# POLECONOMY

## The Game of Canada

*Poleconomy is meant to be a real world simulation of Economics and Politics in Canada. The game reflects the way industry, finance and government interact when private enterprise operates within a system of parliamentary democracy. The launching of Poleconomy in Canada was made possible by the support and co-operation of The Fraser Institute.*

*Introduction*

In Poleconomy, each player is both Tycoon and Politician.

As a Tycoon, he buys and sells some of Canada's largest companies and advertising media, invests in insurance, buys bonds and makes takeover bids. He faces the peril of inflation and commercial disaster. His profits are taxed by a Government elected from amongst the players.

As a Politician, each player is a member of Parliament. Further he is a member of the Government or Opposition, depending on the outcome of an election. He could be appointed Prime Minister. His decisions will then affect the financial destiny of each player in the game. Elections are held throughout the game and Government policies such as tax and spending changes can affect all players chances for accumulating wealth. There are two ways of playing Poleconomy. Game I mainly centres on the economic and financial aspects of the Canadian economy. This is the fun game for all the family. Game I is complete in itself. However, players will eventually want the added excitement and challenge of Game 2 - a game which incorporates the dynamics of the political process. All new players should start with Game 1.

Poleconomy is a game for 2 to 6 players. It is best played with 4 to 6.
Each player will need paper and pencil to record figures.

## GAME l

### The board

Before starting players should have a close look at the board. There are two circuits of squares. The "Outer Circuit" is the series of squares on the very outside of the board which at each corner has a blue square marked “Income”.

The "Inner Circuit" is the series of squares which is inside the "Outer Circuit" and parallel to it. It, too, has a blue square at each corner: three of these are marked “Income” and the other is marked “Start.”

In the space between the "Outer Circuit" and the "Inner Circuit" there are four "Corner Squares" marked respectively:

- o The Royal Bank of Canada (Savings Interest and Government Bonds)
- o The Canada Life Assurance Company (Life Insurance)
- o McLeod Young & Weir (Takeovers)
- o Royal Insurance of Canada (Business Insurance)

At the very centre of the board you will see a series of numbers circled in gold. This series of numbers is called the "Inflation Index"

Income Squares: These are blue and marked with a number also in blue There are 8 'on the inner circuit and 4 on the outer circuit

Start Square: There is only 1 start square. It is blue and also operates as an Income Square.

Each square on the inside or outside circuits is a particular type:

Company Squares: These are endorsed with the name or logo of a well known company. e.g. Molson Breweries of Canada Ltd.

Advertising Squares: These depict a well known company, product, or service, and are marked "Advertising" at the top of the square. e.g:
Imperial Oil Ltd. (Esso)

Inflation Squares: These are red and marked with a gold number. There are 6 of them on the inner circuit and 13 on the outer circuit

Step 1 Set Up

Place the "Inflation Marker" (cylinder) on the "Inflation Index" on the number I (blue) that also reads "Election". The gold arrow should be pointing clockwise. Each player selects a “Beaver” and places it on “Start.”

Step 2 Appoint Banker

Appoint any player as Banker. (The most important figure in the game is not the Banker but the Prime Minister) The Banker takes possession of all Money, Company and Advertising Cards, Insurance Policies, Savings Interest Cards and Government Bonds. The Banker must keep his own assets in the game separate from the Bank’s.

Step 3 Decide Basic Income

Starting with the Banker and moving clockwise, each player throws two dice. The total shown, multiplied by$10,000, is his Basic Income which he records. A double does not entitle him to another throw A player's Basic Income remains the same throughout the game, except if he should choose to" Re throw his Basic Income" when landing on an "Opportunity Square". (See Opportunity Squares.)

Step 4 Pay Start Incomes

The Banker pays each player $300,000 Starting Capital. plus 4 times his Basic Income.

Step 5 Elect Prime Minister (PM)

All players each throw two dice (at once). The player with the highest throw is the Prime Minister. If there is a tie, the players who threw the highest must throw again until a winner appears.

