

MONEY THEOREM

A term we all have in common, and can't get enough of, money. But what is money actually? Where does it come from, and who decides how much is made? The obvious answer would be that for any country, the treasury department would, of course, control their currency issuance. Another obvious answer would be that money is an asset, backed by something rare to maintain its value. At some point in time these obvious answers were true. However, that point in time has long past, and now these answers would be distinctively wrong. Our obvious concept of money was replaced by a new concept known as fiat money. Fiat money is the concept of worthless paper as money, with only perceived value. This concept of worthless paper developed into what today is known as a fractional reserve banking system. Every country in the world uses this system except Iran, Cuba, and North Korea which still use government-issued currencies. The system works as follows, step one a government ceases to issue backed currency and forgoes its duty of the money supply to a private banking intuition. In return, the governments can borrow from private banking intuitions without any limit. How? Step two, the government treasury creates bond certificates selling them to private banking intuitions for the worthless paper. Here the perceived value is achieved by so-called backing the worthless paper money with worthless paper certificates from a government. There is no value or backing here, rather only two entities trading worthless papers to convince its citizens of perceived value. It is of the utmost importance the citizens perceive the worthless paper as valuable because they are the only ones holding actual value. The ultimate goal is for the citizens of a county to trade in their actual value for worthless paper. "I believe that banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow the banks to control the issuance of their currency, first by inflation and then by deflation, the banks and corporations that will grow up around them will deprive the people of all property until their children will wake up homeless on the continent their fathers occupied. The issuing power of money should be taken from the banks and restored to Congress and the people to whom it belongs" (Thomas Jefferson, this indignant protest can be heard today across the vista of two whole centuries Letter to the Secretary of the Treasury Albert Gallatin, 1802).

It is clear how unlimited debt works for the government, but how about for the citizens? Now that there is



a perceived value of the worthless paper would people dare work for it? Yes, they would, not only work but steal, scam, kill and even die for it. Step 3, cue the banks. See those private banking intuitions are really known as central banks, which are really just banks for banks owned by all banks that use it. Central Banks are not government institutions like one might assume. Nor do they report to any governmental body nor congressional, nor judicial, nor executive. The only control over central banks is none. The executive branch usually appoints the chairmen, however, it is basically required to pick an ex-banker. The only mandate congressional or judicial is that they stimulate growth, and maintain low unemployment. However, of course, these checks and balance never stand up against a central bank. Why is that? Well because they control the money supply, who gets it and who doesn't. This, of course, would include political campaign funds, which are now unlimited. "Give me control over a nation's currency, and I care not who makes the laws" (Baron Mayer Amschel Rothschild). What we end up with are banks that control every aspect of a nation via the control of their money supply. With the banks in place, step 4 extractions. Makeup loans know as IOUs, it means just that I owe you, the way it works? Banks "loan" worthless paper to purchase valuable assets. This process continues until it is deposited back in a bank, which uses it to create more worthless paper. So we are all exchanging our valuable assets for worthless paper, but valuable assets are being exchanged. Therefore the real functions of money, price measurement, and exchange are taking place. There should be no problems here other than the concentrated control over who gets the worthless paper. However, we are missing a secret ingredient to the whole plan, interest. See when interest is charged on a backed currency, it can be derived from the assets backing the currency. When interest is charged on worthless paper, there is nothing to which derive it from. So when you charge interest on worthless paper what happens? It must be derived from somewhere, which ends up being the valuable assets being exchanged. Therefore banks began extracting real value for worthless paper, but that time has long come and gone. What happens when all the value has been extracted from the assets? The next thing holding value in one's possession is oneself, so banks began extracting value from people via "paid" labor. However, even this has long come and gone. So what's left? Well, those who don't have it must extract it from those who do. So now the banks are extracting what little value is left by getting those who don't have any value to extract it from those who do. Sadly even this as long come and is almost gone. Banks have used their fractional banking system to conn people of their value for nearly a century now. In that time Banks have managed to gain control of governments, industries, lands, people, and even animals. "I am a most unhappy man. I have unwittingly ruined my country. A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men. We have come to be one of the worst ruled, one of the most completely controlled and dominated governments in the civilized world. No longer a government by free opinion, no longer a government by conviction and the vote of the majority, but a government by the opinion and duress of a small group of dominant men" (President Woodrow Wilson, a few years before his death in reference to the Federal Reserve act of 1913, which he signed into law. *The American Mercury*, p. 56. 1919). What happens next? Well by some divine intervention the fractional banking system has failed. A design flaw to the system requires the extraction of value at a designated rate in order for the system to operate. When value cannot be derived at this designated rate the system stagnates and fails by failure to maintain the perception of value. At which point all debt in existence is defaulted on by one way or another. What does this mean for you? If you are a holder of debt via bond certificates or

