide “who is in charge”

Suppose a company has 1,000,000 shares each worth \$10.

First isolate owners with some control:

If a person’s FULL time job is investment, he has some control

If a person’s holding is more than 0.5% of his net worth/income, he will exercise his right to control

Second isolate out owners with zero control:

All others have 0 control. Technically they do, but given the time pressure they just leave the proxy forms blank.

Now suppose in ownership of 1,000,000 shares, I find that are 100,000 investors with only 200 persons qualify, I would assume that entire control resided in the hands of these 200 persons. Now suppose they together own 100,000 shares, and the first person has 10,000 shares, then he has 10,000/100,000 or 10% of the control and so forth.

This is a very rough guideline I use. In general I depend heavily, on intuition to decide “who is in charge”. After all, one’s intuition is the reality, rest of the...

]

Here I would like to state **absolutely necessary** condition for real competition to occur: In the ownership (or control) matrix of company and owning-*individuals*, there must be at least one company, whose ownership is highly skewed, i.e. MOST owners/controllers of that company do not own any significant part of other companies.

[

To be more exact, these are steps I use to decide if two companies competing:

- Make a list of owners of CompanyA and CompanyB.
- Ignore those owners whose holding is less than 0.1% of the company
- Say that owners are (O1, O2, O3)
- Suppose stake of owners, in percentage, in A and B are (A1, A2, A3, ...) and stake in B are (B1, B2, B3, ...)
- Suppose CEO of A shows a plan to the owners which would increase CompanyA’s profits by 100 and decreases B’s profits by 200 (there by benefiting consumers’ by 100)
- Since each owner has stake, both in A and B, he will see how much he gains because of CEO-A’s plan. His net gain is gain in A minus gain in B.
- If his net gain is positive, owner will approve the plan else reject it
- If more than 50% of owners of A reject the plan, then IMO, companies will not compete.
- Suppose CEO of A shows a plan to the owners which would increase CompanyA’s profits by 100 and decreases B’s profits by 105 (there by benefiting consumers’ by 5)
- If more than 50% of owners of A reject the plan, then IMO, companies will not compete and will definitely collude against consumers.

Example1:

Bankers of BankA, BankB, BankC and BankD created money from thin air and bought two companies, hATT and hMCI (two hypothetical phone companies). Suppose they own (10%, 30%, 30%,30%) of hATT and own (30%, 10%, 40%, 20%) of hMCI. CEO of hATT shows a plan involving price cut and service improvement, which will increase hATT’s profits by \$100, but will reduce hMCI’s profits by \$200

BankA’s situation = Gain of 10 + loss of 60 = loss of 50

BankB’s situation = Gain of 30 + loss of 20 = gain of 10

BankC’s situation = Gain of 30 + loss of 80 = loss of 50

BankD’s situation = Gain of 30 + loss of 40 = loss of 10

So bankers of BankB will support hATT CEO in pursuing a pro-consumer strategy, but bankers of BankA, BankC and BankD will oppose. Since BankA owns only 10% and other three opposing bankers’ banks own 90% of the plan, the hATT CEO, who IMO is a wise guy, will drop the plan.

Example2:

Suppose hBGate, hSBalmer and hPAllen 3 hypothetical persons own (40%, 30%, 30%) of hMS (a hypothetical SW company). A competing company, named hBoringLand is owned by hPKahn and 4 other persons who have no stake in hMS. Also, hBGate, hSBalmer and hPAllen have no shares in hBoringLand.

Suppose hCooper (creator of hypothetical SW called hVB) shows a plan to hBGates which will increase hMS's profits by 100 but decreases hBoringLand's profits by 200 (and benefit consumers by 100). Will owners of hMS peruse the plan?

Clearly, answer is yes. Since the owners of hMS have no shares in hBoringLand, they would be more than happy to increase their profits regardless of loss it occurs to hBoringLand]

(ALL companies mentioned below are hypothetical)

In case of Software Industry, hIBM, hMicroSoft, hBorland, hApple, hNovell (all hypothetical companies) have little stock of each other. So competition was/is a blood sport. Similarly, in late 80s and early 90s owners of hMCI and hSprint had no stake in hATT. We saw some competition. Later hATT owners started buying hMCI and hSprint stocks and vice versa. From the data I obtained from hSEC, the 40 banks (and banking subsidiaries) which own 70% of hSprint, own about 60% of hMCI and 40% of hATT. Further the ownership is proportional i.e. a company which owns 2% of hMCI would own 1-3% hSprint and 1-3% hATT. Are hATT, hMCI and hSprint competing anymore?

This completes my discussion about markets where supplier corporations are COLLECTIVELY owned by owners.

Now let me mention about "closed markets".

7.4 COSSCG: Entry closed by Government

Many economists believe that competition in some industries should be discouraged. They also advocate that government should create rules to stop the entries of new comers.

IMO, this principles/rules/policies come because owners of existing suppliers "influence" (by giving them \$5000/day consulting assignments) these greedy and dishonest persons to create such mumbo-jumbo idiocies and they also "influence" lawmakers/officials to accept these mumbo-jumbo idiocies. The influence is so stiff that even those who call themselves as die hard conservatives and libertarians would never ask for allowing competition in telecom and TV-cable.

The mediemen and economists try to convince people by pointing out that "more than one companies are in the field". And so consumers are well protected. I went through "who owns who" of major telephone companies and cable companies. What I noticed is that ALL these companies had same owners, ruling out competition.

In TV-cable industry, situation is pathetic. TV-cable industry is a proof that all there are no libertarians or so-called conservatives in US or they are all blind or fools or fake-phony-fraud-liars. In a region, only one company is allowed to lay down cable, turning all "free-market" ideals upside-down. Using this legal monopoly, cable providers have ensured that all *content*-providing companies belong to them This was easy, as any content-creating company, not owned by cable provider was simply denied of access to cable. I always wondered absence of any competition to hMTV and hVH1. Reason is simple. Both companies are owned by the company which is a major cable provider, named hViacom. The competition will simply not get access to the cable.

Obviously, regulators failed to notice all this. This proves, to me, that regulators are either blind or fools or corrupt. In any case they are useless (there are several observations which prove that regulators are useless. E.g. long distance prices after 1984-breakup came down by over 60% (after adjusting for inflation). Clearly regulators were not doing a proper job during monopoly days.)

It is easy to see why regulators would fail to control a monopoly. First, why would a regulator (an individual) even want to control a multi-billion dollar oligopoly? He would rather say on the good side of a biggie. Second, the regulating agencies, like FCC, are under supervision of Presidents/Congressmen/Judges, who are heavily dependent on monopoly/oligopoly owners.

After studying TV-cable, telecom, electricity, FRS etc. I concluded that

- Entry into markets (supply side) is "closed" using "barrel of the gun" i.e. existing suppliers have created government agencies (such as FCC and FRS) which will ensure that newcomers would end up in prison..

- It is due to suppliers' influence on lawmakers/executives.
- some of the example of such opportunities are
 - creating "defacto-state currency" a.k.a. banking
 - (real) access to discount window of Federal Reserve
 - becoming a clearing house for FOMC's FedChecks
 - obtaining exclusive right to put telephone cable in a region
 - obtaining exclusive right to put television cable in a region
 - obtaining exclusive right to put electricity cables in a region
 - obtaining exclusive right to build railroad
 - exclusive right to air-routes
- regulators (FRS, FCC etc) are useless
- at individuals' level, the supplier companies are collectively owned, ruling out competition

I call such markets COSSCGs, Collectively Owned Supplier Side, Closed by Government.

COSSCG owners have **non-competitive advantage** over other citizens (please mark the phrase non-competitive. The advantage is because of lack of competition, not because of being more competitive). This non-competitive advantage may prove to be fatal if COSSCG-owner starts a company which would compete with non-COSSCG-owners' company, and COSSCG-owner used his profits/business from COSSCG to fund his new company.

The consumers in this industry end up paying 2-20 times the price. COSSCG make huge profits (e.g. banks, cable companies). I am NOT against making profits or even high profits or huge profits. But these profits are not because of any hard-work or vision, but due to the fact that ENTRY to competitors is closed by insiders' "influence" on lawmakers and executive.

7.5 COSSCN: Entry closed by the Nature

I call some markets COSSCN: Collectively Owned Supplier Side, Closed by Nature. E.g. Mining. Once the mines are bought, new mines do not fall from sky. Unlike labor or software or art-pieces, man cannot create raw-ore. Thus mining is INHERENTLY closed by Nature. The owners of mines initially compete, but immediately buy each-other's shares so as to share interests and reduce competition. IMO, basis of COSSCN are "MINERAL RIGHTS" and the land, not the mine as such. All aspects of mining industry, like exploration, mining or drilling, refining and transportation are forms of labor/capital and thus competitive. However, "mineral rights" are inherently non-competitive.

Other example of COSSCN are companies owning communication bandwidth.

COSSCN and COSSCG are very much similar. Both involve non-competitiveness, and heavy profits due to non-competitiveness. However, from synthesis point of view COSSCN are tougher creatures. COSSCG can be made to disappear simply by undoing wrong govt. policies which created them. However COSSCN are not due to any govt. policy but due to the fact the man cannot create nature.

7.6 High Revenue, Moderate profits

COSSCG and COSSCN have very high revenue. They may not have high profits on books as money is siphoned by means of high cost. I shall explain by an example.

Consider a fictitious phone company called USTT. Suppose USTT 's revenue is 64billion dollars. The actual cost can be as low as 20billion. This will result in profits 44billion. Obviously, such high profits will create uproar in people, which would force FCC to crack down. Telecom company's BoD (Board of Directors), CEO and other managers know this. So instead of posting high profits they siphon the profits via other companies. Following are some of the means commonly deployed

- COSSCG buy new companies and write them off as an expense. This is how hViacom and hTimeWarner grew in size. On paper these companies loosing. If they are actually loosing, then how come they are growing every year in size? The loss is just a book-keeping gimmick.
- CEO will ask VPs to start a totally useless high-tech software project. CEO's son will have a company which provides computer programmers to USTT at \$120 per hr. The programmer would be getting \$40hr. Thus per programmer, CEO's son would make \$80 per hr or \$160,000 per year. CEO's son company may provide some 500 such consultants. Some other director's nephew would be providing some 100

consultants. Together USTT would be employing 10,000 such consultants. There by \$1-\$2 billion can siphoned.

- USTT would use \$20,000 hSun machine even where \$2000 PC would do the job. It will be justified under the buzzword “client-server” system. Hint: Sales directors in hSun will some relative of a biggie in USTT. The director would huge bonus because of profits from sales.
- **Rotating \$5,000/day consultants:** 3 friends A, B and C graduated from same school. Now A is director USTT. B is director of a TimerCable. C is a \$5000/day consultant. A will hire C. Next year, C is USTT director. A is TimerCable director. B is \$5000/day consultant. Now C will hire B. Next year, B is USTT director. C is TimerCable director. A is \$5000/day consultant. Now B will hire A. Thus, it never happened that A hires B and B hires A. But the rotation attained the same effect.
- The \$5000/day consultants do not work alone. Each biggie brings a team of 2 managers, 3 associates and 6 analysts. On the manager, client would pay \$3000/day and he would get \$1500 per day. Thus the biggie makes profit of \$1500 per manager in his team. Associate would cost \$2000 and would get \$1000. Analysts fetch \$1500 per day and get \$500 per day (including cost of his MBA). Thus the team would cost $5000 + 2*3000 + 3 *2000 + 6 *1500 = 5000 + 6000 + 6000 + 9000 = 26,000$ per day. Of which the senior most person will make about $5000 + 1500 *2 + 1000*3 + 1000*6 = 5000 + 3000 + 3000 + 6000 = 17,000$ per day.
- Over and above the above mentioned fees, the clients also pay all expenses. The COSSCGs and COSSCNs are loaded with such consultants. Its just a means of siphoning money out. This consultants are friends of directors, CEO etc. and, according to Dilbert, do no useful work. These consultants sometimes become director in other COSSCG or COSSCN and then they hire their previous clients (individuals) as consultants.
- COSSCG and COSSCN are surrounded by their satellite companies. This satellite are charge 2-3 times the market price and sometimes they are hired to do useless projects. A large number research projects are nothing but siphons. There is no way a regulator, honest or dishonest, can stop this.
- COSSCGs owned by banks pay huge interest to the banks. Thus incomes are negative. But if we keep bank and COSSGC together, the income is positive.

As always, all this analysis provided me no help in synthesis. The solution to COSSCG and COSSCN are completely orthogonal to how they were formed and how they operate. Later, I will elaborate my proposed cure to these evils.

Before this, I would like to say more about cable companies.

7.7 Why I hate Cable Companies

In US, right to lay TV cable-wires, in a region, is essentially a monopoly. No region has more than one company, and this limitation is by law. In contrast, in India, govt. allowed several companies to come in one region. Due to that basic cable service in India is \$2/per month while in US, it is \$20 per month. And the difference in price is NOT due to difference in cost. ALL costs other than labor are same in both countries. And cable is NOT labor intensive industry. Same cable and equipment are used in both countries

Clearly monopolization has produced this huge difference.

Money is not the only problem

Monopoly in cable has resulted into oligopolization of entire news-reporting and entertainment industry. The control is imposed as follow: If a cable content-provider is showing something which cable-wire-company’s banker-owner/controllers do not want citizens to see, the cable-wire owners will simply threaten of denying the access. This can be done diplomatically, and so it would be next to impossible to prove such pressure in a court of law. The provider has no choice as cable-wire owners have monopoly. Thus, no cable TV program will tells American unskilled workers that Scandinavian unskilled worker has far better life than his.

Entertainment industry, particularly movies, heavily depend on cable-content providers for success of their movies. Cable-content providers not only decide advertisement rates but also affect movie’s future by number of times it gets “mentioned” in the feature shows like hLarryKingLive and talk shows. The movie makers, who are preferred by cable companies, are able to get “mentions” for free and others don’t.

Due to monopoly, cable companies could make consumers pay 2-20 times and advertisers pay 10-100 times the cost. This created high profits, which cable companies used to buy newspapers and magazines. Most of the newspapers and magazines were making huge losses with no hope of profits in future. In

general, due to TV, cable, CD-ROMs and Internet, newspapers were expected to lose revenue. In spite of all these, cable companies bought/merged-with newspaper/magazine companies. The reason was to ensure control over news-reporting industry.

Later, using excess profits, cable companies also bought shares of TV-network companies and gained ownership/control over them (In contrast, no cable company in India could ever become rich enough to buy even a monthly magazine).

Next, using profits and control over advertisers, cable companies bought music companies. Today most music CD albums come from cable-company-controlled companies.

Thus, monopoly over right to lay TV-cable resulted into “collective” oligopoly over content-providers, newspapers, magazines and TV-networks. Some 95% citizens get most of the politics/economy related information from these 4 sources.

US and West European citizens are guaranteed audience of the cable company owners/controllers. The word “guaranteed” is a politically correct euphemism for word “captive”.

In spite of all this, so-called conservatives and libertarians are strong defenders of cable-monopoly. The Justice (just-us) dept. which bothers competitive companies day and night has never taken any significant action against cabling companies.

I still wonder the wisdom in stopping an individual from putting additional cables in a town, at his own cost.

7.8 Conclusions

ONLY openness on supply side creates competitiveness

number of suppliers does NOT matter

regulators are totally useless

size is less important, competitiveness is more important

(The last rule is certainly true for companies. It may be true for many other things.)

Only the newcomers tend to bring the price down, not existing suppliers. Further, only the fear of newcomers prevents existing suppliers for colluding and becoming lethargic.

Examples are numerous. I worked in telecom industry, banks and came in direct contact with PC software/hardware industry. The competitiveness I observed in PC software, PC hardware and restaurant business was far-far more intense than competitiveness I saw in Fund Transfer, telecom, UNIX software/hardware and worst of all, TV-cable. If on a scale of 1-10, if competitiveness in NYC restaurants being 10 and that in PC software are 9, Fund Transfer will be 1, telecom will be -100 (before 1984) and -80 (after 1984) and cable will be some -100. Reason is simple. PC software, hardware and restaurant business are open. Others are less open or closed.

If a field closes for any reasons, artificial or natural, the suppliers will immediately collude. Collusion are implemented by creating holding companies and owning each other's stocks. They will have non-competitive advantage over entire society. No govt. regulation can remove this non-competitiveness or reduce the negative effects of this advantage.

This non-competitive advantage is second most important factors in contemporary US (and West European) politics and economics (first being the Legal Tender look-alike a.k.a. check-book money).

And please remember, **all (existing, 1998) cable companies are evil.**

[File End][CHAPNAME]

8. New Laws for Telecom-Cable and TV-Cable Industry

8.1 Hypothetical history of hATT

I told you why I hate Banks and Cable Companies. Now its time for the telecom companies.

hATT (a hypothetical company) was a monopoly till about 1900. The monopoly was due to some patents. IMO, it was fair.

However, as the patent expired, 100s of non-hATT companies came in telecom industry. Some were better than hATT, some were worse. However by 1930, some non-hATT companies were bought by hATT and most just went bankrupt. Only players in US were hATT and its subsidiaries. Let me tell you how the success was achieved.

By 1910, hATT was owned by bankers, Morgan related banks being the prime players. Bankers create money from thin air. Thus hATT never fell short of money for expansion, emergency repairs and making high bids in telephone-cabling-rights' auctions. Their competitors were always short of cash. Further, using "influence", hATT (and its banker owners) could convince Congress that hATT should have **exclusive right** (i.e. zero competition) to lay long distance cables over railroads and highways. Next hATT would establish a local phone company and that company will get preferential treatment than the non-hATT companies in that area. Soon customers will get tired and switch to hATT. This exodus will obviously make the non-hATT company weak and up for grab. On the other side, hundreds of economists, in early 1900, churned papers saying phone business should be a "regulated" monopoly. Then came one-bandwagon. One system, one company, one policy. One body. One mind. One soul. In short, "only me, screw you". The lawmakers accepted these views. hATT would like us to believe that their success was due to technological innovations, foresight and hard work. Nonsense. hATT's growth and becoming monopoly was due to its owners' capability to create money from thin air and govt. help.

Ma Bell was not a lady.

Let me mention some more facts about hATT

- In 50s they concluded, after a multi-million dollar research, that demand of red colored phones will be so small that it would not justify the cost. How smart!
- hATT had monopoly over deployment of telephone equipment (called CPE, or consumer premise equipment). It was ILLEGAL to connect any phone made by any other company to PSTN (public switched telephone network) . hATT used to say allowing other companies' equipment to be connected would jeopardize safety of network (PSTN). This was always a lie. The network, since 1890, had fuses and circuit breakers built into it to protect itself.
- Due to this monopoly, based on a lie, from 1930s - 1964, no innovation occurred in telephone equipment . The same black box with few changes in design and later color.
- Around 1964, hATT lost monopoly over equipment. Hundreds of different variety came in market in a short period of 5 yrs. I would request the reader to compare the engineers in those small, not-so-rich companies, who created all these innovations in few years, to the ones in the Lab, who did ABOSLUTELY NOTHING for 30 yrs even after spending billions on so-called "research".
- Laying cables was projected as "big and difficult" task. I don't agree. Almost all cities and town have networks of gutters and water-pipes going to every house. If laying huge pipes that carry water and sewer could be done even 300yrs ago, how difficult can it be to put poles and wires?

8.2 Useless FCC

Now I give 2 facts to show that FCC-folks are useless.

- Till 1984, other than touch tone dialing, no improvement came in phone-service. Cost continued to rise.
- In 88-92, cost of long distance call came down. No major technology change had occurred in phone industry during those days. In spite of the fall, all long distance companies were posting profits. This shows that hATT grossly overcharged for several years and FCC-folks did not stop them.

8.3 History of TV-Cable Companies re-visited

Since early days, money-creators had keen interest in purchasing **exclusive rights** to put TV cables in townships (read exclusive rights as "if you dare compete against me, you will end up in a prison. "Exclusive rights" are implemented using the barrel of the guns and threat of the prisons). Though there

were several cable companies, one town had only one. Once again the “one” band-wagon. One system, one company, one policy, one body, one mind, one thought, one heart, one soul. Only me. Screw you. Cable providers charged hell of a lot from consumer and that was only the tip of the iceberg. The advertisers had to pay extra 1000% overheads. Thus cable companies would get \$20 extra from the consumer and \$40 - \$100 (per consumer) from the advertiser, who would later charge it to the consumer (thus part of your increase in grocery bill was due to the TV-cable monopoly). Using the power of the monopoly and money, they made and bought content companies, like hMTV, hShowTime, hHBO, hVH1 and so on. The shopping spree continued. Later they bought print-media companies like newspapers, magazines and major book publishers. Then shares in TV-networks. And finally they also bought video stores (e.g. hBlockbuster is owned by hViacom) and parts of Hollywood. They shop till we drop. All this from excess profits due to govt.’s ban on competition.

An interesting event occurred in 80s. If I have a company, which made profit of \$100 million, and I buy a company at the cost of \$70 million, I will have only \$30 million left with me. But IRS will tax me on \$100 million and my profit on books too will be \$100 million as “buying a company” is not considered as an expense.

This rule is applied on all companies.

All companies.

Well..., almost all companies.

All companies except newspapers.

If a newspaper publishing company buys a newspaper publishing company, in 80s, IRS allowed them to deduct it as an expense. Since cable companies owned newspapers, they got some benefit from this charity.

The cable industry is a regressive tax imposed by banking elite. In general, poor and blue-collar workers spend more money on cable (pay per view, \$25-\$40 live boxing games, oil wrestling, mud wrestling etc.) than rich. Also, it is higher fraction of their small incomes. This tax is possible due to closed oligopoly.

8.4 Significance of These histories?

What is the significance of these histories?

Not much.

History is not important, only (ability to change) law is important.

The only reason I am telling this story is to prove that the regulators are useless. Any smart person would have said that from common sense (just like this example, million pages of history adds up to only 1 line of advice: Do not trust any one. I would have said that using plain simple common sense).

8.5 Proposed New Laws

The only factor which makes telecom/cable industry non-competitive is “right to lay” cables and owning communication bandwidth.. Other aspects like actually installing cables, manufacturing equipment, switches, software etc. can be made as competitive as PC-software business or restaurant business in NYC. None of these sub-areas need any govt. control.

I propose that citizens should convert this “right to lay cable and poles” into a “privilege”. The company which wishes to put cable shall have to acquire the “privilege to put cables and poles”. The citizens give this privilege to a company. The citizens can take it away, with or without notice, anytime, any moment. If the companies think that citizens are asking for too much, then well, they are.

Here are the proposed changes in the laws for Cabling and Bandwidth.

8.6 Cabling

- A National Level Direct Vote should urge FCC and Federal govt. that if a county wishes to take over cabling rights, FCC and Federal Govt. should hand over cabling rights to the county. The county’s wish must be expressed using a county level DirectVote.
- Only me and my neighbors matter: If over 55% of a county (district) citizens want to relieve FCC and Federal Govt. of the responsibility of managing cables in their county, and over 55% of citizens in the neighboring counties approve it, then cabling privilege would come on that county governments’ agenda.
- With this “cabling privilege” shall become sole “county government” issue. In that district, State and Federal govt. shall have no control over it (the law will apply on all districts except the districts which contain national or state capital cities).

- With this, the county can decide which companies (if they choose more than one) will put cables (both telephone and TV-cables) and they will have **right to fire** ANY of the cable-laying companies ANYTIME they wish, including existing companies (“**firing a telephone/cable company**” would mean asking the company to remove all its cables, poles and equipment, without any compensation in return.)
- Using DirectVote county citizens shall be allowed to void any contract, which involves communication cabling. This will also include any contract which any company currently has with County, Township, State or Federal govt.
- The Direct Vote, which has fired a cable owning or related company, *cannot* be challenged in any court of law.

One small change and entire face of telecom/cable/news-reporting industry shall change. This small change will change the face of entire civilization.

The law is easy to draft. Citizens will need to pass this law at national level with 75% YESes so that Supreme Court cannot negate it in future. Next citizens will have to hold County Level Direct Votes to relieve FCC from the responsibility in their counties.

Essentially, law would allow citizens to have several distinct and independent cabling companies in SAME region. Thus competition will appear amongst this areas.

8.7 The End?

No, only the beginning.

I will show how the new system can increase efficiency, reduce cost and improve service, without causing incompatibility.

The essential new element in my proposal is NOT decentralization. IMO, decentralization is never a solution by itself. That is perhaps because centralization is never a problem by itself. The new element I am introducing here is “promptly firing a cabling (TV cables or telephone cables) company.” IMO, the citizens must have that right and they must use it to hurt the company if they believe that the company is misusing the privilege given by them.

Using this new feature, I shall now mention how key problems in telecom industry can be solved.

8.8 How can citizens easily fire Phone-Cabling-Company?

The real work begins where a law ends. The law can at best help in eliminating the bad. By itself, it cannot create a good. The above law I discussed will only help counties in firing bad telephone-TV cabling company easily. The new companies will keep coming, good and bad. The county will have to do some work for getting and retaining the good ones.

Going by current telecom cabling technology, most local cable lines still uses 100 year old technology of poles in suburbs and underground pipes in dense urban areas. I recommend that county should own and maintain all the poles (and pipes). This does not sound impossible as counties or townships today do maintain all the a network of street lights, sewers, water pipes and roads. Maintaining poles will be much easier than any of the these 4. There should be enough slots in the poles that 2-5 telephone-cabling companies and 2-5 TV-cabling companies may be allowed (the future technologies may merge telephone and cable, in which case any slot may be allocated to anyone). The township can allocate the poles and slots to a cabling company.

With this mechanisms, it will be easy to fire one cabling company as removing its wires will not involve removing the poles and thus other cable companies can still be in operation.

Also, the land and building of company owning switching exchange, such as Central Office, should owned by county and not by that company. The leasing contract should have a clear “get lost” clause.

8.9 How can Citizens Ensure Intra-County Compatibility in Telephones?

How can a county ensure that 2 or more phone companies are compatible (i.e. phone-owner of CompanyA can call phone-owner of CompanyB without any headaches) at local level? The way to implement that is ensure that Central Offices (or CO) are owned by individuals who have NO interest in ANY of the cabling companies. The building of Central Office should be owned by the county so that if CO owner is fired, no major rewiring shall be needed. Thus exchange, which implements, the connectivity, could be impartial to all.

Further, if county-citizens doubt that a Central Office company or phone-cabling company is deliberately not cooperating, they will have to fire that company.

So as a backup, each citizen should be encouraged to have telephone-cable from 2 cable-laying companies with 2 distinct Central Offices. This may increase the cost, but competition will reduce the price so low that one shall be able to afford to 5 lines at today's cost of one line. Thus in case the company owning Central Office or cable is fired, one of the number will be temporarily down but the user can continue with the other phone. Further, phone-numbers should be made property of user (as long as he is in that area) so that no numbers need to change when a cabling or Central Office company is fired.

Thus by pick and choose, county-citizens will have to ensure that non-cooperating companies are thrown out. This will ensure compatibility.

8.10 How can Citizens Ensure Inter-County Compatibility?

How citizens in two different counties ensure that the cabling companies in their counties will collaborate so that they can call each other easily?

In a competitive situation, this problem is less likely to arise. Suppose CountyA has two telephone central-office companies called CentralA1 and CentralA2. And CountyB has two telephone central-office companies called CentralB1 and CentralB2. Suppose all citizens in CountyA are "fully connected" i.e. anyone can call anyone in CountyA. And same is the case for CountyB. Now if there is a cable between (CentralA1 or CentralA2) and (CentralB1 or CentralB2), then any modern operational switching software will ensure connectivity between all phone-users in CountyA and CountyB.

Suppose CentralA1 refuses to cooperate for any reason. Immediately, CentralA2 owner will see this as a business opportunity to expand. In a neck-to-neck competition, given a slight possibility that CentralA2 can "probably" outsmart CentralA1, CentralA1 owner will not take ANY step that can give CentralA2 even one chance. Same will be the story at CountyB.

Thus the competing companies in each county will try its hard to implement connectivity with neighbors.

This will be the "most-case" situation. In some exceptional case, there may be an exchange-owing company or a cabling company who refuses to cooperate in any case. In that case, citizens will have to find a replacement and fire that company.

Thus competition and possibility of getting fired will ensure inter-county connectivity. This will work in 99.9% case and in 1 out 1000 cases, citizens will have to actually fire a company. Due to this pressure, over-time exchange-owners, exchange-equipment making companies and cable manufacturing companies will form associations and conferences to evolve standards that will make connectivity much easy to implement.

As an analogy, 100+ vendors in PC world make PCs and 100+ vendors make plug-in cards. All cards work in all PCs, as a rule. If not, the consumer will simply return the card (which is analogous to firing a company). Not only that, some 50+ vendors make network cards, some 10+ vendors make hubs and 100+ make network cables. Problems exists, but compatibility in networks is a proven fact. No monopoly was ever required in PC-network world for inter-connections.

8.11 How can Citizens Control Long Distance Phone Companies

Most of long distance cables are along the railway lines and highways. They could be over the ground or under ground. In the legal framework I suggested, long distance shall be still a county issue than a State or Federal. To administer, counties' Executives' will have to form a joint committee of counties along a route. Erecting a long distance cable would need coordination amongst all the counties through which the highway or railway lines passes. The joint-committee along a route will have to appoint two or three companies to put a track along the route. One county may end up being member of several committees.

The long-distance cabling companies chosen in this way will be more competitive than locals, as there are 50+ routes to connect between two far apart cities such as LA and NYC. Thus even if there is an oligopoly on a given route, the local exchange has 50 sets of oligopolies to chose from. Given the competition, discipline shall prevail. In worst case, a county, using DirectVote, should be allowed to remove cables of any long distance company, even against the wish of every other member in the committee. This is unlikely to jeopardize over-all long distance service as there are 10s of alternate routes. With modern switching software, handling such "breaks" is a trivial issue.

(Management mechanisms for long distance line in ocean or using satellites should be left with FCC. For now.)

Using ability of county citizens “to fire a telephone cable company using DirectVote”, I described how citizens can implement competitiveness in cable-telephone industry without sacrificing service quality or compatibility. With this, cost of ordinary voice call may drop to \$10.00 per mo., unlimited local or long distance calling anywhere in US.

8.12 Controlling TV-Cable companies

Removing TV-cable companies’ guaranteed monopoly is crucial for freedom of speech to make sense. So called “freedom of speech of an individual” is useless without “communities’ right to communicate freely”. With cable-monopoly, the most powerful means of communicating has been blocked and is being controlled by handful of bankers.

US citizens are captive audience.

As a good start, all existing cable companies should be fired right away.

Is it improper to fire a cable-company? Well, managements religiously defend their right to fire the employees. In that case, what is wrong if citizens decide to fire companies?

Controlling TV-cables companies will be much simpler than controlling telephone companies. The compatibility issue is limited as only compatibility issue here is cable-signal and TV compatibility.

I would recommend that a county keeps 3-4 TV-cable companies. Each household at any point should subscribe to at least 2 cable companies. This will allow him to disconnect any company he dislikes instantly. With competitiveness, the price will fall \$3 per mo. and so at current price, one shall be able to afford 5 companies at the price of one. The cable companies should “encouraged” to become “pure carriers”, in order to get a cable-content provider, subscriber will directly talk to the content-provider rather than keeping TV cable company as a go-between.

Once the excess-monopolistic-profits of cabling companies falls, they will be force to relieve content makers, newspaper and news magazine industry. This coupled with Legal Tender Legislation, the bankers’ control over mass-media shall be over. The entire landscape of news reporting industry will change in a small span of 2-3 yrs.

8.13 Compromise with Hiring/Firing Cable Companies

My proposal, that township should have power to fire cable companies will evoke a big humanitarian cry-pitch from conservatives and libertarians. Though conservatives and lobbies (just a short, I intend no pun, sarcasm or insult) religiously defend that management should have right to fire workers, they will not support that citizens’ should have power to fire cable companies

To avoid a show down, I would propose a following compromise:

- The existing companies cannot be fired.
- Citizens of the town can fire the new companies. This is NOT unfair, as they the newcomer very-well knew in advance that they can be fired ANYTIME.
- The citizens should invite new company and flatly boycott the existing one and drive it to bankruptcy.
- Citizens can make provisions so that the workers of existing companies will get absorbed by new ones.