Step 6 Inflation

In the course of playing Poleconomy, players will occasionally land on the Inflation Squares which are red and marked with a gold number.
Whenever that happens, the PM must move the Inflation Marker around the Inflation Index which is the series of numbers in the middle of the board. The number of spaces the Inflation Marker moves is determined by the number marked on the Inflation Square on which the player has landed. If the number on the square is 4, the Inflation Marker must be moved 4 spots along the Inflation Index. If the number is 3, it must be moved 3 spots, and so on.

The Inflation Marker must be moved in the direction in which the arrow on top of it is pointing clockwise or anticlockwise.
For instance, at the start of play the Inflation Marker is on 1 (blue) and pointing clockwise. If, when the Inflation Marker is in that position, any player lands on an Inflation Square marked 3, the Inflation Market must be moved clockwise 3 spaces on the Index Circuit. The number on the Inflation Circuit on which the Marker is positioned becomes the "Inflation Number". It is the Inflation Number which regulates prices and profits in Poleconomy. As will be explained in Step 7, players will land on Company and Advertising Squares which they can buy. They will make profits when other players land on them. Company and Advertising Squares are the only investments in Poleconomy affected by Inflation. All other investments have fixed costs and profits
The cost of buying Companies and Advertising Squares and Company profits are directly linked to the Inflation Number. The cost of buying a Company Square is always $100,000 multiplied by the Inflation number, and the cost of buying an Advertising Aquare is $20,000 times the Inflation Number.
For example, when the Inflation Number is 3, the cost of buying any Company is $300,000 and the cost of buying an Advertising Square is $60,000. Only the Prime Minister (at his turn to move) can reverse the direction of the arrow on top of the Inflation Marker. His decision, therefore, cannot be changed for one full round of play. By altering the direction of the arrow, he can try to ensure that when any player next lands on an Inflation Square the Inflation Marker will be moved to a higher number, or a lower one, and thus cause Inflation to rise or fall. Most players will prosper if, at the start of play, the Prime Minister keeps inflation down.

Step 7 Play

The Prime Minister moves first, followed by the others in a clockwise direction. Before he moves, the PM must decide whether or not to change the direction of the arrow on top of the Inflation Marker.
At his turn, each player must decide whether to throw the dice and move his Beaver around a circuit, or move his Beaver directly to one of the four Comer Squares without throwing the dice. He must do one or the other.

## THROWING DICE

A player, at his turn, can throw the dice and move around whatever circuit he is on at the time. He cannot throw the dice and move to or through a Corner Square at the same time, ie., he cannot change circuits using a dice throw. At the start of play, all players are on the Start Square on the Inner Circuit. If a player chooses to throw the dice as a turn (instead of moving directly to one of the four Comer Squares), he throws two dice at once. A double does not entitle him to another throw. He then moves whatever the number of squares is indicated by the dice e.g., if he throws a 7 from the Start square, he will land on I.P. Sharp associates.

If a player decides to throw the dice at his turn, the following are the possible squares on which he could land:

INCOME SQUARES These are coloured blue and marked with a number also in blue. He must be paid by the Bank his Basic Income multiplied by the number marked on the square. (The Inflation Number has no effect on payment of player's incomes.)

## START SQUARE

There is only one Start Square. It is marked with a number and also operates as an Income Square. If a player lands on it, he must be paid by the Bank his Basic Income multiplied by 4.

## COMPANY SQUARES

These show the name and logo of a well known Company. If no other player already owns the Company, the landing player may buy it. The price is always $100,000 multiplied by the Inflation Number, which is whatever number on the Inflation Index the Inflation Marker is on at that time.

Thus, when the Inflation Number is 2, the cost of buying any Company is $200,000. The landing player pays the price to the Banker and receives the card for that particular Company in exchange.