currency via fiat, it will all be worthless. While this may seem like terrible news, it is actually just the truth coming to light. For in fact as previously mentioned both are simply worthless papers with what was perceived value.

So what will happen now? Well first all those in debt would obviously be forgiven, and all those who hold debt and currency will still have the same worthless papers but of course, without any perceived value. However, now we are left without the ability to transact. Although the fractional banking system was rigged and flawed it still provided the functions of money. People were able to exchange valuable assets for other valuable assets using worthless paper. They used it to grasp the ability to price measure valuable assets by giving it a price tag. Using the worthless paper, people were able to exchange valuable assets for others without it being a barter exchange. We now need something to execute the functions of price measurement and exchange. As if it were another divine intervention a new technology has emerged in what is known as distributed ledger technologies or DLTs. DLTs use cryptography and digital ledgers to execute the functions of price measurement and exchange. How do they do it? The same way the banks did, they create worthless coins which allow people to price tag valuable assets and exchange them without barter. If we have learned anything so far, this would sound like a bad idea. That's because it is, these coins are simply digital fiat currencies. The people who control the supply are limited to a select group known as miners either by designated rights or by computing skill. In the short run, while we develop a real solution, these fiat coins will be useful to maintain transacting the essential necessities. In the long run, these fiat coins with only perceived value will end up with the same fate as the banks, in failure. How? The supply of every fiat coin is given a limit at its birth, meaning the coin can be fully mined. Once a coin is fully mined it is doomed for failure one way or another, and that's just common sense. Either doomed by the inability to support growth or doomed by the inability to manage growth, either way, doomed like the banks.

What should we do? We must develop a real solution for the functions of price measurement and exchange. We need a system with actual economic principles, not worthless papers and coins. There is a promising idea in development which holds hope for the citizens of our planet. It uses distributed ledger technology combined with actual economic principles both new and old. Rather than creating worthless coins with DLT, it uses DLT to create a nearly limitless asset-backed coin. Surely asset-backed currency is nothing new; we had the gold standard before, amongst others. All have been doomed to failure due to their inability to manage growth. Why? Like the gold standard, each relies on rare assets to back it; however the scarcity of the assets limits their possible currency supply. Meaning you can only issue as much currency as the number of rare assets available. But what if the demand for currency, meaning the number of transactions occurring outweighs the number of rare assets available? Now there is not enough currency to cover all the transactions occurring, which results in inhibited economic activity. Leading to the failure of rare asset-backed currencies, due to the inability to manage growth. What if the asset backing the value was not rare but almost limitless, and yet still always valuable. If such asset exists than any currency backed by it would be optimal for the functions of price measurement and exchange.

But what assets could be both limitless and still always valuable, if the scarcity of an asset is said to give it value. An almost limitless asset would not be scarce therefore, it should not be valuable. This,