This way citizens can get rid of existing cable companies without firing them. Libbies should have no problem with above steps. Boycott is a perfectly acceptable option in their rulebook.

8.14 New proposed laws to allocate Communication Bandwidth

Using National Level Direct Vote, following laws should be passed.

- In the ENTIRE county’s area, 20% of the communication bandwidth should be property of Federal govt. and remaining 80% should be property of the county. The exact frequencies will be decided by the Federal govt.
- The county can lease its spectrum or parts of it to private individuals or companies for a period no longer than 3 yrs. The lease can be extended every 1 yr. by a period of no more 1 yr.
- With 2/3rd YESes in a DirectVote, any lease can terminated unconditionally. This will include all existing leases as well. This termination, by a Direct Vote, cannot be challenged in any court of law.

8.15 How to Administer Bandwidth Leasing

Suppose a county of 100,000 citizens has 10GHz of spectrum to allocate. IMO, the best way to allocate the spectrum is to give 100 coupons to every citizens, each coupon carries 10 billion / (100,000 * 100) = 1000 Hz. 33 coupons will expire after 1 yr., next 33 coupons will expire after 2 yr. and remaining 34 will expire after 3 yrs. The replacement of each set will expire after 3 yrs periodically. Thus about 1/3rd of coupons will expire every yr.

The companies which want to be in wireless business of any kind, radio, TV, cell-phone, beeper or any means shall have to get coupons from the citizens. The citizen is free to sell or give (in return of some service or simply a donation to a charity) the coupon. Once the coupon is sold by the citizen, it should become the company's property. The citizen cannot revoke it unless the contract between company and citizen has an exit clause. In any case, it shall expire after 3 yrs of issue.

All coupons can be voided and reissued by a DirectVote with more than 2/3rd YESes.

(The area of regions may end up crossing county boundaries if some frequencies make sense only over a longer distance. In that case, the county will have to collaborate with neighbors in splitting the spectrums or else both will suffer as that spectrum shall remain unused.)

Thus we have perfectly competitive, free market, "zero-government-interference" way of allocating "amount" of bandwidth between bandwidth users.

Now county's government (executive) will have to allocate "actual" spectrums. The county's executive must ensure that a company with 15% of coupons has 15% bandwidth, but executive shall decide which EXACT spectrum is allocated to which company.

(I would like to call this method of allocating state-owned resources as "individualization of state powers". IMO, this concept is more important than both centralization and decentralization put together, which is not saying much as all concepts are useless.)

This ends my discussion on bandwidth allocation.

8.16 Monopoly vs. Oligopoly vs. "Poligopoly"

An economist who proclaims that plurality will be sufficient for competition and openness is not necessary is an incompetent fool. Openness and resulting competitiveness induces price and service efficiency, not the number of competitors. The high price and inefficiencies in cable and telephone industries was because these industries were closed to newcomers, not because small number.

If above proposals become a law, one shall see 100s of telephone companies in the first year. About 2-3 of them will capture 70% of market in next 5 years, and perhaps only 1 company will have 90% of markets with 10s of small companies in smaller areas. Alternatively, the industry may re-organize itself where 1-3 companies will make over 90% of switching software, 3-10 companies will be make equipment and 10s of companies will be running Central Exchanges and laying wires. IMO, this monopolization or oligopolization will not reduce efficiency at all. As far I can tell by my observations of PC and telecom industries, oligopolies which appear in open market *always* remain efficient and those (oligopolies or "polygopolies") in closed markets always become more and more inefficient. In fact, monopolies in closed markets come only by force of govt. or by shear power of money-creators, who simply beat the competitors by creating additional money.

Over time, counties may decide to hand-over part or whole regulatory responsibilities to states or federal govt. . A better way I suggest is to form "county-groups (the "county-groups" is simply a group of counties, which have same executive or pledges to have identical laws on *particular issue* (not entire executive). The group may not be geographically contiguous. The county can leave the group anytime).

Suppliers in a competitive environment. only need a common set of non-conflicting technological standards, not a common executive. Thus centralization of allocation power is not needed. For examples, all screws are made so that clockwise-rotation will cause linear movement in same direction. Implementing this requirement neither needs a govt. rule nor a setup where 1-3 companies are allowed to make screws. Joint conferences to create standards would suffice. So forming "county-groups" is a better idea than transfer of power to state or federal govt.

8.17 Citizens and Executive - Proxy System

Some actions which a county may take can be taken only by a Direct Vote (e.g. firing a company or voiding all bandwidth leases). Some are taken by citizens individually, like allocating bandwidth by selling coupons. Some actions, like allocation of exact spectrum, should be done by the Executive, which will be

small group of individuals. How can citizens ensure that members in Executive will not “misbehave” like today’s FCC Commissioners? Of course, they can fire the person in Executive with a Direct Vote, but here I shall suggest a simpler option, called Proxy System.

Consider a county of 100,000 citizens. They need to form an Executive body of 11 members for a specific task, say supervising telephone, TV-cable and bandwidth companies. Any citizen can register himself as a Proxy, by paying a registration fee. The citizen can pick any Proxy he likes. He can change the Proxy any time he wishes. Unfortunately, to accomplish this, it will be difficult to keep Proxy choice completely confidential. This is one drawback of the system.

The Proxies can allocate their votes to one or more wanna-be-executive members. The first 11 candidates with highest no. of votes shall be members of the executive. To make the process clear, I shall give an example.

Suppose in that county, 5 people say they want to be Proxies and 20 wish to member of executive. We shall call them P1 .. P5 and E1...E20. Citizens can pick any one of them between 1st to 15th of the month. The registrar shall count and say counting is over on 17th. Suppose out of 100,000 only 85,000 cast their votes.

10,000 voted for E1
4000 voted for E12
1000 voted for E13
20,000 voted for P1
50,000 voted for P2

Now P1 and P2 have together 70,000 votes.

Suppose P1 gives 7,000 votes to E2, 7000 to E3 and 6000 to E4. Next P2 gives 1000 to E4 and 7000 to each of E5..E11. Then

E1 has 10,000 votes
E2 ...E11 have 7,000 votes
E12 has 4000 votes and
E13 has 1000 votes

So E1..E11 will be the members of executive.

Here, a citizen’s vote to a Proxy or an Executive candidate will expire after 2 years. The citizen may change his Proxy anytime he wishes between 1st and 10th of any month. The Registrar shall issue to the new counts on 17th. Also, Proxy can re-allocate his votes anytime he wishes. On each 25th of each month the registrar will declare each Executive member’s and wanna-be’s count. If an existing member fails to be in first highest 11, he will be replaced by the newcomer.

The Proxy system is a form of indirect representation, but a Proxy can be fired anytime by the citizen, unlike a conventional representative. Also, citizen has choice of completely bypassing a Proxy and directly voting for an executive member. Due to the swiftness and flexibility, it will be more functional than the representative system. For a mechanism, like this, 100% secret voting would be difficult. Where secret voting is must, Proxy System should not be used.

How is Proxy System relevant to telephone-cable-TV etc.? Well, citizens can use a Proxy System to appoint/elect executive members to supervise cable-telephone-bandwidth company’s operations.

8.18 Conclusions

Speech does not exist without speaker and a listener and the communication links which connect them (A tree fell in the forest and no one heard it. Did it make any noise? Or a man made a statement, and his wife did not hear him. Is he still wrong?) An individual’s freedom of speech does not serve much purpose without individuals’ ability to communicate cheaply and promptly. The reason why citizens fail to create alternate options is that creating alternatives needs communication. And means of communication are currently owned by a closed oligopoly of bankers, making it impossible for citizens to communicate on issues bankers don’t like.

Implementations of both new proposals that I made, will not serve the purpose unless Legal Tender Law is made. With power to create Legal-Tender look-alike from thin air, no individual can survive against money creators unless he is 10-20 (= 1/reserve-ratio) times more productive than an average person and that

specific industry in which he works needs very less natural resources. Money-creators shall simply create Legal Tender look-alike, buy all the companies, re-establish the monopoly and we will be back to square one.

Can existing Congressmen be asked to passed such laws? That will be waste of time. Even if they want to, they will need the approval of their masters in banking industries. Bankers would simply turn down their request. A Congressman's career is built by mass-mediemen and lobbyists and they can destroy it any moment. The mass-mediemen and lobbyists take orders from bankers. So a Congressman would not risk making an anti-cable law (in fact US constitution does not allow any agency of Federal Govt., such as FTC or FCC, to regulate or restrict intra-state cabling. The power is obtained by rigging the courts and sheer use of Federal Guns a.k.a. Federal Marshals)

DirectBill-DirectVote seems to be the only way out.

8.19 Cure to Other COSSCG

In the pervious chapter, I described COSSCG (Collectively Owned Supply Side, Closed by Governments). Banking (FRS, FDIC etc.), telecom and TV-cable and TV-networks are 4 important COSSCGs. COSSCG in banking can be removed only by the Legal Tender Law. In this chapter, I described cure to COSSCG in Telecom, TV-cable and TV-networks. Cures to COSSCG in Airline Industry (less closed), food industry and electricity go on a similar line. Essential idea to that a county/state, using DirectVote, should be allowed to take a power (except defense and Legal Tender) from FCC, FDA, FAA or any other state/federal, regulatory body. Partially or wholly. After this step, citizens should make schemes to open-up the industries to start-ups. With these actions, all COSSCGs would disappear.

(In some other book/article, I shall describe how a joint committee of State agencies can replace FAA's route-allocating and price-fixing powers (other functions of FAA, like safety etc. are useful). A cure to FDA is more complex.)

Now I will focus on COSSCN.

[File End][CHAPNAME]

9. Death of Free Internet and Small Presses

There are two main channels of communication not under bankers' control: Internet and small presses. This freedom may not last long.

9.1 Cable Companies and Internet

- Soon cable companies will start Internet access via cables
- Phone companies and cable companies will merge or form COSSCG (such as ATT/TCI merger). With or without merger, the same holding companies will own Telephone companies as well as Cable companies. In essence, each community will have 2-3 cable/phone companies, but they will be merely different labels as owners are the same.
- Cable companies will also start hosting Web servers. Same way the cable companies (or their satellites) provide contents (like hHBO, hShowTime) on cable.
- The web sites which are hosted on the servers owned by cable companies will be accessible at the speed of 1-10 mega bits per seconds while those not on cable companies' servers will be available at less than 128 kbps. **In other words, web-sites hosted at cable companies' buildings (or the buildings which are connected to the cable companies' building with high bandwidth lines) will be 10-100 times faster to the end user.** Unless a web site is on cable companies' servers, it will not fetch readers, as the readers will simply get bored of slow access. Cable companies will connect their host machines with one other's host machines hosts using ultra-high bandwidth. But they will show limited response in connecting their machines with other ISPs' machines

Now interesting phenomenon will happen. Cable companies would take initiatives to expand their roles. Along with hosting servers, they would also start web-page and application development. This has infact already started. hViacom owns a company which develops web applications. This is similar to cable companies like hViacom creating content providing companies like hMTV and hVH1. To streamline the process, web-application development companies and programmers not favorable to Cable Companies will be excluded from putting their applications and contents on cable companies' servers (just as hMTV competitors have difficult time getting access to cable). Closed oligopoly in TV cable translated into a closed oligopoly of content providers, which has now resulted into complete oligopolization of news and movies.

If closed oligopoly on cabling privileges continues, it will translate into closed oligopoly of Internet providers and server hosting. Next, will be oligopolization of entire software development industry. In a few years from now, all software development companies will be owned or governed by cable companies. The industry, in terms of business arrangement will be back to mainframe days where only way a person can be programmer would be by becoming an employee in first 10-15 big companies or by being their satellites.

The days of independent internet and independent programmers are numbered.

9.2 Controlling Server Hosting and Web Sites

I would explain the process by an example.

Lets suppose hTimeWarner, hRCN, hATT, hMCI and hViacom are five cable companies which provide 3MB downlink and 128 kb uplink service to every house in Manhattan.

Does it mean that there will be pro-consumer competition?

Well, each company will be owned by same 25 banks holding companies and will be under deep debt of short term loans. So if any of the CEO come up with a plan that would reduce total profit of bankers, the bankers can shake him by refusing to issue short-term loans. Thus all CEOs will faithfully obey the 25 Bank Holding Companies' directors' wishes. Thus as far as consumers are concerned, there will be only one cable company called BankersOneCable company.

Anyone who tries to put cable without FCC's permission in Manhattan alone will end up in prison, even though US constitution prohibits Federal Govt. from regulating intra-state trade. FCC will not issue license as there are already five cable companies in Manhattan.

BankersOneCable will have 3Mbs line from its building in Manhattan to each home in Manhattan. Similarly it has 3Mbs line from premises in Princeton to each home in Princeton. But the uplink (link from

home to building of the cable company) in each case And its premises in Princeton and New York are connected with 10,000 Mbs lines.

So any web site running on BankersOneCable company's building in Manhattan or Princeton will be available to users in Manhattan as well as Princeton at very speed. A site not on BankersOneCable will have significantly lower speed. OneCable will try to improve connectivity with sites not on its premises, but that would take some time. May be about 1 year. Or may be 2. Or may be 5. Or may be 10 years

Now suppose there is a company called hAmazonCom. It sells manuals over internet. It has a competitor called hNobles which also sells manuals. They both want to add new feature on their web sites: Putting first 20 pages of a manual so that customer can read it before he places order. The only problem is that 56kbps bandwidth to little bit slow for this feature.

But BankersOneCable has made it possible to implement this feature (thanks to the decades of research done by bankers). So hAmazonCom goes to BankersOneCable with request to put his web-site on BankersOneCable premise. There is only one problem: BankersOneCable puts a condition that BankersOneCable would develop the whole application. It is the same way cable-company today try to allow only the content channels owned by themselves. hAmazonCom can refuse to accept the help, but that might upset owners of BankersOneCable company..

Can owner of hAmazonCom afford to upset banker-owners of BankersOneCable company?

Not when he hears that the owner of hNobles has agreed to accept the offer.

In other words, most programmers, like today's automobile engineers or civil engineers, will have 3-4 choices, owned by same 25 Bank Holding Companies. They will all be working for food and clothes.

9.3 Solution

Is there a way programmers can retain their freedom and income?

Yes.

Only if they fully open up the physical cable laying industry. A township should be allowed to have as many cable company as it wants and no other government, state or Federal should be allowed to interfere. If any officer or Judge interferes, fire him.

That's the ONLY way to kill the closed oligopoly of cable companies. If this oligopoly is not stopped, it would engulf the whole internet just like it engulfed a big fraction of music and entertainment industry.

9.4 Death of Small Press

Will elite kill the small press?

No. They will simply block it from distributing the material by privatizing Postal Service. Postal service may soon (by 2010) become a closed private oligopoly The new private oligopoly will set up a price structure which will be extremely hostile to those who are mailing small number of packages a day.

With this most of the independent presses will be cut-off from the people.

9.5 Conclusions

The prime reason why bankers would oligopolize web is to ensure that critical facts (like Alan Greenspan is a mere spokes-person and real power is in the hands of owners of Federal Reserve Banks etc. See United States Code, Title-12, Chapter 3) do not become public knowledge. Also, they would not like people to know that bankers create money from thin air and so-forth. As a result, they must clamp down on the flow of the information.

Seigniorage and Free Communication cannot go together. One will kill another, or at least make it ineffective.

[File End][CHAPNAME]

[For the remaining book, please see <http://www.rahulmehta.com>]

10. A New Way to Talk

In previous chapter, I highlighted the problems which mass media faces. Even after the mass is liberated, how to ensure that it does not again fall into wrong hands? The solution is ensure that one channel of communication is completely free and not under *anyone's* control.

10.1 Sacrifice

Personally, I dislike anyone who asks “us” to change our behavior or life-styles or thinking in order to improve society. I hate the idea of sacrifice. A good suggestion is the one which works on itself and does not need people to change the way they live, act or think.

Having said so, I would ask you to sacrifice. It consists of

- Expense of \$3-\$5 per year per person (no donations).
- Time of 6 hrs (or less) per person per year (no volunteer work). Spending more time is optional.
- A tax of less than \$30 per year (60 cents a week) per person. It would be as low as \$10 per year (20 cents a week), if managed efficiently.

10.2 Opinion Stamps

The tax will be used to mail each person in the country (above 10 years of age) 60 postal-stamps and 60 sheets of paper and 60 envelopes every year for free. I would call these stamps as Opinion Stamps.

Altogether they would cost (the government) less than \$30 per person per year. A person with experience in mail order would tell you that it is would not cost government more than \$10 per person per year. The Opinion Stamps will have no price on them and a citizen will be free to sell it (at market price) or junk them if he wishes. The Opinion Stamps can be used only on an envelop with less than 30 grams of weight in it. 2 Opinion Stamps will still carry only 30 grams. Even if an envelop has 100 Opinion Stamps, the Postal Service should not mail it if it weighs more than 30 grams (30 grams will carry a few sheets of paper).

The Postal Service should not allow these Opinion Stamps to be used with other regular stamps.

The Opinion Stamps will have a month and year written on them and it should be valid only in that month (use it or lose it). The Postal Service will deliver any letter with that Opinion Stamps in that given month only The government must not be allowed to sell Opinion Stamps to anyone at any price.

A citizen's moral duty (not a law) would be

- To write what he expects from the government, or write whatever he wants.
- Mail it to any five 3-5 different persons before the 10th of the month.
- If a citizen wishes not to spend any time in writing letters, then he should
 - make photocopy of any letter(s) he received and he liked in that or any pervious month OR
 - make copy of any page of any book or magazine that he likes (no restrictions) OR
 - simply leave it blank
- Mail to five different person he chooses before 20th of the month.
- If possible, every citizen should choose 2 persons he knows and 3 person at random from anywhere in the country. If not, he may mail it to anyone he wishes.
- If a citizen receives less than 10 sheets of paper in a month, he should read all of them. After that, it is his choice.
- Thus, if a citizen chooses not to write but only make only the copies (60 sheets a year) and reads at least 120 sheets of letters, it would take him no more than 6 hrs a year.
- No person should write more than 3 letters. At least 2 letter he mails should be copy the one letter that he likes most amongst the letters which he received in past few (6 to 30) months.
- Each time a citizen makes a copy and mails it, he may optionally write “Bootstrapping” on the envelop. The address must be hand-written.

10.3 How powerful is this network?

A thought came to a person's mind and he wrote it. Prospective readers are exactly 10% population would like to read that, if they know it exists. But they do not know that it exists. Also, they like it so much

they would like all 10% of the population to read it as soon as possible. Other 90% are bent on ensuring that none of those 10% come to know about this idea.

How long will it take for that those 10% to read that page? Several years, but still, this network has many virtues.

I would like to coin a term: “disinformation power of network at 90% opposition” as ability to hide “relevant” information from the prospective listener. A broadcast mechanism, such as cable TV’s “disinformation-power” is very high. If 99.9% wants to know a piece of information (such as a Banker’s “Your Soul is Mine” Principle, that eventually borrowers will default and become the Banker’s slaves or owners of Federal Reserve Banks) but the top 0.1% who have discretionary power do not want to know anyone, no one will know about it, ever. In terms of anti-disinformation power, the network I suggest is one of the strongest. If implemented, it would be world’s first communication network which is completely free from ANY individual or group of individuals’ discretion. I would like to call this network the Chain Letter Network (CLN).

10.4 Justification for the Tax

Just like Army and Police, a community cannot survive without communication. Army and Police would protect everyone and everyone has to pay the tax to support, even if he is sure that he would never need Army or Police protection. He has to pay even if he does not want Army or Police protection. Weather one wants or not, he is can be asked to serve in Army and can be punished if he refuses to. IMO, the same should apply for communication. If the Truth is not free (of charge), it would not be free (to spread).

10.5 Justification for the Restrictions

The Opinion Stamps must not be for sale. The fact that the supply is limited is what would add value to a receiver. If Opinion Stamps are allowed to be sold, there will soon be billions of junk mails with Opinion Stamps and this would simply lose value..

If Opinion Stamps are allowed to be used as regular mail, it would be same as allowing one to buy guns with Food Stamps given to him. The Opinion Stamps are not subsidy. They have a purpose and if a citizen does not use it for that purpose, it should not be allowed, at least not officially, to be used for any other purpose.

My sincere thanks to the movie “The Postman” (by Kevin Costner) which gave me this idea.

10.6 Something You can from do Today

Please do not wait till Government creates CLN. I would request you to start today.

- Buy 60 envelopes, 60 sheets of paper and 60 stamps. On left hand corner, write “An Opinion”.
- Enclose any letter in those envelope which you wish citizens to know
- Select 10-15 persons in your county, 10-15 persons in your state and 10-15 persons in your country and 10-15 persons in the world **AT RANDOM**.
- The addresses must be hand-written. Mail these letters
- Do this every month. Ask others to do the same. I would request that you keep a package with you, when you approaches a prospect. The package should consist of 60 envelopes with stamps on it and 60 sheets. Please try to persuade the prospect to buy and use the package

With this small step, several changes in the world will happen

10.7 Conclusion

As of today, money is nothing but a piece of paper signed by a banker, loaned to a person which he needs to repay with interest. In other words, existing money is a route to slavery. Law is nothing but a piece of paper of signed by a Supreme Court Judge.

The truth is perhaps what media (cable + TV + newspaper) owners told you about money and law. Or the truth is perhaps what I told you about money, law and media (cable + TV + newspaper) owners. While the *Truth* is what you will know on your own, if you ever try to seek. And you must, if you want to know the Truth and not just the truth. And long days and nights must pass before the Truth you find becomes part of your flesh. Knowing the Truth alone will not free you. You must free the Truth. By Communicating it, you shall set the Truth free.

Only after that, The Truth will set you free.

11. Managing a state owned mine

"The earth is given as a common stock for man to labor and live on. If for the encouragement of industry we allow it to be appropriated, we must take care that other employment be provided to those excluded from the appropriation. **If we do not, the fundamental right to labor the earth returns to the unemployed...** It is not too soon to provide by every possible means that as few as possible shall be without a little portion of land. The small landholders are the most precious part of a state." -- Thomas Jefferson to James Madison, 1785. ME 19:18

"The unequal division of property... occasions the numberless instances of wretchedness which... is to be observed all over Europe." --Thomas Jefferson to James Madison, 1785. ME 19:17

"I am conscious that an equal division of property is impracticable. But the consequences of this enormous inequality producing so much misery to the bulk of mankind, legislators cannot invent too many devices for subdividing property, only taking care to let their subdivisions go hand in hand with the natural affections of the human mind." --Thomas Jefferson to James Madison, 1785. ME 19:17

"It is a moot question whether the origin of any kind of property is derived from nature at all... It is agreed by those who have seriously considered the subject that no individual has, of natural right, a separate property in an acre of land, for instance. By an universal law, indeed, whatever, whether fixed or movable, belongs to all men equally and in common is the property for the moment of him who occupies it; but when he relinquishes the occupation, the property goes with it. Stable ownership is the gift of social law, and is given late in the progress of society." --Thomas Jefferson to Isaac McPherson, 1813. ME 13:333

(see <http://etext.virginia.edu/jefferson/quotations/jeff1550.htm> for more)

11.1 CiziCorp (or FEleCorp)

I would introduce two terms.

- CiziCorp (or Citizens' Corporation) is sovereign corporation of citizens of a country or a smaller region of that country. Essentially, every citizen, in that country or part of country, has shares in that corporation. Exact number of shares may differ according to age, disability etc. i.e. some specific criteria as adopted by the citizens. These shares are not transferable. (I would have liked to call such a corporation CitiCorp, but this label has already been taken).
- The term FEleCorp stands for the same concept (this term is to honor the movie "The Fifth Element" from which I derived the concept of CiziCorp).

11.2 FEleCorp

Suppose a coal mine is owned by a country with say population of 20 million citizens. Essentially, the mine will be run by a proxy system created by the citizen-owners.

- To start, the citizens of smaller region in a nation (or could be entire nation) would form a CiziCorp. Then citizens (of entire nation) will allocate a piece of land to the CiziCorp using a Direct Vote. This piece of land shall become property of the CiziCorp. That DirectBill should also appoint the first Registrar and allocate him funds to setup the CiziCorp's infrastructure.
- The CiziCorp shall have a Registrar, Board of Directors consisting of, say 11, directors, CEO and an Internal Judge. The directors will be chosen by a Proxy System as described below.
- Any citizen or a company, who wishes to be a Proxy can register himself by paying the registration fee (decided by the Registrar). Similarly, those who wish to be a Director can register themselves as candidates. The Proxy can be any individual or a private company. If it is a private company, the CEO of that Proxy-company shall delegate the votes. The Directors-candidates must be individuals.
- The citizen-owner can allocate his vote to one Director-candidate or one Proxy, not to both, between 1st and 5th of a month.
- The registrar should be able to finish the counting in 2-3 days.
- Between 11th-15th, the Proxies can allocate their votes to the Director candidates. The registrar should be able to finish the counting in 2-3 days.
- Between 21st - 23rd, directors can reallocate their votes they have obtained.

- A citizen's vote should be kept confidential. The votes of the Proxies and Director-candidates shall be kept public.
- The Registrar should be able to finish the counting in 1-2 days.
- The first 11 director-candidates with highest votes shall be the directors for next entire month.
- A citizen's vote to a Proxy or a Director shall expire after 1 yr. unless renewed explicitly. In between, he may change it any time between 1st - 5th of any month.
- In the same way, a Proxy's vote will expire in 1 yr., unless renewed. Proxy can change his support anytime in the month between 11th-15th of a month.
- In any case, the registrar will be counting round the clock, round the month. On every 25th of a month, he shall announce the first 11 highest-voted candidates who shall be the directors for next month.

The Proxy System plays a key role in regulating behavior of Directors, CEO and the CiziCorp-Judge. The Proxy choice should be kept as confidential as possible, but there is a trade-off to be made between confidentiality and "swiftness" and "cost" (swiftness is how quickly citizens can replace all existing directors by new ones, if they wish to). Citizens will have to decide at which exact point they want to stay in the trade-off.

11.3 FEleCorp Executive's Powers

- The Board of Directors shall appoint CEO who shall recruit other staff members for the CiziCorp. The BoD shall also appoint a Judge to resolve the internal disputes. BoD can replace a CEO with majority, replacement of Judge would need at least 2/3 votes.
- Both CEO and Judge can be replaced by a DirectVote if the need be
- The citizens, using a DirectVote, should assign partial "sovereignty" to the CiziCorp. This DirectVote would include not just all owner-citizens but all citizens of the country, in case the mine belongs to a smaller region's citizens. Partial Sovereignty shall mean following
 - The CiziCorp Judge can prohibit any person from entering into the CiziCorp's land
 - Taking any material out of CiziCorp's land against approval of CiziCorp CEO will be an offense
 - CiziCorp's staff, with approval CEO and the Judge can remove any piece of equipment from CiziCorp's land
 - If the process of removal causes any damage, only the CiziCorp Judge will decide the remuneration. The verdict cannot be challenged in any other court in the country.
- After such a DirectVote, BoD and CiziCorp Judge's decisions and actions, on CiziCorp's land, on above issues, cannot be challenged in any court of the country. With such a DirectVote (involving all citizens of the country) the CiziCorp shall be a sovereign state inside the State.
- The Congress can terminate the sovereignty, for a short duration, or for ever, with 2/3rd votes and a nationwide referendum. In the referendum, at least 25% of TOTAL (of the country) must cast YES and there should be more YESes than NOs.
- The sovereignty can also be ended with a nation-wide DirectVote by a private sponsor.
- The BOG and CEO shall pick companies/individuals and allocate the exploration and mining contracts. Any contract can be unconditionally terminated using a DirectVote of citizen-owners.
- [I strongly recommend that the CiziCorp confines itself to picking the mining and refining companies rather than itself entering into mining and refining business. Other than land allocation, all operations are labor and investment oriented and it would be best to keep them private.]
- At this point, FElecorps will start differing from each-other. Different mines have different technological aspects. Forging the contracts and deploying the right technology which can make mining operation most "appropriate" will be the main challenge before BoD, CEO, the Judge and the citizen-owners.
- All contract will expire after at most 15yrs. (This limit is crucial to me. Existing generation (individuals) cannot assume that next generation would like those contracts. Further, IMO, the asking next generation (individuals) to accept previous generation's opinions/decision is against both individualism and socialism, as I see these concepts.)
- The contracts may be terminated unconditionally by citizens using DirectVote.
- The CiziCorp shall get revenue from mining companies in "cash or in kind (e.g. a certain percentage of ores)". From this, it shall pay the expense of maintaining BoD, the CEO, the Registrar, the Judge and other staff members. The remaining shall be the CiziCorp's profit. **The profits made by the CiziCorp will be divided amongst the citizen-owners accordingly their share.**

- The local, state and federal govts. should be given a % of output as a tax to operate themselves.

11.4 Who Should be the Citizen-Owners

Another decision citizens' will have to make is whether the mine should property of the country of the state or a county. On this, I have no suggestions for any country other than India (the exact details are in the Indian edition of this book)

11.5 Partial Sovereignty

Sovereignty is too strong a power. This would mean that if the CiziCorp fires a mining company, with approval of the CiziCorp Judge, Congress or any Court in the country cannot undo their decisions. This is not unfair, if mining companies know about this fact before hand.

In fact, the one and only reason I want partial sovereignty to ensure that firing a mining company (which would involve removing its personnel and equipment) is an easy process and CiziCorp can implement it *completely* without calling any other government, local, state or federal. I do not want the CiziCorp CEO or the CiziCorp Judge to use the sovereignty for any issue other than firing a company. Specific laws must be made to ensure that.

11.6 CiziCorps and Social Security

Additionally, CiziCorps will solve 2 important problems, poverty and old-age support. Since every citizen is guaranteed to receive some profits obtained from leasing the "mining rights", the extreme poverty shall disappear. Also, this is NOT at the cost of anyone's labor as mine was a state property. It will also solve old-age support problem as senior citizens, who cannot create as much labor as younger, shall also receive some benefits. In this respect, CiziCorp is much better alternative than pension-funds, who invest in stocks and bonds. The value of stocks and bonds can change, may even become zero. Plus, the contribution from pension funds is in terms of nominal-cash. So its value can diminish with inflation. On the other hand, value of ores may fluctuate, but never becomes "negligible". Further, some mines have very long life as thus assurance of "inflation adjusted" profits from those mines are more objective than stocks and bonds.

Citizens may want to give a higher share to senior citizens and disabled.

11.7 CiziCorp and Govt. Financing

As a possibility, CiziCorp should give part of profits to the govt.. Using this, existing taxes may be reduced. This arrangement only re-implements taxation and does not reduce total tax. However, it may simply the process of taxation, as "mine output" is easy to define than "personal income".

Suppose 100% of govt. is financed using mine outputs and rent of land it owns. This would ensure that only Natural Resources are taxed and no labor. IMO, this would be nice feature to have. I am not sure, if it is can be realized.

11.8 How to Distribute CiziCorp's Profits

- A FELeCorp shall keep % of ore obtained by the mining companies. Remaining will be given to the mining companies which they can sell as they wish. For example. A Coal FELeCorp may keep 70% (say 7000 tons per week)of coal with itself and give 30% of coal to the digging company.
- The FELeCorp should issue Coupons every months and will be given to the FELeCorp owning citizens. For example the FELeCorp may issue 100 per citizens per week. Thus suppose FELeCorp has 1,000,000 citizens, 100 million coupons will be issued every year
- The coupons will be expire after 15 years of issue. The coupons may be in paper or electronic form.
- The ore will be auctioned in quantity of 1 ton. And in the auction, only the coupons will be taken as a bid. The bidders will need to get coupons from the owner citizens.
- The owner-citizen can sell coupons to any person/companies for any price/goods/service.

Please read above points again. Please think for 2 minutes.

Essentially, mine-coupons are now acting as a new form of currency.

We all need natural resources. Nothing is more universal than Oil, Coal, Iron or Copper. Think about it. If Gold or a Silver can act as currency, why can't Coal, Oil, Iron or Copper? Too heavy to carry? Use coupons (paper or electronic).

