

# What is AFFEERCE?

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AFFEERCE means free enterprise with no taxes on productivity. At the same time it secures the right of every human being to nutritious meals, warm and safe shelter, quality medical care and unlimited free education. Not only is this possible, it is the natural state of humanity.

AFFEERCE is a vision for a better world that transcends the polarization between left and right, pushing the limits of both unity and diversity. It is based on the principles set forth by Thomas Paine, Henry George, and others that the land belongs to us all. Central to the collection and distribution of ground rents is the reclamation of human value.

AFFEERCE is a business plan that takes us from where we are today to this utopian vision by nurturing an embryo that blossoms over 60 years' time. Those who invest their time and money in this grand vision will reap great financial and spiritual rewards.

## The Vision

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**The Collection and Distribution of Ground Rents is Fundamental to AFFEERCE  
That which we produce with our own hands belongs to us alone. That  
which God or Nature provides belongs to each of us and all of us!**



Henry George envisioned such a world over a century ago. Unfortunately, he mistook a land tax for common ownership of the land. In AFFEERCE, all land is in the commons, and rented to the highest bidder through a process called trebling.

**To seize land, one must treble the ground rents paid to the people and reimburse the current tenant 150% of the objective depreciated value of the improvements on the land.**

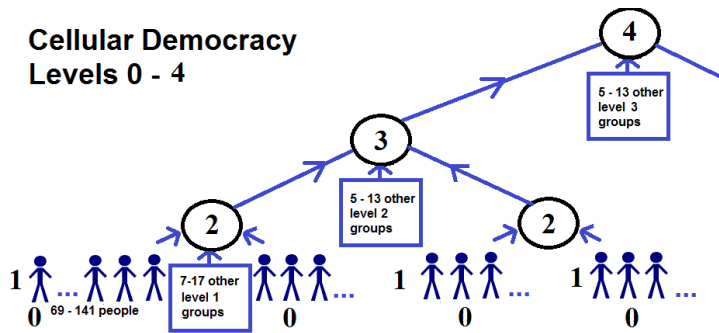
Although governments at lower levels might be very different, even to the point of having a different currency and legal system, the collection and distribution of ground rents is implemented at the highest possible level, ultimately internationally.

**The ground rents are distributed in an equal share to every person in the distribution domain, in a currency backed by land value.**

Personal distributions are used to pay basic income and to pay for public goods and services through the structure of a cellular democracy.

## The Cellular Democracy

### Cellular Democracy Levels 0 - 4



The nation can be described by 7 levels of federation, the world by 9. This representative democracy is responsible for protecting our natural rights. The direct democracy raises additional revenue beyond the distributions, passes legislation resolving conflicts in natural rights, and by a 5/6 plurality, restricts natural rights based on community culture.

Every person's personal ground rent distribution is divided between basic income in the form of food, housing, cash, and medical premiums at level-0 (the individual), and allotments for government, police, fire, sanitation, infrastructure, education and national defense at various levels of federation. The default allocations are set only once. Future productivity gains (increased land value) are returned to the individual as citizens' dividends in cash. Cells are free to override default allocations for public goods and services by a majority vote of the cellular council and ratified by a 2/3 vote of the direct democracy.

Possible Default Law Enforcement Distribution Tranches/cell @\$30/person/month			
Traditional Role	Tranche	Directed Cellular Level	Monthly
Building/Community	9.5%	1	\$284
Local Police	80%	3	\$369,600
County Sheriff	7%	4	\$355,740
State Police	2%	5	\$1,863,399
FBI	1.5%	7	\$101,462,130

Cellular councils can redirect distributions up or down the hierarchy depending on local conditions or custom. Orphaned cells receive distributions for all missing ancestors.

## Refugees are Welcome Everywhere



Every person carries with them a distribution package. Families welcome newcomers who automatically bring increased food and housing funds which can be turned into banquets and luxury accommodations through economies of scale. Higher level communities welcome newcomers who automatically bring increased funds for public goods and services. Human life and children will once again be viewed as valuable. Involuntary loneliness will disappear.