If another player already owns the Company on which a player lands, the landing player must pay Company Profits to the owner. The profits are the same as the cost of buying the Company at that time, i.e., $100,000 multiplied by the Inflation Number. A player need only pay profits out of Cash or Savings Interest cards which he has immediately available. He need not sell Company Cards, Advertising Cards, Insurance Policies or Government Bonds to get cash. For example, if a player lands on a Company already owned by another player and the current Inflation Number is 2, then Company Profits would be $200,000, i.e., $100,000 multiplied by the Inflation Number. However, if the landing player only had Cash and Savings Interest Cards to the value of $120,000, then he would pay that to the owner as full payment. There is no remaining liability.

If the landing player had $200,000 cash, he would have to pay that to the owner. (Savings cards must be cashed with the Banker to pay Company Profits.)

If a player lands on a Company which he himself owns, he must be paid by the Bank $100,000 multiplied by the current Inflation Number.

If the landing player cannot buy the Company or chooses not to buy it, and no one else owns it, it must be auctioned to the highest bidder. The landing player may not bid. The auction price is paid to the Bank. The auction price is not affected by the value of the Company as determined by the Inflation Number. The minimum auction price for a Company Square is $10,000.

A player may sell any Company he owns to another player for any amount.

## ADVERTISING SQUARES

A player does not make profits directly from owning any Advertising Square. Its value is that when any other player lands on it, the owner can direct the landing player to move immediately to any Company Square. If the owner of the Advertising Square himself directs the landing player to his own Company Square, then he himself must be paid Company Profits ($100,000 multiplied by the Inflation Number) by the landing player. If the owner of the Advertising Square does not own a Company, then he can arrange to share Company Profits with the owner of any Company to which he will send the landing player. The cost of buying any Advertising Square is $20,000 multiplied by the Inflation Number. If a player lands on his own Advertising Square, he may then move to any Company or Advertising Square of his choice on either the Inner or Outer Circuits to buy it if it is available for purchase. He may alternatively send himself to a Company that he already owns and receive from the Bank $100,000 multiplied by the current Inflation Number. If a landing player cannot or chooses not to buy the Advertising Square, it must be auctioned in the same way as a Company. The minimum auction price for an Advertising Square is $10,000. A player may sell any Advertising Square he owns to another player for any amount.

## INFLATION SQUARES

As explained in Step 6, landing here will move the Inflation Marker and change the Inflation Number which decides prices and profits for Company and Advertising Squares. Furthermore, there is a word printed on each number on the "Inflation Index" signifying that whenever the Inflation Marker lands on any particular number, one of the following will happen:

"Taxation" All players who own Company or Advertising Squares must pay tax to the Banker at the rate of $50,000 per Company and $10,000 per Advertising Square. A player need only pay Tax to the extent he has Cash or Savings Interest Cards available and need not sell Government Bonds, Insurance Policies, Company or Advertising Squares to obtain cash.

Savings Interest Cards must be cashed at the Bank to pay Tax. Once a player has paid Tax to the extent he has Cash or Savings Interest Cards available, he has no further tax liability.
"Bonds" Players who own Government Bonds receive Interest from the Bank at the rate of 100% per Bond ($ 100,000 for each Bond). Government Bonds can be purchased from the Royal Bank of Canada (Comer Square) as discussed above. Government Bonds do not have to be cashed to pay Tax.
"Government Salary" The Prime Minister is paid by the Bank his Prime Ministerial Salary of $100,000 whenever the "Inflation Marker', on the Inflation Index lands on Government Salary. This is in addition to his Income which he will receive as a player by moving around the board. "Election" The Prime Minister must resign whenever the Inflation Marker on the Inflation Index track lands on Election. However, he is eligible for re-election. The fresh election follows the procedure in Step 5. After the new election, the new Prime Minister moves first, followed by the other players in a clockwise direction. Payment of Tax, Bond Interest and Government Salaries does not affect the order of play.