I would like to call these coupons as "Stonies" (singular Stony) to honor the 4 Stones of the movie "The Fifth Element."

11.9 Engineering and FEleCorps

I define Engineering as desire/ability to increase convenience by changing the material's form and creating tools to improve productivity. Engineering begins with extracting Natural Resources and ends when it meets one or more humans' needs/desires. Moment those needs/desires are met, new ones appear. There is no destination. It is simply a never ending journey with several intermediate stoppages.

Engineering cannot progress if the engineer does not have access to Natural Resources. And it will go waste if has unconditional access, in which case he will simply do what he wants without caring for what the users want. One way an engineer can be contributing as well as productive is users can dictate the terms and conditions granting access to the Natural Resources. FEleCorps is one effective way to implement this requirement.

If Natural Resources become a property of few Engineers will end up working for them. In that case Engineers will simply loose motivation to work for the rest of the society. In such a setup, Engineering slowly dies down and with that most of the progress disappears. Overtime, the owners will form holding structures and collectively own the Natural Resources to reduce competition between them. Once that happens, they pay less and less to the Engineers. With FEleCorps, the ownership of Natural Resources can never get concentrated into few hands.

IMO, FEleCorps are must keep Engineers productive, contributing and well compensated.

11.10 Conclusions

So called "knowledge based economy" or "information age" is a fad. Mining companies make several times more profits that software companies. Besides, as education improves, ability to create software will be there in every mind in the world. Mines will not grow on trees.

In mining, there are two kinds of profits: Profits due to mining operation (like digging, transporting ore to the refinery, actual refining etc.) and profits due to "mining rights". In the mechanism, I described, CiziCorp shall keep lion's share of the latter. The former shall go to the mining company.

Currently we have 2 alternatives to manage a state mine: use President/Congress appointed bureaucracy or privatize it. First option causes inefficiency and corruption. Second one does not protect citizens from ultra-high profits which resulting private oligopoly (COSSCN) will charge (e.g. hRockfellars). Once again, I am NOT against high profits or even ultra-high profits. I only hate high-profits due to a closed supply-side, not due to contributing labor. With guaranteed customers (read: captive customers) and zero competition, managements in most private mining companies today are as inefficient and corrupt as cable-companies or state bureaucracies. In fact, mining companies have more nepotism than governments.

IMO, FEleCorp (or CiziCorp) are much better alternative than both. A big part of profits from "mineral rights" go directly to owner-citizens, and so they will have a reason to supervise the directors, CEO and the Judges. Through Proxy System or DirectVote, they can ensure that an inefficient/ignorant/corrupt Director is promptly replaced. The citizens will sooner or later realize that they must treat private mining companies fairly and give them appropriate opportunity and profits. Similarly, mining companies will realize that it is futile to draft tricky, misleading and back-stabbing contracts as any contract can be voided by a DirectVote. So companies will focus on productivity rather than legal manipulations and developing contacts with high profile authorities. Also, citizens can force BoD and CEO to make bidding process more open and competitive. They can also make special schemes to encourage start-up companies. These steps will improve efficiency in mining industries and give some dignity to engineers and laborers in those companies.

Please note my requirement that CiziCorps' contracts cannot extend beyond 15 yrs. Why? I believe that there are only two kinds animate- entities in this world. Individuals and Societies (or nations, each nation as one society). Other entities, such as company, ethnicity, ideology, religion etc. are just groups of individuals. These collectives (except ethnicity) are useless even for theoretical purposes as a man belongs to several overlapping and often conflicting collectives. In most cases, he belongs to none or one can never tell which collectives he belongs to at some point. In any case, a collective is no more than individuals it consists of *at present*. However society or nation is not just 10,000,000 people living there, but also the *future* generations to come.

Please note the difference: a collective only includes *present* individuals while society also includes individuals who would come in *future*.

IMO, this distinction between individuals' collective and society (or nation) is important. At stake is not mere semantics of words or some literary idea, but access rights to natural resources worth trillions and trillions and trillions.

A man is never entitled to sell what does not *belong* to him. Similarly, a man is not entitled to sell property, which belongs to a collective. The permission of collective is a must. Similarly, a smaller group of individuals within a group cannot sell what belongs to the entire group. Hence, if the word society is to include future generations, it would mean that no government today, no matter how much democratic it is, cannot sell what belongs to the society. As the existing government, even if it represents 100% of popular will, does not represent future generations.

Thus, any property (say land) which belongs to society, simply cannot be sold forever, at most it can be leased for 15yrs (here is how I got the number 15. Take the world's population. Given the age distribution and expected life, the population which is above 18 will count less than 50% after 15yrs. Thus even if decision is approved today with 100% votes, by no means it means a majority after 15yrs). Since no individual can (and should) be allowed to decide for others, present generation cannot be allowed to decide for future. Thus land which belongs to society can be leased only up to atmost 15yrs and no more. But products of that land (say crops) are result of labor of *existing* individuals, and so they are free to allocate the way they like.

Thus, do we (or should we) include "future generation" in society? IMO, yes. And the answer to this question would need complete re-examination of all natural-resources related policies all governments in the world. In simple English, state-owned NRs cannot be sold for ever (since there is plenty of land for residential and agricultural purpose, I do not want to question ownership of land for those purposes. I do not like arguments where there is no substantial gain).

If the above answer is applied to analyze past events, world will turn upside down. In every society, it is accepted that if a piece of property which belongs to none, belongs to the society. Hence, once all natural resources were property of the society. This can be further verified by the fact that NRs, unlike labor, were not created by humans. And if the society includes "future generations", then it means that the governments of past (which only represented individuals of past) had no right to sell that property *for ever*. Thus past governments have sold what it was never authorized to sell for a period longer than 15 yrs.

One may ask what would happen to those who just recently bought the Natural Resources as coal mine? Won't it be unfair to them if they are nationalized? Well, it may be. But same argument can applied in case of slavery. When slavery was declared illegal in 1860s, wasn't it unfair for those who bought slaves in 1850s? Once it was established that slavery is unfair, it was illegal. If a society chooses to believe that Natural Resources cannot be owned privately, as they were not created by any man, it will be unfair not to nationalize them. IMO, FEleCorp should compensate the pervious owners by issuing them additional coupons for first several years.

It is very important to distinguish between

- incomes due to "ownership/control over a piece of Natural Resource" (e.g. oil wells owned by hRockfellars)
- incomes due to Seigniorage (Seigniorage means obtaining benefits by creating Legal Tender from thin air a.k.a. banking)
- incomes due to "govt. licenses and exclusive rights" (e.g. cable companies, telephone companies, railroads)
- incomes due to "labor in open-supply-side markets". (e.g. PC Software, hMicrosoft, restaurants etc)

IMO, economists, policy-makers, academicians, activists, revolutionaries and media-men have failed to differentiate amongst these 4 sources of incomes. This has created a massive confusion in rich vs. poor and taxation issues. Richness acquired by Natural Resource-control (e.g. hRockfellars owning oil wells, which they bought by taking loans from hChase, which hChase created from thin air) and non-competitive govt. regulations (e.g. banks, telephone, cable companies etc.) induce poverty, inefficiency and concentration of wealth. While richness acquired "due to labor in open-supply-side markets" (e.g. restaurants, PC software) never causes poverty or inefficiency or concentration of wealth. Reasons are simple, labor can never fetch more than it what contributes before it becomes income and selling price cannot indefinitely exceed cost if the supply-side is open. Thus a laborer in an "open supply-side market" can become rich only by contributing more to consumers, at lesser price than competitors, and so cannot cause poverty.

For example, in a society of 1,000,000 suppose 1000 individuals *collectively* own all the oil wells and coal mines collectively. Since there is no simple alternative to oil and coal, the owners can force buyers to pay several times the cost. This will eventually cause poverty. Similarly, suppose in an area only companies owned by 25 (bank holding) companies are allowed to put TV-cable. These companies, any number of them will collude and will make the users to pay several times the cost.

But a restaurant owner or a PC software manufacturer cannot do so, as a competitor will come up and start offering the same or similar goods at lesser profits (more often, competitor comes from inside the company itself. One of the employee of the company will break away and start a competing company). The fear of competition will ensure that suppliers stay efficient and contribute.

This was analysis.

Now some synthesis.

Incomes from “mining rights” (not “mining labor”) MUST go to society as a whole. To implement this idea, **all mineral rights should be handed over to FEleCorps**. And incomes from labor/skill (and luck) must only go to the laborer. IMO, both demands are “must and just”.

Man creates labor and so he should be entitled to keep all the fruits of it (minus the cost needed to protect it). IMO, it is unethical for society to tax more than that. But “ore under the ground” was not created by any man, and so I see NOTHING wrong if society keeps 100% of it. I see privatization of any of the “mineral rights” and socialization of “labor” as unethical. I take this view as a basic axiom and as a fundamental ethic and will not discuss any further.

Instead of discussions, I would let a DirectVote decide the acceptability of my view.

11.11 Cure To COSSCN

All mineral rights should be handed over to CiziCorps.

IMO, it just and must. IMO, this is the only way out from those closed oligopolies. This will also remove absolute poverty.

Discussions are useless, only investigations and decisions matter. So instead of debating in the Congress or mass-media or academia, I would settle this using DirectVote. **One of my goals is to have a DirectVote on this issue in India.**

I shall accept the verdict of this DirectVote whatever it may be.

So must others.

For US and other countries, I have no plans or suggestions.

My special thanks to the movie “The Fifth Element” from which I found this cure.

[File End][CHAPNAME]

12. EP-Corps

EP-Corporations (or EPCorps, I named the concept after the initials of the person who first described it me) would be a corporation, owned by citizens, but governed by the consumers of the services the corporations provide. I would elaborate it using its example.

Consider a bus-station serving 100,000 passengers and 4000 bus rides a day. As of today, there are 2 ways to manage such a bus station. One, to hand it a private company or let city or state own it and the Mayor would appoint its Manager. Second way has well known corruption and inefficiency problems. Since such stations tend to be monopoly, privatizing would not protect consumers from excess-profits. Further lack of competition would ensure inefficiency and regulators will ensure lack of competition.

Third way which I suggest, is as follow

- Suppose the bus-station belongs to the city. I also assume that citizens of the city do not city perceive station as a profit-center. They would like the station to cover its cost and make enough profits for repairs, upgrade and surviving emergencies, but no more (if they want to use station as source of excess-profits, following method would not work).
- The bus-station would be operated by 11 Directors and a Manager they would choose.
- The Mayor would appoint a Registrar.
- Each passenger, will have 1-10 votes depending on (dollar) amount he has spent on the tickets or number of tickets he has bought in a given year. The voting right will expire after 1 year.
- The Mayor will decide the vote allocation rules.
- The passenger-voters, using a Proxy System will elect 5 directors. The directors must be the 5 highest-voted candidates in previous month.
- The Mayor will appoint remaining 6 directors.
- The Mayoral Directors can be replaced any time by Mayor, Corporators with 2/3 votes or by a DirectVote.
- The Mayoral Directors shall not vote in BoD meeting unless Municipal Corroborators empower them. The empowerment would need a bill in the Corporation's Assembly and must to be passed by (50%+ 1) votes.
- Upon empowerment, the 6 Mayoral Directors will be allowed to vote for 3 months. The power may be renewed.

The motivation behind this structure is to ensure that users of the bus-station i.e. passengers can manage as far as possible. After-all, they are the ones who want to ensure that bus-station is safe, efficient, clean and well-equipped. The Mayor, the Corporators and citizens have no ill-intent but they are simply too far and too busy.

A 100% user-funded and user-controlled industry (like PC-software) is 10-100 times more efficient than one funded by money creators and controlled by their or govt. appointed regulators/managers (e.g. cable, banks). Based on this experience, I believe that if users are allowed to manage bus-station, it would be a more efficient system.

But if full control is given to users, they may come up with senseless and selfish rules. For example, users may be tempted to issue an entry pass which would cost \$10 for one entry and \$20 for unlimited entries in a month. The reason why "frequent users" would like to issue such a rule is that it lessens their burden at the cost of infrequent-user. If such a thing is to happen, the city should take away the control for sometime or may be ever. If users know that such means may back-fire, probably they would not do so.

In a nutshell, EPCorp is a corporation owned by citizens and operated by user-elected Proxies and Directors under overall authority of citizen-elected officials. Similar EPCorps may be used to manage roads and railroads. The County and State governments should acquire a strip of land and allocate it to EPCorps formed by drivers and passengers who have used that or a similar route before. Now the EPCorp will take all decisions about maintenance, repairs, enhancements, tolls (or ticket charges) and toll collecting mechanisms, along that road or a railway-route. The citizens of that State can keep overall control to ensure that user-elected directors do not make too selfish rules subsidizing frequent users at the cost of infrequent or new users.

Here is a detailed example for railroads. Consider NJ-NY commuters. Due to high unemployment in NJ, many NJites work in NY (no wonder why NJ is called Garden State. No industries, only gardens. And

parking lots. And highways. And all this highways lead to NY). The commuters have to spend 1/10th of their life commuting. So every minute saved is worth it. One way is to let ticket-buyers' appointed Directors come in BoD and have some real power, albeit, the State has overall power. If this were to happen, in 5-8 yrs commuters will be able establish 200miles/hr magnetic trains (Japan already has it) that would go from Princeton to NYC in 20 min instead of 1hr. This can be substantial saving of time.

Similarly, every toll-payer on a road can be given a 1-50 votes (depending on toll he pays in a year), which would entitle him to elect Directors in BoD for that road (or cluster of roads). Once again, users must have an efficient Proxy System to ensure that Directors are checked. These Directors would implement toll-collections and decide expenditure to widen and improve the roads using private contractors. Essentially, the whole process is now governed by users of that road cluster only.

Realizing EPCorps needs no major political movement. There is no one to fight against. No one has any vested interest in increasing inefficiency in managing bus-stations, roads, railroads etc. This just happens. Users know and face the problems in detail and are most eager to solve it. In fact, IMO, they are the only one who want solutions. The staff always knows the solutions. But between them (the staff and the users) are layers of indirections: Staff has to work as directed by the Managers, who are appointed by the Mayors, who is elected by the citizens, all of whom may or may not be users.

By partly bypassing this indirections, efficiency can be improved. I don't think DirectVote is essential for realizing EPCorps, though it would help.

[File End][CHAPNAME]

13. Introduction to Bankers

[This chapter deals with some technical aspects of banking.

If you have no prior experience of with banking, it may be slightly difficult for you to understand this chapter. I would request you to have patience.

Thank you.]

The banking system manufactures money from nothing. Bankers own the earth. Take away from them and leave the power to create money. With a flick of pen, they will create enough money and buy it back.

- A famous banker and once 2nd richest man in England

Here I will discuss **only one** of the several features of the modern banking systems. It involves “creating new money” and using the “new money” to buy the wealth (such as government property). It is one way of buying a free lunch. Some economists call it a “feature”. IMO, it is a dangerous bug and a fatal error. I shall later comment about other “features” in greater detail.

13.1 How to “know” a country?

So far, I have read some 200 books and 1000s of articles (from magazines and Internet) on India, USA, UK, Canada, Mexico, Venezuela, Columbia, UK, France, Germany, Sweden, Norway, Switzerland, Italy, Spain, former USSR, Russia and former USS republics, China, Pakistan, Israel, Saudi Arabia, Iran, Iraq, Algeria, Egypt, Rwanda, Kenya, South Africa and a few other countries. Along with that, I also read several texts and references in economics (particularly monetary and currency systems) and politics. While doing so, I tried to relate the information with others’ and my experiences.

After putting all together, it occurred to me that the BEST way to understand the events in a country is to

- First gather information about the bankers and the banking system in that country. The most important pieces of information are
 - what “forms of money” the government accepts
 - who (at *individual* level) creates those forms of money
 - who (at *individual* level) gets that “newly created” money first
 - and what ways do they (issuers and first recipients, at *individual* level) use the newly created money
- second, study the ownership/control of natural resources, cable companies, TV-networks and newspapers at individual (who’s who) level
- third, study election and govt. officers’ appointment related rules
- Last, study the ethnic “senses of identities”. And its correlation with geography, if any

The above 4 factors affect every process/event, which involves more than 100 persons, in that country.

13.2 Bankers in US

IMO, in US and all western countries, banking processes play more important role than elections and ALL other governance processes. **And some 600 bankers, in US, play more dominating role than all individuals in government kept aside.**

What is the source of this control?

Is it the Constitution? Or acts of Congress? Or Better understanding of economics, hard work and services they provide to the citizens? Or smartness?

Or all of the above?

Or none of the above?

After knowing about banking processes, one may need to answer 2 questions:

- Are these processes legitimate?
- Are they in one’s economic interest?

13.3 Sources of bankers’ influence

Bankers list 4 important services, namely storing deposits, fund transfers, issuing loans and underwriting. IMO, their influence and affluence DO NOT come from these services. Their power comes from two “unlisted”, albeit legal, services

- Private bankers can create money from thin air (some restrictions apply). This money is in the form of checkbook money.
- Bankers, over past several decades, have rigged the government rules and regulations and made this checkbook money a de-facto “Government Approved Currency”. The “Government Approved Currency” or “Legal Tender of Debt” can be used to buy government land, pay taxes, fines, buy communication bandwidth, cabling rights etc.

13.4 An Unlisted Banking Service

(Creating “Legal Tender Look- Alike” from thin air and buying government property)

Example1

First, I would give a fictitious example.

USA has \$450 billion of cash (Federal Reserve Notes). Suppose two individuals A and B have ENTIRE cash. A has \$250b and B has \$200b. Further A owns state of Virginia and B owns entire New York State.

Suppose US government decides to sell the state of NJ. Both A and B want to buy the state at any cost. In the auction, A makes a bid of \$205b.

Suppose B is a banker. And he takes following actions

- Divides his \$200b into 2 parts.
- Adds \$100b to the capital of his bank and deposits \$100b in his bank. Now his account has \$100b and his bank’s reserves are \$100b.
- Now he loans \$90b to himself (or his company), against half of NY as collateral.
- He deposits that \$90b in another bank. Then using other half of NY state as collateral, he gets a loan of \$80b from 2nd bank.
- Now B has \$100b (original) + \$90 (1st loan) + \$80 (2nd loan) = \$270b in his accounts
- At the auction B makes a bid of \$255b.

Now here is a 4 trillion-dollar question:

In the auction, should the government officer AT ALL consider B’s bid?

Only FRNs are the Legal Tenders in US. B might have \$270b in his account, but this \$270b represent no more that \$200b of Legal Tender. The remaining is just a bank entry, which is NOT a Legal Tender. The bank entry might be “backed” by collateral (which is State of NY in my example), but collateral is not a Legal Tender.

IMO, if B’s bid is accepted, it would be unfair and unjust to A. Therefore, IMO, B’s bid should be rejected. I ask the reader to read this fictitious example once again, and make an opinion.

Example2

Now I shall give a more realistic example.

Suppose government decides to sell a piece of land (or cellular phone bandwidth or cabling rights to lay down TV-cable wires in a town). Say a non-banker citizen, NBC henceforth, has \$1,000 of Federal Reserve Notes. And a banker has only \$250 of cash. And both want the land. Now the following may (and does) happen:

- The Banker would divide \$250 of FRN (cash) into 2 equal parts.
- Add \$125 to capital of his bank and deposit \$125 in his bank. The deposit increases the “reserve” by \$125.
- Now “government” has AUTHORIZED the banker to issue a loan of \$1250 to his associate (IMO, bankers have “influenced” the lawmakers to issue such an authority).
- Thus the banker created new money. This new money will become deposit into his associate’s account. Thus the banker’s associate now has \$1250.
- Now is this new money a “legal tender”? Is it MUST for a government officer to honor the checkbook money? After all only Federal Reserve Notes are legal tenders in US.
- Well, the bankers have tremendous “influence” on ALL of the Congressmen. They also “influence” the Presidents and also the Judges. IMO, this influence comes due to money they create and their control/ownership over cable companies, TV networks, radio stations and newspapers/magazines.
- As a result of this influence, the mere bank-entry is accepted as equivalent to the legal tender.

So in the auction, the bankers' associate will make a bid of \$1100 bank-entry money. NBC (non-banker citizen) has only \$1000 of cash. In a strict legal sense, \$1100 of bank-entry IS NOT a legal tender of debt and so auctioning **officer should have rejected** the bankers' associates' bids. That seldom happens.

Thus the mere bank-entry acted as a defacto Legal Tender. ALL individuals have to offer goods/services to obtain Federal Reserve Notes. All including bankers. **However, bankers can create this (defacto-) Legal Tender out of thin air, other private individuals cannot** (can an ordinary person become a banker and do so? NO. IMO, banking is a closed industry in US and West European countries. Soon, same will be the case everywhere).

So in the auction, bankers' associate shall get the land as his bid was higher.

Both examples are "snapshots" of reality. In reality, there are 1000s of non-banking entrepreneurs who are trying to buy govt. property with Legal Tenders they have. Banker-supported companies out-bid them using the "Legal Tender look-alike".

Example3

Now last and more realistic example.

- There are 1,000,000 NBCs (non-banking citizen) with \$100,000 each. Together they have \$100 billion of Legal Tender.
- There are 600 big-bankers who have about 10,000 friends. Together they have only \$20 billion of Legal Tender.
- The Bankers convert this \$20 billion Legal Tender into \$200 billion Legal Tender look-alike using loans.
- There are 1000s of direct or indirect auctions everyday. In each of the auctions, NBCs are out-bided by bankers' associates, as they have more Legal Tender look alike, in spite of the fact that these Legal Tender look-alikes represent much less Legal Tender.
- NBCs have more capital, have more know how, are more hard working and more efficient than bankers and their associates. But they do not get access to govt. property due to above and so they lose in the market.

I observed this phenomenon several times. Bankers and their associates were able to buy companies, land, bandwidth, cabling rights etc. straight by creating new money. Finally my conclusions are as follow

- Bankers have a government-sponsored and government protected advantage over non-banking citizens. A banker with 1/10th of actual Legal Tender, they can out-bid NBC in an auction for govt. property.
- As a result, every time when bankers create new money, their wealth increases. NBCs' or government's wealth decreases.
- **IMO, this phenomenon plays central role in US (and West European) politics and economics** (the second most important factor is non-competitive industries, which I will describe later).

13.5 Money Supply - General Definitions

At this point, I must mention other economists' views. What most Eco-textbooks say is as following:
X deposits \$1000 at a bank. The bank loans out \$900 to Y. Then Y deposits that \$900 at same/other bank, and then that bank loans \$810 to Z.... Thus finally we have $1000 + 900 + 810 + \dots =$ \$10,000 of money.

I DISMISS THE ABOVE PROCESS DESCRIPTION AS A COCK AND BULL FAIRY TALE. This description has 3 fatal errors.

Fatal Error #1

In reality, NOTHING stops a bank from out rightly issuing a loan of \$9000 upon deposit of \$1000 of Federal Reserve Notes or a FedCheck. Provided, it has enough capital. Besides, what is this cycle of deposits and loans? Even if I accept that at least 20 steps are needed before \$1000 of Federal Reserve Notes, becomes \$10,000 of "money", is there ANY law which says that X, Y, Z, W cannot be same persons? Or same company? Or different companies owned by same conglomerate? Is there ANY law, which says that these 20 steps cannot be executed on the SAME day? Or the same moment? Further, even if the law requires, that same bank cannot execute entire cycle, is there any law which says that different banks participating in deposit-loan cycle cannot be owned by the SAME bank holding company? (In US banking industry, the top 25 bank holding companies are the reality, the 12,000+ banks are mere illusions.) With or

without laws, **the fact is that** upon deposit of \$1000 FRNs, **bankers created \$9000 of new-money, from thin air.**

Fatal Error #2

As the 5 trillion dollar fairy tale goes: A gives \$100 to a banker and banker issues a loan of \$90. So money supply is now $\$100 + \$90 = \$190$.

Hold on a second. Did the money supply increase **after** the loan was issued or **before** the loan was issued? This Economists tend to dismiss this after-before as a minor technicality. Minor to who? It is 5 trillion dollar technicality and careers of 100s of millions of people depend on it.

If the supply increased after the loan was issued, then we have a bigger problem

Step1: A gives \$100 to banker. Money Supply = \$100

Step2: Banker gives \$90 to A. Money Supply = \$100

Step3: (Nothing happens) Money Supply = \$190

How did all of a sudden, without anyone (any person or a company or issuer) did Money Supply increase? With any artificial entity, such as a book or a stock certificate, there has to be creator or issuer. Here who created that extra \$90?

So money supply could not have increased after the loan was issued. So let us take the possibility where it increased before the loan was issued.

Step1: A gives \$100 to banker. Money Supply = \$100

Step2: Banker creates new \$90 Money Supply = \$190

Step3: Banker gives \$90 to A. Money Supply = \$190

Now the newly created \$90 in step is not backed any collateral and so the money is fiat. Further, the banker created it out of nothing. The explanation is consistent with itself but it created loads of other questions. Does this increase inflation? Does this take away wealth from someone? Are banker's loans seigniorage? Are they indirect tax on the society? If we assume that \$90 were created before the loan was issued, then answers to all above questions is YES.

Fatal Error #3

Suppose X has \$1000. X lends \$1000 to A. Then A lends \$900 to Y.

Question: Does money supply increase?

Ans.: Yes, if A is a banker. No, if A is not a banker.

This gives rise to, what I call as, **The NBC's (Non Banking Citizen) Question: What is so special about a banker, that if he lends, money supply increases and if I lend, it does not?**

Resolving the Fatal Errors

I read dozens of manuals (aka Economics textbooks) to get an EXACT answer to The Non-Banking Citizen's Question and other Fatal Errors. Or to find an exact definition of a bank or a banker. I found no convincing answer.

So I created my own answers. MY answers go as follow

13.6 Money Supply: My definition

- There is no sense in defining money. All the terms, such as M_1 , M_2 etc. are USELESS. IMO, economists created these definitions only to hide the fact that bankers' create money from thin air or to give an illusion that they loan the money they receive from the deposits they receive.
- Instead
 - I used the concept of "Legal Tender" and
 - Created a new concept called "Legal Tender look-alike" (a politically correct name for fake, phony and fraudulent Legal Tenders).
- The Legal Tender is what the government is *supposed* to accept, by law. The "Legal Tender look-alike" is not a Legal Tender, and yet govt. officers accept it, in *practice*.

When a banker issues a loan, he DOES NOT give out Legal Tenders, but simply issues some form of promissory note. The note can be a draft, or simply a bank statement. Checks that we would write against this bank statements becomes account holder's promissory note on top of this banker's promissory note. This note is accepted by government officers as a legal tender. However, if an NBC (Non Banking Citizen)

issues such a note, government officers do not accept this as a legal tender. Thus when bankers gives a promissory note (by adding \$900 to Y's checking account) supply of Legal Tender look-alike increases (though supply of Legal Tenders remains same). But if an NBC issues a promissory note, its supply does not.

Thus, using these 2 concepts, MY answer to The NBC's Question would be: the government officers view two promissory notes differently. They view a banker's promissory note as *equivalent* to the Legal Tender, while non-banker's promissory note as some worthless paper. So when the banker issues promissory notes, so called "money-supply" increases. When a non-banker issues promissory, it does not.

13.7 The Holier Promissory Note

The above answer creates a bigger question:

Why does a democratic government, which claims to believe in equality, view 2 promissory notes, differently (after all both are from some private individuals)?

And I am NOT interested in knowing the answer.

Whatever may be the reasons, IMO, government officers' accepting one promissory note, is costing an ordinary person, like me, an arm and a leg. Again, this is my opinion.

Many economists say that is good for me. Well, I know what is good for me. Besides, I am convinced that most economists know NOTHING about the real world. In fact most of them do not even know that Federal Reserve Banks (all 12 of them) are private corporations, not government bodies This is in spite of the fact that a US Court also declared that Federal Reserve Banks are private companies. Their knowledge about currency, the most fundamental instrument in economics and finance, is so poor that I could not accept their opinions on this or any important issue.

Due to this governments' policies, bankers today own/control ALL cable companies, TV networks, cable content companies, newspapers, magazine publishers, book publishers, phone companies, electricity companies, mines, oil wells etc.

How many houses do they own?

Now lets say that a house was purchased at \$100,000 and an individual has an outstanding mortgage (principal part) of \$80,000. I interpret this as following: the individual owns 20% of the house and the bankers' own 80%. Now, how did that individual bought the 20% of that house? By producing some labor, in general.. How did the bankers buy remaining 80%? By loaning the money. Which they had created from thin air.

With this definition, one may find that over half the houses in US belong to the bankers. And over half the farms and over half of the malls. They bought all this by creating checkbook-money and ensuring that governments accept it.

Finally, I decided, on my own, that govt. policies on "legal tender" must change.

The bankers may say that they have no such ownership/control. A simple examination of any major corporation would disprove such a statement. Further, bankers may claim that all this ownership/control is due to their hard work and smartness. I disagree. They are no smarter than NBCs and much less hard working than most of them. IMO, this ownership/control over such a vast section of economy, is ONLY because government officers (federal, state and local) recognize their promissory notes as equivalent to Legal Tender.

Once again, the 4 trillion dollar question:

Should governments accept checkbook money, created by bankers, as a legal tender of debt?

I would make MY answer clear. **NO. Five trillion times NO.**

I would ask the reader to make his own answer to this question.

Private citizens may or may not accept checkbook money, as they wish. Government officers (Federal, State, Local) must not. Of course, I am NOT a US citizen, and therefore I would not make ANY request to governments in US. So my requesting is limited only to government officers in India. Further, this is my opinion. And I don't expect ANY government to change policies just because of one citizen's opinion. So it becomes necessary for me to ask other citizens to support my opinion, if they wish. For this I will need to approach some 650million citizens in India. Similarly, anti-banker citizens in US will need to approach some 200million US citizens.

Later, I realized that my requesting a govt. officer not to accept checkbook money is NOT a complete proposal. If I say, "do not accept checkbook money as legal tender", I must also have clear answer

to, “WHAT should he accept as a legal tender?” Only FRNs? Only gold? Both? Anything else? IMO, we need more forms of “legal tenders”. Expecting citizens to carry cash with them all the time is impractical. Some form of checks, paper and electronic, are must. Once again, I have my opinions and I will again need to approach 650 millions of citizens in India to implement them. Similarly, anti-banker citizens in other countries will need to communicate amongst themselves to approach citizens in their countries.

13.8 Common Myths about Bankers

Economics textbooks and newspapers never lied about banking. They simply convoluted and twisted the language to hide the reality. As a result we have several myths about bankers, banks and banking. I shall resolve these myths.

Myth: Fed is government body

Reality is that the so-called Fed does not exist. Bankers and their puppet economists keep using the word ‘Fed’. Such as Fed changed interest rate. Fed bought security etc. In reality there is no agency, govt. or private called Fed. Each Federal Reserve Bank is an independent private corporation and BoG is a separate entity.

Myth: Chairman of Board of Governor has control over Federal Reserve Banks

Please read US-Code, Title-12, Chapter3. In reality, Chairman of BoG is just a spokesman or a ceremonial person. Each Federal Reserve Bank independently (read autocratically) sets the interest rate and executes all decisions. BoG does have some power, not the Chairman. In other words, the Chairman will need at least 3 more votes to overrule a Federal Reserve Bank’s decision.

AG has no power what so ever.

IMO, all power is wrested in the hands of owners of Federal Reserve Banks. And Federal Reserve Banks have not disclosed number of shares owned by each of its owners. In fact, even the list of *all* owners is not published. Further, since they are private corporations and their shares are not traded publicly, they are not required to disclose this information. This secrecy has created lots of rumors (like Federal Reserve Banks are owned by Illuminati, Rothschild etc.) I do not believe in these rumors, but I do believe that citizens should ask Congressmen to ask the Banks to disclose the list of owners and number of shares they own.

Myth: Federal Reserve Banks are govt. bodies

All economics textbooks have this clause: ‘these banks are owned by member banks.’ But no economics text ever say that ‘Federal Reserve Banks are private corporations and govt. owns no shares in it’ in black and white. The name is deliberately misleading. Most newspapers never wrote that Federal Reserve Banks are private. But reality is that they are 100% private and autocratic.