## Enterprise



Economies of scale allow large families, communes, collectives, kibbutzim and mutual organizations of every kind, to prosper on the distributions alone, but real wealth is created when the natural divisions of labor within these groups blossom into powerful enterprise. Free unlimited education and inexpensive credit from the one year advance payment of ground rents suggest these collectives will ultimately replace large corporations as the enterprises of the future.

## Dominion Treble and the End of War



Capturing land is a peaceful process where the victor trebles the ground rent; the vanquished receives 150% of the objective depreciated value of the improvements (buildings/structures) on the land; and the spoils are divided equally amongst all the people. The land is occupied by the most efficient user – another win for the people.

Borderlands between dominions at all levels of federation are subject to dominion treble. A citizen or organization not only captures borderland for their own use, but can declare it as part of their own dominion. Citizens of the borderlands can switch allegiance between dominions. Cells will undergo mitosis and fusion to preserve the chosen polities. In this way, great cities, governments, economies and cultures rise, and bad ones fall – without a shot being fired.

## Housing Affordability



The housing distribution of \$370/person provides a family of 4 with \$1,480 per month for housing. Initial ground rent on suburban residential acreage is projected to be around \$48,000/acre. If this family of 4 lived on a suburban quarter acre, the \$12,000 ground rent or \$1,000/month would leave \$480/month for mortgage, utilities, renovations, or repairs.

A 40 person collective could easily afford to build a custom apartment building on semi-rural land for \$14,800/month in housing money. A couple could pay for a nice RV or houseboat, including fuel and docking fees for \$740/month. A single person could afford a tiny house, on 1/40 acre of \$100,000/acre urban residential land for \$370/month. A 500 person tribe could set up a rogue state on up to 185,000 acres of rural rangeland.

About 95% of all homeowners will not pay a penny of their own money for ground rent. Because the trebler must pay 150% on the objective depreciated value of improvements, ground rent on homes kept in top condition can fall arbitrarily low, while urban slums, like homelessness, are impossible in AFFEERCE.

## Biometric Identity



A virtual currency is accessed through biometrics. Imagine the freedom a cashless, wallet-less society allows for a day at the beach. No more pickpockets or panic from a wallet that isn't there. No more banksters or rip-off currency exchanges, either. Accounts are maintained for every person and organization at the U.S. Treasury – at no charge! Ground rent distribution happens seamlessly with no bureaucracy. Credit accounts can be earmarked for specific capital expenditures lowering interest rates on small business loans. Food and housing distribution accounts are earmarked as well.

## Intellectual Property

What	Factor	Stage	Location	Terms	Use
Ground Rent	Land	Collection	Uses	Pays	Exclusive
IP	Labor	Distribution	Creates	Paid	Shared

Distribution theory suggests how a single distribution should be balanced between basic income and public goods and services. However a third category of distribution might be called the soul of distribution theory. Business profits from location value are shifted to profits from innovation.

**We must collect ground rents from those who take exclusive use of the land. We must distribute ground rents to those who share their creation.**

Biometric identity allows proper accounting of those who freely download as well as purchase content. Payment is based on active user requests, purchases, and attendance, not mass distribution of free samples. Broadcasts pay to the extent average listeners and viewers can be independently certified.

**Equity requires a breakdown of the intellectual property distribution into tranches for such things as books and articles, robots, business software, TV programs, movies, architectural drawings, music, machines for the end user, various kinds of capital machines, and so on. Each tranche is distributed on tranche specific rules, such as quantity of distribution, number of viewers, items produced, or number of users. The rules for each tranche are set by an associated VSG (voluntary standards group). With the intellectual property distribution, all content will be free, creating a trillion or more dollars of wealth.**

A slightly larger tranche for pharmaceuticals will likely make all lifesaving drugs free! Public libraries of well-coded software objects and agents will revolutionize computing and robotics. All software tools will be free to persons and organizations.