of course, applies to every asset except one. Why? Well because this asset is used to produce every other asset except itself. It is an asset which can never be created nor destroyed and is known as energy. Energy is an asset which is almost limitless and always valuable. Given that it can never be created nor destroyed within a closed system, the universe is a closed system, meaning there is a finite amount of energy. So it is not exactly limitless however, this amount of energy is enough to support the growth of transacting until our civilization reaches at least type III on the Kardashev scale. Energy-backed currency would be the most optimal in the functions of price measurement and exchange. Given that everything is made of energy a currency backed by energy would be most optimal in price measurement. The value of an asset would be determined by the embodiment of energy in the asset, producing the closest approximation to the measurement of real value in assets. When it comes to exchanging there is no other currency type which could support the growth of transacting to the level which energy-backed currency can. Not only is it nearly limitless meaning no visible limit to the currency's growth, but energy is always valuable as everything else of value is made of it. However, energy-backed currency is so much more than just the ability to outperform any other currency forms in the functions of money. Energy-backed currency forces us to fundamentally redefine the traditions of money supply. No longer is the issuance of a currency i.e. economic activity controlled by a few individuals but rather now by everyone. This is because anyone who can convert energy into different forms has the ability to affect the money supply. Given that everyone has the ability to convert energy into different forms by definition of being alive, everyone and anyone can participate in economic activity. The only barrier to how much economic activity any one person can participate in is set only by their own ability to convert energy into different forms while measuring it.

The promising idea previously mentioned has developed this concept of energy-backed currency into a profoundly suitable monetary system for our civilization. By observing the nature of all products, materials, and services transacted in an economy, you will find they are all embodiments of energy. An energy which is always represented in two forms within every asset we transact. The first which is physical capital, the embodiment of energy into mass, this includes all elemental materials. Most of which nature has in possession, the remaining humans have embodied into possessions. The second form of energy embodied in every asset is human capital, this includes all human intellect, understanding, and insight. See one energy form cannot exist without the other. The human capital provides intellect, understanding, and insight for the physical capital allowing it to exist outside its elemental forms. The environment in which complex human capital exists is sustained by physical capital. So truly there cannot be one without the other. What if we can measure the amount of energy embodied in any given product, material, or service transacted in an economy. All we would need to do is measure the amount of energy transformed when the product, material or service is brought into existence. This amount which becomes embodied can be measured in say the energy unit joules which would give us the real value of anything transacted. Now we can say any given product, material, or service is valued at x amount of joules. Joules would now provide the function of price measurement, providing a price tag for the energy embodied in any product, material or service. These measurements must be recorded in some secure immutable way so that every asset has the correct price tag. Thankfully, DLTs are around which can provide us with such service of record. Having proper price tags for all our products, materials, and services is only half the role, what about the function of exchange?

Here is where cryptography comes in, along with our concept of energy-backed currency. Knowing the exact energy embodied in any given product, material, or service allows one to use them for creating energy-backed currency. Say there is a product which has an embodied energy of 100 joules, and an energy-backed coin worth one joule per coin. Given that the coin is programmable, the holder of such a product could create 100 new coins backed by the energy embodied in their product. These 100 new coins now serve the function of exchange, meaning the holder can now transact the embodied energy in their product. Joules now not only serves the role of price measurement but also exchange, achieving the functions of money.

Having achieved the functions of money, while fundamentally being able to outperform any other currency type in those functions, sets energy-backed currency as the prime currency type for humanity. However, with this monetary energy system one wonders if it needs to be managed; say with the implantation of monetary policy. Monetary policy has long been used to manage the growth of currencies i.e. economic activity. However, most of the monetary policy used is fairly unsuccessful as shown in the constant boom-bust cycle that is our economy. Taking a look at the monetary energy system we have described, it is obvious there is no use for monetary policy in its standard form. Why? Given that energy is nearly limitless, there is no need to manage the growth of a currency backed by it. If you look at the system close enough however, you will see a potential need for an unorthodox form of monetary policy. We must look back at the energy embodied in every product, material, and service; here we realize the energy exists always in two distinct forms, human capital, and physical capital. An energy backed currency can ensure the support of transacting growth, but it doesn't guarantee the balance of such growth. Given that we know human capital and physical capital support each other in existence, then we can conclude it is vital we keep that support relatively equal. To do so involves the application of an unorthodox form of monetary policy. One designed specifically for the functioning of the energy monetary system we have described. Say that when we measure and record the amount of energy embodied in any product, material, or service, we do it by form. Meaning we now have