Myth: The President has control over Federal Reserve Banks

Please read US-Code, Title-12, Chapter3. It is illegal for the President to question any person in BoG without Congress’s approval.

Now does the President have control over the Federal Reserve Banks?

Let me give me a fictitious example. Suppose one day Bill Clinton wakes up and calls the President of San Francisco Federal Reserve Bank and asks him to disclose the list of owners. Suppose the Bank President gives following reply “Mr. President of United States. It is pleasure talking to you. Have a nice day” and hangs up. What option does Bill Clinton have?

- can he fire the Bank President? No. The FBR is a private bank. So Clinton cannot fire him
- can he ask an FBI agent to arrest him? No. Not without a Judge’s approval. And he will have tough time getting a Judge’s approval as hanging up on the President is not a crime after all.
- can he call Marines on SF-FRB? Yes. Being the head of Military, he can ask a General to arrest FRB President, without any Judge’s approval. Further, an action done by Military officer cannot be challenged in civil court directly. IMO, this option is possible, but not practical.

To make long story, FRBs are private companies and so the President as same rights over them as he has over coffee shops and newspapers.

Next Bill Clinton calls the President of New York Federal Reserve Bank and asks him the same question. Can you guess the New Yorker’s answer?

Myth: Congress regulates Federal Reserve Banks

Is it possible of 'Congress' to take an action if no Congressmen has courage to do so? In other words, Congress does not exist, only the Congressmen exist.

And they regulate every company in US. After all, every company is chartered by the State. Every driver's license is also issued by the State. So the statement that 'Congress regulates Federal Reserve Banks' is a tautology. Now lets see how bankers regulate Congressmen. In reality, the Congressmen are bankers' puppets. This so because bankers own the cable companies, newspapers and magazines. They handpick the directors and senior managers in these companies. Congressmen are always afraid of being exposed (for example can Henry Hyde shout against bankers who own tons of newspapers and TV networks and ALL the cable companies?) So they always fear and worship bankers. Thus saying that Congressmen regulate bankers is like saying that tail wags the dog.

If a banker is an elephant, a Congressman (or any govt. agency, like FDIC, officer) is as strong as a rabbit. So saying that Congressmen are regulating bankers is like saying that a bunch of rabbits are 'regulating' a herd of elephants. It is completely unrealistic.

If a Congressman ever speaks loudly before a banker, all he would say is "Yes Sir". So much for regulation.

Myth: A banker loans money from deposits

Yes they do. But they also create money from thin air.

Suppose that when I open my shop in the morning, my inventory had 100 tables. I bought 30 tables and sold 40. At the end of the day, I had 110 tables in my stores. It is possible, unless I had created at least new 20 tables?

Bankers loan the deposits they get as well as they create new deposits from thin air. Suppose I deposit \$100 and the banker issues a loan of \$90. The loan can be issued in two ways: By adding \$90 to the borrowers account or by giving \$90 of cash of the borrowers. In any case, if I still have \$100 in my account, then didn't the banker create new \$90?

They loan the money from deposit or they loan the money they created is a different issue. Bottom line is that they do create money from thin air.

The situation is equivalent to the following: each time a person deposits \$100 of cash with a banker, the government gives that banker an interest free loan of \$900. This can be explained as follow: For each \$100 of cash the banker issues a loan of \$900 which becomes FDIC insured deposit. In other words, FDIC promises to pay the depositors \$900 in case the banker fails to keep the promise. Now government's promise to pay on demand is almost as good as Legal Tender. And so when the banker created \$900 of deposits, it has same effect as if government created \$900 and gave it to the banker, and then the banker loaned it borrowers

What a charity !!!

Myth: As economy grows, money supply must increase

A 100% pure nonsense. I would later debunk this useless argument.

Myth: Media does educate people about banking

Most banks require their customers to waive their rights to jury trial when the customers. How many newspapers informed you about this?

Proof of my arguments:

Aristotle once told me that women have fewer teeth than men. Is there any way I can disprove him 'logically'? Without actually counting teeth? I asked him to count his wives' teeth. After all, he was twice married. But Aristotle refused to count teeth. He said it was *obvious* that they had fewer teeth. For 1500 years, most 'wise' men in Europe believed this. Each time I argued, they told me to refer to experts such as Aristotle. "Are you saying that wise men like Aristotle were wrong?" they used to ask.

In other words, there is no 'logical' way I can prove to the reader that Chairman of BoG is unimportant person and all real powers lies in the hand of private and autocratic Federal Reserve Banks. There is no 'logical' way I prove that Congressmen are scared of bankers. The proof is by actually counting the teeth i.e. observation of reality. Please read Chapter 3 of Title 12 of United States Code. Next read any

book on banking law (not economics). These books will clearly tell you that banks create money, not the governments. Go thus who's who of any cable company and read its balance sheet. Next read Federal Reserve's Web pages and you will find that bankers created about 200 billion dollars (M3) from thin air between Aug 3 1998 and Oct 26 1998. With this newly created, they bailed out their funds and companies and bought more stocks. This will tell you who calls the shots.

13.9 Conclusions

Amongst economists, it is established fact that banks create money out nothing and loan it at interest. Not only that, they also know that it is mathematically impossible to repay all the loans, unless bankers issue more loans or create debt free money. Later, I would discuss this issue in detail.

Meanwhile, I have following 3 questions

- What should be the new laws on Legal Tenders (and other issues)?
- How to draft and implement new laws on Legal Tenders (and other issues)?
- How to **bootstrap** (start with minimal resources) the whole process?

In this book I will explain my answers to the above questions.

[File End][CHAPNAME]

14. Bankruptcy

In a few pages, I shall explain why over 4.5 million Americans have filed bankruptcy in past 3 years and why so many South East Asian countries defaulted.

In 3 sentences I will also mention a solution.

14.1 A Hypothetical Situation

- Consider that the entire world has only 20 persons. Say all the trades go by barter or gold. No currency (such as US\$) exists.
- Now 21st person named Banker comes and gives 1000 “Banker’s blue coins” to 10 of them so that they, and other 10, can use it as a medium of exchange. Only Banker is allowed to issue “Banker’s blue coins”.
- The borrowers must repay 1020 coins at the end of the week (the interest is 0.2% per week or $0.2 * 52 = 10.4\%$ per year, which is not so high. Or is it?)

14.2 The Problem

Each borrower has to repay 1020 coins. Together they have to repay $10 * 1020 = 10,200$ coins. There is no way the 10 borrowers can repay 10,200 “Banker’s blue coins” as only 10,000 “Banker’ blue coins” were issued in the entire world.

So obviously, at the end of the week at least one person will default.

If the duration in above example is changed from a week to a month or a year or a decade, the end result is still the same. At least one or more (or possibly all) borrowers will default. Change the number of persons from 10 to 100 or 1 million or 1 billion or 10 billion, the answer still remains the same.

Consider another example. Commonly shares are bought and sold but not loaned. But suppose people start using shares as a currency and a medium for loans. Suppose a company, such as XYZ Inc. has issued 10 million shares. Suppose these shares become means for loans. X issues a loan of 9 million shares to Y on the condition that Y would repay 12 million after 3 years. In the mean time XYZ Inc. issues only 1 million new shares. Obviously, sooner or later Y would default.

From this phenomenon, I concluded the following:

The Fundamental [YSM] Principle of the Banker: *If the entire money that has been **created** requires repayment with interest, borrowers are at the mercy of money-issuers (a.k.a. bankers). If the money-issuers do not issue additional money, defaults are mathematically guaranteed. Your Soul is Mine.*

In short, Banker implies Bankruptcy. Dealing with a Banker is hazardous to your financial credibility.

One borrower may be able to pay back the loans. But all borrowers together can never pay back all their loans.

Replace the words “blue coins” or “shares issued” by US\$, and it would explain why so many countries defaulted. It would also explain why so many persons and companies all over the world, including in US, defaulted.

All US dollars are created by private bankers and loaned at interest. The Federal Reserve Banks of US (all 12 of them) are **private banks owned and governed by private companies, which are owned by private citizens. **Yes, so called Fed does not exists. Only things that matters are Federal Reserve Banks and Federal reserve Banks are private corporations owned by private companies and private citizens.** As private as a deli round the corner. As private as a drug store. As private and independent (read autocratic) as a cable company. The common belief, held by most US citizens, is that US government issues US currency. This is not true (US court has also declared that Federal Reserve Banks are private corporations). The note is issued by these private Federal Reserve Banks, and **loaned** to US government at 5-6% interest.**

Remaining money is **created** (from thin air) by commercial banks (such as hCitiBank), which is again loaned at 6-25% interest to various borrowers such as US governments (Central, State, Local etc.), private companies and private citizens in US and governments and corporations of other countries.

In other words, the problem is,

- Total amount ‘US\$ borrowers’ have committed to pay is greater than total US\$ (“blue coins” or “shares issued”) today in circulation

- Each time a borrower pays part of principle or interest back to a bank, the money supply reduces (unless the bank issues more loan)
- Thus borrowers together can never repay entire debt
Just like in above example, defaults were unavoidable.

Some of the borrowers of these banks were South Asian governments and companies. Many of them defaulted. Along with them over 4.5 million US citizens also declared bankruptcy in 1995, 1996 and 1997 (combined). Remaining Americans, who have debt on their head, may be next in the queue. If bankers issue less money then the interest they charge, and this is something they always do, debt can only increase.

14.3 Will Existing Pool of Money Help?

No.

In each round, the existing pool of money would deplete. Eventually it will dry up and then all money will be from loan. So “existing pool” of money can only postpone the problem by a few years. This will be proved in detail in Chap 13.

14.4 The Example and the Real Life

Does the example of 20 persons and a banker reflect the real world? Because in real world not everyone gets money from loans. After all most people get salaries etc which are interest free.

Well, these most people would be similar to the 10 persons who did not take any loans. But in any case, they will feel the effects of bankruptcies later on.

All money which exists today was created when some person or company or govt. body took loan from a commercial bank or a Federal Reserve Bank. This money was later given to employees or suppliers as salaries or payment. Money circulates as well gets created from loans. The salary was obtained from goods sold by the firm or from the loan taken by the firm. If the goods were sold, then we need to trace the buyer's source of money and so forth. Eventually, one will find that there is only one source where money was created: a commercial bank. And the money was created in the form of a loan and one day the borrower would need to repay it.

But in that case why should a salaried person worry? His company might have taken money by loan. Even in worst case, the company will declare bankruptcy, not the employee. But the employee depends on other suppliers for the goods he consumes will eventually face the shortage. For example say that real estate companies took huge loans and from the loan new money was created. The new money was used to pay the employees' salaries. Now the employees do not have debt. But in order to repay the debt, the companies will now have to increase rent. This will soon be depleting employees' savings. Similarly, the governments have borrowed huge amount of money for banks. For every \$1000 government borrowed (which the banker had anyway created from thin air) government body will be paying him \$1000 plus \$60 of interest a year. To repay the interest, the government will have to tax the citizens. In other words, when the time to repay the loans arrives, all suppliers, who are in debt, will try their best to squeeze every penny they can get from their consumers. So debt-free individuals and companies will also feel the pinch. In short, the problem of shortage of cash will effect everyone, borrowers as well as non-borrowers.

Now all I have proved is that one or more borrowers will default. Not necessarily all. So a reader may think that he need not worry as he will not be one of them. I.e. one can say the YSM Principle, even if true, is irrelevant in his personal life. After all, believing is happening and one must have positive attitude and all that self-help crap. Well, I am holding a button and when I press it, one person in a population of 6 billion will get 30,000 volt shock. It may be you, it may not be. Are you comfortable?

The problem is that in the town of 10,000 persons, each year 100 will default. Now next year, the bankers will have to ‘grow’ on remaining 9900. Next year 100 more will default and of the 100 who previously defaulted, 25 may recover. So now the bankers will have to grow on a smaller population of 9900 - 100 + 25 = 9825. Each year, this population shrinks. Eventually, it ‘may’ hit almost everyone, it may not.

This problem (all loans cannot be repaid with interest) is commonly called “Debt Virus”. Following are some of sources of information on “Debt Virus”

- please type “Debt Virus” on any web search engine such as www.altavista.com and see for yourself.
- the book “Debt Virus : A Compelling Solution to the World's Debt Problems” by Jaikaran or “Truth in Money” by Theodore Thoren. This book can be bought at www.truthinmoney.com (I do not agree with the solution described by Dr. Jaikaran or by Thoren. Also their prophecies about meltdown are incorrect. The bankers would not let mass bankruptcies happen.)

- Most economists are silent on this topic. And several economists disagree with this line of reasoning. A counter argument against “debt virus” is given by Prof. Edward Flaherty at <http://www.cofc.edu/~flaherty/index.html>. IMO this counter argument only proves that bankruptcy may not happen. I agree that they may not happen, provided bankers create interest free money (by out rightly buying wealth). But this does prove that borrowers are at the mercy of the bankers. If the bankers decide not create debt free money, borrowers are dead meat. In general, Prof. Flaherty’s (this and other) arguments assume, without explicitly mentioning, that bankers are saints and will never try to take advantage of this pathetic situation. This I find difficult to believe. But nevertheless, this article proves that money is created when a loan is issued and extinguished when principal or interest is repaid.
- A fatal flaw in arguments made by Jaikaran, Thoren and Flaherty is because they use the word bank. Replace the word ‘bank’ by ‘bankers’ and the flaw becomes visible. Also, the debt-virus is problem not just because of shortage of money but also because FDIC insures deposits not backed by 100% reserves.
- Later I will show, that with or without bankruptcies, bankers, using their control over money supply and FDIC protection, can squeeze all the wealth out of the borrowers and non-borrowers. Next, I will show that they actually do so.

14.5 The Solution

Bad news, good news and better news.

Bad news: today, all borrowers are at the mercy of the private bankers. It is unlikely that they can ever repay the debt. With new laws of about bankruptcy, most of the debt will stay even after the bankruptcy. In other words, debtors will be working for bankers for rest of the life. They are likely to become bankers’ slaves. Is there any way to get rid of this pathetic situation? Any way to Escape from New York?

Good news: There is a way out.

Better news: The solution is simple. In fact, it is simpler than the problem and its proof.

Much better news: it is very much implementable. It can be implemented within in a months.

It will not bring down bankruptcies to zero, but drastically reduce it.

The solution is presented in the next Chapter.

14.6 Conclusion

The Fundamental Principle of the Banker is a re-statement of over 2000 year old Pigeon Hole Principle. The Pigeon Hole Principle states if $(N-1)$ pigeons are to be kept in N holes, at least 1 hole will have to be left empty.

Please note that bankruptcies have **NOTHING** to do with how loans were utilized. Even if loans are utilized very efficiently and honestly, bankruptcies will occur as there is no way to repay 10,200 “Banker’s blue coins” if only 10,000 of them exist. Thus bankruptcies are caused by the very nature of banking. And if this makes you think that the bankers are evil, then this is just the beginning.

Note the statement “if entire money is created by loan...”. Please note the word “if” again. When a debt is written off (can happened when property of the borrower is taken over by the bank) or when a bank (or a bank owned corporation) buys property (like an oil-well), some money is generated without debt. Due to this money, borrowers may be able to pay the debt back. In any case, the borrowers are now at the mercy of the bankers. If the bankers decide to spend less than the outstanding interest, the defaults will occur. Also, since creation of debt free money is necessary to sustain the borrowers and each time debt-free money is created bankers obtain wealth from non-bankers, bankers play dominating role in economy by their ability to create money from thin air. This will be further explained in later chapters.

Most senior economists and executives in banking industries know this phenomenon. All Congressmen, Senators, Presidents and Judges also know this. They also know that Federal Reserve Banks are 100% private corporations. Why they never told “general public”? Well you may ask them.

My contribution is to create a simple proof for the Fundamental [YSM] Principle of the Banker and give it a name. After going through dozens and dozens of books on banking and finance, I noted the phenomenon and later found some articles on Internet. However, the arguments were too technical. It took me a long time to create this statement. The first proof I wrote was over 20 pages long and extremely

complex. It involved several different types of financial instruments and 1000 heterogeneous participants. It took me several weeks to create the above simple proof. I later found that many others had developed a similar simple proof, Dr. Jaikaran being an honorable mention.

Also, the 30,000 volt-shock analogy is not purely hypothetical. Several prisons all over the world "ask" prisoners to wear stun-belts. The guards have monitors with a button. These buttons are conceptually similar to woo-doo dolls. When pressed, it gives the prisoner a shock of 10,000 - 50,000 volts (so I took the average, which is 30,000 volts). But guards are given a printed manual, that warn them not to use the stun belt to "*unlawfully threaten, coerce, harass, taunt, belittle or abuse any person.*" So I think there is nothing to worry about.

(see <http://www.amnesty.org/ailib/aipub/1996/AMR/25104596.htm> > here and <http://www.detnews.com/1998/nation/9808/07/08070161.htm>' > here or type "stun-belt" on www.altavista.com or any other web search engine for more on stun belts)

[File End][CHAPNAME]

15. A Proposal: The Legal Tender Law

15.1 Are “Access Reserves” Bad?

A mail-order warehouse was constantly buying and selling VCRs of a particular brand. A clerk working there observed that warehouse ALWAYS had at least 100 access VCRs (of that brand) in the store. He took 90 of them, sold them and kept the money with himself. Since the warehouse always had an access, this action by no means would cause a “loss” to the warehouse.

Here my question to the reader: If you owned that warehouse, would fire that clerk or let him continue?

(Over and above the usual concerns, here is one more issue. Is it correct to say that “it would not effect” the warehouse’s profits? No. Because he sold these 50 VCRs, the supply of VCRs increased which would decrease the price and thus the warehouse’s profits.)

Suppose you own a video rental store. You have 20 tapes of a new release. The clerk takes 10 of them home and starts renting as if they were his own (assume that using a tape would create no damage to it). And he promises that he will bring the tapes to the store moment the store needs them, and he always keeps the promise. Would you retain that clerk? Would his renting 10 of your tapes reduce your profit?

In general, if you deposit \$10,000 to a banker. Using the deposit-loan cycle, the bank loans \$100,000 to others. Wouldn’t it reduce the “value” of your \$10,000?

15.2 Legal Tender

In US Federal Reserve Notes are the only Legal Tenders. Thus, legally, Federal, State or Local govt. can only accept FRNs as a form of payment of tax, duties, fines and sale or rent of govt. property. Legal Tender is also the form of payment in which governments pay for services and goods from private citizens and other govt. units. Lastly, Legal Tender is also the form in which govt. “preserves” its operational funds.

Also, since the bank deposits are insured by FDIC (an agency of Treasury). Now since the government’s promise to pay Legal Tender is as good as Legal Tender, a banker’s issuing loan (which increases deposits) results into creation of new Legal Tender from thin air.

This phenomenon is called “fractional reserve system”. Is this a feature or a bug? Most economists proudly present it as an extremely intelligent and very user-friendly feature. They say it saves the printing cost and makes the system “flexible”. IMO, this is a nonsense. Taking a banker’s promissory note equivalent to Legal Tender is same as delegating right to issue Legal Tender to a private individuals over whom citizens have no authority whatsoever. In a democracy, citizens should have COMPLETE control over issuance of Legal Tender. A situation where Legal Tender can be issued by an uncontrolled oligarchy of bankers is certainly not a democracy. At best, it is a slavery with a friendly face.

(To close “bug or feature” discussion, those who consider it as bug, I would like to present my proposal as cure. To those who think it as feature, I would like to present my proposal as an “enhancement” of that feature.)

Also as a reality, one should not be expected to carry Legal Tenders with him all the time. Some form of depository and check-writing is necessary. Here, I shall propose a simple solution, which has been proposed by several economists before, called “Total Reserve System” or “100% Money”. This system will preserve both convenience and avoid flavery (the word “flavery” is my contribution to the English dictionary. It is short term for finocratic slavery. The Finocracy is the “cracy” consisting of private money-creators or financiers whom I call as The Finocrates.)

15.3 Legal Tender Law

(See Irving Fisher’s ‘100% Money’ or Ronnie Phillips’s ‘New Deal Reforms...’ on www.amazon.com)

- The Government should encourage banks and technology companies to create “Legal Tender Accounts” (LTA henceforth). In an account of this type, 100% of deposits shall remain in form of Federal Reserve Notes or US Notes. Thus NO loans can be given from the money in this account.
- FRS should be encouraged to issue notes in paper as well as electronic form. It should be also asked to issue “bank-only” denominations of \$10,000 and \$100,000 paper notes. (“bank-only” denominations can be used only between banks, and would be illegal for any purpose other than inter-bank settlements)

- The Notes must be kept at the bank's vault or Treasury or a Federal Reserve Bank or designated custody. Again, no agency, keeping the notes can loan any money from these LTA deposits
- To clearly emphasize 100% reserve requirement, I shall restate the above requirements: Sum total of all deposits in all LTAs in all different LTA-banks shall be exactly equal to the FRNs in the vaults of the banks or banks' custodians.
- Its unlikely that deposits in LTA would fetch any interest. The account owner can write checks against his deposits in an LTA. LTA-Depositories may charge a fee for keeping an account and processing checks.
- If A deposits B's check in his (A's) LTA account, the account can be credited only after FRNs have "physically or electronically" arrived at A's bank's vault or bank's custodian. Further, this can happen only after B's account has been debited.
- All govt. agencies and govt. owned corporations shall keep all their deposits in LTAs only
- Govt. officers shall accept a check ONLY if the account is an LTA.
- No govt. agency shall give any form of insurance to any account which not LTA. Thus FDIC will insure only LTAs and nothing else
- New Legal Tenders can be issued **only**
 - upon request of the President and approval of citizens by a Referendum. In this referendum, at least 50% citizens must participate and there should be more YESes than NOs. Permission of the Congress would not be required.
 - or by a DirectVote. Here a private citizen or company will have to pay for a Direct Vote. Upon getting 55% of total citizens, new FRNs, as stated in DB will be issued.
- In any case, the Treasury shall issue the amount of US-notes or FRNs as specified in the DB or the Presidential Referendum.
- The newly created US-notes or FRNs will be available to the Treasury for free (currently the Treasury is forced to issue a bond for the fiat FRNs and pay interest on that bond. This is a stupid process, which costs about 250 billion dollars a year. This will no longer be required).

(All above points have been proposed before by different economist except 2 points, which are my original contribution: First, govt. officers shall not accept non-LTA checks and issuing new Legal Tenders would need a Referendum)

GRADUALLY, but not necessarily slowly, over a period or 3-5yrs, only LTAs will have govt. insurance and all other accounts will have NO insurance from any govt. agency. Further, ALL reserve requirements and other regulations can be removed from non-LTA checking, savings and money-market accounts. Only LTAs will be insured, regulated and supervised by govt.

This is in agreement with "small government" idea most conservatives advocate.

LTAs are unlikely to get any interest. This is a drawback. But there is a plus point is protection against run-away inflation and investment risks. Thus a depositor, who wishes to earn interest, will have to take his money from his LTA and keep in a non-LTA checking, savings account or CDs. FDIC, or no govt. institution would insure such an account even partly. He may write checks against savings account as per the banks rules and regulations. Private citizens may accept these checks, as they wish, but govt. officers shall not accept non-LTA checks (in case of India, I recommend minimum 1yr imprisonment for knowingly doing so. US citizens may think of same or others means of implementing this restriction).

Also, no govt. agency or govt. owned corporation shall keep operational deposits in non-LTA accounts. This will end the infamous TTL (Treasury Tax and Loan) program.

This system will protect Non Banking Citizens from the flattery of bankers. It will also protect society from run-away inflation of Legal Tenders as issuing new Legal Tender shall need a referendum.

One argument commonly given to justify inflation is to say that increase in money supply is necessary if economy grows. This is nonsense. If that is the case, money can be split, just like the stocks, so that volume doubles without any redistribution of wealth. Besides, LTL is not against increasing money volume anyway. All it says that increase in money supply should need a referendum or DirectVote..

In general, increase in money supply causes wealth re-distribution as the first recipient of money will be buying wealth without creating any wealth. The first recipients of new money are not government bodies, as commonly believed, but bankers and their associates. Thus they get wealth without creating any.

15.4 Legal Tender Law and Deficit Financing

The above LTL does not prohibit govt. from deficit financing. It only insists that such an action would need a referendum. If a referendum approves it, the President will be allowed to issue new money and use for projects such as construction of highways, education etc. I have no opinion on how much such the supply increase each year or should it increase at all. A situation may arise where those who have money are not willing spend or invest and so there is a shortage of cash. Should more cash be issued at that time? The citizens would decide, depending on the specific circumstances at that time. Today, instead of citizens, private bankers are deciding. I don't like that.

15.5 Functioning under New System

If bankers cannot increase supply of Legal Tender supply, will it impair economy? Well counter-question is whose (plural) economies? The bankers' economies will go down. Non-bankers' economy will improve.

Please note that I have nothing against bankers issuing loans. The only requirement is that when a banker issue loans, the deposits of the accounts from where the loan comes from must decrease. And this of course should not be done without the explicit approval of the account holding party.

Now lets look at the scenario when the deposit holders stop issuing loans for any reason. If the situation is analyzed on case by case basis at *material and humans' time* level, I can show that the new system will increase the well being of non-bankers, not decrease.

Here I will give one example: Home mortgages.

Suppose government is selling 2 acres of land. Two persons A and B, both have \$1000 of Legal Tender. Suppose both want as much land as possible. Then in the auction, both will get 1 acre of land and will pay \$1000.

Now suppose a third person banker comes there. Both A and B deposit \$1000 to him. Now can issue loans of up to \$20,000. Now in the auction, A makes a bid of \$1000 and so does B. Now A might think of getting \$1000 loan from banker and making a bid of \$2000. Now B will have no choice but to take a loan of \$1000 and make a bid again. In the end, what will happen is that A and B both make a bid of \$11,000 each, have 1 acre of land each and *have \$10,000 of debt each*.

Now one can ask that if banker are not allowed to create Legal Tender look-alike, how would A be able to buy \$11,000 land? Well, if the banker is not allowed to create Legal Tender look alike, the cost of land would have been \$1000 and A would have been able to buy it without debt.

So in the new system, prices will be low and so would be income in numerical terms. The output will be same. *But the debt is much much less*. Since debt and interest on it are a drains on the future income, this drain will stop and will result in higher effective income.

As far as large investments are concerned, they ill be financed using stock holding type structures. This will be similar to the way many debt free corporations run.

15.6 LTL and Cash Hoarding

What if the people who have cash start hoarding cash? In that case lesser cash will be available for circulation of goods. Will it create problems in a polity where bankers cannot create new Legal Tender? It might.

But hoarding of cash would not occur as the hoarders know that with a stroke of referendum, new cash can be issued. This new cash will decrease the value of the cash in they have. In case they disregard this possibility, sooner or later a referendum would occur and the warning will become reality. Over time, people would realize they should not hoard cash beyond a few months necessity and a some amount for a rainy day.

IMO, the second worst place to store wealth is cash and worst is debt. IMO, the third best place to store wealth is wealth itself. The wealth would include house, ownership in near by hospitals and insurance policies. The second best place to store wealth is ownership of Natural Resources in form of FEleCorps.

15.7 Transition from Existing to New System

The FDIC should take-over the defaulting banks, just the way it does now, and sell the loans and pay the depositors. Treasury may need to print US-notes or FRN-notes in case proceeds from loan falls short. This printing would increase supply of Legal Tender, but not over all inflation as supply of legal tender look alikes, (like private bankers' check-book money) shall fall. FDIC should decrease the limits on non-LTA

accounts by \$2,000-3,000 every month, making it \$0 in 4-5 years. This will ensure that no panic or sudden shortage of Legal Tenders occur.

15.8 Will LTL 'Solve' Bankruptcy Problem?

It will reduce number of bankruptcies as the lenders are not capable of creating of money and so will be careful at the time of lending. Further, 100% reserve will make the over-all economy immune to bank runs and no govt. sponsored bail-outs will be needed. With LTL, it may happen that a borrower default will not trigger a chain reaction. Mass bankruptcies will not occur. Also, in case bankruptcies become numerous and citizens decide to reduce it, they can materialize Direct Vote to issue more Legal Tender.

Today, some bankruptcies are due to market but a large number of them are due to artificial manipulation of money-supply. With LTL, the bankruptcies which occur due to this manipulation will end forever.

15.9 DBDV and LTL

Can LTL be materialized without DirectBill-DirectVote?

No.

Bankers have spent years and worked very hard to manipulate the laws to get the power to buy goods and labor for free. Using this power, over time, they have bought cable companies, cable content companies, newspapers, magazines and TV networks. Using these mass-media, they have ensured that ALL Congressmen, Presidents, Judges are pro-bankers.

It is naïve to expect that these puppets will ever turn against their masters. They might make a law, under extreme public pressure, but that law will have enough loopholes and exceptions that nothing would change.

Even if ALL Congressmen are replaced, it would not work. The Bankers will simply create new money and "influence" ALL the newcomers.

By all means, DB-DV will be cheaper and more effective.

15.10 Conclusions

IMO, bankers should not allowed to issue Legal Tenders and govt. should not accept any "Legal Tender look-alike" without the *consent of citizens*. Please mark my words, consent and citizens. I do not consider representatives equivalent to citizens. And nothing less than a referendum is a consent. Citizens and only citizens should be allowed to issue Legal Tenders. Only they should be the principals, others must be mere agents.

A referendum might cost a few tens or hundreds of million dollars. Still it is much smaller a price than what people have to pay to bankers everyday, like 17% to 25% interests on credit-cards. This is my opinion, please make your own.

All concepts such as M_1 , M_2 , M_3 , L_3 etc. are fraudulent. **Re-analyze economics with the concept of "Legal Tender" instead of "money"** and uselessness of as M_1 , M_2 , M_3 , L_3 etc. will be apparent. E.g. if X gives \$1000 to a bank and the bank loans \$800 to Y, does the supply of "Legal Tender" increase? Suppose Fed lowers the reserve ratio. Does the supply of "Legal Tender" increase? A bank goes bankrupt. Does the supply of "Legal Tender" change?

Letting bankers create such Legal Tenders or allowing govt. to accept a banker created "Legal-Tender-look-alike" is same as giving them ENTIRE State property for free. This is too much of a charity for the welfare mothers in WTC and WFC.

I only insist on Direct Vote on this issue, in India. Since I am not a US citizen, I have no such request to US govt. I have met several US citizens who dislike Legal-Tender look-alikes and hate bankers as much as I do. They might be interested in such a Direct Vote.

Later I shall comment more on other features of existing banking system.

[File End][CHAPNAME]

16. Putting Banking, COSSGN and COSSCN Together

The biggest trick the Devil ever played was convincing the world that he does not exist.

- "The Usual Suspects"

Allow me to control money supply, and I care not who makes the law.

- M. A. Rothschild (a famous banker)

I believe that banking institutions are more dangerous to our liberty than standing armies. The (money) issuing power should be taken away from the bank and resorted with the Congress

- Thomas Jefferson

The few who can understand the (banking) system will either so much interested in its profits or so dependent on its favors, that there will be no opposition from that class. While on the other hand, great body of the people incapable of comprehending the tremendous advantage that capital derives from them will bear its burden without complaint or even suspecting that the system is inimical to their interests.

- Rothschild, a famous banker of France, who owned a significant part of Bank of England.

This chapter involved some simple mathematics. Please keep a paper and pencil handy.

16.1 Before I Say that the Emperor is Naked ...

Most economists says that that (US) bankers loans the money he gets from "deposits".

IMO, these Economists are wrong.

IMO, Bankers create money from thin air and loan it.

And before I any further criticize banking, I would clearly mention that the **only part of banking that I hate is "creating Legal-Tender look alikes"**. And giving mumbo-jumbo idiotic arguments to prove that it is in average citizen's benefit to let these look-alikes should continue. Other activities in banking industries, like storing deposits, fund transfers (using checks and electronically), loans and underwriting are "just and must". Storing deposits and fund transfer are, in fact, technology operations and not banking. Technology company owners (such as owners of hMicroSoft, hQuicken and hBorland) if allowed to enter this field, would do a far better job than bankers. Loaning and underwriting are "just and must" banking operations. I truly admire people involved in these 4 operations.