## Monetary Policy



Land value is created from population, population density, community, infrastructure, and convenience to name a few of the myriad data points summed up by the real estate professional's mantra "location, location, location!" Trebling is an active market in ground rent and by convention we say that land value equals 20 times annual ground rent, even if the interest rate is other than 5%. Currency is backed by and equal to total land value. Banks have a 50% reserve ratio and do not affect money in circulation.

Land value almost always increases with population, density, infrastructure, and innovation. The new currency is distributed to local investors or taxpayers who finance new infrastructure apart from the distributions. A non-biased formula determines proration based on land value increases over several years at radial distances from the infrastructure and original investment. Funds in excess of 150% of original investment are returned to a citizens' dividend account or destroyed to account for years of land value decrease, if any.

This is accompanied by a Treasury overseen balancing mechanism where ground rents marked as "float" by the tenant are allowed to fall a fixed percentage every year, with the overflow going into various dividend accounts.

## Rogue States and Alternative Currencies



By a 5/6 plurality with the treble option (150% reimbursement on improvements for those who vote "no" with this option) a cell can pass laws that violate natural rights and would be declared unconstitutional today. The only limitations are exit rights for adults and the right to life for children. Some areas will pass just a few of these laws in keeping with local culture; others will want to establish a whole new type of government. They will vote to go rogue, and never need to vote again. This feature is called "panarchy".

If the rogue state establishes their own alternative currency such as demurrage or fractional reserve, the distributions for all citizens of the rogue state will go to a common "import" account at the Treasury. This account is used to pay ground rent and the reasonable \$10,000 baby tax. What remains can be used for imports. Exports can be added to the account. Rogue states will tend to begin on free rural land and have plenty of funds remaining for imports. Ground rent is homogenous for all land in the rogue dominion. Even if internal trebling is prohibited by law, dominion treblers can pick at the borders.

Rogue states act as laboratories and embryos for testing new and untried ideas in politics, economics and culture. Many will be built on fantasy, adventure, and falderal. Exit rights at any time, and the right to life of children, will be rigorously enforced by an independent judiciary, and the military if need be.

## The Baby Tax



In pre-modern times having children meant more labor, bigger armies, and security in old age. Children added wealth to family and nation. Women were forced to be baby creating wealth machines. Today, children bring poverty to family and nation. The taxpayer is responsible for them until the age of 18, paying for education, at the very least. Childcare is a great burden to families, as is paying medical bills and picking up the huge expense of a college education. Women won the right to choose a career and LGBT people won respect for their sexuality, hard-won fights, but against the backdrop of children=poverty, the road to victory was easier than it would have been otherwise.

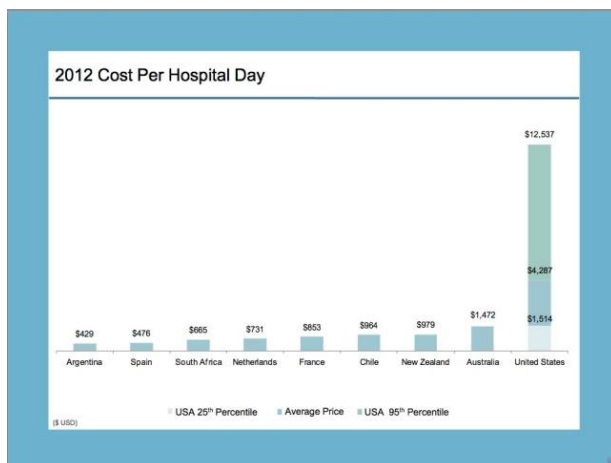
In AFFEERCE every child brings increased distributions to family and state. No longer are there any medical bills or college expenses. Economies of scale bring increased luxury with every child. Rogue states will be anxious to increase their population as these young distribution sources are malleable as well. In light of this, will women be forced back into old and horrible roles? There is also the nagging question of whether every person has the capacity to produce more than they consume in an automated economy. Can population grow faster than productivity?

