

COMMUNITY CURRENCY MAGAZINE

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The first step for any community aiming to become more self-reliant is to establish its own currency system.



Local currency for the town of Lewes in East Sussex, England

LOCAL COMMUNITY CURRENCY OBTAINS ITS VALUE ENTIRELY FROM THE WILLINGNESS OF PEOPLE TO TRADE WITH IT... LOCAL CURRENCIES CAN'T BE BANKED AWAY TO EARN INTEREST SO CONSUMERS KEEP SPENDING IT AND THIS GIVES A BOOST TO THE LOCAL ECONOMY.

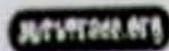
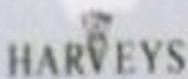


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Ask for **Lewes Pounds** in your change

thelewespound.org

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THE LEWES ONE POUND NOTE FEATURES THOMAS PAINE WHO LIVED IN LEWES FROM 1768 - 1774. THERE IS A QUOTE FROM HIM ON THE BOTTOM WHICH READS: ' WE HAVE IT IN OUR POWER TO BUILD THE WORLD ANEW' SPECIAL THANKS TO: PHOTO BY PENELOPE

<http://www.flickr.com/photos/8843323@N08/3056463827/>

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Input & Content welcome.

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NEW LOCAL CURRENCY PROJECTS & EFFORTS

Ozark Hours, Fayetteville, Arkansas

Several people in Ozarkia and around Fayetteville are now creating their own local currency. Some working names are Ozark Hours, Ozark Bucks, or Hill Bills. Thanks to the 'Omni Center for Peace, Justice and Ecology' and 'Fayetteville Friends Quaker Earthcare Witness Committee' for helping to sponsor this effort. The local notes are an alternative currency used in the Fayetteville area only.

Private currencies may be backed by a commodity, government fiat money, or based on labor hours. The Fayetteville group is now currently discussing how to set it up their currency. They arranged for a world-class consultant - Paul Glover, the founder of the highly successful Ithaca Hours - to visit Fayetteville on May 8th and 9th. He will evaluate the Ozarkia situation and lecture at the Unitarian Church.

<http://www.ozarkia.net/money/index.html>

Tiburón Ballena, Lázaro Cárdenas, Mexico.

This currency can be exchanged with the Mexican peso but it is exclusively for use in the limited area Ejido (common land) of Lázaro Cárdenas, Mexico. When tourists visit they may purchase some local money and use it at shops and restaurants. When they are returning home they may exchange back to Mexican Peso if they would like. There is a two way exchange with the national currency so this CC is liquid back and forth with real currency (Peso).

http://culturechange.org/cms/index.php?option=com_content&task=view&id=309&Itemid=1

New Community Currency in BC, Canada Supports Effort To Build A Stronger Local Economy

There is a new community currency being created in White Rock. Mr. Matthew Stuart has been studying Calgary's local currency and believes that a CC is a great way to strengthen his local White Rock economy. He has formed a non-profit society called 'Give A Hoot Community Action Society' which will focus on creating the White Rock currency. He hopes this move will help to stimulate the local economy. The currency is just one of a three part plan to focus on community

and environmental issues. Other topics include grants for the local young people and a community garden.

http://www.bclocalnews.com/surrey_area/peacearchnews/news/38666559.html

CBGB Local Currency Experiment, Greater Barre, Vermont

The Barre community is creating their own local currency they have named CBGB's for 'Currency for Building a Greater Barre'. Here are some details. The CBGB exchange rate will be \$1 for 1 CBGB. There will be a one-time discount to initiating members of 10% meaning if you are an initiating member, you purchase your CBGB's at a 10% discount. \$1 buys you 1.10 CBGB's technically. CBGB's can be used just like dollars, you buy \$10 worth of product or service using 10 CBGBs. If you have a 10 CBGB note but the product or service is \$8.95, you pay with what you have in CBGBs and get change back in US dollars.