**OPPORTUNITY** SQUARES
There are 3 Income Squares on the Outer Circuit which are marked Opportunity. On each of these squares, the landing player must first be paid by the Bank his Basic Income multiplied by 10. The landing player can then move his Beaver to any other square on the board except another Opportunity Square. For example, a player can move to any particular Company or Advertising Square which he wants to buy, or to the Income Square marked 20 and receive an additional 20 times his Basic Income. Opportunity Squares can also be used to force elections or government salaries or bond interest to be paid. To force these events, the player calculates how many spots on the Inflation Index the Inflation Marker must move to land on a number marked" Election" (blue), Government Salaries" (orange), etc. He then moves his Beaver to any Inflation Square marked with that number. This will make the Inflation Marker on the Inflation
Circuit move to the event the player wants to force. A player, instead of moving to any other square on the board, may choose to "Rethrow his Basic Income" but only after he has been paid by The Bank his former Basic Income multiplied by 10. (see Step 3). The Rethrown Basic Income replaces a player's former Basic Income and becomes the new Basic Income which remains the same throughout the game except if he should again choose to Rethrow his Basic Income when landing on another Opportunity Square.

THE CORNER SQUARES
Instead of throwing dice and moving around a circuit, a player may move directly to any Corner Square as a turn. A player cannot land or pass through a Corner Square by throwing the dice. Each of the Corner Squares offers a specific opportunity for investment.

THE ROYAL BANK OF CANADA -GOVERNMENT BONDS/ SAVINGS INTEREST Players can convert their Cash into interest earning Savings Interest Cards by giving up their throw of the dice and moving directly to the Comer Square marked Royal Bank. Here the player may purchase Savings Interest Cards at $100,000 each. He pays that amount for each Savings Interest Card to the Banker and receives the Savings Interest Card( s) in exchange. Whenever a player lands on a.'1 Income Square marked "Royal Bank of Canada -Savings Interest" (4 squares in total), that player receives Interest at a rate of 100% from the Bank for each Savings Card he holds, in addition to his Basic Income multiplied by the number on the Income Square. A player can cash his Savings Card(s) with the Banker at face value at any time, so long as it is his turn (without going to The Royal Bank of Canada Square).
Secondly, at the Royal Bank of Canada Comer Square, a player may buy Government Bonds at their face value of $100,000 each. He pays that amount for each Bond to the Banker and receives the Bond(s) in exchange. Whenever the Inflation Marker lands on any number of the Inflation Index which is marked "Bonds" (green), every Bondholder must be paid by the Banker, Interest at a rate of 100%, i.e., on each Bond he will receive $100,000. A player can sell his Bonds back to the Bank at face value at any time, so long as it is his turn. (He does not need to go to the Royal Bank of Canada Corner Square to sell his Bonds back to the Bank. The same applies to Savings Interest Cards.) A player may want to cash in Savings Interest Cards or Government Bonds to purchase a Company, or Advertising Square, or purchase Life Insurance, or Business Insurance. A player must cash his Savings Interest Cards with the Banker if he has insufficient cash to pay either Tax or Company Profits. However, Government Bonds do not have to be cashed to pay taxes or Company Profits. Savings Interest Cards and Government Bonds are not negotiable. That is, they may not be sold from player to player. They can both, however, be cashed at the Bank for face value of $100,000 per Savings Interest Card or Government Bond.

CANADA LIFE ASSURANCE- LIFE INSURANCE
On this square, the player may take out a Life Insurance Policy by paying the Bank a premium of $100,000 and receiving the Policy in exchange. At the end of the game, the Policy forms part of the player's assets and is worth $1,000,000. He can surrender it to the Bank at any time (so long as it is his turn) for $80,000, but may not sell it to any other player. A player may buy only one policy at any turn but may hold more than one policy. There are only 6 Life Insurance Policies, so it is usually advisable for a player to insure early in the game.