A small baby tax of \$10,000 likely will suffice to protect the rights of women, and encourage responsible family planning. AFFEERCE can withstand a fertility rate no greater than 3.8. The distributions return \$10,000 in basic income in about a year. Employment income is mostly discretionary income, so only addicts will be unable to save the needed funds.

On the other hand, if current cultural trends continue with a fertility rate under 2, the tax can become a baby credit, instead.

UN guidelines are not violated. The proposed remedy for failure to pay is an income tax levied on the maternal and paternal families (if different) until the tax, interest, and a small penalty are paid. The distributions are never taxed, protecting the child's right to nutritious meals, and warm and safe shelter.

## Medical Distribution



The basic medical distribution is projected to be \$100/month to a selected HMO and \$20/month to a federal payer for, among other things, added expense while traveling. Here is how this is sufficient to support superior healthcare.

Each HMO must maintain an insurance arm and a public price list for all possible procedures, doctors' visits, hospital nights, patient care, and so forth. While non-emergency diagnosis must be done through the chosen HMO, the patient is free to shop

around for prescribed tests and procedures. Deregulation will increase competition. The patient receives a 50% rebate for money saved the insurance arm on cheaper tests and procedures elsewhere.

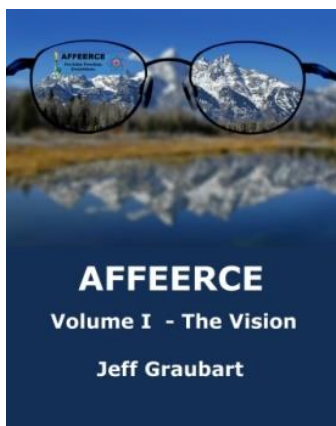
Conversely, the patient has the right to receive more expensive treatment elsewhere by paying the difference out of pocket or with a privately funded policy. Coverage for exotic non-standard high-priced procedures, private nurses and private rooms can also be purchased separately.

The HMO is associated with a hospital campus where service providers will treble space to create an active marketplace. Hospital beds will be a competitive part of that marketplace, as medical collectives can rent space in adjoining mixed-use residential towers, profitably housing 10 patients “at home” for \$200/night plus the food distribution. A medical collective of six couples living and housing patients on a 5,000 sq. ft. floor of the tower will receive \$4,440/month for rent and utilities from the housing distribution and \$2,640/month for food. This will go a long way in covering expenses. There is also a \$10/day disability distribution for inpatients and the very lucrative \$25/month wellness annuity paid to the inpatient facility every month thereafter until the patient is hospitalized in a different facility. These wellness annuities could drive down the cost of an inpatient bed as low as \$100/night for ambulatory patients. The VOS (violation of standards document) identifies providers on campus as certified, premium, or sub-standard. Default HMO contracts are usually with certified providers on campus. Children under 14 cannot choose sub-standard providers for the rebate.

The intellectual property distribution will dramatically lower the cost of medicine, medical equipment, and gene therapy. Unlimited free education will eliminate the cost of getting a medical degree. Lack of an income tax, Social Security, and Medicare, in addition to the distributions received by every doctor, nurse, and aide, will lower nominal wages, even as real wages rise.

The universal deductible distribution of \$35/month, received as cash if unused, plus the \$120/month medical distribution should provide the highest quality medical care for all.

## AFFEERCE Volume I – The Vision



These are a sampling of highlights in *AFFEERCE Volume I – The Vision*. The book examines collection theory, distribution theory, cellular democracy, direct democracy, cellular aristocracy, natural rights, economic principles, proposed distributions, and so much more in a comprehensive, integrated vision. *The Vision* shows over 40 ways personal and national wealth will be dramatically increased.