<http://greaterbarrecommunity.ning.com/group/localfirstbarre>

Local Economy eXchange (LEX) in Berkeley Springs, WV

The Local Economy eXchange (LEX), was formed by a group of residents concerned about the rising costs of food, fuel and a faltering economy. According to founder and Berkeley Springs resident, Elise Woods the program is gaining momentum. In addition, the group is looking into creating a local money or currency system. LEX plans to be a repository of information on these subjects.

The Local Economy Exchange formed last year to help create a vital local economy - important to a sense of well being and a stronger community. Although the group has multi-initiatives, it chose to focus on food first.

Other interests include fostering community gardens, a farm to school program, skill and tool sharing, encouraging food preservation, supporting local businesses including those concerned with local food and farming, sharing knowledge about time-tested health solutions and encouraging green programs such as cooperative car and van pools. LEX hopes to

support a resilient community by connecting people, products and services in Berkeley Springs and beyond.

<http://74.95.82.237:591/mmonline/FMPro?-db=...=12589514&-find=>

and

<http://www.journal-news.net/page/content.detail/id/515050.html?nav=5094>

River Currency, Milwaukee, WI

Two neighborhoods in Milwaukee are now working to create their own community currency to promote local spending. Community organizers such as Sura Faraj have proposed the creation of unique form of paper money that can be used in the city's River West and East Side neighborhoods at local businesses.

OurNexChange, Oregon

Sharon Miranda and Libby VanWyhe from Ashland, Oregon have a great new online "Trade Dollars" system. <http://www.ournexchange.com/> Their idea is to have Ashland residents and businesses integrate some of their day to day transactions through the OurNexChange system.

Who needs money when you have a working system of debits and credits in your local community?

Previously Miranda founded Ashland's WebSpirit Community (2,800 members) and has been working on the OurNexChange system for about two years. Their web site shows they are using a GETSystem, (<http://www.getsglobal.com>) which offers a great deal of transparency. This new money, like all community currency projects is not intended to be a replacement of the U.S. dollar.

Shire Hours (a ripple system)

This is a monetary system that makes simple obligations between friends as useful for making payments as regular money. Unlike Ripple, this system has been simplified to focus only on labor-hours and silver.

Whenever you want to make a payment to another ShireHours user you are not directly connected to, the system finds a chain of intermediaries connecting you to the person you want to pay, and records the payment in each intermediary's account all the way down the chain. You end up owing one of your "neighbors" on the system, and the payment recipient ends up being owed by one of her neighbors.

<http://www.shirehours.com>

Mendo Food Futures Credits, Mendocino, California

Jason Bradford has a very interesting story on the Oil Drum:Campfire web site about a local currency backed by food grains. He writes,

"It's a similar system to a lot of barter currencies but has the advantage of having an actual physical backing in the way our currencies used to be backed by gold. The extensive discussion afterwards covers some important topics including the problem of forgery and lots of interesting historical data on similar systems. Highly recommended because I believe this is the sort of thing we will need to have some time in the near future if, as I fear it will, our dollar suffers a complete collapse along with the banks."

Read that full article here,

<http://campfire.theoil drum.com/node/5158>

The "Southampton pound", UK

It's likely we will be seeing a new local currency from Southampton. Like the towns of Lewes and Totnes, a local currency from Southampton would be a compliment to the British pound and only used in the local area. The smart minds behind the new currency are the environmentally conscience "Transition Southampton". This is the local branch of the global initiative and the Southampton group was formed in November. There is also a 'Transition Town Totnes (TTT)' and 'Transition Town Lewes (TTL)'.

A Transition Initiative is a community working together to look Peak Oil and Climate Change squarely in the eye and address this BIG question:

"for all those aspects of life that this community needs in order to sustain itself and thrive, how do we significantly increase resilience (to mitigate the effects of Peak Oil) and drastically reduce carbon emissions (to mitigate the effects of Climate Change)?"

**<http://www.transitiontowns.org/>*

A common goal with the new Southampton pound and all community currency is to keep the commerce dollars circulating with local merchants. Buy something from a local merchant and that money contributes to the local economy employing friends, neighbors and the community. Shop at national and international chain stores and that local money immediately leaves the area.