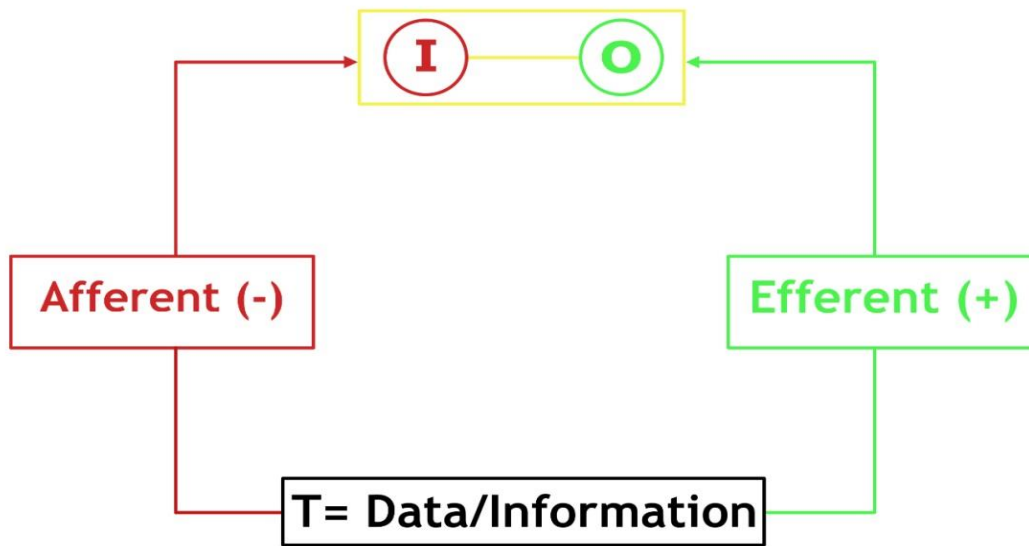


measured and recorded the amount of energy embodied in human capital, and the amount of energy embodied in physical capital for any product, material, or service. Let's also say our monetary energy system now has two energy-backed currencies. One is backed by energy embodied in the form of human capital call it human coin (HC), and the other is backed by energy embodied in the form of physical capital call it capital coin (CC). Now our monetary energy system provides a price tag with two prices for every product, material, or service, an HC price and a CC price. It



also now provides a means for exchanging in two currencies. The purpose of this is to measure the growth in economic activity of each energy form both human and physical capital. If we can measure the growth of each, we can use this data to ensure the growth is balanced between the two.

When we look at economic activity, what we are looking at is energy being embodied into a product, material, or service. This activity which we record at the point of embodiment and store on a DLT network, allows us to use the embodied energy to back our currencies. Energy-backed currencies which facilitate the functions of money for transacting. When we look at transacting, we are looking at the price measurement and exchange of those products, materials, or services. If this is so than economic activity is solely dependent on all transactions occurring. So by analyzing transaction occurring with HC and CC, we could by definition measure the growth in economic activity for each energy form. Not only could we measure it, but we could also implement some type of mechanism i.e. monetary policy to ensure balanced growth between the two. Let's say our DLT network also recorded and stored all our transactional data with HC and CC. How would we format and analyze it and what would the mechanism look like? Well, the transaction data can be formatted into let say blocks, each block able to represent a certain amount of energy. There are four types of block possibilities C blocks, O blocks, I blocks, and T Blocks. C blocks measure and record the transacting between an O block and I block. An O block measures and records the output or gain of energy to an entity, while an I block measures and records the input or loss of energy by an entity. T blocks interpret and record the information available on the energy in C, I, and O blocks.