# The Plan

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Even if the vision is logically consistent, and viewed favorably by most everyone, it will not come to pass. It is impossible to go from here to there with legislation, or even revolution. The right and left have already tried to lead us down paths to their visions; paths filled with land mines. There is no yellow brick road. No wise monarch carefully crafted a path from feudalism to capitalism. It blossomed instead from the rise of towns, and so shall it happen today.

## The Embryo



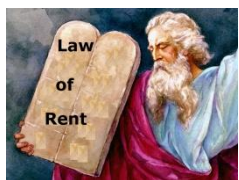
The new world can only begin as an embryo in the current state. It is nurtured by dynamical forces that exist today, with an AFFEERCE gestation period of about 60 years. Only the youth who begin this great adventure will live to see its conclusion. The name of the embryo will be a city called Prosperity.

## The Business Plan



The gestation period is described by a business plan in 4 phases. The objective is to generate large profits for investors and workers earned through nurturing the embryo. In this way, achieving our utopian vision is consistent with natural law. Dividends begin in Year 2, and large payouts start in Year 21. Rewards will be both financial and spiritual.

## The Law of Rent



The dynamical force used to power the plan is Ricardo's law of rent, expanded by George to show how surplus wages, profit from location, infrastructure, opportunity, entertainment options, safety, retail convenience, and so on, increase the value of land, thus driving up rents. Consider this unfortunate circumstance as the opponent. A principle of martial arts is to use one's opponent's strength against them. That is precisely how we use the law of rent to achieve our vision.

## A Standard Land Trust



In a standard land trust, land is purchased and rented out to the highest bidder. After paying property taxes and a dividend to investors, all additional profits are reinvested in more land. The standard land trust is the foundation of our business plan. Our land trust is anything but standard after we apply tools powered by the law of rent.



## The Affeercianados

Everything we want to achieve can be realized through an exponential increase in the value of the land owned by the trust. This is done through the creation of a new social class; a landlord – working class called the affeercianados. Although administered by the trust, in the beginning, 50% of the land is owned by the investors and 50% is stipulated to be owned by the workers (affeercianados).



The workers live collectively with subsistence around \$200/week. The remaining value of their labor increases land value directly by the law of rent, and indirectly through the purchase of public goods and infrastructure. Money is also used to purchase new land. 3,000 workers can increase land value by as much as \$80 million per year.

## Benefits of being an affeercianado



**Free dormitory living**   **1 land credit per hour worked**  
**24 hour buffet**   **Free medical coverage**   **Camaraderie**  
**Free education**   **Luxury dorm amenities**   **Political power**  
**Serve the people**   **Save the world**  
**Huge payout in 20 years based on land credits earned!**

## Other Tools

Other tools used to increase land value in Phase-I include rent freezes with each auction for the duration of the phase, the building of a speculative ring of undeveloped land around our core, providing free medical care and inexpensive education for all residents, and exporting these to neighboring communities.

**At the end of Phase-I, the rent freeze will be lifted and trebling begins. Prosperity is projected to have a population of 300,000 and ground rents of \$1.5 billion.**

	Start of 20 Years	End of 20 Years
Investor Owned	50%	5.5%
Worker Owned	50%	94.5%
Undeveloped Land	\$25 million (5,000 acres)	\$16 billion (417,000 acres)
Developed Land	----	\$31 billion (48,096 acres)

## Monetize the Land

At the start of Phase-II, the developed land, owned by the affeercianados and investors, is monetized at 20 times ground rent with a new virtual currency, by definition, backed by land. The money is good for paying ground rent, and is legal tender at all affeercianado businesses, including the hospital and university. It will be widely accepted. A total of \$31 billion is projected to be issued in Year 21.