The logo for Lewes Pound is a circular emblem. It features a central green circle with a white border. The border is decorated with a series of small, green, triangular spikes pointing outwards, resembling a sunburst or a gear. Inside the green circle, the word "Lewes" is written in a large, white, elegant script font. Below it, the word "pound" is written in a smaller, white, sans-serif font.

Lewes

lewes
pound

LEWES POUND

Last September, the town of Lewes in East Sussex, England launched their own currency called the Lewes pound. The concept is a part of Transition Town Lewes which is an organization dedicated to helping the city become less dependent on oil and a global economy. The notes used to print the Lewes pound are even made from 75% recycled materials.

Residents of Lewes are counting on the local currency to encourage shoppers to spend money in local businesses instead of large retail chain stores. Keeping a local currency circulating within the business community has shown to improve sales, employment and boost the town's economy. There are more than 130 local shops and pubs participating and open to accept the new one pound note.

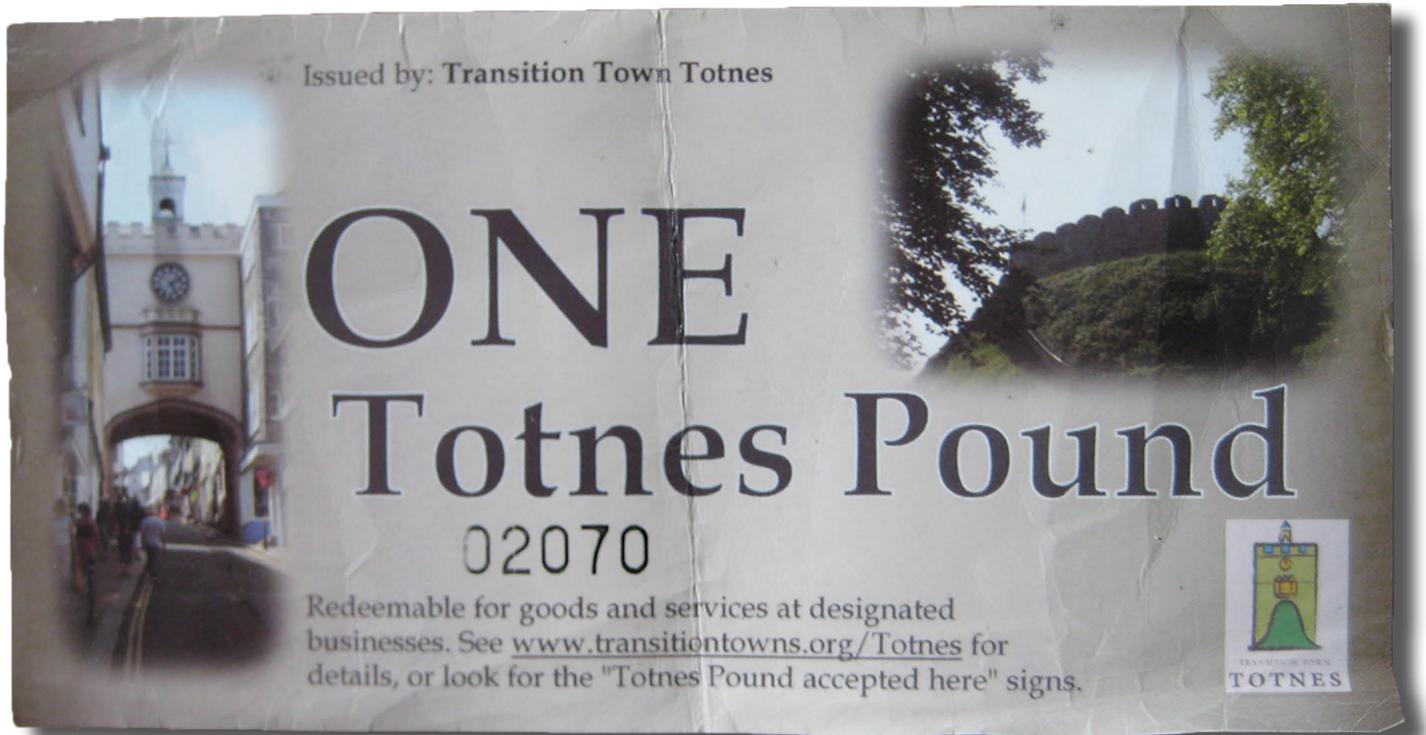
The note was created with several important anti-counterfeiting features. The front of the currency features an image of the 18th century radical thinker Thomas Paine and the back shows a picture of the Lewes Castle. One issue that developed in the first days of circulation was the lack of one pound notes. The first few days souvenir seekers and collectors hoarded the notes and even sold them on eBay. After the brief shortage, a second print run was ordered and today there are more than 25,000 notes in circulation.

