

Money, Work May Be on Way Out

EVERYBODY knows what money is, even if we might be temporarily without it. But what we refer to as cash is not necessarily what economists, financiers and politicians are talking about.

The Federal Reserve Bank of Kansas City has published several definitions of money. "Interest has centered on the M1 definition, which includes currency and demand deposits held by the public, and the M2 definition—M1 plus time deposits other than large CDs," the bank article says, but its other definitions are less clear.

The Federal Reserve Board has proposed an electronic fund transfer system (EFTS) which would eliminate conventional banking records and "revolutionize the U.S. financial structure."

Presumably, the system would do away with the business of hauling cash, currency and checks around from one bank to another. Individuals would carry a single plastic card to use in lieu of coins and folding money, both for cash and credit purchases.

Some Oklahoma bankers immediately observed that EFTS would work better for their bigger competitors than for them.

But hold on. That's not all! Indexing may be on its way, too. Brazil already uses an indexing system whereby government economists calculate rates of inflation (or deflation) monthly, and all income taxes, pricing of goods, commodities and services, salaries and wages, bank accounts and charge accounts are adjusted percentagewise to conform. It certainly ought to keep everybody financially alert, whether it controls inflation or not.

The U.S. Bureau of Labor Statis-

tics has a consumer price index system that compares cost of a specified market basket of goods and services with a month ago, a year ago or 10 years ago. If we should switch to EFTS, look out!

Another even more abstract money theory that was advanced by 19th century economists is being revived, too. This is the "net energy" approach for determining values of anything and everything, on the assumption that money or wealth is derived from energy in nature.

Dr. Howard T. Odum, systems ecologist at the University of Florida, argues that to produce each dollar in the economy, energy is re-

quired and therefore the dollar can be given an energy value.

Odum calculates that, on the average, the dollar is worth 25,000 calories of energy, the same as are figured in food values. Such a dollar would buy work equal to some mechanical labor, represented by fossil fuel calories, and work done by natural systems and solar energy.

If EFTS should work out, with an indexing system added to transfer our net energy quotients around as needed, will we eventually arrive at the point where we won't need either money or work? A few people already seem to be conserving their energy for just such a contingency.