Summarizing once again, I only hate Legal-Tender-look-alike-creators, not all bankers and other staff-members in banking companies.

16.2 Who is a banker?

To avoid a possible lawsuit, I will not disclose names. Interested reader may look into who's who of the money-creating industry. The way the individuals are organized, it is a pyramid. The top 500-700 are pure bankers. The next 1000-2000 are semi-bankers.

The key factor: which bank owns how many (exact number) of stocks in Federal Reserve Banks, particularly NY and Boston. This information not publicly disclosed. Even Congressmen and Presidents do not have access to this information. If exact ownership of Federal Reserve Banks' stocks is disclosed publicly, it will be possible to find out which specific individuals control how much of Legal Tender (and look alike) creating industry.

16.3 What is a Bank Loan After-All?

When a depositor deposits \$100 of cash (or Fed Check) to a banker, the banker can issue a loan of \$900, there by creating additional deposits of \$900. Now if the bank is FDIC insured, then situation is equivalent to the following: each time a person deposits \$100 of cash with a banker, the government gives that banker an interest free loan of \$900. This can be explained as follow: For each \$100 of cash the banker issues a loan of \$900 which becomes FDIC insured deposit. In other words, FDIC promises to pay the depositors \$900 in case the banker fails to keep the promise. Now government's promise to pay on demand is almost as good as Legal Tender. And so when the banker created \$900 of deposits, it has same effect as if government created \$900 and gave it to the banker, and then the banker loaned it borrowers

What a charity !!!

16.4 Interest on Fiat Money and Bankruptcy

Now I'll discuss the YSM Principle once again.

Consider a town of 100 persons. Township has no currency and all the trades go strictly by gold. There comes a banker who creates \$10,000 and loans \$100 to each of the them to create an alternative to gold. Of course, they must repay entire loan at end of the week, with 10% annual interest (=0.2% per week)

Question: Is it true (or false) that at least 1 citizen will default, no matter how hard they all work, if no more money is created in that week

The answer is clearly yes.

At the end of the week, 100 citizens will have to provide \$10,020. Since total money is only \$10,000, at least one of them will default. Now it may happen that part or whole of the defaulter's land becomes banker's property.

(Replace the word week by a year. At the end of the year, 100 citizens will have to provide \$11,000. Since total money is only \$10,000, again, at least one of them will default.)

There are only 2 ways to "avoid" defaults. First, if banker creates more money and "gives" it in exchange of some real wealth. In that case, without default, some of the land became banker's property. Second, he issues more loans. In which case, defaults have only been postponed.

I would advice the reader to take a few iterations by himself. At the end of some 20 iterations, the banker will own most of the land and citizens will still have some debt on their heads.

(In the example, initially 100 citizens had no currency. What if they had some currency in the beginning? Would that save them anyway? NO.

Suppose each one had \$100 initially. Then at the end of the year, after paying loan and the principle, if no one has defaulted, the banker would have \$10600 and thus citizens altogether would have \$9400. Thus in 12-13 iterations, they will all lose all money they had initially. Now they are same as in the beginning of the first example. The fact that the banker has ability to create money from thin air makes the initial capital worthless.).

In technical terms, when a loan is issued, only the principal amount (\$10,000 in this case) is created and not the interest (\$600 in above case). Thus borrowers, as a whole, can never repay entire loan with interest. Mankind for past 2500 yrs has known this simple fact. Somehow most economics professors in most universities forget to mention this fact (and its significance) in textbooks and classrooms.

Can this happen if banker had initially loaned 100 gold coins to each with commitment to pay 106 gold at the end of the year?

May not (assuming that banker cannot create gold by himself). Suppose 10 citizens default 100% and no one else defaults. Thus 90 citizens would have paid $100 + 6\% = 106$ gold coins back at the end of the year. Now the banker has $90 * 106 = 9540$ gold coins. The defaulters would lose their land, but remaining 90 citizens have 460 gold coins and their lands and zero debt. The transactions can be alternatively mentioned as "the banker bought land at 460 gold coins". This is not unfair, as gold is a form of wealth, and wealth has been exchanged for wealth. Now since NBCs have gold, demand of gold will reduce. They can split the gold coins in smaller parts and use them as currency.

However, if the banker can create money, unlike gold, he will simply issue new money and restore his balance back to 10,000 (or much more) from 9540. So next year, he will be back with same force. Each year, by creating some money, he can obtain some land for free (this is exactly what is happening today. In modern days, bankers create most of the money, not governments).

Does this mean that we have-to-have gold-standard? Absolutely not. All we need is to ensure that govt. officers do not accept banker-created Legal Tenders look-alikes. That would suffice. In other words: Legal Tender Law.

16.5 Putting Together: Buying Govt. property for free and Interest on Fiat Money

Now let us analyze the 101 person society where

- Government has issued Legal Tender.
- One person called the Banker, can write promissory notes at will.
- So can remaining 100.
- Government officers accepts the banker's note (or book-entry) as legal tender. They treat as worthless papers.

Suppose, initially, everyone has \$100 of Legal Tender (including the banker) and has 100sq ft of land and govt. has 20,000 sq. ft of land. Now the banker forces govt. officers creates a scheme like FDIC, which means that any deposit kept with the Banker will be insured by govt. Thus govt. gave a non-competitive advantage to the Banker (why would a democratic govt. do that?)

(Please note the phrase “non-competitive”. This advantage is NOT competitive as banker did not earn it by being “competitive” i.e. better service, less cost, long hours, less profit or working smarter. This advantage came because of government rule. See my discussion on COSSGN and COSSCN.)

So all 100 citizens keep their \$100 at the Banker. Now the Banker will pay 4% interest on deposits and charge 8% on the loans (since the loan becomes a deposit, the *effective* interest on a loan is 4%). Since entry in the industry (such FDIC protection) is tightly controlled by insiders, the difference can be easily maintained. Next, govt. endorses “fractional reserve system”, say at 20%. Thus the Banker can issue “loan” of up to \$40,000. (\$8000 in first round. Then \$6400 in second round and so forth). Thus total amount of Legal Tender in the town is \$10,000 and Legal-Tender-look-alike is \$40,000

Now the show begins. I will show how at the end of a few iterations, that the banker will have most of the land.

Suppose govt. decides to auction 1000sq ft of land. Even if 99 citizens form a company and put in all the Legal Tenders they have, their bid would be no more than \$9900, which is no match against, banker (or his associate borrowers) with \$40,000 of newly created money.

Possibility1: Suppose with a bid of \$10,000, Banker (or his friend) buys the land. In this case \$10,000 are simply added to govt.’s account in his bank (he does have to pay 4% interest. Later I will show how the interest is generated.).

Possibility2: Suppose, the banker instead of buying land himself, gives loans to some or each of the citizens. Suppose he gives a loan of \$400 (at 8% interest) to each citizens. At the auction, govt. has would have \$40,000 for the new land.

In 1st case, the Banker clearly got a chunk of the land for zero labor in return. In 2nd case, each citizen is required to pay \$32 at the end of the year. If govt. spending is zero, then in a few yrs, the citizens will start defaulting. Suppose govt. employs at 100 citizens and pays them \$416 (total = \$41,600) for service. This can be possible as govt. had \$40,000 in the account which was bearing 4% interest. Now citizens can pay \$432 (loan plus 8% yr. interest). So each one now has 120 sq. ft land and \$100 (initial) + \$400 (loan) - \$400(price of land) + \$416 (money paid by govt.) - \$432 (loan + interest payment) + \$4 (interest on his initial \$100 deposits) = \$88 in his account. Down by \$12 per person. Alternatively, if there were no defaults, banker would end up “earning” \$1200.

(A simple way to calculate “earning” is as follow:

Let L_0 = Legal Tenders in reserve = \$10,000

L_1 = Legal Tenders + look-alikes = \$50,000

on L_1 , banker will pay 4% interest = $50,000 * 4\% = 2000$

on $(L_1 - L_0)$, are the Legal Tenders look-alikes created by loans. On this he would gain $8\% = 40,000 * 8\% = 3200$

So net earnings = $\$3200 - \$2000 = \$1200$.

In general net earning, in default free scenarios, are

$(L_1 - L_0) * (\text{Interest on loan}) - L_0 * (\text{Interest on Deposits})$

Thus at the end of year, citizens will have \$8,800 in their accounts. Banker has \$1200, which he can use to buy land.

From this I concluded the following

The Golden Principle of Bankers

No matter how inefficiently FDIC insured bankers operate, and no matter how efficiently non-banking citizens perform, some wealth will flow from govt. and citizens to the bankers every year.

Every month, every day, every moment. Even if bankers do create an iota of useful labor.

(Currently in US, L_1 is about \$4 trillion more than L_0 . The typical interest on deposits are 1%-5% and that on loan is 8% (house mortgage) to 20% - 25% (credit cards and poor-rating car loans). If the difference between averages is 8%. So absolute minimum. wealth drain is \$320 billion a year.)

[If the bankers, are not allowed to spend or invest these money into their companies, soon there will be shortage of money and there will be bankruptcies.]

Next year, govt. decided to auction another 1000sq ft of land. Another drain of \$1200. In about 9 yrs, if banker simply gives loan to the citizens, eventually they will all run out of money. Now 9th or 10th year, the newly created money will sure cause a default. On defaults, citizens will have to part with their land to the banker.

Eventually, the banker will own ALL the land. GAME OVER.

Possibility3: (mixture of 1 and 2) Banker can issue a loan of \$20,000 to himself (or his friend) and buy half the land in the auction and loan of a \$200 to each of the citizens. The loans he issued to himself will become deposits of govt. and later citizens as govt. spends money. So on those \$20,000 deposits he will pay 4% deposits, which will come from the “effective” interest on the loans he gave to the citizens. Thus at zero risk and commitment, Banker got about 500 sq. ft of land.

(In real world, banker would execute Possibility3. Thus trillions of dollars of loan has been given to mortgages to citizens at 8%. This money was given to buy land, which once was owned by govt. So it became govt. deposit fetching 4% interest. . This will become deposits of citizens as govt. spends money. The citizens will pay 8% interest from their incomes. This interest will be more that sufficient for the banker to pay interest on all deposits, including the ones created by his own loans used to buy property.)

16.6 Defaults and Crisis

In any case, sooner or later, defaults would occur. So there will be a crisis. “Experts” will ask govt. to ease credits. Thus reserve ratio, which was 20% would fall to 10% and additional \$50,000 would fall from sky. With the new money and same old game once again the banker will acquire new land and more debts

The second iteration will be no different from first one in its nature. Eventually, the banker will own, both the land and citizens will be in debt. Once the banker owns ALL the land. “GAME OVER”. A society is free only it has some natural resources under its control. With all natural resources gone, they shall be mere slaves. Further, even after losing all the land, citizens and governments will still be under debt of bankers. The new bankruptcy laws (1998) make it impossible for anyone to write-off debt, With this, the debt will stay with a person for his entire life, as it is mathematically impossible to pay principle as well as interest. For their entire life, they will be working and paying the interest.

Your Soul is Mine !!!

16.7 What if Gov. runs out of Land?

One of the prime reasons why Legal Tenders and look-alikes are important is to buy govt. property. If govt. runs out of land, which it eventually will, wouldn't it stop the drain?

It may. But given the inheritance tax, due to which 1/3rd of the estate becomes govt. property, this would be unlikely. Thus govt. will always have land to sell and the drain will continue. Once the bankers own entire land, govt. may remove inheritance tax.

16.8 Establishing Closed Oligopolies

As seen, the bankers give legal-tender look alikes and in exchange they obtain wealth. Now if the supply of look-alikes continues to increase, it may destabilize the system. So over time, bankers have established means to siphon the legal-tender away from the citizens. One mechanism is the difference between deposit interest rate and loan interest rate. Second is shrinking reserve ratio. Third and equally important is establishing closed oligopolies, COSSCG and COSSCN.

Most cable companies are owned by banks. They charge \$20 from consumer, for a service which does not even cost \$2 per month. This enables them to “suck” at least \$200 - \$300 per house hold per year. Next they charge billions from advertisers more than the cost. Neither subscribers nor advertisers have options since it is a Legal Monopoly. Advertisers have no options but to pass the overheads on citizens. The cable -company is always in debt, and so much of the income will go for interest payment. This how billions will flow back to bank, via the cable company. Cable is one example. Similar examples are telephones,

electricity cabling and cellular bandwidth. And far more effective siphons are rental space (most apartments in London and NYC are owned by banks), mineral mines and oil wells.

Another siphon is interest govt. pays on the bond.

This would explain why average citizen is always in debt of bankers, in spite of high salaries. The high salaries are due to easy credit, i.e. increase in supply of legal tender look alikes. The monopolies would simply increase the price as salaries increase, zeroing out the increase. Since many of these costs do not appear in the official inflation indices, the inflation index remains low, in spite of price rise.

Most bankers call themselves anti-interventionist conservatives. That is hypocrisy. In reality, they are strong protectors and sponsors of supply-side closing regulations.

16.9 Some Simpler Examples in Banking

This examples are essentially duplication of the ones I mentioned. They are simpler, as they involve fewer people and lesser number of steps.

Example1: Mortgages

Suppose govt. hires A to make an office. He finishes the job in 20 days. To pay him govt. prints \$1000 and gives him that \$1000 of cash. He deposits this amount with a banker. The Banker is now entitled to issue a loan of \$9000 (assuming 10% reserve).

Now govt. decided to sell 10,000 sq. ft of land.

A can buy whole or part of that land without a loan. But Now B, a banker's friend, comes at the auction and makes a bid of \$4000. He can do so, as his bank-entry is \$4000. He got those \$4000 from a loan from the banker. Since A needs land, he will now have to approach the banker and ask for a loan. Finally, say the land is sold for \$6000 to A. A has now have a debt of \$5000 at 8% interest per yr. Taking loan was must ONLY because govt. recognized banker's credit as legal money. If A had not taken a loan, he could have lost the land to B.

One way of looking at loan is selling a part of the collateral and one way of looking interest is treating it as rent on that collateral. Of the principle amount, $5/6^{\text{th}}$ was provided by the banker. Thus, in a way, $5/6^{\text{th}}$ of the land belongs to the banker and A pays rent of $\$5000 * 8\% = \400 for the first year.

This is how mortgage industry works. More than half the land "belongs to" bankers and all have to pay interest (or rent). A got the money to buy the $1/6^{\text{th}}$ of the land by creating labor. The govt. got that labor for free as it had just printed the notes. The banker got $5/6^{\text{th}}$ the land by just creating of checkbook money.

Is the banker "helping" people by giving them money he creates or is he getting the collateral for free? Its all a matter of perception!

Example2: Inflation

Suppose A deposits \$10,000 at a bank. The banker gives a loan of \$9000 to B (at the end of the cycles, all loans will add up to \$90,000). Does that increase inflation?

Anti-inflation economists emit loud ear-breaking shrills when govt. prints fiat money. They say it would increase money supply without increasing wealth, and so would increase the inflation. In above step, when a loan was issued, money supply increased while no new wealth was created. So isn't it inflationary?

IMO, it is.

In reality, issuing a loan of \$90,000 on deposit of \$10,000 **is same as forcibly taking away \$9000** from the depositor, giving it to the borrower and splitting the money by a factor of 10. In general, splits do not cause a big difference. So bank loans are nothing but bankers' way of taking away money from NBCs. All legal !!!

Most bankers strongly oppose inflation. This is hypocrisy as they are the one who create it most. More than 90% of money is created by bankers. Thus govt. is not responsible for the inflation, bankers are.

Example3: How many bonds can you buy with \$1 billion of cash?

Federal govt. routinely issues interest bearing bonds in almost all countries.

This bond market is a total scam.

Suppose US govt. needs \$1 billion and it issues bond at 5% interest. Suppose all you have is \$1 billion of cash. How many bonds can one buy at most? Here is an interesting answer: \$1 billion worth if you are non-banker, \$10 billion worth if you are banker (if reserve ratio is 5%). Legally, no tricks. Banker can divide \$1 billion into two parts. Add \$500 million into the capital and \$500 million as a deposits. Now he can loan \$475 million to his friend, who again deposits in the same bank or some bank owned by the same

bank holding company. This will go on till the bankers' friends have \$10 billion of deposits in their accounts. With this, they can buy \$10 billion of bonds.

Some technical problems exist. When a govt. bond is bought, the bank must transfer that amount to Federal Reserve in cash, which would deplete the banker's reserves. But govt. always has outstanding commitments and will write checks to meet them. When that check is paid to a non-banker citizen, he will deposit it to a banker and that would replenish the reserves.

So banker cannot buy \$10 billion worth bonds in one day. How fast can he do so? Well that depends on how fast govt. spends the money. It may take 1 month, may take 3 months, but it is possible.

Now return on those bonds is \$50 (5%) million to a non-banker citizen, and only \$250-\$400 million (2.5% - 3%) to the banker. This is because \$500 million would come as interest from the govt., but deposits have increased by \$10 billion as well. On this deposits, banker will have to pay \$100-\$250 as interest (This is how it happens: Banker buys a bond of \$1000. So he has to send \$1000 of Federal Reserve Note to the Federal Reserve. Now govt. gives \$1000 check to a postman as salary. When postman deposits it to the banker, the banker can send the check to Federal Reserve and get \$1000 cash and replenish the reserve. Now This \$1000 became deposit in the postman's account which would get 1-2.5% interest. So govt. would give \$50 interest to the banker and banker will have to give \$10-\$25 to the postman.)

Thus if you are a non-banker, risk-free return on capital is 5%. But if you are banker, it can be at least 25-30%. Green ! Super Green !!! IMO, govt. should abolish all professions except banking. Every citizen should be forced to become a banker. This way everyone will make 30% on his capital.

Essentially, govt. bonds are nothing but means of ensuring that bankers make a "healthy" profits for doing nothing. It is a charity to welfare mothers in WTC and WFC. The LTL (Legal Tender Law) can stop this charity.

I always wondered why govts. simply do not issue cash then going for internal debts. Later, I found that Thomas A. Edison had also raised the same question decades ago. He strongly suggested that govt. should only issue notes and not bonds. All wise men think alike!

Example4: More about govt. bonds

Suppose a in a township of 100 persons, each has \$100 of legal tender. Govt., for any good/bad reasons ends up with deficit of \$1000.

One option is to issue another \$1000 cash. This can cause inflation. Alternatively, govt. borrows \$10 from everyone at 5% interest. Now at the end of the year, govt. needs to pay \$1050 in principle and interest. This can be possible only if govt. imposes a tax or prints \$1050 or creates extra debt.

Govt. Debt = Inflation or Tax Or Default

There is no way to avoid it.

Besides, is it that issuing bonds would not increase money supply? What if banker, using deposits of \$100, issues a loan of \$500 and then buys bonds with. Money supply increased and there was a debt.

This should convince the reader the bonds are not issued to by-pass inflation or tax. They only result in bigger inflation and tax. Govt. securities tend to be quasi-legal-tenders and so money-supply automatically increases when govt. issues bonds.

Govt. bonds are meant to give stability to check-book money and create a healthy profits for bankers.

Example5: Credit card industry

Credit Cards serve 2 purposes: fund transfer and loans. A charge made on a credit card instantly becomes a loan.

Ever wondered why commissions and interests on credit cards are so high? Well, FRS and banks have created enough obscure idiotic regulations and policies that entire industry has become a closed oligopoly, with only 4-5 main players. Once again, do not get misled by thinking that more than one player would result in competition. The fact is that industry is closed and so the card companies simply collude. Also, since lending money without govt. permission is a crime in US, competition never happened.

The solution is to allow technology companies in debt card (instant charge to a checking account) business. The solution has been known for past 20 yrs, and was never implemented.

16.10 Stock Markets and Banks

Gambling is zero sum game. Stock-market is not zero sum game as some critics believe. On a good day players, big and small, in stock market will overall gain. On a bad day, they will overall lose. On a very good day players make huge amount of money. *On a very bad day, non-players lose.*

Each time stock markets dips, the banks create truck-load of money. Thus the Dow Jones index recovers, but the value of currency falls. This happened first in 1929, when to recovery required printing huge amount of cash, thereby Dow recovered, but currency lost. Same happened in 1987. On this occasions, it was visibly huge. On most days it is small, but exists.

Wall St. is not zero sum game. Wall St., banks and FRS together ensure that wealth from non-players flows into the hands of players. It is like a gambling house, which makes huge bets, and when it fails, all its loses are paid by township government. Such a gambling house is not a zero sum game. The house as well as players will make profits at the cost of non-players.

Power to control Legal Tender and look-alikes' volume lies in hands of bankers and FRS. Federal Reserve Banks are owned by private bankers and not by govt. Also, FRS is autocratic and not under control the President or Congress. It is arbitrary. As a result, stocks live on speculation rather than dividends. Stock market by itself is an honest and productive concept, an absolute must for industries. The bankers' have made it a gambling house, whose lose is to be paid using inflation.

Am I accusing that bankers get information about Fed Banks' decisions before the rest of the world? Hell no. That would be stupid of them. What happens is exactly the other way round. The Fed Banks' Presidents and directors, who take the key decisions are appointed by owners and controllers of the bank. They are the one who watch banks' performance in the market very closely. *Moment the Fed Banks' Presidents and staff-members realize that the well being of banks' portfolios require an increase in the money supply, they will promptly increase the money supply there by saving the banks.* Of course, I have no proof that they have this intention, but their behavior of past 85 years is a clear proof. The Fed Banks' staff is the true guardian of bankers' stock portfolios.

The reason why stock market has become so speculative is because it simply depends on the decisions of bankers to increase and decrease money supply and the companies they will pick to invest the newly created money. As a result, the stock-market hovers according to the needs and whims of top 800 bankers.

The Legal Tender Law will ensure that new Legal Tender cannot be created without referendum. This will take the power out the hand of these speculator and put in the hands of the people. When that happens, stock market will become a place for investment rather than speculation. At that point, the Wall St. will work for the interest of Main St, not the other way round as it is today.

16.11 How bankers regulate themselves

This varies from country to country. In this book, I will confine myself to US (the Indian edition talks about the way bank-managers operate in India).

At top, are the owners of the 25-30 largest bank-holding companies. They are controlled by about 600-700 big-bankers (take any who's who book in banking). They tell the President, who they wish to be FRS governors and chairman. The President faithfully obeys (or else Cable Companies and TV networks owned by these bankers will throw so much dirt on him that he will be buried). Next comes Senate approval. Each Senator is affiliated to some banker or else he would never muster enough support from the cable companies, TV networks and newspapers (all owned/controlled by bankers) to become a Senator. Bankers have zero control over the Senate. But they have complete control over **each** of the 100 Senators. (After a long time I realized that a Senator's strength is because he has 10s of friends in bank holding companies, not other way round. In US, bankers have 100% power, the Senators are mere front end. NYC is the reality. DC is just an illusion.) Thus the FRS's Board of Governors consists of bankers' friends. FRS's primary job is to regulate govt., not the banks. The bankers regulate themselves. FRS is mere tool in this process.

When FOMC (the Federal Open Market Committee) buys a security, it gives a fed check. The FedCheck generally goes to a big banker. With \$1000 of FedCheck, the receiving bank can issue a loan of \$20,000.

The big banker would issue some loans directly to his friends (this happens as many directors of big banks are owners of borrowing corporations themselves). But most of the loans will go to small bankers. These loans are short-term loans. The short term loans are the means of control.

Suppose hJohnReed, a hypothetical banker in hCitiBank, a hypothetical big-bank, gets a FedCheck of \$10,000. He can now issue of up to \$200,000 of loans (assuming 5% reserve). He gives \$50,000 of loan to his friends. And he loans \$50,000 to small-bankers in Mid West, say Minnesota, Oklahoma and New Jersey named A, B and C. Now each of ABCs will give mortgage loans or credit card loans. They pay interest of 6% on the short term loan (3-6 months) and get 8% - 15% on the long term (2 yr. to 15 yrs) loans they have made. This will give them a neat profit and they are in chains for rest their lives.

After six months, the short term loan has to be paid back. The small-banker is dead meat unless he gets a new short term loan. Failure to get new short term loan will result in default, inquiries from FDIC, FRS agents and tabloids' editors, all of whom are close friends of hJohnReed. Can he get a short term loan from hRockfellers (of hChase), another big hypothetical banker? Unlikely. Banking is a closed industry and bankers respect each-others friendships and animosities. If hJohnReed does not like that small-banker, no one in town will be his friend.

Last thread in control: Federal Reserve Banks, all 12 of them, which control a banker's life from the cradle to the grave, are private banks. Its directors are "elected" by big bankers. By not issuing short term loans, small-banker can be made to stumble and then "official" machinery of Fed Banks would ensure that he falls and never gets up.

The small-bankers know these simple facts. So he will always be faithful to hJohnReed and other big-bankers. This is how the top bankers "regulate" the small ones. It is all done at individual level, not at company level and short-term loans are the main tools.

Who regulates top bankers?

One factor which forces them to be considerate is competition at inter-national level. If UK bankers were to issue trillions of pounds, they can buy all the remaining companies in UK, but value of pound will drop so low that it would back-fire. Same applies for other countries' bankers.

Once this was the case at national level as well. Now, at national-level, no significant competition exists as now banks are collectively owned/controlled (COSSGC). At inter-national level, soon bankers will form collusion.

Who would regulate them after that?.

NO ONE. The end.

Once in a year they have to worry about "public opinion". That's why they drain only 2-3% of wealth a year. That's why only 60-70% economy is under their control and some 30% economy (like PC software, restaurants etc.) is still free. As mass media (cable + TV + newspaper + news magazines) comes under tighter and tighter grip, bankers have lesser and lesser to worry from people.

Mass-media ownership ensures that mass-mediemen will never raise issues which can possibly damage big bankers. It also ensures that citizens cannot communicate amongst themselves cheaply and so cannot create alternatives by themselves.

Only 3 things bankers will need to worry from are small presses, desktop (and electronic) publishing and Internet. The last 2 are serious challenges. Only for a while. Just as in case of cable and telephone, they made a law allowing only one company to be provider, I would not be surprised if a law springs up saying that any chipmaker making a chip with more than 10 million transistors would need govt. approval (due to national security reasons etc.). Thus entire hardware industry will fall under govt. (read: bankers') regulation. Using this, bankers can ensure that all hardware companies and software companies are owned by them. Also, soon Bankers will force FCC and Congress to oligopolies ISP (Internet Service Providers) business. Thus only a few their companies (or companies which have taken short-term loans from them) will be allowed to be ISPs. This will ensure that only a few companies will be allowed to host Web sites. Thus threat from desktop publishing and Internet will disappear.

Small presses will continue to be a small headache, but will hardly cause bankers any problems.

16.12 How bankers Control Companies they Own or Loan

At the time of issuing loans, banks put conditions which go as far as saying that such and such person will be the CEO, CFO, CIO, CXX etc. These CXXs are bankers' pets. Thus the bankers ensure that the company will stay faithful to them. Further, investment bankers have to stay in good books of money creators. They occasionally need money from banks when underwriting commitments back-fire e.g. 1987 stock market crash. Investment Banks, which govern many mutual funds, place directors in companies. The directors know their masters and their masters' masters. So they also respect bankers' opinions.

The infamous interlocking directorships are not the means of control. They are mere symptoms. The mean of control is stock ownership (bought by creating money) and short term loans. In many cases, bankers are themselves directors in many politically powerful companies (such as cable companies). This is to ensure complete control over those companies.

16.13 How Bankers Influence Mediemen?

It is well published that Bankers own all Cable Companies, TV networks and newspapers and most magazine publishers. They bought these companies by creating money. They have hired journalists, who seldom know anything about banking or engineering. Most of them end up filling up the pages with useless news. The ones who know the inner game, they collude with banker-owners. They throw dirt on any one at whom the Banker points to. They never speak a word against Basic Principles of Banking and never speak a word against closed oligopoly owned by bankers such as cable company, phone companies etc.

Those who attain these goals perfectly are promoted and become editors.

Now it is possible to competitor to start a newspaper or newsmagazine or other publications and compete. Which is exactly what I and 100s of anti-bankers citizens are doing. The biggest hurdle is that banker owned print-media is cross subsidized by the super huge profits of cable industry. Also, bankers have advantage of creating money from thin air. With this, it is difficult for non-banker-owned print company to operate.

Those journalist who disagree, I would request them to take following steps

- Please approach your boss and tell him that you would like to write an article disclosing all the list of owners of all 12 Federal Reserve Banks.
- Please call reputed conservative Economists and publish their views about FDIC and ask them if Federal Reserve Banks are private or govt. bodies.
- Please tell your boss that you would like to write an article advocating that cabling decisions should be taken by township govt. instead of State of Federal.

And see for yourself.

16.14 How do Bankers Control Govt. Executives?

Many Govt. executives like IRS commissioners, FCC commissioners etc. get \$5000/day consulting assignments from banker owned companies after they retire. Provided, they behave properly when they are in office. So most senior govt. officers are always actively looking for opportunities to please. Once a year, an honest bureaucrat may try to take anti-banker step, but would be transferred by his senior, who does not want to upset the banker. Rarely a senior and difficult to transfer bureaucrat would create problem. In that case, he becomes an opportunity for the Mass Mediemen, working in Banker owned Mass Media to serve their bosses.

16.15 How do Bankers Influence Congressmen?

To win an election, they need support of mass media. Or at least the mass media must not throw dirt on them. The Mass-Media owners support only those who are extremely faithful to them. Thus only those candidate clear the first round of primaries, who have enough support from Bankers. In case a Congressman later betrays, he will only become an opportunity for Mass Mediemen. E.g. can Henry Hyde speak against bankers? Well, what if Fred Snodgrass's interview comes on hLarryKingLive show?

Can a Congressman create his own Cable Company or TV- Company and reach his voters? Ask him.. In any case, Congressmen cannot do much harm, as Congressmen must unite to be effective.

16.16 How Bankers "influence" Judges

The Judiciary is independent of Executive and Congress. But it is not independent of media. The Judges, in order to protect their reputation, need to be on the good side of the media-owners.

Also, becoming a Judge is not easy. In order to become a senior Judge, one needs to be appointed by the President and approved by Congressmen. Each of the Congressmen has some price, in cash or in kind. This is an expensive process and costs 100s of millions of dollars.

Who, but money creators, can spend so much money? So the Judges always have to be nice to people who can arrange for expensive campaigns. In short, the Junior Judge must sell his soul to get promoted. This is obvious. In this world, bankers get money for free. Everyone else has to sell something to get something and soul is the only possession a Judge has. He may choose not to sell his soul, in which case,

he will be stuck in a small cubicle and never get a rise. But ambition and “temptation to do more good” makes them hungry for a promotion.

Once in power, it is not easy to forget the favors done by them. If he does, once again, the media-owners’ henchmen (aka editors, journalists) will sling enough mud on him that the Judge will bow down.

Till 1913, Judges were more powerful than bankers. But after 1913, bankers’ power increased. In 1933, when Judges refused to accommodate Roosevelt’s pro-banker schemes, Roosevelt threatened to appoint more Judges and to make the then existing Judges ineffective. Roosevelt had to do this at the bankers’ pressure. The powerful Congressmen, such as Glass, were ex-bankers. Two anti-banker Congressmen had died in the plane crashes. So no Congressmen supported the Judges. . The Judges got the hint and obeyed and so the threat never had to be materialized. This clearly established that bankers were now more powerful than Judges. Since then the Judges have not dared to go against bankers as a whole.

Lately, bankers have invented schemes to bypass the Judiciary altogether. Jury Trial was considered as the most important factor by so called “Founding Fathers”. But most banks (eg hChase), when their customers open an account or take loans, require them to sign a document saying that the customer waives his right to the Jury Trial. Most banks require their key employees to sign a contract which makes them waive their rights of court trail altogether and accept the verdict of American Arbitration Association. Most arbitrators in AAA are highly paid consultants and their bread, butter and Mercedes comes from the \$2000 a day assignments they get. With privatization of part of the Justice, Judges are simply ineffective.

In short, bankers control Judges by control over media and mobilizing lobbyists needed for their appointments and approval, Lately they simply by-pass them.