The currency will circulate for 5 more months until August, when a review will be held to determine its success or failure and whether it should continue.

To view a video about the new currency and learn all about how to spend it, visit the group's web site at <http://www.thelewespond.org>



The launch of the Lewes Pound, local currency. Left to right: Oliver - part of the team, Polly Toynbee - author and journalist, Rob Hopkins - Transition Network, Stewart Wallis - New Economics Foundation Sept. 9, 2008 Photo by Mike Grenville See more from Lewes at <http://www.flickr.com/photos/mikegrenville/>



TOTNES POUND PROJECT

The Totnes Pound was launched as an initiative of Transition Town Totnes Economics and Livelihoods group in March 2007. The idea of the group is to "...explore how we could do things in a more people and nature-friendly way." Their specific objectives are listed as:

- To explore how a local currency can improve Totnes' economic resilience.
- To raise awareness within our local business community about how peak oil, carbon emissions and climate change will likely affect them (and their profit margin).
- To identify new business opportunities resulting from our transition to lower energy lifestyles, products and services, and to support new business start-ups.
- To build a 'Business Resilience Group' that forms a supportive, innovative, business community.
- To investigate alternative business models i.e. that work on principles of sustainable social enterprise for the benefit of all, while remaining viable and profitable concerns.
- To build partnerships with local, regional and national organizations that share our enthusiasm for sustainable economic development.

Localizing an economy and keeping money circulating in the local area is considered a key aspect of the transition process. The benefits of the Totnes Pound are:

- To build resilience in the local economy by keeping money circulating in the community and building new relationships
- To get people thinking and talking about how they spend their money
- To encourage more local trade and thus reduce food and trade miles
- To encourage tourists to use local businesses

Making the commitment to use Totnes pounds is a visible way of showing support for the local economy and area businesses. Anyone who live locally to Totnes can support the project by making the commitment to use the notes. This project is run by a group of volunteers. They meet monthly to plan and develop the project.

<http://totnes.transitionnetwork.org/totnespound/home>

BERKSHARES SUCCESS ENABLES EXCHANGE RATE CHANGE

Wednesday, February 11, 2009
For Immediate Release:

The incredible success of the initial issue of BerkShares has enabled a strategic change in the exchange rate between the BerkShares local currency and U.S. dollars. Beginning Wednesday, February 11, 2009, 100 BerkShares can be purchased for 95 federal dollars and vice-versa. The BerkShares board of trustees believes that this change will enable the participation of a wider range of business in the BerkShares local economy. This means that Berkshire citizens will have more places to spend BerkShares. And businesses that accept BerkShares will have more places to spend them too—and in the event that they are unable to spend them, they'll be able to redeem them for more federal dollars than under the previous exchange rate.

This modification to the program is intended to make BerkShares more feasible for the business community, and to help facilitate the expansion of the program to Pittsfield and northward, and potentially southward across the Connecticut border as well. The change is the result of a community-wide survey and much deliberation on the part of the BerkShares staff, board, and volunteers. It is one of a series of improvements to the program that are presently in the works, including BerkShares checking accounts and BerkShares loans for businesses dedicated to import replacement.