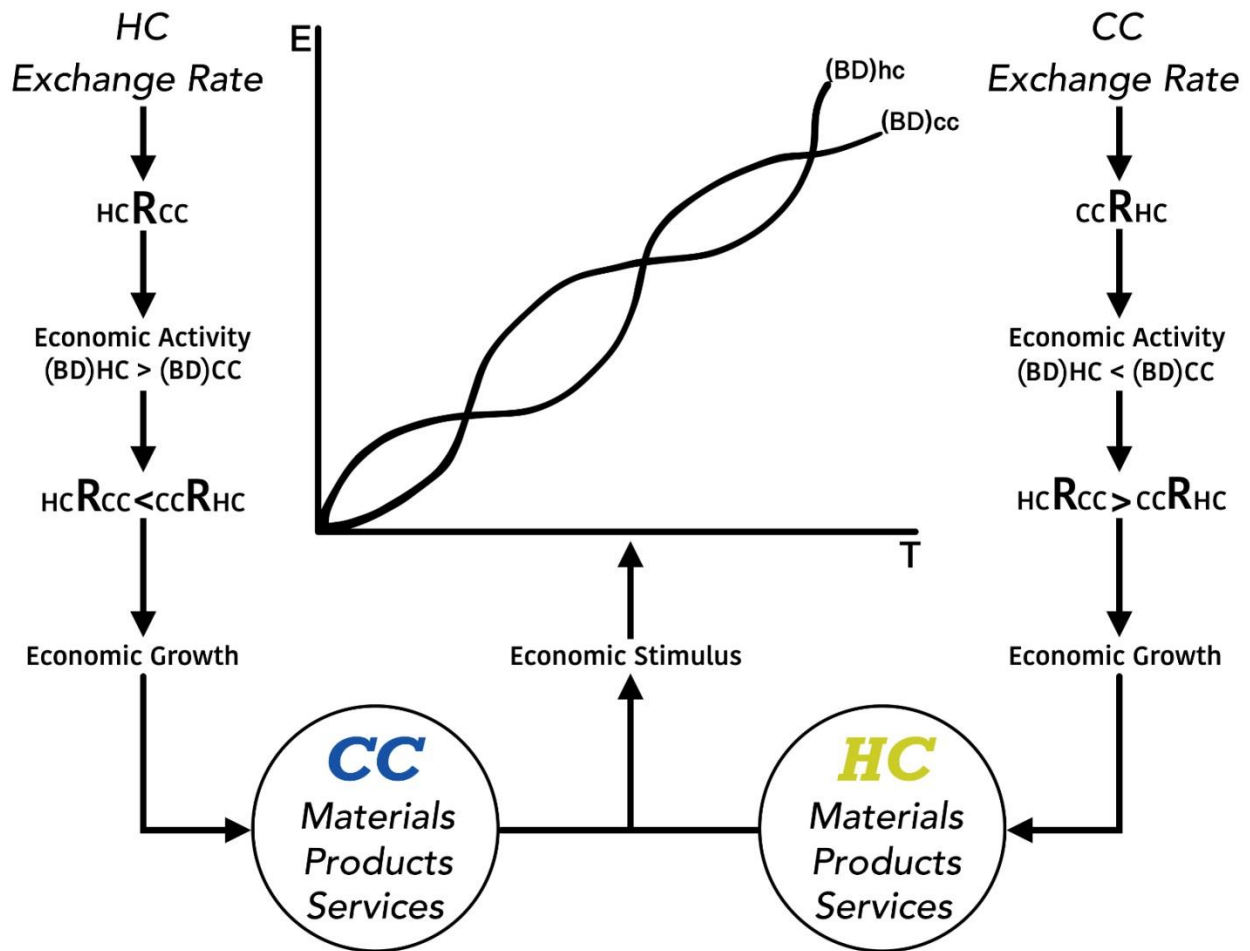


Now that the data is formatted into blocks, it can be used to measure the growth of each energy form. Those blocks with energy in the physical form are counted in the capital equation (BD)_{cc}, while the blocks with energy in the human form are counted in the human equation (BD)_{hc}. Using the following equation for block demand, $BD=C+I+O+T$, we can determine the state of each energy form. Therefore this equation allows us to measure the growth of each energy form between periods in time. How? Well by analyzing the demand for blocks in each coin, to measure the state i.e. amount of economic activity for each energy form at a given point in time. Being able to measure the growth in each energy form, allows us to