ROYAL INSURANCE OF CANADA-BUSINESS INSURANCE

In Poleconomy, a player throwing a double 6 in the course of moving around the Inner or Outer Circuits, suffers a business disaster (odds I in 36). If this occurs, he forfeits all his assets except Life Insurance to the Bank. However, by going to the Royal Insurance Comer Square, the player can buy a Business Insurance Policy for $100,000 (insurance premium) which insures against this risk. The premium is paid to the Bank and the Bank, in turn, issues the Policy to the player. Then, if the player throws a double 6 while insured, he keeps all his assets, but he must return the policy to the Bank. A player may hold more than one policy at a time, but may only buy one policy at any turn. The policy, if owned prior to throwing a double six is protection against one Business Disaster only, but a player may take out a fresh policy at his next turn.

A player can sell any Business Insurance Policy he owns to another player for any amount. There are only 6 Business Insurance Policies, so it is usually advisable for a player to insure early in the game.

McLEOD YOUNG WEIR- TAKEOVERS

A player may attempt to Takeover any Company or Advertising Square owned by another player by moving to the McLeod Young Weir Corner Square. Once on this square, the player nominates the Company or Advertising Square he wants to Takeover and pays a non-refundable $30,000 Takeover Fee to the Bank He then throws 2 dice and has 2 throws to throw a double for the Takeover to succeed. If he throws a double on either throw, his Takeover Bid has succeeded and the owner of the nominated Company or Advertising Square must sell it to the Takeover bidder at its current value, (i.e., the Basic Price multiplied by the Inflation Number). If he fails to throw a double on either throw, his Takeover bid has failed and it is the end of his turn. If on his first throw of dice the player was successful in his Takeover bid, he may nominate a second Company or Advertising Square he wants to Takeover. If he again throws a double, his second Takeover bid succeeds. A throw of a double 6 in a Takeover bid is not a Business Disaster.

CORNER SQUARES-MOVING FROM ONE CIRCUIT TO ANOTHER

In addition to performing the 4 specific functions discussed above, the 4 Corner Squares also playa strictly mechanical role; players can use these squares to shift circuits. To shift circuits, a player must first move at one turn (without throwing dice) directly to anyone of the four Corner Squares. Having done so, he may, but need not, make the investment appropriate to that square. He can if he pleases, just "sit" on that square for that turn.

Then, when his turn to move comes around again, he may throw the dice and move the number thrown on either the Inner or Outer Circuits, whichever he prefers. When he does move, he must first move through the Income Squares in the corner and count that a' 1 '. A player already on a Corner Square may move to another Corner Square, instead of throwing dice on his next turn. The only other way a player can move from the Inner Circuit to the Outer Circuit and vice versa is by landing on his own Advertising Squares. If a player lands on an Advertising Square that he already, owns he can direct himself to any Company or Advertising Square of his choice on either circuit.

Step 8 End of Game

The game will end in any of the following circumstances: if
the Bank runs out of money
- at the end of an agreed period of time
- by mutual agreement.

Step 9 The Winner

The winner is the player who, at the end of the play, has accumulated the most assets.

For valuation purposes, the following rules apply: card; Value at current Inflation rate Life Insurance Policy; $1,000,000 Savings Interest; Face value ($100,000 each) Government Bond; Face value ($100,000 each) Business Insurance Policy; No value; Loans between players; Added to Lender's assets and subtracted from borrower's assets, ie., netted out.

For a quicker version of Poleconomy, the Banker can shuffle the Advertising and Company cards separately and give 3 Company and 3 Advertising cards to each player.

# GAME 2

Having mastered Game 1, players will be ready for the challenge and excitement of Game 2 which introduces the dynamic world of politics.