Much credit for making the BerkShares program run smoothly goes to the participating local banks: Berkshire Bank, Lee Bank, Lenox National Bank, Pittsfield Co-op Bank, and Salisbury Bank and Trust. These banks have made a remarkable commitment to the idea of a local economy. Please be patient with their tellers as the new exchange rate is put into effect.

Credit for the overwhelming success of the program also goes to more than 350 local businesses that accept BerkShares. Their support and creativity have been critical to keeping BerkShares circulating through our community.

Over two million BerkShares have been circulated since the program's inception in 2006 and the program has recently been featured in Time, Newsweek, and in over 100 regional newspapers through an Associate Press newswire story. Increasingly, people are looking to BerkShares as a model for a stable, localized, value-added economy and as an alternative to a slumping national economy. The BerkShares board and staff are committed to growing the project at a sensible rate and to giving the onlookers even more to talk about.

For more information about the exchange rate change, go to <http://www.berkshares.org>, or call 413-528-1737.



BerkShares being printed.

Photo by Jason Houston.

<http://www.berkshares.org/images/gallery/index.htm>



FUNDAMENTALS OF ALTERNATIVE CURRENCIES AND VALUE MEASUREMENT

by Thomas Greco

Because of legal tender laws, the “dollar” has come to have two meanings — (1) as a medium of exchange or payment (a currency), and (2) as the standard of value measurement or pricing unit.

An alternative currency must eventually decouple from both “dollars” but the more urgent need by far is decoupling from the dollar as a means of payment.

As I’ve pointed out in my books, an alternative currency that is issued on the basis of a national currency paid in (e.g., sold for dollars), amounts to a “gift certificate” or localized “traveler’s check.” (See *Money Understanding and Creating Alternatives to Legal Tender*, Chapter 14, pp 145-163). It essentially amounts to prepayment for the goods or services offered by the accepting merchants. As such, it substitutes a local, limited use currency for a national, universal currency.

That approach provides some limited utility in encouraging the holder of the currency to buy locally, but the option of redeeming the currency back into dollars without penalty raises the question of how many times it will mediate local trades before being redeemed and leaking back to the outside world.

To truly empower a local community, a currency should be issued on the basis of goods and services changing hands, i.e., it should be “spent into circulation” by local business entities and/or individuals who are able to redeem it by providing goods or services that are in everyday demand by local consumers. Such a currency amounts to an i.o.u. of the issuer, an i.o.u. that is voluntarily accepted by some other provider of goods and services (like an employee or supplier), then circulated, then eventually redeemed, not in cash, but “in kind.” In this way, community members “monetize” the value of their own production, just as banks monetize the value of collateral assets when they make a loan, except in this case, it is done by the community members themselves based on their own values and criteria, without the “help” or involvement of any government, bank, or ordinary financial institution, and without the need to have any official money to begin with.

This is what I mean when I talk about liberating the exchange process and restoring (some part of) the “credit commons” and bringing it under local control. In this way, the community gains a measure of independence from the supply of official money (dollars) and the policies and decisions of the central bank (which in the US is the Federal Reserve) and the banking cartel. That is the primary mission that needs to be accomplished if we are to transcend the destructive effects of the global monetary and banking regime, devolve power to the local level, and build sustainable, economic democracy.

With regard to the second meaning — the “dollar” as a measure of value, we need to understand that a standard becomes established by common usage. We in the United States are accustomed to valuing things in dollar units. We know from our everyday shopping experiences what the value of the dollar unit is in terms of the things we buy and in terms of our own earning power. Any new “language of value” will have to be translated into the dollar “language” that we already understand. How we measure value is a separate question from that of how we create our own payment media. In the process of monetizing local production as described above, we can choose to give our credit unit any name we wish, but it makes sense initially to define the value of that unit as being equivalent to that of the national currency unit. In the exchange process, large balances will not be held for long so the debasement of the dollar unit through monetization of government debt will result in only slight losses for users of the community currency.