$$(BD)=C+O+I+G$$

- C = C Blocks
- O = O Blocks
- I = I Blocks
- T = T Blocks

implement a mechanism to ensure balanced growth. The mechanism would work as follows; we know that each energy form supports the other in existence, meaning they use each other to grow. So we could use human capital to grow physical capital and vice versa. We could do this by setting an exchange rate for the other on each coin. The exchange rate of each coin is determined by the state of one coin in comparison to the other. Meaning when the state of one coin is outperforming the other, the exchange rate favors the lowest performing coin. This would boost economic activity in the energy form backing the coin, until a point where what was the lower coin is now outperforming. Leading the exchange rate to switch favor onto what now is the lower performing coin. Boosting the economic activity of the energy form backing it until the point where the cycle commences again.



With the ability to balance growth in both energy forms, we now have a monetary system which can support all the growth of transacting in the long run. However we have much more than that, in this monetary energy system lays the opportunity to improve the efficiency of transacting for a very long time. By delivering the most accurate measurement of value in products, materials, and services, every transaction occurs with maximum economic utility for all parties involved. This, of course, is because in an open market with optimal price measurement, the best possible product is always available at the best possible price. Meaning all transactions occurring within this open market, are always achieving

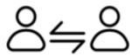
Circular Economy



Performance Economy



Peer2Peer Economy



Blue Economy



maximum economic utility. Not only does each party receive maximum economic utility, but their economic activity can only be limited by their own energy. Unlike previous monetary systems, this means no one can be left out of transacting. This is because given that being alive requires the possession of both physical and human capital, one always possess the energy to back new currency to which transact with. By definition, this would result in a money supply which is controlled by the collective whole rather than the selected few. These dynamics of the monetary energy system give it the ability to provide economic viability to the following types of economies, circular economies, peer 2 peer economies, performance economies, and blue economies. Under their current monetary system, none of these economies are able to scale, the reason being they require optimal price measurement for sustained growth. Their current monetary systems cannot provide such optimal price measurement, as monetary policy imposed in such

systems distorts price measurement. This can be seen in the famous economic study of the Big Mac in which the same exact asset varies in value depending on which currency it is priced, known as purchasing power parity. The inefficiencies which exist within their current monetary system inhibit the proper measurement of value in the products, materials, and services of each economy. This results in price measurements with inaccurate representations of value, leading to the minimization of economic utility in transactions. Minimization which limits the scale to which the types of economies mentioned are able to grow. Another thing limiting the growth of these economies is the concentrated control over their money supply. Due to the control being concentrated only a select few get to decide what economic activities grow by the application of more supply or which don't by the strain of supply. Meaning if the activity of the economies mentioned above doesn't suit the selected few, they would halt their growth by straining them from the money supply. These problems of poor price measurement and select control over the money supply are the only reasons the economies mentioned have not scaled. Problems which are only present because of their current monetary system, however, say these economies were under the monetary energy system we have described. When such a case is true, then they would each be able to scale globally, as they would enjoy optimal price measurement and distributed control over their money supply amongst a collective whole.

If we begin to look at what society would be like with circular economies, peer 2 peer economies, performance economies, and blue economies fully scaled globally, the appetite for a monetary energy system becomes quite compelling. These economies fundamentally change why, how and what we transact. They allow us to be much more efficient in our use of products, materials, and services. How? They do this by making the products, materials, and services themselves much more efficient. Efficiency is the key to humanity; efficiency is equivalent to our capacity to adapt and evolve. As the environments around us grow, we must be able to maintain the efficiency in our activities. The economies mentioned provide principles which allow for the design, production, and consumption of products, materials, and services to be optimal in efficiency i.e. capacity to adapt and evolve. Therefore

these economies will be the ones to lead humanity out of our current dismal state. The only reason we are in this deprived state is lack of efficiency. It is because of illogical monetary systems, and senseless economic principles derived from linear and speculation economies, that our society has fallen to such dire state. Given that we are currently flirting with extinction, it is imperative we course correct. In order to course correct, we must scale circular economies, peer 2 peer economies, performance economies, and blue economies to cover all economic activity. These economies specialize in human efficiency; they will rapidly scale under a suitable monetary system. For this reason, our biggest priority must be developing a proper monetary energy system, like the one we have described previously. No other sustainable achievement can be accomplished without it. If continued under their current monetary systems, all efforts at growth from the economies mentioned will be in vain.