## Payouts

Who	When	Investment	Payout
Investor	Year 21	\$65 million initial investment	\$2.06 billion
Affeercianado	Year 21	Working 21 years at 2500 hours/year	\$1.44 million
Investor	Annually, Years 22-60	\$65 million initial investment	\$107 million (minimum)
Affeercianado	Annually, Years 22-60	Working 21 years at 2500 hours/year	\$74,865 (minimum)

This is in addition to dividends received in Phase-I. Affeercianados who continue working will increase their annuity. Actual affeercianado payout in Year 21 is \$27.43 per land credit hour. Minimum affeercianado annuity is \$1.42 per land credit hour.

## Auctions for Selective Distribution

Ground rents will no longer be used to purchase land, pay dividends or pay free medical care for affeercianados and residents. They will be used instead to subsidize auctions for a lifetime of nutritious meals, warm and safe shelter, free medical care, and unlimited free education, access to small business loans, public goods distributions, right to treble undeveloped land, and the right to create collectives, fantasy societies, cities, counties, and new governments in the territories (within the bounds of U.S. law).

These operate like ordinary annuities, typically weak investments, but with the ground rent subsidies they become free money. The full cost for a 30 year old is \$200,000. Dutch auctions for affeercianados, donors, and residents will begin bidding at 99% full cost and drop the percentage until all allocated funds for the auction are exhausted. All bidders pay the lowest percentage of full cost for their age before donation and length of residency credits are applied.

<b>Distribution of Rent Subsidies in Distribution Auction for Year 22</b>		
<b>Affeercianados</b>	26%	
<b>Homesteaders</b>	41%	\$2,000 subtracted for each year in residence
<b>Donors</b>	18%	Donation x (20 – Year of donation)/20 subtracted from bid
<b>Family of entitled citizens</b>	8%	\$2,000 subtracted for each year in residence.
<b>Outreach/special skills, talents based on comprehensive testing</b>	7%	Must score in top 12% to bid. 2% subtracted for each percentile over 90.

Newly created land monetization money should keep bids high. It is projected that 102,194 entitled citizenships will be auctioned off in Years 21 and 22.

Phase-II ends in Year 38 with 523,000 entitled citizens out of a population of about 596,000.

## Deluxe Land Expansion

It all comes together in Phase-III when we embark on a plan to capture the majority of land in the host state. Our land brokers scour the state with an offer too good to refuse.

**Compensation at 20x self-assessed ground rent for land!**

**FREE lifetime distributions for all tenants on the land!**

We monetize as we go, and use ground rents as a 100% subsidy on the distributions.

Phase-III ends in Year 57. With a final entitled citizenship tally of 2.7 million, the host-state might have been Wyoming, Vermont, Alaska, North or South Dakota, Delaware, Montana, Rhode Island, New Hampshire, Maine, Hawaii, Idaho, West Virginia, Nebraska or New Mexico. For most of those states, Phase-III would have ended much sooner.

## Phase-IV and the Mercantile Advantage

In Phase-I, the surplus labor of the affeercianados led to higher land values, designed to make its way into the profits of our businesses, making them hyper-competitive. The mercantile advantage continues in Phase-IV with 2.7 million entitled citizens whose real wages are higher than nominal wages.

A proper monetary policy allows our new Georgist state to exploit the mercantile advantage in such a way as to create massive demand for our currency, sucking U.S. dollars into our central bank, where they can't escape. Deflation and dislocation hit the other 49 states, with land values in our state excluding most Americans who do not have distributions, from moving in.

Our embryo becomes a laboratory and then a working infrastructure in an environment of dual power. We prepare a package of constitutional amendments that, if passed, will allow the rest of the nation to join in our freedom and prosperity.

**It is through the mercantile advantage that Georgism spreads to the nation and ultimately the entire world!**

## AFFEERCE Volume II – The Plan



The tools outlined are only a skeleton of the business plan found in *AFFEERCE Volume II – The Plan*, and the accompanying spreadsheets freely available on the website. Other tools, not covered here, are employed in the text to bring financial success to the affeercianados, investors, and businesses that move to Prosperity. The Plan is available in a color edition that adds emphasis to tables and spreadsheets, or in black and white.