16.17 How do Bankers Control a Citizen who defies?

They don’t.

Govt. officers and Judges do it for them.

Arthur Lonnie Kobres started a private radio station and started telling people that Federal Reserve Banks are private companies. And many other things which bankers would not like people to know. FCC arrested him. He was charged with 14 charges. The first charge of illegally broadcasting signals on a particular date. The remaining 13 charges were same as first, except that dates were different. His act clearly violated FCC rules, but it is not clear if FCC is authorized to issue licenses for signals which are strictly intra-state. In my opinion, FCC has no right to regulate intra-state communication (see www.fcc.gov). In any case, in general, punishment for running a small illegal radio station is few days of probation. However, FCC asked that Arthur be awarded a prison statement of 28 yrs. Why would pro-small business FCC Commissioner William Kennard allow that? Why would Judge award such a harsh statement? Please ask them.

[Due to strong protests, the Judge later decided to give only minor punishments. But the it is worth noting that no newspapers except the local ones printed the story of arrest and prosecution. The protest would not have happened without internet. As internet comes under bankers’ control, the last free medium too will disappear. With this, 28 years sentence may become reality.]

The story, unfortunately does not end here.

Many prisons are run by private companies, which are owned by banks. The prison authorities may decide to keep such a person in a cell full of with deranged convicts. Homosexual rapes and tortures in US Federal prisons are routine. Of course, mass-media men, busy covering details of Stalin’s labor camps forgets to tell all this details (one reason why prisons are extremely violent is that prison owning companies, like any companies, would like repeat business. Thus they would like a convict to get worse so that he may return with a longer sentence).

[In case the reader is interested in knowing more about Arthur Lonnie Kobres please write to him at
Lonnie Kobres
1715 E. Fowler Avenue, #117
Tampa, Florida - 33612
lkobres@gte.net]

16.18 Putting it all together

- Bankers can issue promissory notes (like anyone)
- govt. officers consider these notes as legal tenders

- thus the “promise” of banker alone is sufficient to buy govt. property, pay tax etc.
- plus they have created state protection for themselves (like FDIC, FRS discount loans etc.)
- using this “look-alike” they have bought land, farms, mines etc.
- using this, they have also bought phone, cable and other companies
- using control over mass-media they regulate Congressmen, Presidents, Judges and other govt. officers.
- using Congressmen and Presidents, they further regulate the Judiciary
- lately using American Arbitration Association, they have started by-passing Judiciary.
- **using them, they have ensured that the in markets in which their Mass Media companies operate, the entry of new suppliers is banned.**
- using (cable + TV + cross subsidized print media) , they have ensured that the in markets in which their other (like phone, credit card) companies operate, the entry of new suppliers is banned.
- thus their companies make huge revenues and actual profits.
- with those profits more companies are bought (lowering the book profits)
- most academia’s senior members’ get fat (\$1000 - \$5000 per day) consulting assignments from banks or their companies. So they never write a line against them in the texts
- the common citizens who defy Bankers end up in Federal prisons, often run by private corporations owned by bankers.
- for a common citizen, it is not possible to start a business or buy a house without taking a loan from the bankers. The loan is money created by bankers by signing apiece of paper.
- by the Fundamental Principle of the Banker, the citizen (in general) can never repay the loan and so will always be bankers’ slave.

In a nut shell, US is governed by a virtual corporation called “The hAmerican Bankers Inc”. I would simply call it USA Inc., identical to Japan Inc.

- At top are some 600 owners of the biggest 25-30 Bank Holding Companies.
- In the next level, are a few thousand medium scale and small bankers. Along with them are the CEOs and directors of the companies they own or have issued huge amount of short term loans. This will include most cable companies, telecom companies, TV - networks, top ranking mass-mediamen in publishing.
- Third row consists the Judges. Since the days of Solomon Chase, judges have been very keen to ensure that private bankers’ promissory notes become legal tender. Bankers, in return protect their reputation in their media.
- Seated in the forth row of the elite are the President, the Vice, Congressmen, the Governors, the Assemblymen and the junior Judges. Together, they form the front end of the government, which works for and protects the back-end. They are the most important pawns and puppets.

Those who say that bankers control government are wrong.

Think about the entire banking process. A loan or Bankers’ credit is nothing but Bankers’ approval. It is an implicit statement saying that the Bankers have “faith” in the borrower. As of today, Legislature, Executive and Judiciary accepts Bankers’ credit, and nothing but Bankers’ credit as Legal Tender. Think about entire banking process once again.

The Bankers ARE the government.

Legislature, Executive, Judiciary and Federal Reserve (the four parts of the government) are mere front offices. The bankers are back-end.

The string of control in this Inc. “creatable” money and the dreaded short-term loans, which expire now and then. The loan must be renewed or else... .Using this short term loans, they “influence” media (cable + TV + cross subsidized print-press) men. Media men “guide” Congress, Executive and Judges.

Together they stand.

DirectVote will wipe out this Inc.

16.19 Just Another CT?

An unconvinced reader may want to dismiss this BAG (Bankers Are Government) theory as yet another CT (Conspiracy Theory). Here is my question: If I can prove to you that Shell Beach does not exist, would you agree that we live in The Dark City (please see the movie ‘Dark City’ to understand the question)?

- Can an entrepreneur with \$100 million of capital open a new bank? Please contact Dept. of Treasury and try to get exact procedure to charter a new bank. Also call FDIC and Federal Reserve and try to find out how you can get FDIC insurance and access to FRS's discount window.
- How can a man with sufficient capital start an additional TV-cable company in his local community? Or a local phone company? Please call mayor of your town and ask him which dept. is charge of issuing this permission to lay cables. Also call FCC and try to get the requirements.

Please try to seek the answers to above 2 questions. Your journey to Shell Beach will start. Soon the journey will abruptly end and you will realize that Shell Beach does not exist.

One is completely free or not free at all. I am free to choose any profession except open my own bank. In reality, it means, I am free to work for bankers, which means, I have no option but to work for bankers. I am free to talk but not to communicate only means that unless I talk what communication-channel-owner wants me to say, my speech is useless.

Also, if you need my approval to own a piece of property, and you cannot own that property without my approval and anyone with my approval can own that property, doesn't that mean that I already own that property?

If so, Legal Tender or Look Alike is must to buy any Govt. property or service or pay tax. Also, upon presenting LT or LT-Look-Alike, any Govt. property can be bought in an auction. Entire Legal Tender and Look Alike today is nothing but Bankers' credit. Bankers' credit is nothing but Bankers' approval. To make a long story short, all I need to buy Govt. property is Bankers' approval. Doesn't that prove that all Govt. property already belong to Bankers?

This is not to say that I do not make CTs. Now and then, I do make them. My favorites are "who did not kill JFK" and "Hidden Agenda of CT makers" which I would soon publish. But the above mentioned BAG theory and short-term-loan based slavery is no fiction. It is the only reason why every one in business world and business school is desperate and eager to develop contacts with Bankers and impress them.

BAG theory, like any other theory or criticism is nothing but analysis. Only synthesis is reality, Analysis is just an illusion. As for synthesis, my main interest is to materialize DBDV and DAR-DV in India. Using them I will pursue LTL and cable-and-air-bandwidth related laws. Spreading this BAG theory of mine, is not my job. It's only a hobby.

16.20 For money?

Why is he (the Evil) grabbing our communication satellites?

- The President of Federated Territories, in "**The Fifth Element**"

Money does not matter to me. I want the Stones.

- Mr. Shadow to Zorg, in "**The Fifth Element**"

(In the movie, there are 4 Stones, Water, Air, Fire and Land. Mr. Shadow, The Ultimate Evil is seeking the Stones. As the legend goes, if The Evil gets the Stones, Light shall disappear and there Darkness shall be everywhere for ever. Only way to stop this from happening is to place all 4 Stones at the "right places" and let The Fifth Element (The Supreme Being, made to specifically made to fight against the Evil), be in the center of all. If this happens, the Light shall stay and The Ultimate Evil will stop for next 5000 yrs.

IMO, this movie is the finest creation in contemporary English literature. Here is my interpretation of the movie.

IMO, the Stones together represent the Natural Resources (Fire represents fuel, like coal mines and oil wells. Air includes bandwidth and land also includes minerals and mines). The movie gives no hint about who The Ultimate Evil is, except the above 2 lines. Grabbing communication satellites is analogous to buying all TV-Cable and Phone Companies. Who can possibly say that "Money does not matter" except the one who can create it from vacuum? Even a billionaire will fall short of money. Thus, IMO, the Ultimate Evil must be none but a banker. This can be further supported by the fact that bankers love to buy land and mines and oil-wells and other Natural Resources. If they get all the Stones, i.e. Natural Resource and communication bandwidth, Light i.e. Freedom shall end and there shall be Darkness everywhere. **The Fifth Element, IMO, represents man's inner consciousness and intuition.** Thus, if one believes in the movie (and I do), we must make our inner consciousness the owner and controller of the Stones i.e. the Natural Resources, Communication Bandwidth, Fuel etc. Only this will ensure that the Light (Freedom) stays.

This can happen only if the citizens' have **direct control** over the natural resources. From this idea, I created concepts of CiziCorps (FEleCorps) where citizens (The Fifth Element), directly control Natural Resources. Also, along the same line I created proposals to control telecom-cable, TV-cable and bandwidth allocation.

I shall be deeply indebted to The Movie's script writer.)

(Also, there is a logo of a company which has this 4 colors representing these Stones. The logo has Red (Fire), Yellow (color of Sky so Air), Blue (Water) and Green (color of forest, Land). The logo also has waves, which represents energy. Have you seen that logo? Can you locate "The Fifth Element" in that logo?)

Why would bankers do all this?

It is not about money. The bankers can create as much money as they want. The main reason is to own natural resources and control communication networks. Once all natural resources are under control, control over labor will be automatic. Also, as a mean and a goal, bankers also want to decide what we should believe. What we should believe about ourselves, our past, about God, about family-values, about governments, about everything (That's why own/control cable and TV companies and that was the only reason their cable and TV companies bought (or merged with) loss-making newspapers/newsmagazines companies).

16.21 A side note about Libertarians, Conservatives, Liberals

Most libertarians and conservatives advocate small govt. Many of them insist that govt. should not have dept. other than police, military, justice and foreign affairs. Most bankers consider themselves as conservatives. Many conservative economists believe that govt. should not regulate money supply. Well, ask any conservative (or libertarian) one question: should FDIC or any govt. agency insure a deposit which is not backed 100% by reserves?

No one has even an iota of faith in bankers' skills and integrity. Without govt. insurance, all bankers will collapse like house of cards. So if govt. must insure deposits, how can govt. not make rules about loaning process? How can govt. stop itself from decided what is a good loan and what is a bad loan? And if govt. must decide what is a good loan and bad loan and make rules to allocate loans only to good portfolios, how can it stop itself from interfering in the economy?

So much for small govt. **All** conservatives and libertarians, who say that govt. should even partly insure "less-than-100%-reserve-deposits" are fake-fraud-phony-pseudo-liars or simply naive. In any case they are useless.

Now lets consider so-called liberals. If govt. insures less than 100%-reserve deposits, then should it extend this facility to **every** Tom, Dick and Harry who wants to open a bank? If yes, this liberal is admittedly an idiot. If the insurance is kept limited to the chosen ones, wouldn't it become the privilege of few? So much for equality. In other words, **every** liberal who says that govt. should even partly insure "less-than-100%-reserve-deposits" are fake-fraud-phony-pseudo-liar or naive. In any case they are useless.

In reality, no one looks at a bank. The depositors are giving money **solely** due to FDIC insurance. Thus, all deposits are given to govt. (FDIC) and bankers are loaning these deposits. The govt. i.e. the nation or the society is taking all the risk and bankers are simply keeping the profits. This is called division of labor !!

After examining the senior Republicans and Democrats at individual level, I have concluded that they are part of same team and play good-cop bad-cop game with people. Democrats will extent the role of Government, which would hurt the rich and the poor. Later Republicans will come and in the name of de-regulation, remove the clauses which hurt rich. Similarly, Democrats will make rules which would benefit the rich and the poor. Later, Republicans, in the name of small government will remove the clauses which help the poor. Here is one example: Democrats created detailed rules which monopolized cable. This was definitely anti-poor. But they also had rules to keep subscription rates low. Later Republicans removed this clauses, in the name of deregulation, and so cable companies could increase the rate at will. In general, they are both the bankers' puppets.

16.22 Conclusions

I define banking (money-creating) as an art of siphoning wealth and labor from non-bankers and the State and keeping them in debt and distress by rigging the implementation of the Legal Tender.

IMO, banking is like debt-side of communism.

Legal-Tender-look-alike-creators are worse than commissars. They only take wealth, with nothing to offer in return except debt. No service in return, in theory or in practice.

IMO, it is debt-side of communism, capitalism, fascism, dictatorship, oligarchy, aristocracy, _____, _____ and _____ all put together (please fill in the blanks). The Finocrates (my term for "legal tender look alike creators") are 100% vampires and the apparatus of executives they have created, which I call as The Finocracy, is to ensure that blood-drain continues.

The bankers are indeed smarter and shrewder. It would be interesting to compare the means used. Communist govt. nationalized all land, farms and mines just by passing laws and violence. Bankers bought it by creating money, loaning it and creating bankruptcies. And by creating oligopolies (like cable companies)

and subsequent high profits. Communist govt. had strict rules curtailing free speech. Bankers monopolized means of mass-communication, ensuring that free -speech does not spread that far.

Other similarities are also worth mentioning. Bankers “bankerized” (a process identical to nationalization) 60-70% of economy. These banker owned/controlled companies(e.g. hATT) are as inefficient as govt. owned companies in any country. Some 30% (like PC software) was free. It was this free companies which were more productive and results of which improved productivity in other banker owned/controlled companies.

In most Communist society, creating a new party was not allowed. Try opening a new bank in US, UK or France and you will find out how the reality.

Communism at least in theory was supposed to democratic. Banking even in theory, is a closed feudalistic oligarchy. The successors are not chosen democratically by masses but they chosen by so called “Leaders’ Principle” (i.e. the retiring Leaders will select their successors using their personal opinions) of the fascists

And mark the banker’s double-talks.

- The banker is always against inflation. But he is the one who creates inflation by creating money without creating wealth. He is the one who gives bad loans (1929 depression, 1987 crash, LTCM etc.) and then forces his puppet Congressmen to create money to pay for his losses (bail outs).
- He is always against bureaucracy, In reality, he is the biggest bureaucrat as he has all the control without any responsibility.
- He praises entrepreneurs (and pretends that he is one of them), which generally means investing one’s hard-earned money to create wealth. But all he does is buys companies and wealth by creating money, not earning it.
- He favors low interest rates. Please read any credit card statement. 25% interest is idea of low interest rate.
- He favors small government and in fact, he is the government and he is the one who made it so big.
- He criticizes corrupt politicians and it is his newspapers, cable companies and TV-networks who routinely support only the corrupt ones.
- And above all, he is a firm believer of Ayn Rand. But a banker will never speak “I” or “he”. He always says that the Fed (“we” or “us”) raised the rate. Or the Government (“We”) are wrong. He always lives under the shadow of the State (FDIC). Somehow, he can never speak “I” or “he”. And also, increasing supply of Legal Tender without citizens’ permission and opposing Direct Votes is his idea of individualism.

This is no conspiracy. It happens in broad day light. The newspapers never told you as they were owned by the same bankers. It is similar to slavery. Slavery was no conspiracy, it was implemented using mutual agreement amongst the master-classes.

As long as only a small section of population understands the drawbacks of Legal-Tender-look-alikes, they would rather join the system than cure it. A pre-condition to cure is that large number of persons must understand concept of Legal Tender. Large enough, that system simply can not be hidden. Large enough that system cannot accommodate so many persons. Then the cure would automatically follow. How large? IMO, 10-20% would be a good estimate.

At root, the bankers are no different from any ordinary persons. Anyone, given such an opportunity would have misused it to the same extent. Therefore, I am not interested in witch-hunts. My goal is only to prevent further damage by establishment of DirectVotes, a democratic Legal Tender and CiziCorps.

I was amazed when I saw the details of the bankers’ networks. I was also amazed to see how simple the cure (LTA) is. As before, the solution had nothing to do with fact-finding and analysis.

The examples I mentioned and arguments I have made are not new at all. It has been known to mankind for more than 2000 years that debt with interest cannot be paid back. The cure, 100% reserve (or LTA as I call it), is also 100 yrs old. Most academicians “forget” to tell their students and public in general. Probably because the senior academicians get \$500/hr consulting assignments from banks and bank owned companies. And the juniors professors depend on the seniors professors for recognition and tenures. The academicians, in short, have an illegitimate affair with the bankers.

I DO NOT recommend imposing any regulatory restrictions banks. IMO, regulators are 100% useless. Believing that officers can regulate bankers is same as believing that rabbits beat elephants. And

with money creating power, legislation and court orders are toilet papers. In fact both of the existing restrictions (maintaining reserve against deposits and maintaining capital against loans) should be removed.

I suggest that citizens should **ONLY** impose restrictions on the government officials, that they would not accept any non-LTA checks (Legal Tender Account, an account in which all deposits would need 100% reserve and balance can be increased only upon receipts of reserves. The Indian edition of the book describes a detailed implementation of LTA in India). It is perfectly just for citizens to impose such restrictions on government officials. Increasing Legal Tender's volume would need a referendum and thus no one should worry about run-away inflation.

If any citizen in any country wishes to have LTA based govt. fund-transfers, he should use DBDV and DAR-DV way rather than looking at Representatives. This will be easier.

Will economy suffer if govt. officers stop taking non-Legal Tender and Legal Tender issuance need referendums or DirectVotes? Useless question. Ask "whose economy"?. After all, there is no such thing as nation's economy. It is my economy or your economy or his economy. Bankers' economy will sure suffer. So will his friends' economies. The non-bankers will be better off.

Useful activities and productive people can survive on their own or from contributions from fans. Only useless activities and unproductive folks need govt. or bankers' support. For example the Academia (except Math, Natural Sciences and Medicine) is useless. No wonder, they all live on govt. grants and consulting assignments sponsored directly or indirectly from bankers.

Pro-Private-Money-Creators, on the other hand, should not have any complaints from me. I hate Legal Tender look-alikes and their creators a.k.a. bankers. I said many unkind things about them. But that happens in a democracy all the time. I would request them not to take my remarks personally. Besides, I mean no harm. I am not interested in any witch-hunts or even investigations. All I want is a few DirectVotes. That too, I shall pay for them. They would not mind a Direct Vote on Legal Tender Legislation. If they believe in democracy and individualism and Ayn Rand.

"If".

If pro-Bankers stop believing in democracy, troubles might start for anti-Banker citizens (even the peaceful ones) seeking a peaceful DirectVote on LTL. With the President, all Congressmen, all (each and every one of them) Judges and all mass-mediemen dancing on bankers' music, life may become difficult for DV-seeker (one of my forthcoming publication will show in detail how money creating and media-owning bankers control Congressmen and Judges, there by making democracy a mockery).

Banking (siphoning money from people by rigging Legal Tender's implementation) and Democracy (rule of people) can never go together. One will make the other practically irrelevant. So I see path of roses for DV-seekers.

[File End][CHAPNAME]

17. Underground Banking

17.1 Underground Bank

In this chapter, I shall describe “Underground Banking”, the most profitable sector of banking, (accounts in Swiss and Caribbean banks) and its link with commercial banking. Underground Banks (UB henceforth) specialize in catering drug dealers, tax-evaders, corrupt presidents, political leaders and officers, arms dealer and big criminals. Regular Commercial Banks (RCB henceforth) specialize in deposits, loans etc.

Q) But what *exactly* is the difference between UB and RCB? A) NONE.

Its the laws made by a government which makes a bank a UB or RCB.

In US, India and most countries, banks have to follow following rules:

- An account cannot be opened without taking necessary details identifying the person or the company
- Upon a court order, the banks are required to disclose all transactions involving a person, company or an account
- Any transaction of certain type has to be reported to govt. Such as
 - In US, banks report all cash deposit made over \$10,000
 - In many countries, banks also report if any check or draft of a foreign bank is deposited
- Upon request of a foreign govt., US govt. may ask a bank to give all information about transactions involving a person, company or an account. Most govts. in world would offer assistance to each other.

Switzerland and Caribbean countries do not have such rules. So the banks there become UBs. US have above laws and so banks are RCB. Hypothetically, if Switzerland or Caribbean countries were to make above laws and execute the way US does, all banks there will become RCBs overnight.

This is legality. As such, RCBs and UBs are very close to each other. The Swiss underground banks are commercial banks themselves. The Caribbean banks are simply front office operations of US bankers. Yes, US bankers control the Caribbean UBs, which specialize in catering drug-dealers. These banks pay low interest on deposits and most of their deposits become low-interest rate loans to US banks. In case a drug-dealer dies, his money becomes the bank’s property, which will later become the bankers’ property. For every \$10 million a drug dealer saves, 1/10th goes to his lawyer and rest to his banker.

Would a banker like war on drugs? Why not? Due to the war, the cost increases, increasing the drug dealer’s profits, most of which eventually go to the underground bankers.

US govt. relentlessly fights war against drugs, spends billions of dollars and send several hundred thousand persons to prison. Ever wondered why it never requests Switzerland govt. and Caribbean countries’ govts. to make simple laws which would convert UBs into RCBs? Why **no** President, Congressman or Drug Czar makes such a request?

17.2 Cure to UBs

2 policies need to be taken.

First one is as follow:

- Step1: Maintain a list of countries which allow Underground Banking Lets call it CAUBaMF_List1 (Countries Allowing Underground Banking and their Mutual Friends’ List). These are bad countries.
- Step2: Ask US banks not to involve in any transactions with banks in countries in CAUBaMF_List1
- Step3: Request all countries in the world that they should ask their banks not to involve in transactions with banks in countries in CAUBaMF -List
- Step4: After 6 month, make another list of countries which allow their banks to interact with banks in countries in CAUBaMF_List1. These are friends of bad countries.
- Step5: Add names of those countries in CAUBaMF_List1
- Step6: GoTo step2

Second policy is as follow

- Step1: Maintain a list of countries which allow Underground Banking Lets call it CAUBaMF_List2. These are bad countries.
- Step2: Ban the entry of citizens of those countries in US.

Step2: Request all countries in the world that they should ban the entry of citizens from countries in CAUBaMF_List2

Step3: After 6 month, make another list of countries which allow entry of citizens of countries in CAUBaMF_List2. These are friends of bad countries.

Step4: Add names of those countries in CAUBaMF_List2

Step5: GoTo step2

2 simple laws will suffice. Import and exports between countries in CAUBaMF_List1 and those not in it will automatically stop as they cannot move funds via banks.

17.3 Conclusions

Crimes and corruption, just like industries cannot grow big without fund-storage and fund-transfer services. Stopping UBs will help in preventing them.

Good countries all over the world will have to team up to make this laws. The process is not as difficult as it looks.

If 100 men deliberately “forget to” execute some simple actions which can make major difference, what would you conclude about their intentions? IMO, they are fools or uninterested. No govt. in any country has ever raised a strong voice against UBs. This shows how powerful the bankers are.

Stopping UBs is not possible via Congress, President etc. DBDV and DAR-DV will be must.

[File End][CHAPNAME]

18. BootStrapping: A To Do List

(Definitions: 1) Computer Science) process in which a small program initiates a bigger program, which in turn initiates other important programs. 2) undertaking a task with minimal resources 3)self-initiating or self-sustaining process)

This chapter I shall discuss a to-do list to realize DBDV, DAR-DV and new laws on telecom, TV cable, bandwidth, mines, Legal Tender and more.

In the Indian edition, I have described the steps (for India) in greater detail. Pro-DirectVote citizens in each country will have to work out their own plans. Unity at international is not needed. It will be a liability at rather than an asset. In fact, I do not recommend organizational unity at even at national or state level. Such unity shall be very essential to defend against an organized violence by anti-DVs, if there is any. But it is useless for any other non-defense purpose. For non-defense purpose, *Unity is useless, communication will suffice.*

18.1 The Problem with Representatives

The Representative System never worked. It never worked in India, US, Britain, France or anywhere. Senators in US are no less corrupt than their counterpart in India, Pakistan, China, Russia or Brazil. The corruption changes form. The contributions are official. The most important “gift” given to US Senator from Bankers is a slice of time in the media that the bankers own.

The reason why some departments of govt. (such as Police, Education) are more efficient and less corrupt in US, Britain and France than in India, Pakistan etc. is not because US Senators pay more attention. But American, British, French, German bankers were competing amongst each-other and against Communists. To win the game, they needed efficient masses (engineers, administrators, motivated soldiers etc). To keep high efficiency, they had to ensure a government which is efficient for masses as well.

So the bankers had installed people in newspapers and judiciary who really cared. As a side-effect of that, came civil-rights movement of 1964 and further advances.

In short, Representatives were least responsible for whatever that happened, good or bad.

The Representative System’s problem can be described by following statement of Theoretical Computer Science: If a finite state automata (called Expert) can plot state diagram of another finite state automata (called Common) of n states, the Expert would need at least 2^{*n} states. If Expert has n^{*2} or even n^{*3} states, the Expert will fail to find the state diagram of Common. (a finite state automata is technical word for a computer without any disk. State is technical word for memory).

It is mathematically impossible for a person, even if he sincerely tries, to understand the wants of other person. A simplest mind has several thousand states. So if Expert wants to “know” him, Expert would need a mind with trillions and zillions of states. The number is so large that no human mind can have so many states (if one atom is needed for one byte of memory then also entire mass on our galaxy cannot provide so many atoms). The human mind is simply incapable (not enough memory, not enough CPU) of understanding other human mind. This is the mathematical basis for my statement “One’s opinion is reality, rest of the world is an illusion” and Direct Bill, Direct Vote etc.

In other words, a person can represent himself and only himself. No one but me represents me and I represent no one but me.

[There is a bright side to the above limitation: No human mind is capable of brainwashing or controlling another human mind. To brainwash, the Brainwasher will need to create such an intricate system, that given the limitation of his mind, he will never be able to. Also as a person learns more and more Maths and Law, the more and more area of his brain becomes active, there by increasing his complexity and power of his mind. As that happens, it will become **exponentially** more difficult for the Brainwasher.

Now don’t get too much hopes from the bright-side. That does not mean that a small group of humans cannot enslave a large group. They can. A small group of humans, such as bankers, can very well control larger group of humans, by restricting them from communicating freely amongst themselves. That’s the ONLY reason why American bankers do not allow townships to choose cable companies. A downside of lack of free-communication is death of Engineering. But why would bankers’ care?

This limitation does give me some hope: If a people know enough Maths and Law, and if means of communication are not under public or private (such as bankers’) control, it would be , computationally speaking, impossible to enslave people.

Now for sake of completeness, I shall add one more clause to the mathematical statement I made above: though it is not possible for a deterministic DFA of less than 2^{*n} states to “guess” a DFA of n state, it is possible for polynomial state non-deterministic machine to “guess” an n state DFA. The closest approximation to non-determinism

is not randomness, but intuition or lateral thinking. Thus, while guessing a person's behavior, use only intuition or lateral thinking and nothing else.

Also, human making a statement about human nature, as same as an n-state DFA try to "plot" another n-state DFA. In other words, a it is beyond a human being to understand human nature. And hence, subjects like psychology and psycho-analysis are useless.]

So even an honest and dedicated Representative will simply fail to know what people want. So Direct Bill, Direct Vote offers much better way.

If Representative is less dedicated, the problem is worse. In case of Direct Vote, a LLBO (Law, Land and Bank Owner) will have to influence over 50% population to shoot on their feet. This is almost impossible. But in case of Representatives, to make anti-people policy (such as restricting cable), they need to "convince" only 1000-2000 persons, which is manageable.

So in a Representative system, it is next to impossible for masses to ensure that the Representatives will make anti-LLBOs pro-nonLLBOs law (such as transferring cabling rights to townships from Federal govt. or Legal Tender Law etc). Even if they do, the Judiciary will blow it apart.

The situation of a person in media (= Cable Company + Cable Content Companies + Newspapers + TV networks), such as journalists and editors are worse. To start with, only mentally defunct people are hired. Most journalists will fail to multiply two numbers and calculate number of seconds between two clock ticks. They start with a very low salary. To get raises and promotions, they learn to obey their bosses without requiring them to mention their wishes. They might be extremely pro-people watchdog in the beginning, but soon degenerate to a blood-hound who would prey for their banker-boss

[A hypothetical example (all person and companies in the following example are hypothetical)

hGeraldLevin was in-charge of hHBO, a company owned by hTimeWarner. He later, becomes chairman of hTimeWarner. hCarter, who is CEO of a big-bank and a director of hFederal hReserve Bank of New York, a private corporation with power to issue unlimited amount of US\$ notes. Will hGeraldLevin defy hCarter?

My Analysis

hGeraldLevin could not have become boss without co-operation of share-holders of hTimeWarner, most of whom are banks and bankers.

hTimeWarner has taken over \$3 billion of short term loans which need to repaid now and then. The way it repays is by obtaining new loans. So if it does not get new loans, the company and hGeraldLevin are in deep mess. Bankers will decide if hTimeWarner will get the new loans.

My Conclusion

hGeraldLevin will obey hCarter and his bankers friends.

Effect

hCarter and other bankers have invested a lot of money in internet companies. Since hMS is more efficient, their investment is in danger. So bankers need to kill hMS. So hCarter will ask hGeraldLevin to write against hMS. hGeraldLevin will obey.

]

I will end my anti-Representative note with reasons why of some pro-mass legislation actually happened in US, Britain, France etc. Following are the main reasons:

- **Inter LLBO (Law, Land and Bank Owners a.k.a. Elite) struggle:** The Industrial Revolution made travel easier and so West European LLBOs started interacting. The interaction often led to wars as each LLBO wanted to make laws, own land and own banks in other's territory. Examples are Anglo-French wars, Napoleon's wars, wars for colonies and two World Wars. The LLBOs needed to improve masses' efficiency to fight these wars.
- **Russians:** The LLBOs needed to improve efficiency of their masses to fight against Russians (cold war).
- **As I read more and more about banking,** I found one more reason for US Civil War. The Northern elite wanted a banking system where a banker can issue notes without much reserves of gold and silver. This would enable them to buy wealth for free. The Southern elite wanted only gold and silver based notes. The Southern elite opposed every single move which Northern elite made to establish "fiat currency". So Northern elite needed to crush the Southern elite and used slavery as an excuse.
- **Also,** the reason why US bankers allowed civil rights movement of 1960s was because Russians were using poor social situation of Blacks to tarnish US image and foil American-bankers attempts to take over mines in Africa. To improve their image, American bankers had no option but give equal status to Blacks. But as soon as equality was granted, they changed the laws so that it would become easy for Latin American unskilled laborers to cross the border. These laborers brought down the wages of unskilled

Blacks (and unskilled Whites), which would ensure that they remain poor and never get “surplus” funds to start their own venture.

In other words, the Congressmen did make anti-Elite rules, but that was because the Elite (Law, Land and Bank Owners) wanted them to make in order to fight against other LLBOs. The representatives never made a law for people *due to* people.

If you want a task to be done, best way is to do it yourself. Law making and implementation is the best example. If masses want to make a law for themselves, they will have to do it themselves without asking Representatives. People are busy and no one has time to represent others.

18.2 The Problem

IMO, the Honorable Representatives are not interested in doing anything that bankers do not want, unless there is a strong reason. So even if 95% citizens want them to make a law to realize DirectVote, it want happen so easily. Citizens won't need them after the law. But they do need them to make the law itself.

So the question is how to realize law to implement the Direct Votes. Well, for this citizens will need to depend on existing Congressmen. I will explain how this can be done.

18.3 TO-DO

Please see Chap 4 (SOMETHING YOU CAN DO TODAY). Send a copy of those letters to the President, Representative, Senators, Governors, Assemblymen, Mayors etc. Also ask your friends to do the same.

Will the Congressmen, President and Judges respond if they get letters from 150 million citizens asking them to implement DirectVote? Yes, not out of their heart but due to their limitations.