This is how Game 2 differs from Game 1:
o Players form political parties. One Party (or a coalition of them) becomes the Government party and elects the Prime Minister. In Game 1, the PM was chosen by a throw of the dice, and there were no parties.
o There is a separate Treasury for Government monies which the PM controls. In Game I, payments relating to the Government and the running of the country were made to and from the Bank, ie., Interest on Bonds, Tax and Government Salaries.
o The PM has far more power. In Game 1, his power is limited to determining the direction of inflation

The steps in playing Game 2 are as follows:
Step 1 o Set Up
Step 2 o Appoint Banker
Step 3 o Decide Basic Income
Step 4 o Pay Start Income
These steps are all the same as for GAME 1 except that the Treasury tray and all Bonds in it are not handed to the Banker but put aside until after the election.
Step 5 Form Political Parties
Players may form parties with each other by agreeing that when Parliament sits (later in the game) they will tend to vote in the same way. At the start of play, players on low Basic Incomes might form one party and players on high incomes another. Instead of joining a party, a player may remain independent.
Step 6 Elect Government
o Starting with the Banker and moving clockwise, each player throws 2 dice. If he throws a double, he throws again and all his dice are totalled. Numbers thrown are recorded by the player and the Banker

o The number thrown by each player is the number of votes he controls in Parliament. A party controls the number of votes which its members together control. The total number of votes in Parliament is the number thrown by all players combined.
o The Banker calculates whether any party (or player) controls a majority (more than half) of the seats in Parliament. If so, that party (or player) is declared the Government.
o If no party (or player) has a majority then one of the parties (or players) may form a coalition with another so that together they have a majority. That coalition is then declared to be the Government.
o If no majority can be agreed, there must he a re-election
o Play cannot start until a player, party or coalition has a majority. Step 7 Elect Prime Minister
o If one player only is the Government he is Prime Minister. If a party or coalition is the Government, its members may all agree that one of them shall be Prime Minister. If they cannot all agree, the member of that party or coalition who has the most votes in Parliament is declared Prime Minister. If the Banker is appointed Prime Minister, he must resign as Banker and another player must agree to act as Banker.

As in Game 1, fresh elections must be held whenever the Inflation Marker lands on any number on the Inflation Index which is marked "Election"
Step 8 The Prime Minister Takes Control of The Treasury
o On his election, the Prime Minister takes the Treasury Tray and assumes responsibility for the Treasury. In Game 1**,** players paid Tax to the Banker and Government Salaries and Interest on Government Bonds, were paid by the Bank. In Game 2, these payments are made as they are in the real world-to and from the Treasury.
The Prime Minister, by using his Tax collecting authority and ability to issue bonds, (which will be explained in Step 9), must ensure that the Treasury never runs completely out of the money. If it does, the country is bankrupt and the game finishes immediately without a winner.
The PM must always keep his own funds separate from the Treasury. Neither he nor any other players may ever lend or give money to the Treasury.
Step 9 The Prime Minister Appoints his Cabinet and Uses his Financial Power
o The Prime Minister can use the powers marked "P" only with the consent of players having a majority of seats in Parliament He may convene Parliament whenever it is his turn to move merely by saying "Parliament is now convened".
The Prime Minister may use all the powers mentioned below whenever it is his turn to move, not just the first time. With one exception, he can use them at no other time. Political decisions, therefore, once made, cannot be changed for one full round of play. The exception is that the Prime Minister, at any time, and without reference to Parliament, may issue Government Bonds to meet any Treasury liabilities as they fall due.

The Prime Minister, when it is his turn to play, exercises his political powers first. He then moves in the same way as other players.