How do we develop such monetary energy system? Well, to begin we will need a global team, every country must bring forward members for this global team. Members from each country would work in collaboration simultaneously developing the infrastructure needed for a global monetary energy system. What does this infrastructure compose of? Well, if we look at the current monetary system, the infrastructure is composed of paper notes, government bonds, and central, commercial, public, and private banks. These parts are the backbone of the current monetary system which allows it to function. In the same way, we must develop infrastructure which allows our monetary energy system to function. What would be the parts of this infrastructure? To start a monetary energy system needs that DLT network we spoke of. This would be the method through which the energy is measured, recorded, analyzed and transacted. Well to measure this network would need the ability to sense. In order to provide such ability many different sensors are needed, thankfully IOT has come about. To record these measurements in an immutable and secure manner, we must develop a method of data storage which is distributed and decentralized. Next to analyze this data we must give the network brains i.e. AIs, which are responsible for the sorting and providing feedback on the data stored. Given the sensitivity of this data, there must be a mechanism developed which ensures privacy to the data supplier during the analysis process. Then to facilitate transacting we must develop a user interface for the network, call it an operating system. This interface would allow the entities of the network meaning all humans alive to interact i.e. transact. The final and most important piece of development is education; everyone must understand the monetary energy system developed. If one does not understand the new form of money, then one cannot engage in the new forms of transacting. As you can see the development of this infrastructure will require much collective skill, knowledge, and experience. This is why all professionals and experts around the globe must set up to the call and join forces in the development of a monetary energy system.

This development of a monetary energy system is truly our last opportunity at course correction; it is guaranteed that without such impactful change our date with extinction looms in the making. Much like how all manufacturing in a country is diverted towards war necessities in times of war. We must divert all efforts in all countries toward the development of this monetary energy system in this time of crises. Once this is in place all other efforts can be restored, however, without this, all those efforts will be for nothing. Why? All efforts at course correction require transacting, while the monetary system through which that occurs is unsuitable for its growth, the effort will never scale. Even

the development of the monetary energy system is considered an effort and requires transacting. It can be imagined this is why as if another divine intervention fiat coins have come into popularity. Better known as “cryptocurrencies” these fiat coins although longer-term useless, short term they should be used to facilitate the transactions needed to develop a monetary energy system. Given the collapsing status that is fiat currencies, fiat coins may be the only way available. This will also make it easier to begin educating on the understandings of a monetary energy system. However, make no mistake these fiat coins and the monetary systems behind them are useless in the long run and lead us to the same date with extinction fiat currencies has.

This is a call to all of humanity, and it is your duty to respond as citizens of our species. We will against all odds, obstacles, or setbacks, no matter the price or sacrifice needed, develop a monetary energy system. This is the only true way to save and liberate humanity from the morbid fate we have destined ourselves to. It is of our obligation as humans to give those who depend on us a future. This isn't about a selected few; this is a system for every single person who will ever live. Leaders of nations and their communities, you are being called by the statue of natural law to assist our citizens in the development of a monetary energy system. It is in your best interest to comply with this statue, as if you do not, you can be guaranteed natural selection will find leaders who will. While we have everything to lose without a monetary energy system, there is everything to gain with it. The monetary energy system we have described holds the potential to elevate the rate of evolution back to the optimal state. In this optimal state abundance amongst humanity is much more prevalent than scarcity; A place where human identity isn't lost through the division of labor, but rather embraced through the ownership of labor. The solution has been delivered, what we do with it is now of our choosing. Those who choose to ignore this calling must understand they will one-day face retribution at the hands of natural law. Those who embrace this calling begin by sharing, expanding, exploring, debating and developing the contents of this theorem. A team platform with a built-in development fund for those who answer this calling is on its way.