Every Congressman knows that if 150 million citizens ask for a law, and he is does not implement it, about 10,000 of them might resort to violence. The violence may be due to causes not directly related to DirectVote, but would happen. And no military or police is capable of searching and stopping these 10,000 (or even 50) diehard suicide attackers. First they do not know who these potential activists are. Next, some of them would be in military or police itself. Most of these attackers would target Congressmen or govt. officers.

Will it reach that state? No. The Congressmen and senior govt. officers know this. And they would never want to have a situation where they are hiding in bunkers to save their lives. To avoid this situation, they will implement DirectVote. Once DirectVote is implemented, the ball will come in the Citizens' court and the bankers, Congressmen, Judges etc. will never get a chance to touch it.

If 150 million citizens send letters asking the President to implement Direct Vote, the Direct Vote is a done deal.

The ball is now in **your** court. If you choose write the letters (see Chap 4, SOMETHING YOU CAN DO TODAY), you would be playing a role may in making the society more democratic.

As an additional, the citizens may organize themselves into county level groups to from pressure groups on the Assemblymen and the Congressmen. But I think letter writing is must.

18.4 Distributing the Book

In addition to that, only if you believe in DirectVote,

- every week, for next 1 year, please mail 2 copies of this book to anyone you know. Please make sure that the address on the envelope is hand-written. On the upper left corner, please write “BootStrapping”.
- every week, for next 1 year, please mail 2 copies of this book to strangers. Please make sure that the address on the envelope is hand-written. On the upper left corner, please write “BootStrapping”.

Mailing this book

While mailing the book, if possible, please ensure the following steps

- The book must be photocopied or printed on single-sided pages. Single sided pages are easier to photocopy or fax and thus redistribute further. Several persons today have photocopy machines at home or home offices which can copy single sided pages but not double-sided. In case you received this book on double sided copy, I would request you to make a single sided copy at any near-by photocopy shop.
- I would request the sender not to use his office facilities to make copies. This may save him copying costs, but IMO, it is not fair.

- An easy way to mail this book is to use Priority Mail. It would cost \$3.20 (at time of writing, the cost is \$3.00, but it is soon going to increase).
- If possible, copy the pages on 3 hole-papers or make 3 holes after copying. This way it is easy to put them in a ring-binder and read. Please do not bind the pages in any hard bind. This way, further duplication will be difficult.
- If possible, please ship the book in a 3 ring binder or report binder. That makes it easier for the receiver to read and later copy
- If you get an extra copy, please mail it to someone else ASAP.
- If possible, keep the color of binder light gray. This color is least intimidating to eyes. Otherwise, you may select a transparent cover.
- In case you plan to discuss these topics with a friend, it would be very difficult to explain him without giving him a copy. Please do not bother him, if he refuses to read it.
- If you mail this book to anyone, you will be bearing the cost of printing and binding. But if you give this book to a friend of yours, you must ask him to return the book or charge him for the cost of printing and the binder.

Will people read the book when you send?

Probably not for the first time.

However, if the same person gets 2-3 copies from different persons, he is very much likely to read it. If he gets more than 4-5 copies, it is very likely that he too would like to join the network and start sending the copies. Persistence is the only key when it comes to communication.

Suppose a person approaches his friends or family members. Suppose every person can spread the idea of DirectVote convince just one more person every two weeks. In than case within 13 months year over 150 million citizens would become aware of this concept.

That's the only way this idea can reach people. No newspaper is going to print it. No TV-channel is going to display it. No publisher will ever print this book. Only way it can spread is through readers like you.

All we need to do right now is to send a letter to the President and Senators to implement DirectVote.

How much it will cost you?

This book has about 120 pages. Typically shops charge 3-5 cents per page. So copying will cost about \$3.00 - \$5.00. Making double sided copy will cost you about \$3.00. A ring binder or a report binder with thin cover would cost you about 50 cents to \$1.00. Mailing will cost \$3.20. Altogether copying and shipping this book would cost you \$8.00 - \$ 10.00.

I would request you to send one copy a month to a friend and one copy a month to a randomly picked stranger anywhere in the country. IMO, \$20 a month is not a significant expense. If you do this for 1 year, you cable bill will drop to \$2 mo. And that alone would repay the investment.

This book can also be downloaded from the Internet for free. Any number of copies can be printed for free. Mail it to at least 10 friends of yours within 2 days. Ask them to do the same. Truth and Happiness shall come to you. In three to six months, your phone bill and cable bill will come down by 80%. In one year, all crimes will disappear and in three years, This book comes from the Guardian Angels living in the sky. The original manuscript was given to The First Saint 53 million years ago, and is still preserved at the Monastery of Pilasscu in Shaolin. Several societies got copies of this book in past. They ignored it and their children became bankers' slaves. If you ignore this book, it may happen again. If you send the copies, Heaven shall come on the Earth.

You may optionally do following step:

(This is no joke) Please mail me a gift check (I would prefer Cashier's checks or Postal Orders) of \$1.00 - \$10 (no more than \$10) so that I may continue my work on establishing organizations to promote Direct Democracies. **Please note that this gift is NOT tax-deductible.** My address is:

Rahul Mehta
203, Sumanagal Flats, Navarangpura ,
Ahmedabad – 380016, State - Gujrat

Country – India

18.5 Not To Do

There are a few things the Directs and Persuaders , IMO, MUST NOT DO. They are as follow

- Do not form a new party or sponsor a new set of candidates to realize DBDV and DAR-DV laws. The new candidates after winning, will behave like existing ones and there will be no change
- Under no circumstances, campaign or vote for a Congress-Assembly candidate just because he projects himself as a Direct. This will be waste of time.
- Do not ask any existing (or new) Congressmen or President or his advisor make the text for the law (if they want, they may make a draft, but it should be treated just like draft from any other citizen.). The Directs must insist on the making the “most approved” draft as the law. If the process is left to existing or ant new Congress, the law will be useless.
- Do not ask any Congressman, Assemblyman or President to accept the DirectVote philosophy.
- A Persuader must not approach a person thrice. If a person refuses to accept DirectVote, for any reason, he should not be bothered. He should not even ask why he does not like DirectVote.
- A Persuader should avoid enlisting executives in banks, natural resource owning companies, mass-media and companies which are overpaid satellites of these companies. Chances that they would support are thin. It would be simply a waste of time.
- A Persuader must not give any material to a prospect for free, except sending mails to random persons.
- Anyone who says that he accepts Direct-philosophy without having a specific draft he supports should be dismissed as a liar. There is no such thing as Direct-without-a-DV-draft.
- In case Directs fail to reach 60% threshold and a Direct feels that they will never reach that threshold, IMO, he should give up and move on with his life. If citizens do not want power, there is no reason to fight anymore. This is the real world, here evil can win (see “The Last Action Hero”). The failure to cross 60% mark is proof that evil has won and the game is over.
- Please do not get mislead by so called conservatives, liberals, libertarians etc. who religiously defend (or try to hide) oligopolies in telecom, electricity, TV-cable, TV-networks and cellular phone companies. All of them are fake-phony-fraudulent liars. Any person who supports regulations, which closes new suppliers’ entry into a market, is a pseudo-conservative or a pseudo-liberal or pseudo-libertarian. At best, he is a fascist with a smiling face. Media and political parties are full of them.

18.6 Some Advantages of Direct Voting

Depending on how fast citizens react, there will be an increase in efficiency and reduction in corruption in governments. Crimes will drastically reduce in ALL countries, where DirectVote gets implemented. Biggest benefits will be seen in the field of communication. My claim is that within 5yrs of DirectVotes, the poorest and technologically least developed countries in the world will be able to establish a phone service better and cheaper than one in US today. If FELism is implemented, absolute poverty will disappear forever (Indian edition also discusses methods which would increase agriculture output by several times. I omitted it in US edition as it is not needed in US). Most of all, discussions on politics and economics will disappear and will be replaced by comparisons of competing technologies and companies providing them.

18.7 Last Chance?

Next 10-20 yrs will offer the LAST chance.

In every society known in past, once elite’s ownership over natural-resources consolidated, freedom and progress for masses disappeared. The first thing elite ensured was that free communication amongst citizens would not occur. Once that happens, masses got decapitated. It almost never happened that masses would be able to shake the control of the stabilized elite e.g. Castism in India, Serfdom/Church in Europe, Imperial dynasties in China etc.

These periods of dark-ages did not die just because of technological innovations (like gun-powder, cannons, steam-engine, ship-building etc.) alone. These innovations distorted the mutual-balance between elites, making one elite stronger than other. The distortion in balance gave hope to one elite of conquering other’s regions and resulted in war or threat of war. Due to wars or threats, elites gave some training to their masses. With training came some wealth, progress and freedom. Many times, masses benefited directly

from inter-elite wars (e.g. German bankers during WWI funded Bolsheviks. Many Asian and African countries got independence due to WWII which had weakened European elites).

Today, as the clock ticks, elites all over the world are integrating themselves. Once that is accomplished, no new inter-elite fight would happen. With that, dark ages might begin. This time, for ever.

IMO, if DV is not established in next 10-20 yrs, it would perhaps never happen.

18.8 Possible Disadvantages of Direct Democracies

I shall end this chapter with two serious problems which may (and IMO will) occur in democracies with Direct Votes.

One, it may escalate ethnic disputes (race, caste, color, religion etc.) to a new height, a height never seen before. Second, wars between different ethnic groups and nations for natural resources may rise.

“Sense of identity” comes next to “selfish interests”. “Selfish interests” may override “senses of identity.” But “sense of identity” can easily override “sense of justice”. If that happens, then with DirectVotes citizens of one ethnic group may try to legally discriminate against another. This can increase tensions.

Natural Resources are free lunches, which the Nature gave to the mankind. In general, sharing fruits of labor is easy to decide. With men’s creation, the creators can be associated. There may be dispute in finding the exact creators, but given all information, one can determine them. One can be unjust in distribution of the fruits of labor, but at least rules exists and so one can be just if he follows those rules. In case of NRs, there are no creators and no “fair” ownership, control and distribution rules exist till today. In absence of rules, it is easy to justify any action, cry foul, justify violence and hence the wars.

As of today, I have no solution to either of these problems.

Avoiding Directness would not solve these problems. After all, ethnic problems and NR-wars have been around without any direct democracies and without democracies. Democracies have not lessened these problems. Only thing a democracy can perhaps ensure is that a nation would be less willing to have war on its own territory and, IMO, it hardly helps anyone. The citizens in *all* countries gladly approve wars on a foreign land, if it can increase availability of natural resources without much loss on their part. Why? Well, why not?

Will problems due to DV curtail the progress it creates? No. Demand will ensure supply. Direct Voting may create a situation where economic and technological progress continues in spite of rising ethnic tensions. The tensions may or may not decrease, but progress would continue.

18.9 A Disadvantage of Direct Democracy in US

At most, possibly, one, but quite a serious one. It may worsen the race-relationships (and it may not). As of today, I have no solution to this problem.

18.10 Conclusion

I am very well aware of possible escalation in ethnic and international problems which DirectVotes may cause. Overtime, I may be able to find solutions to these problems. May be not. I see DirectVote, LTL and CiziCorps as choice between possible escalation of these problems and guaranteed slavery under money-creators.

I have made my choice. I choose DirectVote, LTL and CiziCorps.

Further, I have no plans and any suggestions for anyone in US. The Indian edition describes my plans in India.

[File End][CHAPNAME]

[File Begin][CHAPNAME]

19. To Critics

I am more than willing to know the criticism of my proposals (Synthesis), except Direct-Vote and Direct-Appointment-Replacement. I am not much interested in hearing criticism of Analysis for two reasons: My analysis is not a binding on anyone who dislikes it. Second, proof of my analysis is my synthesis and so, IMO, best way to refute it is to refute my synthesis.

Also, refutation of analysis means nothing. Suppose I am wrong about cable companies. Does it mean that townships should not be allowed to fire cable companies? Suppose my BAG (Banker Are Government) theory is wrong. Does that mean that citizens should not be allowed to fire Judges?

Suppose I am also wrong about bankers. Let us suppose that they never blackmailed Congressmen and Judges and Editors. But a cold fact is that between Aug 1, 98 and Nov 2, 98 they created 200 billion dollars (M3) out of thin air (see <http://www.bog.frb.fed.us/releases/H6/Current/>). But what if in a referendum, 150 million citizens (out of 200 million, which is 75% of TOTAL, not just who voted) say no more money should have been created? Or simply what if 95% citizens want BoG to be fired? Why should such referendums be ignored? Why shouldn't such referendums happen? Please don't raise cost as an issue as DirectVote is pre-paid.

In short, refuting my analysis will never prove that my proposals are unfair or impractical. The base line is that pre-paid DirectVote is irrefutable, if you believe in Democracy. Now other than DirectVote, I have no proposals in round-1. And other rounds, I will settle by DirectVotes rather than discussions.

Synthesis (such as Direct Vote, Direct Bill, LTL, FEleCorps, EPCorps etc) would become a binding even for those who dislike and so I am interested in its refinement to reduce the inconvenience it may cause to them. However, in any case, I am NOT open to any change in my idea on DirectVotes.

To a critic, I would request him to satisfy, what I call as Plato's Requirements. Plato once told me that if one wishes to talk about justice, one should not simply have questions but also answers. Based on his statement, I designed Requirements for a Constructive Critic and Constructive Criticism Against Synthesis as follow

- Suppose a referendum is announced which says that Judge William Thomas Pennfield, Janet Reno and Joel Klein should be fired. The date is set to 30 days after the announcement and so both parties have time to campaign. In the Direct-Vote, more than 55% of TOTAL, not just who voted, say YES, should these people be fired? If Bill Gates or Microsoft or some PC-programmers' Association or some End-Users' Association or some Unix-Hater's Association or some Cable-Company-Haters' Association or some Banker-Haters' Association is willing to pay the cost of such a referendum or \$5 billion, which ever is more, in advance, should govt. conduct such a Direct Vote? After all, this will create new jobs and would not cost govt. a dime. This will also decrease govt. spending. It also decreases govt. responsibility and would create "smaller govt." with less power etc.
- What is the alternative you propose?
- Do you think 55% of TOTAL would accept your alternative to mine?
- Do you think citizens would contribute to fund a bid for your a Direct-Vote on your alternative?

If answer to any of these questions is a NO, the critic has failed to satisfy Requirements for a Responsible Critic. Such a critic, I doubt, can create a Constructive Criticism.

In short, those who want to defeat my proposals using Direct Votes are most welcome.

[File End][CHAPNAME]

A FEW SIDE TOPICS

20. Dollar Puzzles

20.1 Make you own US\$

Well, not your own US\$, but make your own definition of US\$.

Please read carefully. Do not make definition of money. Please make definition of US dollar. Please make scheme by which you can say whether a given piece of paper or book entry is US dollar or not.

A company has 60 British Pounds, 1 ounce of gold, 50 shares of Microsoft, two hundred dollar bills in safe. It also has 1000 British Pounds in a London Bank and \$1000 in a checking account in a NY bank and \$2000 in saving account in another NY bank. Also in the safe is a promissory note written by hBillGates. It is a promise to pay \$20,000 on demand.

Now please answer the following questions:

- Using your definition, how many US\$ (please read carefully, not the total assets, but only the US\$) does the company possess?
- Using your definition, how many US\$ are currently outstanding (those issued minus those destroyed, if they get destroyed by your definition)
- Using your definition, please name the agencies which are legally entitled to issue US\$. If the list is long, name any 50 agencies which issue US\$
- Given your definition of US\$, can hCitiBank issue US\$?
- Can hCitiBank issue Microsoft shares?
- Can Microsoft issue Microsoft shares?
- Is there any restriction from government about number of shares Microsoft can issue and sell them to buy land?
- Given your definition of US\$, is there any restriction about how many US\$ issuing agencies can issue and can buy land?
- I made a promise to pay \$1 trillion on demand to that company. Given your definition of US\$, how many US\$ does the company have?
- Has amount of outstanding US\$, by your definition, changed in past 5 years? If so, by *approximately* how much?

Ask these questions at least 5-10 other people. If possible, ensure that one of them is a lawyer, one of them is an economist and one of them is an accountant. Please compare your answers with each others.

20.2 Puzzle-1

L (Lender) gives \$10,000 to B (Borrower). In return, B gives him a promissory note to pay \$10,000 on demand. After a year later, B gives him another (demand) promissory note of \$1000 (interest).

By IRS rule, is L required to pay tax on \$1000? Remember, so far he has not received \$1000 from B. B has only made a promise to pay on demand.

When a person makes a deposit in a bank, a bank gives him a demand promissory note. At the year end, bank gives him additional promissory notes (interest). But if the person has never withdrawn any dollars, then obviously the bank has not given him any dollars. It has only made a promise to pay. So should, by IRS rule, should he pay tax ?

20.3 Puzzle-2

Employee E works for a company C. For his work, C make a promise to pay \$10,000 whenever E wants. E so far has not taken any dollars. By IRS rules, is E required to pay any tax?

The owner of C want to retire. He makes an arrangement with M. M agrees to pay E \$10,000 on demand. E accepts the arrangement and let's C to retire. So far E has not taken any US\$. By IRS rules, should E pay any tax?

What if M is a bank? non-bank like a mutual friend?

So if all Americans were to do business with M's promise to pay on demand, where M is some trusted non-banker, no American would ever have income and so never have to pay an income tax!

20.4 Conclusion

"Income earned" cannot be defined as words "income" and "earned" cannot be denied. Nor can word "sales" be defined. IMO, "value" cannot be defined. IMO, fair tax can be public ownership of Natural Resources and tax on land.

What would happen if govt. takes 50% less income-tax?

We will have more money and so value of money will fall. The total consumption power is not going to change. But now banker's will have to create more money to buy same goods and labor.

Banker's in order by buy goods and labor create money. If the money is not siphoned back, its value will depreciate. Thus one reason why taxation exists is to ensure that banker's permission to buy govt. goods and services a.k.a. Private Legal Tender does not lose value.

[File End][CHAPNAME]

21. An analysis of Software, Telecom and TV-cable industries

21.1 Comparisons

My claim is that hMS is hall mark of efficiency, free-competetion, talent, skill and productivity. So are hApple and hIntel. On the other hand, hATT, hBellLab, hIBM, hSun, hNetScape etc. are examples of non-competition, lethargy and arrogance (to the end-users)

I will start with two questions

- 1) Was there any difference between telephone-service of 1970 and 1992, *as seen by the end-user*, in terms of price and service quality? Note the clause, "as seen by end user". Would anyone ask such a question about PCs?
- 2) hATT and cable-companies get loads and loads of govt. favor, grants as well as laws which make them oligopoly. Does hMicroSoft or hIntel get any govt. favors?

While answering question1, please do not consider innovation in the equipment, like fax-machines and modems. This will go against hATT and hBellLab. The innovations in telephone equipment occurred only after hATT was relinquished from the monopoly on equipment in 1960s.

Also, hATT people will jump and mention that switches are electronic, software in them now uses object-oriented technology etc. This does not answer my question. How does this help users if cost does not come down and service does not improve? The fact is that there was no reduction in cost between 1970-1986 and no improvement in service and no significant increase in call-volume. The cost reduction between 1986-92 was only because of de-monopolization, and not due to any technological reasons. The only additions in phone service has been call-forwarding, caller-ID etc.. Thirty years of research, billions and billions of dollars and all which *came to user* are this trivial services. Billions were spent on ISDN. How many Americans have ISDN at their home?

Lets talk about hSun. The chairman of hSun is screaming against hMicroSoft monopoly. Trace hSun's history. The biggest factor which helped in past was that hATT was its major client and a major share-holder. The company started with a monopoly's help. What about the present? Most of its clients are govt. sponsored oligopolies like banks, telephone companies, etc. COSSCGs and COSSCNs. The company will not last 6 months if govt. deregulates the oligopoly of hSun's clients'. A beneficiary of govt. sponsored oligopolies is screaming against dominance of hMicroSoft. This is total hypocrisy.

Next in line is hOracle. The company has been a total failure in mass-market. One of its products was hOraclePersonal. The product was suppose to compete against Access, God's 3rd gift to mankind. It has been a total failure. Once again, look at the client list of hOracle. 90% of revenue comes from govt. protected oligopolies. No wonder why they need Jack Kemp as tele-marketer.

Third, hNetScape. It is not a technology company, but a stock-market fraud. A company which claims that just by making a trivial software like browser and not so trivial software like Internet Server a company with 100s of products can be defeated. The company was almost 100% supported and financed by bankers, who create money form thin air. It is not a small company, but a small division of Bankers' Inc., which is a super-huge company.

21.2 Anti-hMS Concerns

First I would answer some antiMS allegations

- 1) hMS wins because it is big.

Nonsense. In 1986, when Windows was being released, hMS was less than 4000 employees. hIBM was 400,000. Thus hMS was mere 1% of hIBM.

Today, hMS is 24,000 world wide. hOracle is also 18,000+, hSun is 6000+ and hSybase is 5000. Compare it with hIBM (about 250,000) and ATT (about 200,000).

Further hMS has 100s of products, such as DOS, Win, NT, Visual Basic, C++, FORTRAN, Excel, Word, SQL-Server, MS-Home, dozens of games, bookshelf, MSN, SideWalk, 100s of publications (hMsPress) etc. Thus, if comparison is done at product level, NT team is much smaller that hOS/2 team. MS-SQL team is much smaller than hSybase team. The Internet browser and server team in hMS is no bigger than hNetScape (about 1000 employees).

hMS wins because it is more productive than hIBM, hSun and hNetScape. PC-Software is 100% open market. Size never helps, only competitiveness helps.

2)hMicroSoft and hIntel got lucky due to hIBM's mistake in 1980.

Ask the project leader in hIBM of the famous PC project. He clearly mentioned that only way hIBM can beat other people in then PC industry (Digital, Tendy (Radio Shack), Apple etc.) was include small companies in the team. As we all know, hIBM had approached hMS and hIntel, not the other way.

If hIBM had tried doing PC all by itself, it would taken 5-6 yrs instead of 18 months. Meanwhile, someone else would have made the PC. If not hMS, it would have been some other company, but hIBM would have surely lost eighter way. That "other company" would have been just like hMS too.

Further, after PC came out, IBM had complete rights over DOS. They could have easily made a rival to DOS if they were capable of doing so. They could have also made next version of 8086 and crippled hIntel, if they were capable of doing so. If. But they weren't.

In the same way, hSun had opportunity to make PC chips. Why didn't they enter that market? The reality is that hSun lives because of cozy relations with giant oligopolies and not competitiveness. It could not have competed with hIntel.

All throughout, hIBM, hSun, hOracle etc. had dozens of "Windows" of opportunities. They all missed it. They are not competitive. They prefer to make million dollar sales to govt. protected oligopolies and make easy money, rather than competing on streets.

3)hMS subsidizes its products.

complain from hSybase would be that hMS is losing money on MS-SQL and the loss is made by profits on "other" products. hNetScape would say that hMS loses on all its net products and loss is made up by "other" products. Same for hIBM and OS/2.

Lets consider all the competitors at the same time. Each one says hMS loses on his companies products, and makes up the loss of "other" product. What are these "other" products? The list would add up to *all* products.

hMS gets no subsidy from govt. and does not take loans from banks (like hTimeWarner). It cannot afford to lose on products. So only way it can profit is by selling more and cheaper. If the competitors are more efficient, there is no way it can win.

4)hMS should be broken up

hATT had govt. sponsored advantage. Therefore govt. has moral right over it. In fact the monopoly of hATT was govt. creation and so govt. was entitled to break it. hMS is not a govt. creation and is not benefited by any govt. policy. **Whatever influence/power hMS has, it got from end-users. End-users gave it, they may take it away. What right do bankers' puppet Congressmen and Judges have to take that power away?**

5)Breakup of MS will be good for consumers.

Lets leave the issue to the consumers or citizens.

I would not mind a DV which would break hMS. In fact, DV would end-up firing Janet Reno, Joel Klein and Judge Thomas Pennfield rather than breaking hMS. Unfortunately, we do not DV today. Otherwise, I would have gladly contributed \$5000 to an auction-fund dedicated to a DirectVote asking for early retirement of these 3 puppets. I would not vote, as I am no citizen, but I am sure that DV would pass with 90% YESes, and I would get \$5500 back from the PayMe clause.

6)hMS is unfair to competition.

True.

But many times this arguments comes from people who support cable monopolies and telecom oligopolies. They often hail hATT as a marvel. They criticize a company for being harsh on rivals and support companies who made laws to stuff their rivals (like Arthur Lonnie Kobres) in prison (legal monopoly). These guys are either total idiots or liars.

7)Microsoft is monopoly in Operating System.

Incorrect.

There are 10s of PC operating system like UNIX, Linux, IBM-DOS, OS/2 etc. (I just read a book “Write your own 32 bit OS in 2 ½ days” and made one). The other OSs (namely OS/2, UNIX, IBM-DOS and mine) are terrible. None of them support Excel, which is God’s 2nd gift to the mankind. And so users (including myself) have no option but to use Win. Thus hMS is not monopoly. 10s of competitors in are there. Its just their products are useless.

Suppose all movie-goers start watching only pjAS (pre-junior Arnold Schwarznegar. I can never spell his last name correctly. A famous action movie actor. He vanished just before making the movie “junior” !) movies and stop seeing other movies, would you blame pjAS? One cannot be punished for inefficient competitors.

Finally, hMS was blamed for following agreement which it forced upon the PC manufacturers: If PC maker is making 10,000 PCs, it had to pay license fee for all 10,000 PCs, even if he is installing OS/2 or other OS on PC. This agreement did hurt competition a bit. But its effects are grossly exaggerated. The fact is that even when OS/2 and UNIX were offered for free there were a few takers. Reason is simple: OS/2 and UNIX did not have *applications*, the only reason people buy PCs.

8)hMS wins because dominance in OS market.

Excel vs. Lotus 1-2-3 is an example where hMicroSoft won because it did a better job (by 1992, Excel was way ahead of 1-2-3 in features it had. Most 1-2-3 users had to shift because the difference in capabilities), and not because its dominance in OS market. Another example is CD ROM market. In 1988, it was becoming apparent that CD will become popular by 1995. First person to realize this was Steve Jobs. Everyone laughed at him when Next machines were shipped with built-in CR-ROMs. Everyone except hMS. hMS started developing technology needed to make CD-ROM titles and started acquiring material needed. All companies, such as hApple, hSun, hOracle, hIBM etc. had opportunity to do so. It was a completely new market and all companies were at same level in this market - ground zero. How do you explain the fact hMS has several successful titles and other competitors have absolutely *none*, zero, zippo? How could have OS dominance helped hMS in this area?

9)The dominance in OS market and access to undocumented functions gives advantage to MS in developing applications

hSun has complete access to source-code of its UNIX. They are the one who make it. How come they have not been able to develop an application even 1/10th as good as and as functional Excel? or Word? or PowerPoint? or Explorer? or Visual Basic?

Similarly, hNovell had source code for both, UNIX and WordPerfect. They tried porting WordPerfect on UNIX and, ask any user, it was a total disaster. How come, in spite of entire source code, the porting failed?

The fact is that in application development, knowledge of OS plays only a small part. Most Basic, dBase, COBOL and FoxPro application programmers know very little about OS. And they have serve users much more efficiently than C++ programmers who know OS inside-out. In hIBM, hBellLab, hATT etc. people simply did not want to make good user interfaces. In all these companies, application-programming was considered a sub-standard brainless job and system-programming was considered cool. This attitude problem was the main reason, not hMS’s OS dominance.

21.3 Some of the reasons of success

One reason why hMS succeeded over many companies is simply because they respond to users’ demands and *priorities* faster than then anyone else. The demands and priorities change every year. In 1985, priority was GUI on a *cheap* machine. IBM gave OS/2, which needed 16MB (\$1600 by price of those days) of memory, hMS made Win, which needed only 2-4MB. Users were more interested in *applications*, like Word, Excel, Quicken. hMS and other PC companies invested in applications. UNIX and OS/2 people kept wasting time in trivialities of “system programming”. Application programmers round the world wanted simpler languages to write custom applications. hMS and other PC companies made simpler and simpler languages such as dBase, FoxPro, Turbo Pascal, Basic, Quick Basic, Visual Basic etc. while hBellLab, hIBM, hSun etc. made more and more obscure and complicated and unreadable languages (C++ is a perfect example).

Only 2 things the course UNIX-101, which all employees at hSun, hOracle, hSybase, hIBM hETC. are required to take, teaches how to make obscure unusable user interfaces and blame hMS whenever an end user switches from their software to hMS's.

21.4 How about hMS-Tax?

Suppose govt. imposes 100% hMSTax on every product hMS sells. The proceeds from this tax should go to companies which DoJ (Dept. of Jokers) thinks are being hurt by hMS. Clearly, if hMS's revenue is \$12 billion, hMS could have stolen opportunities bigger than \$12 billion. Thus if \$12 billion is raised by taxing hMS's products, and given to the companies "possibly" hurt by hMS, would these companies be able to defeat hMS without any further help from Mammy?

Money was never a problem to hSun, hIBM, hOracle, hNetScape, hBellLab etc. Why 12 billion, give them 120 billion and the incompetent senior management will blow it away and produce nothing.

21.5 Conclusions

Why am I favoring a company, in which I have no interest what-so-ever, to such an extent?

The purpose is not favor hMS and its satellite PC companies against banker owned oligopolies and their satellite companies (like hSun) but to stress the point of competitiveness vs. Oligopolization created and financed by bankers and protected by puppets they have installed in the Congress, Presidency and the Judiciary.

Compare the price of PC softwares with UNIX packages. You will see a that UNIX softwares are 10-20 times more expensive. And less functional. And cumbersome to use. Compare the price of PC packages against your phone-bills and cable bills. The difference is black and white clear.

Try to explain why banker-owned media, which is heavily critical of hMS never criticizes cable companies and telecom oligopolies. Ask hReno why she cannot see monopoly of cable companies and resulting \$40 charge for a Boxing game and keeps chasing hMS round the clock round the year.

The software industry is more competitive because no one has legal exclusivity and there is no way to block a supplier. Same features can be brought in all industries, except ones which need NRs. Further this openness in software may not always remain. The bankers may make law ensuring that a company making a semiconductor chip with more than 50million transistors will need govt. approval. One law, and entire hardware and later software industry will become similar to cable company.

I created all the concepts, like DBDV, DAR-DV, new laws for telecom etc. with only feature of software industry in mind: let there be no what-so-ever legal mechanism of blocking an additional supplier for *any* commodity (law, cable or telecom), as long and supplier funds his operations and buyers/users are willing to use his products.

After studying software industry, I hypothesized that if we can implement this feature of software industry, in other industries, such as telecom and cable, all these industry will become as efficient as PC-software. Based on that idea, I created coupon-system to allocate bandwidth and county governed cabling system. Then I tried approaching the Congressmen in US and in India to implement my idea. Soon I realized that it was a waste of time. The process of making laws must be opened up, before anything else can.

As an unrelated hobby, I was interested stock market. As a part of that I studied 1987 stock crash. It became clear to me, that in stock market, contact with FRS and banks are more important than skills. The underwriters who had good relations with FRS and banks got huge bail-out loans and others did not. I saw several other examples. Finally, I concluded that *everything* in finance industry boils down to only 2 factors : FRS and FDIC. From this I thought of the Legal Tender Law. Later I studied bankers' relations with oligopolies. My conclusion is that as long as govt. accepts banker-created legal tender look-alikes, most industries will remain in wrong hands.

I would strongly suggest reader to compare the PC-software industry and TV-cable. IMO, this comparisons would be most helpful in understanding economics in general.

[In one of my forth coming publications, "Time to Bootstrap", I shall try to prove the following claims

- Due to MS, 1000s of UNIX programmers, architects etc. who were hallmark of poor productivity and arrogance, lost jobs. These UNIX people are lobbying force behind DoJ
- hNetscape is just a front end of the prosecution. hOracle, hSun etc are middle layer. The real back-end behind hMS prosecution and propaganda are the bankers (sometimes a.k.a. government).
- Bankers had invested tens of billions in new internet companies which they are going to lose as hMS has created all the products which bankers' companies created for 1/20th money by working efficiently.