The Prime Minister's powers are these:

Cabinet and Government Salaries

o He may appoint any member of the Government to any Cabinet position (e.g., Minister of Finance) and he may dismiss any member of the Cabinet.

o He may fix his own salary and the salary of any Minister. These salaries become payable out of the Treasury when the Inflation Marker lands on "Government Salary". The PM's salary is $100,000 minimum. The salary for any Minister can be set at any level. However, the total salary bill for the PM and all Ministers can not exceed $500,000. Thus, the PM's maximum salary is $500,000.

o The PM can also increase or decrease salaries. There are no rules for reductions but increases are limited to maximum increments of $100,000 per player in anyone turn. The PM may not reduce his salary to less than $100,000. Changes in Government Salaries must be recorded by the Prime Minister.

o These salaries are due and payable out of the Treasury whenever the Index Marker on the Inflation circuit lands on "Government Salary". Other Payments from Treasury (P)

o The Prime Minister, when it is his turn, may pay money from the Treasury to a player or players (including himself for any specified purpose with the consent of Parliament, e.g., as a subsidy to stimulate investment. It may be paid immediately or at whatever later date is agreed. The maximum payment to any player cannot exceed $100,000 in anyone turn. The PM may not make payments from the Treasury to any players specifically by name. Payment must have general application to all players, e.g., players with no Companies receive $100,000 to stimulate investment, etc. Taxation (P)

o To finance government spending, the PM, with the consent of Parliament, may decide the nature of taxes and the tax rate in the Canadian economy. Taxes are only payable when the Inflation Marker lands on "TAXATION". Unless the PM decides otherwise, only owners of Company and Advertising Squares need pay tax at the rate of $50,000 per Company and $10,000 per Advertising Square. Tax changes must be recorded in writing by the PM prior to the Inflation Marker landing on ' 'TAXATION". The PM may not tax, or exempt from tax, players specifically by name. That is, his tax laws must roughly parallel the Canadian tax laws and have general application to the players.

Examples of possible Tax Changes: (P)

1 All players with Basic Incomes below $50,000 pay no tax, etc.

2 All players with Basic Incomes between $70,000 and $120,000 pay $40,000 tax. (This tax could be a flat rate or could be calculated on Company and Advertising Squares.)

3 The first 2 or 3 Company and/or Advertising Squares are exempt from tax.

4 Savings Interest Cards need not be cashed to pay tax (or the first $200,000 of Savings are exempt, etc.)

5 Players holding Life Insurance Policies may deduct $50,000 (or $100,000) per policy from their tax payable, etc. The Prime Minister can collect tax from players and deposit it in the Treasury only when the Inflation Marker lands on "TAXATION". He can collect tax at no other time. When calculating tax rates, the PM should avoid "percentages" (as the minimum "Note" in the game is $10,000 and percentages may not work out exactly)

Financing a Government Deficit:

If the government should payout more money in salaries & subsidies than it collects via tax revenues, the Treasury will be in a deficit position. In Poleconomy, the government finances the deficit in the same way as any government would finance it by issuing bonds.

At the start of play, the Treasury has no cash. Its assets consist only of 30 Government Bonds each having a value of $100,000.

If the Treasury is in a deficit position, the PM (without reference to anyone else) may "print money" by selling any number of Bonds to the Bank for their face value in cash, (i.e., the Bank must pay $100,000 cash for each Bond marked $100,000). This cash is then deposited in the Treasury. Once bonds have been converted to money, the PM can pay any Treasury outgoings, e. g., Government Salaries. However, the PM cannot

exchange for cash ("issue") more Bonds than actually exist so that the Treasury can only borrow $3 million in total (30 bonds x $100,000).

Once bonds have been issued, interest on them has to be paid. Whenever the Inflation Marker lands on "Bonds" (green), the PM out of Treasury (not from the Bank as in Game 1), must pay Interest on each Bond held by the Bank and any player at an interest rate of 100%, i.e., $100,000 of interest on each Bond having a face value of$ 100,000.

To avoid the interest liability, the PM may, with cash from Treasury, at any time buy back ("redeem ") any Bonds which it has issued. If the bonds are still held by the Bank (and not been bought by any player) the Treasury may redeem the Bonds from the Bank at face value. If they have been bought by any player, the Treasury must pay that player twice the face value of each Bond. The Treasury receives the Bonds in exchange. It may later, if the PM decides, reissue those same Bonds. The PM may not redeem his own Bonds unless he first redeems an equal number of Bonds held by other players or the Bank.

If the Treasury does not have enough cash to pay Interest on Bonds when it falls due, the PM can issue yet more Bonds to obtain cash to pay interest so long as there are Bonds to issue. If the Government bankrupt's the Treasury, the game ends in a draw.

Inflation:
As in Game 1, the PM, at his turn, may change the direction of the Inflation Marker so that the effect of any player landing on an Index Square will cause inflation to rise or fall. The PM's powers in Game 2 will introduce a new element of political pressure which will come from his own supporters in Parliament. They may want Cabinet posts and Cabinet Salaries, Tax concessions or legislation which will be to their benefit as the price of their support in Parliament of the PM's policies. His dilemma as a player is how to retain that support while keeping the economy buoyant and the Treasury liquid and all the while trying to win the game privately as a tycoon.

Step 10 Play
The play is exactly the same as in Game 1. Again, each player, at his turn, may elect to move directly to a Corner Square or throw dice and move around a circuit. The Inflation Index and Inflation Squares work in the same way. In Game 2, however, the Prime Minister has more power and it is the Treasury, not the Bank, which pays and receives Government monies. Therefore, the words shown on the various numbers of the Inflation Index, will have a slightly different meaning.

"Bonds" Interest at 100% is payable to Government Bond holders out of Treasury not from the Bank.
"Government Salary" In Game 1, only the Prime Minister received a Government Salary payable from the Bank and this salary was fixed at $100,000. In Game 2, salaries can also be paid to Government Ministers. These salaries can be changed. They will all be payable out of Treasury. Unless it has been previously agreed by Parliament and recorded in writing, only the Prime Minister receives a salary of $100,000. The total salary bill for the P.M. and all Ministers combined can not exceed $500,000.
"Taxation" Tax will be payable not to the Bank but to the Treasury. Who pays Tax and at what rate may have been previously determined by the Prime Minister at his last move. If not, only owners of Company and Advertising Squares pay tax at the rate of $50,000 per Company and $10,000 per Advertising Square. A player need only pay tax to the extent he has cash or Savings Interest Cards available and need not sell Government Bonds, Insurance Policies, Company or Advertising cards to obtain cash.
Savings Interest Cards must be cashed at the Bank to pay tax. Once a player has paid Tax to the extent he has Cash or Savings available, he has no further tax liability.
Election The Prime Minister and all members of Parliament must resign and a new election must be held when the Index marker lands on "Election". A new election is held in the same way as the first election. Players may form fresh parties. The new Prime Minister will take over the Treasury in the condition left by his predecessor and will inherit its assets and liabilities. A re-election
does not affect the current "Inflation number" or Tax rates which remain as they are until altered. The new Prime Minister moves first after an election. A player may attempt to cause an election by attempting to land on an appropriate Inflation Square.
If at any time the PM loses the support of his party and cannot replace this with a parliamentary majority from amongst the other players, there is deemed to be a "non confidence" vote. In this case, new elections must be called even though the Index Marker is not on "Election". The election would be held as if the "Inflation Marker" had landed on "Election", but does not cause the Inflation Marker to move to an "Election" space on the Inflation Index.

Step 11 End of Game
The game will finish in the same way as Game 1, with one exception, which is, Game 2, will finish immediately without a winner if the Government bankrupts the Treasury.

Step 12 Winner
The winner is declared in exactly the same way as Game 1.

Contents of Poleconomy
Money
$ 10,000 notes 20
$ 20,000 notes 30
$ 50,000 notes 40
$100,000 notes 90
$1,000,000 notes 48

20 Company Cards 25
Advertising Cards 30
Government Bonds
20 Savings Interest
Cards 2 Dice
I Index Marker
6 Business Insurance
Policies 6 Life Insurance
Policies
1 Treasury Tray
1 Banker Tray
6 Beavers

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