- When mainframes came, the productivity of employees in Fortune-500 and their satellites (most of these companies are owned by bankers) went up. So they liked mainframe companies such as hIBM, hEDS etc. although they were too expensive and inefficient. But due to hMS (and hIntel, hApple etc) the productivity of small companies and independent users (a.k.a. poor people) went up dramatically, there by causing huge burden on the bankers. Incapable of defeating hMS in market, the bankers are turning to their pet Judges, slave bureaucrats (such as DoJ) and slave Congressmen (such as hBobDole, hJackKemp etc) to beat hMS.
- The Judges, as usual, know that bankers can help them with their image and promotion. So the Judgement is already taken, the case is just a mock trial
- The sure way to save hMS, is to have Direct Vote urging that Janet Reno, Joel Klein and Judge William Thomas Pennfield should be fired (maybe they can write Java-OS after they are fired). Such a DV will pass with over 90% (of TOTAL) votes. **There is no other way out.** Without DV, given the corrupt Judges, hMS is dead meat. A small \$13 billion company against \$5000 billion empire has no odds of winning unless there is mechanism to involve the citizens directly.
- PC-programmers, outside hMS, will have to work hard to materialize this DV.

]

[File End][CHAPNAME]

22. Cure To F??

In this chapter, I shall describe cure to several agencies whose acronyms are F-words.

22.1 FAA

Safety related regulations are OK. But over and above that FAA likes to set regulations which would regulate fare and put additional restrictions such as “if you have a flight from NY to Miami then you must have a flight from NY to Salt Lake City” etc. Such regulation are meant to keep smaller airlines out of the market.

22.2 Cure to FAA

If a flight is between two airports in same state then the carrier airline should be regulated by the state only (currently this is almost the case. FAA does not regulate intra-state flights much).

If a flight is between two airports in different states, say A and B, and plane does not fly over any land in any state, then the carrier airline should be given choice

- it can get the approval from FAA or
- it can get approval from both states A and B, in which case it would not need FAA’s approval.

If a flight is between two airports in different states, say A and B, and the plane flies over states C, D and E, then the carrier airline should be given choice

- it can get the approval from FAA or
- it can get approval from all states A, B, C, D and E in which case it would not need FAA’s approval.
- it can get safety related approvals from FAA and approvals on other issues from states A and B, in which case it does not need approval from FAA (except safety) and does not need any approval from C, D and E.

Thus, if a carrier wishes, he can bypass FAA. At states’ level, the states should be allowed to delegate the authority, on all issues except safety, to counties in which the airports lie.

Over time, the passengers should create an organizations where each passenger has 20 votes and gets an additional vote each time he buys a ticket. Using, proxies they can delegate the vote. With agreement with airline companies, the organizations should get \$1-\$5 per ticket passengers buy. This organizations should hire inspectors to evaluate safety of planes and airports. Who would be most interested in safety other than passengers themselves?

22.3 FDA

Suppose A sells non-FDA-approved item to B. If B is hurt, there are enough rules by which he can collect remuneration from B without taking **any** help from FDA. However, even if no one is hurt, FDA can prosecute A for selling the non-FDA-approved item.

In other words, selling a non-FDA-approved item or selling an FDA-approved item in a non-FDA approved way itself can be a crime.

FDA does that under the pretext of protecting people’s health. Under this cover, it has created 1000s of rules which keep new companies out of market, thereby established suppliers of goods and services make billions of extra profits. Also, FDA routinely bans the drugs, on which patents expire. This is to ensure that only patented drugs dominate the market (the patented drugs generate more profits for the seller).

22.4 Cure to FDA

A citizen, above the age of 21, should be allowed to become “FDA-independent”. The FDA would be required to set up 1 office per 500,000 persons in the country, where a citizen can go, in person, *and declare that he no longer wants any protection and services provided by FDA*. An ID should be issued to him, which can clearly establish that the citizen is FDA-independent. The ID should expire in 3-4 yrs and should be renewable.

Now if a seller is selling non-FDA approved goods or services to an FDA-independent citizen, after verification of the ID, *the act of selling* should not be considered a crime (the seller must explicitly indicate to the buyer that the goods or services or means are not approved by FDA). Other existing “common” rules (against forgery, giving false information etc.) would continue to apply.

The FDA-independents should form their own consumer groups. These groups shall have no state power. But they can request the manufacturer to put certain symbols or labels on his goods. These labels will be based on the test the consumer group has performed. The manufacturer is free to put or not to put those labels. But if he decides to put those labels, they must be exactly the ones approved by that group for that product. If he refuses to put those labels, the buyer should not buy his products. Thus regulation is imposed by buyers' faith in that group.

Safety is necessary. But why should only one agency be allowed to provide safety? What's wrong if buyers form their own safety providing mechanisms, which they think are superior and more cost effective than FDA. And what if the buyers want to relieve FDA if they think FDA is unnecessarily obstructing good and cost-effective suppliers?

Once again, both approaches mentioned above will be useless, even if implemented, without Legal Tender Law. If 1000 persons in a country of 260 million can create Legal Tender look alike at will, they will buy whatever new companies which came into existence and will recreate the rules to close the supply side. They own the earth, take it away and with a flick of pen they will create enough money to buy it back.

22.5 Prison Management

The prison staff's total compensation should depend on the repeat ratio of the prisoners.

Convict Repeat Ratio can be defined as following: App convicts who are convicted again of a felony and fetch a sentence of over 6 months in prison, within 3 years after they have been released from the prison.

If CRR is 1, the prison staff's bonus should be zero. If CRR is 0, the prison staff's bonus should be 100% of their salary. In order to ensure 0 CRR, the staff will create an environment that the convicts do not commit crime once they are released from the prison. This will not only be beneficial for the convicts, but also beneficial for the society.

Currently, the situation is opposite. As prisons get privatized, the managements are more and more interested in increasing repeat ratio. No wonder why small time juvenile criminals are made to share rooms with hard-core convicts, many of whom are homosexual rapists! And I would not be surprised if prisons are COSSCGs owned by bankers.

[File End][CHAPNAME]

23. Democracy vs. Dictatorship vs. FELism vs. Capitalism vs. ...

We have too many comparisons to make. The comparisons will be very subjective as each of these terms have several definitions (except Felism, which is my own and so it has only one definition. So far.)

I take following definitions for the terms

Democracy: Rule of people.

Direct Democracy: Direct rule of people (e.g. referendums).

Proxy System: Indirect democracy via proxies who can be fired anytime by the citizen.

Representative System: Democracy by representative. Citizens elect reps who make rules. As a rule, citizens cannot fire a rep once he is elected

Dictatorship: One dictator controls the society.

Oligarchy: A few dictators control the society.

Objectivism: Establishing rules by reason rather than majority or minority.

Capitalism: Means of productions (mines, farms, factories etc.) are essentially private

Marxism: Means of productions (mines, farms, factories etc.) are essentially state owned

FELism: Natural Resources (particularly mines) are owned by all citizens in nation or a smaller region such as state or a few districts (the shares cannot be sold or transferred) and the governance is thru proxy system and direct voting. Everything else is private.

I accept with importance of reason, but I cannot agree with Objectivism's idea that reason alone is sufficient to make laws. A man for one thing is not capable of understanding any man fully including himself. A set cannot be superset of itself. Theory of Computation says that for a "reasoning" machine (such as computer) to 'understand' another "reasoning machine" the former will have to be exponentially stringer than the latter. The "exponentiality" is a nightmare. It will turn that even if a computer is constructed by combined every atom in the universe, it would not be big enough to "understand" an ordinary human mind.

Since law has to deal with humans, and a human cannot understand humans fully by reasoning, and humans will have make and change the law, I have no option but to make laws not based on reason alone but also my intuition/belief/moral etc.

IMO, Democracy and Marxism do not contradict each other. From several articles I read, Marx rarely talks about governance. He does not seem to favor any system. Marxist state can be democratic or dictatorial. So far, all them have been non-democratic.

Similarly, IMO, capitalism and democracy do not imply each other. Britain was capitalist society. Till 1920, not every citizen had right to vote. Similar was case in US where many Blacks did not have right to vote till 60s. Also, what if in a democratic society, citizens favor large scale nationalization of property? Elites in US, UK and other Western countries try tooth and nail to ensure that such a demand never comes up. Also, many South East Asian countries have been capitalists and dictatorships. And most Latin American countries have been capitalists and have poor record of democracy. Also, most conservatives and libertarians in US, who strongly believe in Capitalism, do not believe in people should have right and mechanism to make laws and fire Judges. In fact, majority of them believe that people must not have ANY mechanism to fire Judges.

Further, IMO, most Marxist (like Marx himself) economists and pro-Capitalism economists (e.g. Adam Smith) have failed to grasp importance of "Natural Resources vs. Labor" issue. They concluded that exchange value of commodities depend on labor and, IMO, they are not wrong, but incomplete. If not, how can one define value of "coal mining rights"? Natural Resource, Labor, Legal Tender and Laws (restricting entry of suppliers etc.) are four independent dimensions. None of them can resolved in terms of the other three.

Does democracy imply liberty? IMO liberty depends only on how liberal minded are those in power. Further, liberty on one issue may not meant liberty on other. e.g. US is liberal on speech etc. but extremely, and sometimes mindlessly cruel on drugs (several teenagers have ended up in prison just for taking 10-15g of marijuana). On the other hand Denmark is liberal on drugs as well. Also, all Western countries profess freedom of speech but suppress freedom of communication in every possible way.

In a democracy, citizens may not have much controls on all issues. In US citizens cannot fire a Congressmen/Judges etc. So unless media-men carries out a strong criticism against a Judge, an anti-citizen

policy (e.g. illegal immigration, fractional reserve system) can continue indefinitely. Many times media-men does take up pro-citizen issues (e.g. immigration again) due to pressure from members of elite which control the media and so citizens are helpless. Thus US is liberal to emigrant, but this liberty is due to inaction, and not opinion.

Democracy can be liberal on an issue if and only if citizens are liberal on a given issue. In case the democracy is in-effective then the system will be liberal on the issues on which controlling elite is liberal and illiberal on issues on which the controlling elite is illiberal. In short, IMO, liberty in a country is highly case dependent and exists only on those issues where those in charge want it to exist. Thus, true liberty does not exist anywhere in the world. I doubt if it can ever exist.

How democratic is Representative system? What if the system is dictatorship, where citizens can “choose” the dictator once every 5 years? In Representative system, I agree that, person was popular at the time of election. What if citizens change the mind after 1 yr.? 1 month? 1 week?

IMO, all these concepts (Representative Democracy, Capitalism, Marxism, FELism, Dictatorships etc) except Direct Democracy, are useless. In absence of directness, any form Democracy will become only a drama to convince the citizens that system is democratic, no real democracy can exist. For democracy to exist, it must be direct. As direct as possible. By direct I mean: prompt, frequent and confidential. As prompt as possible. As frequent as possible. As confidential as possible. As much as technology and infrastructure can allow. Using directness, citizens will figure out which “ism” is applicable in which sector of economy. Using directness, citizens will decide on which issue how much liberty should be allowed.

In absence of directness, one can start with any ideal state and it would soon degenerate to an oligarchy with all wealth and power in hands of the non competitive few. With directness, one can start will any shabby situation, and it will become an efficient society with justice. Of course, it will be justice as perceived by the citizens.

Also, following are similarities between Marxism (or Socialism) and Capitalism

- In absence of direct democracy, both systems will become pure dictatorships (e.g. Ancient Rome, Indonesia, USSR etc) where all Natural Resources, Media and Currency issuance will be controlled by less than 0.01% of the population.
- If Natural Resources are publicly controlled by direct democratic setup, both Capitalist society and Marxist society will converge to same point.
- If Natural Resources are privately controlled by direct democratic setup, both Capitalist society and Marxist society will converge to same point.

Once again, these are just my opinions.

And one’s opinion is the reality, the rest of the world is an illusion.

[File End][CHAPNAME]

24. Summary

This book is about communication.

Since communication results into opinions which results into default ownership over natural resources, legal tender, elections, laws, power and control, all issues get covered.

The reason why a con-game such as Fractional Reserve continued so far was lack of a “free” communication channel. Most people get their news and information not from source but from a third party such as cable company, TV network, newspaper etc. These third parties are rigged. Bootstrapping will create a free communication channel.

I would summarize the book in following way

24.1 Bootstrapping

- Each person *should* send 40 letters a month.
 - 10 letters to any persons in his county,
 - 10 letters to any persons in state (not in the city)
 - 10 letters to any persons in country (not in the state)
 - 10 letters to anyone in the world (not in the country).
- He *should* choose these persons randomly.
- The address must be handwritten
- The letters can be **anything** he likes. 20 of these should be copies of the letters he receives.
- The upper left hand corner should write “bootstrapping”
- The BootStrapping volunteers should ask people to take above steps.
- In the same way, he should mail 2-3 copies of this book every month.

24.2 Chain Letter Law

- The law is to make BootStrapping more effective
- The citizens should create a law and appoint a Chain Letter Implementing Authority with taxing powers to implement Chain Letter Network
- Each person gets 60-90 stamped envelopes a year. These stamps have no price on it and can be used only to ship envelopes with less than 30g of weight. The stamped envelop will have expiration date and region on it.
- Expected cost: \$10 - \$20 per person per year

24.3 Direct Vote, Direct Bill, Direct Appointment and Replacements

- The citizens should ensure that Congress implements following law
- If a wants to propose a bill or a person for a particular position in any part of government and who pays the cost of the referendum to the President, the President must organize a referendum on this issue.
- The text of the bill should be created by citizen and chosen by citizens, not by the Congress

24.4 Legal Tender Law

- Currently bankers are the government. They create US\$. In fact US\$ is nothing but a piece of paper signed by independent and autocratic corporations owned by private bankers.
- With this a non-banking citizen can never compete against a banker.
- Using Direct Vote, citizens should re-implement Legal Tender where no new Legal Tender can be created without a referendum
- If the citizens fail to do so, within next 10 years, over 50% population would have declared bankruptcy at least once in their life.
- With new law, the borrower will have to pay the debts ever after the bankruptcy. Thus significant fraction of the citizens will become bankers’ slaves.

24.5 Autonomies of Regions

- The citizens should create mechanisms so that State Government cannot interfere into a County without direct approval of at least 50% citizens of the State

- The citizens should create mechanisms so that Federal Government cannot interfere into a State without direct approval of at least 50% citizens of the country

24.6 Socialization of Natural Resources

- Currently most Natural Resources are owned by bankers. They bought it by creating money, a price of paper signed by them.
- The citizens should form FELeCorps, which would take over all these Natural Resources
- The FELeCorps will have exactly one vote per person.
- The FELeCorps should issue coupons (called Stonies) to every citizen-member which can be used to buy the product (such as ore) from the FELeCorp's property.
- The Stonies will serve as much better currency for exchange of goods and services.

24.7 Free Communication

- The citizens should create mechanisms by which citizens of a county can hire or fire any cabling company they like or do not like.
- The bandwidth-allocating process should be fully individualized. This can be done by couponization.
- If this is not done, then bankers and cable companies will soon take-over entire communication, entertainment and software industry
- The reason why software professional have high income is not because of high demand and short supply because the field is open. The cable companies will ensure that only the software created by their satellite companies can go on the their web-sites and thus all programmers' salaries will decrease.

24.8 Save MS

- Whatever power MS has been given by end-users. End-users gave them this power. Only end-users can take it away.
- Companies such as hNetscape, hSybase, hOracle, hIBM, hCompaq etc are not small companies but part of SUPER-HUGE conglomerate owned by bankers. These companies got billions of dollars of funding from bankers, who create money from thin air.
- senators, government officers and judges are bankers' puppet
- end-users and PC-programmers must mobilize a DirectVote to fire Janet Reno, Joel Klein and Thomas Pennfield Jackson. In this DirectVote if 110 million citizens (which is 55% of TOTAL, not just those who voted) vote YES, then these persons must be fired.
- The citizens may vote whatever they like.
- They will vote in favor of MS. That's the only way to save MS
- Am I putting DoJ and Judges on trial? Yes, I am. But there is something more. I am putting the end-users on the trials. MS has served them more than bankers' and their puppets. If end-users do not support MS, then MS employees should think if they should ever serve such users again.

24.9 Conclusion

IMO, In US the Bankers are the government and they are law. Ask a near-by Federal Judge and he will explain that The Constitution (which I respect) is no longer in use. The Congressmen are the puppets. The citizens just watch the show. Unable to change the picture, most resort to pure analysis. If you disagree, type +”Federal Reserve” +”Private Corporation” on Alta-Vista. Most articles will be garbage. Some will explain you what I mean. Also, please read the Constitution, the Tenth Amendment and explain how FCC, FDA etc exist. Also, ask your Senator if Fed is private or government corporations. Try to open a new bank. Or simpler, try opening a new cable company. In India, people established cable companies with capital as low as \$2000. In US, I can install cables in a town of 10,000 for less than \$100,000. This is a significant, but not large investment. Installing cable is simpler than installing a LAN or PBX wires. When you try putting a cable company or a bank, you would realize the power that bankers have. On the other hand, if you want to retain the belief that the System is “overall” fair, you must not open the can of worm.

If you have read so far, you would either accept this or you would be in denial.

My country, India, is no different. And I must admit that your Feudal Lords are much better than mine. I am certainly embarrassed to admit that. But if you feel proud of that, I can only pity you. Also, the reason why US bankers are better than Indian elite is not due to culture or good-heart. The American

bankers needed you to fight against Japanese and German elites and later the Russian. The need resulted into some Freedom, Education and Ambition. They gave it to you. Now they want it back.

If I have to choose between the two Oligarchies, I would choose the Aristocracy of American Bankers over Indian. Fortunately, I found a better option than both. Can I implement it? I don't know and I don't care. I will try my best How long will I try? At least for next 1 year. After 1 year? Well, 1 year is as far as I plan.

I have nothing against US citizens. American Bankers are responsible for many tragedies all over the world, but I would rather blame the elites in those countries (such as India, Indonesia, Thailand etc) as they collaborated with American Bankers and sold their countries. Americans have contributed most to non-Americans inside and outside US. I would never complain.

However, at this point, events are taking a sharp turn. US bankers already own 80% of land and natural-resources in US. Due to the insatiable greed, they want mines of rest of the world as well. I am committed to stop this. My concern is not the Bankers, but the fact that large number of Americans are under complete control of American Bankers due to their equity-holdings, loans they have borrowed and their control of cable companies, TV networks and newspapers. With this, Americans may find themselves pitted against citizens of several countries in the world.

I wrote this book to avoid this situation. After reading this book, I believe, the reader would understand the con-game of Banking and thugs behind it. Hopefully, Americans will implement BootStrapping, Direct Vote and that would relieve themselves from the stronghold of the bankers. With this many events, which are otherwise likely to happen, would be avoided. This, I believe, would help Americans, Indians as well as other people in the world.

This book is to spread like a chain-letter. The book has copyright, but any reader is free to make as many copies as he wishes. I decided to keep the book in loose bound so that it would be easy to copy the pages. I would request you to make at least 5 copies and distribute it. This book is about 50 double sided pages. With 5 cent a page, it would cost about \$2.50 per copy. Once again, the copies must be mailed to randomly chosen persons. I believe that you can afford it. If you do so, you might be able to free yourself and others from the bankers.

Also, do ensure to have a referendum to fire Janet Reno, Joel Klein and Thomas Penfield Jackson. In the referendum, do what you may think is best for you. Saving MS is more important than saving the World.

I thank you for your time.

(Copyright Rahul Mehta. However, anyone is free to copy and distribute)

[File End][CHAPNAME]

[File Begin][CHAPNAME]

25. References

The best source is internet.

25.1 www.altavista.com, www.yahoo.com or any Web Search Engine

- On www.Altavista.com type: +"Federal Reserve" +"Private Corporation"
- On www.Yahoo.com type: "Federal Reserve" and "Private Corporation"
Seek and you shall find.

25.2 Movies

Most of the ideas I got are from movies. I would recommend only if the publishers of these movies are willing to sell the movie for \$3.00 per tape.

- The Fifth Element
- The Last Action Hero
- The Dark City
- They Live
- The Postman (by Kevin Costner)

25.3 Books

- Truth in Money by Theodore Thoren [see www.truthinmoney.com]
- Banking Regulations in US by Carl Felsenfeld
- Debt Virus by Jacques S. Jaikaran
- Federal Reserve Conspiracy (not highly recommended)

[File End][CHAPNAME]

[File Begin][CHAPNAME]

26. SOMETHING YOU CAN DO TODAY

(Dear Reader,

I would request you make several copies of this letter and mail it to the President of USA, the Senators of your state and the Congressmen of your area)

To

The President _____

The Senator _____ (of your area)

The Representative _____ (of your area)

Dear Sirs,

I am a citizen of US, residing in State of _____.

We, the people, create legitimacy, not the administrators and judges. If a person has political power in spite of citizens' disapproval, it is a theft of political power. It is immoral and causes gradual erosion of legitimacy. Citizens have right to remove a representative/administrator/judge from his position. They also have right to make laws.

And a right is of no use without a mechanism to use it. This letter is a request to create a mechanism to implement the right we have. Please make a Constitutional Amendment to make following a law *for next 10 years*.

- The President would declare the cost of conducting a nation wide poll. The President will also disclose the cost of sending a check to each of the taxpayers (IRS already has that system).
- Each poll will carry at most 10 proposals. Polls will be held on every first Friday of every month.
- The President (or a person he designates) would hold an auction exactly 30 days before the poll's date.
- The citizens who have proposals shall bid for each of the 10 slots, 1 slot at a time. The 10 highest bidders' proposals will be accepted for the poll.
- If the total of the 10 highest bidders' bids is below the cost of poll, then no poll shall be held that month.
- If the total amount obtained from the 10 bidders exceeds the cost of poll and the cost of mailing checks to taxpayers, then the excess amount will be mailed to taxpayers.
- If over 55% of ALL registered citizens (voting and non-voting) vote YES on a proposal, then that proposal would become a law.

Thanking you,

Yours Sincerely,

(PRINT NAME)

(PS: I believe that the cost of referendum should not be higher than \$ _____ million.) <hr>

Postal Addresses

The President of United States, 1600 Pennsylvania Ave., Washington, D.C. 20500

Office of Senator (Senator' Name, State's Name) , United States Senate , Washington, D.C. 20510

Office of Representative (Name, State's Name), United States Senate ,Washington, D.C. 20515

Web Links

The President - <http://www.whitehouse.gov> The Congress - <http://www.congress.gov>

(Dear Reader,

I would request you make several copies of this letter and mail it to the President of USA, the Senators of your state and the Congressmen of your area today and on 1st of every Month. You may also send it to other authorities in the State and the County Governments.

Please give copies to your friends, ask them to mail these copies and pass it on further.

If you can convince one person every 2 weeks to write and pass this letter, within a few months over 150 million US citizens would have sent this letter to the Congressmen and the President. In that case, they will gladly make a law to implement Direct Vote. With Direct Vote, several problems will get solved.

Bootstrapping: www.bootstrapping.com (USA, Jan 99)

Ten thousand thanks in advance - The Author)

[File End][CHAPNAME]

27. Three Short Stories

Short Story - I

“How shall I be free?” asked a man.

“The Truth”, replied John, “shall set you free.”

“Well, how will I find the Truth?” wondered the man.

“Ask and you shall be given.” replied Matthew. “ Seek and you shall find.”

The disciple puzzled. He asked “Saints. I am not free to ask or free to find. In that case how shall I find the Truth? And if I cannot find the Truth, I cannot be free. Please resolve this viscous circle.”

The Saints told him the following story.

Short Story -II

A man was sailing down a river and suddenly the speed increased. He realized that he was now very close to a waterfall. He decide to jump, but then he said to himself “Why should I bother? I am a devoted believer and have never sinned. God shall save me.”

A fishier at the riverbank saw the boat. He threw his net and said “Please catch the net and jump off the boat. I will pull you over”. “Why bother?” replied the man in the boat. “God shall save me.”

As the boat further advanced, a man standing on a bridge saw the boat. He threw a rope and spoke, “ Hold the rope and I shall pull you over”. “Never mind,” replied the man in the boat. “God shall save me.”

Now the boat was close to the waterfall. A man tied one end of the rope to a tree and other end to an anchor. He threw the anchor. The anchor got stuck to the boat and the boat momentarily stopped. “Grab the rope and I will pull you over.” Screamed the man. “Don’t worry”, said the man in the boat, “ God will save me.” And he pulled the anchor off.

Finally, the boat fell over the waterfall and the man died. In the heaven, he asked God why He didn’t come to save him.

“Well, I came there thrice to save you,” replied God, “but you did not respond.”

The Moral of the Two Short Stories

The Truth shall come to you.

When it comes, you must hold it to be free.

This book is the Truth about existing implementations. It is the Truth about the existing implementation of Money. It is the Truth about the existing implementation of the Law. And above all, it is the Truth about existing implementation the *truth* itself.

Short Story -III

This book. It was a pretty long short story.

The Morals of the Three Short Stories

You must set the truth free.

Only way to set it free it by communicating it

Only after you have set the truth free, truth shall set you free.

28. Forth coming publications

28.1 Systematic Analysis of Legal Tender

L_0 can be defined as all money is issued by the Central Bank. Currently L_0 is US is about 500 billion and would consist of FRN, FedChecks and FB-credits on the discount window. The book describes a well defined mechanism to tag a “dollar” with the name of the CEO of the bank holding company, which owns the bank that created the dollar. Using this tagging mechanism, Legal Tender’s creation, circulation and role in economy and politics can be accurately studied. Another key element in the method is to describe an action in terms of atomic actions. In an atomic action, money can be transferred or created, but not both.

28.2 Non-Competitive and Competitive Activities in Society: Seigniorage and Labor

Entry into some markets are controlled by the Judges. Banking and Cable are the best example of such non-competitive area. In other areas, such as oil drilling, it is limited by availability of oil wells, namely natural resources. Such activities have Seigniorage and Labor. On the other hand, no restrictions, from Judges or Nature exist on entry into field such as Software. These activities are pure Labor. A detailed comparison between such activities, the people who live and work (or do not work) in such areas. In this book, my claim is that Seigniorage-owners, such as bankers, are threat to the interest of Laborers.

28.3 The Three Dimensional Economy and Knowledge Based Fads

Suppose a programmer can make \$50 per hour, and 1sq yard of land is \$1000, can one say 20 programmer hour is 1 sq. yard of land?

If so how many man hours is entire real estate on this Earth?

Further, how many US\$ I need to buy Federal Reserve Bank of NY, a private corporation which has privilege of printing US\$?

In the book, I try to establish that any act of production of any commodity consists of Land (Natural Resources), Labor, and Laws. These are 3 **independent** dimensions and no equivalent between any 2 of them exists. Also, anything, that is bought and sold, can be completely resolved into these 3 components (Legal Tender can be taken as a special form Law). The Capital is also combination of these 4.

I also try to prove, using real examples, that so called Information based Society and Knowledge based Economy are just a useless concepts and Natural Resources and Bankers’ permission to buy govt. property (a.k.a. currency) and Bankers’ wishes (a.k.a. Govt. Laws) play more important than all information, knowledge and wisdom put on other side.

28.4 Mathematical Puzzles and Metaphysical Themes

A Queen invited 20 Mathematicians. She put a cap on each of their heads. The cap is either black or white. Further, they are standing in a circle, and each can see the color of everyone else’s cap, but not her own. The Queen told them that at least one of them have a black cap. Then she requested all Mathematicians with Black caps to raise their hands. No one did. Queen asked 2nd time. Again no one raised their hands. 3rd time and so on. When the Queen asked this question 7th time, all seven Mathematicians who had Black cap raised their hands. And they were all correct. How did the Mathematicians conclude the color of their caps (no sign language was used for communication)?

After the seminar, Mathematicians went back to their town (all lived in the same town). They were all suspicious that their husbands were cheating. Each Mathematician knew about faithfulness of other 19 husbands, but had no clue about her own. So they all went to the village priest. The priest said that at least one of their husbands was cheating, but he would not disclose the name. That night, ALL the Mathematicians killed their husbands. How did they conclude and were they right? (its a trick question)

What are the “metaphysical” themes of the above two questions?

Dozens of interesting questions, their answers and with themes behind the questions and themes behind their answers.

28.5 Time to Bootstrap - Saving hMS

hMS is in deep trouble. The Judge TPJ is 100% biased Judge and is acting clearly in a way that would win him favors (lobbying for his promotions) from big and powerful companies such as hIBM (78 billion in revenue), hEDS, hSun, hOracle (hJackKemp is director of Oracle), hNetScape etc. whose clients and owners are big banks. Due to hMS productivity of commons is increasing, something which bankers would hate to see. Also, bankers had made big bets on Internet. The bankers had invested 100s of billions and created products which hMS was able to create by spending mere 1-2 billion Now bankers must kill hMS, so that they can charge 100s of billion from the end-users.

Given a corrupt Judge, IMO, MS is dead in courtroom. The trial is a mock trial, in a Kangaroo court, a mere formality. With 24 witness and 8 weeks, the Judge would decide the company’s conduct for past 15 years. The courts in China are better than this mockery. Also, no one even mentions the words “consumers’ interest”. The “consumer” is not even a witness in this court.

Fortunately, there is one way to save MS, a direct vote urging citizens to fire Reno, Klein and Judge TPJ.

If materialized, the direct vote will pass with over 90% (of TOTAL) votes. People love hMS, as it is one of the few fortune-500 companies which has worked for poor people and middle class. The only way such a DB can be materialized is PC programmers (outside hMS) materialize DB-DV law and create a funding for DV. Otherwise the company will be broken into pieces. All hMS managers may be in prison.

The book tries to prove that there NO NO NO other way of saving the most pro-consumer and most pro-poor-people company in the history of mankind.

28.6 Similarities and Lateral Observations

We have 1000s of books on differences. This is a book on Similarities.
What is the similarity between Arnold Schwarznegger (sp.?) and Lord Krishna?
What is the similarity between Kabir (Indian poet of 1400 AD) and Steve Jobs?

Observing “similarities” between to apparently unrelated persons or entities needs, what I call as, Lateral Observations. I created this concept after I read several books on Lateral Thinking. The book describes several such Similarities and the art of Lateral Observations.

28.7 Let My Quotes be so Well Known, that No One Needs to Quote Me

A 100% pure fiction. A collection of short stories.

28.8 Who did not kill JFK?

A Conspiracy Theory.

28.9 The Hidden Agenda of CT-makers

Based on 100% facts. Interviews with several CT manufacturers show the intense and deep agenda of CT-makers. Why all CT-makers are smokers? Why not, in case they aren't? All CT-makers belong to same underground fraternity which was founded in Paleolithic Age. The book exposes this fraternity and reveals the deepest secrets.

28.10 Movies and their Deep Themes

Deep themes behind “The Fifth Element”, “The Last Action Hero”, “The Postman”, “They Live” and other movies.

28.11 Project “Happy Men”

How making millions of clones of attractive women can solve *menkind's* problems.

[File End][CHAPNAME]

To the prospective buyer/reader

- Initially, I planned to write a 500+ page book, which would describe all three
- past and existing forms of governments
 - the proposed changes
 - how citizens, **without depending on leaderships in governments and private sectors, and without any significant sacrifice, can bring the changes**

Later, I decided to confine myself to latter two. The first one is an analysis. The latter 2 are synthesis. Analysis, I believe, is of no importance, only synthesis is important. This book deals mainly with synthesis, with very small amount of space given to analysis.

My goal is to develop a process, by which citizens can bring changes in society *without* spending more than 0.5% of their incomes and without taking more than 1 hr/week of their time. I want to work out a sequence of steps by which changes can be defined and brought. Essentially, I have found that simplest way to accomplish the goals is to improve 2 of the existing BUSINESSES. Improvements are described in the book.

To implement the improvements, 'BootStrapping' would help.

This edition primarily deals with US. The Indian edition deals mainly with India. The Indian edition discusses all new proposals' implementations in detail under Indian context. The US edition only contains basic ideas.

Anyone interested in changing any part of government functioning in any country and looking for means to do so will find my work useful.

Rahul Mehta
(mehtarc@aol.com)