It is when we begin to hold long-term claims denominated in our own new value unit that we will need to define it in concrete, objective terms to avoid following the dollar into the abyss of worthlessness.

The US dollar was originally defined as a specified weight of fine silver, then later on, gold, but those objective definitions were obliterated by laws that made paper currency “legal tender” that must be accepted in payment of “all debts public and private.” So now the value of the dollar unit of measure of value depends entirely upon the value of the dollar currency, but the value of the dollar currency is continually declining as more of it is issued on an improper basis, particularly on the basis of government debts that will never be repaid and that bring no concomitant value into the market.

A stable value unit will then need to be defined in terms of some commodity or group of commodities that are commonly traded. Such definition will then provide the “Rosetta stone” that enables us to relate, from day to day and minute to minute, our value unit to the old dollar language. That process is explained in my first book, ***Money and Debt: A Solution to the Global Crisis, Part III and Appendices***.

<http://beyondmoney.wordpress.com/new-chapters/fundamentals-of-alternative-currencies-and-value-measurement/>

Thomas H. (Tom) Greco, Jr. is a community and monetary economist, writer, networker, and consultant, who, for almost three decades, has been working at the leading edge of transformational restructuring. A former college professor, he is currently Director of the non-profit Community Information Resource Center, a networking hub, which provides information access and administrative support for efforts in community improvement, social justice, and sustainability.

Reinventing Money

<http://www.reinventingmoney.com/>

Beyond Money Blog

<http://beyondmoney.wordpress.com/>

Photo by Tony Case from his flickr photo stream
<http://www.flickr.com/photos/tonyjcase/>

Check out more of Tony’s photo on the DNA page:
<http://bighugelabs.com/flickr/dna.php?username=26104563@N00>

MICHIANA MONEY IS THE NEW COMMUNITY CURRENCY (SOUTH BEND, IN) (coming)

In the South Bend, Indiana area reclaiming and rebuilding the community are the primary goals of a new local currency called Michiana Money. The local notes are not yet circulating but to say 'coming soon' would be an understatement.

Michiana Community Currency Initiative organizers will be looking for at least 50 businesses and organizations along with a minimum of 250 local entrepreneurs to participate in their program.

The local participants in this area are a very enthusiastic group. The story and information about this program comes from Troy Kehoe with WSBT TV in Mishawaka, Indiana and we appreciate his detailed reporting efforts.

The plan for Michiana Money has been patterned after the successful Ithaca Hours. By keeping the proceeds of local sales circulating within the community participants hope to bolster their annual sales and create stronger relationships with customers.

Local organizers believe that understanding the concept of local currency will be an easy one for their shoppers. This concept of using local money is identical to other existing models and local participants might even be receiving some notes in their employee pay. They hope to have their new

notes circulating by this fall.

From their web site, here is more information.

1) We're now working to build a network of individuals and locally owned businesses who agree to accept our community currency (when it is available) in exchange for some good or service (to join the network or volunteer to help build it, contact us at michianacurrency@sbcglobal.net);

2) We begin printing and circulating the money to this network once the currency is launched (perhaps by fall 2008?!);

3) We continue to expand the network across the South Bend region so that the currency can be exchanged for an ever-wider array of goods and services; and

4) We watch our local and regional economies grow from money that is made and that stays in our community to serve our needs rather than those of outside investors.

As members of the South Bend community who have been active in various ways to enhance our community life, we are launching an initiative for a "community currency" project to serve the South Bend and neighboring communities.

The project seeks to strengthen local communities while also contributing to efforts to revitalize the downtown areas of South Bend and neighboring cities.

Community currencies can strengthen local businesses, encourage voluntarism in the community, provide new opportunities for young people to be active participants in the economy, and to expand vital support services for senior citizens, among other benefits.

We seek support from community leaders as we design a plan for a South Bend/Michiana community currency project, and we hope you will consider being part of a steering committee to help shape the project.

For more information on Michiana Community Currency project please visit their web site:

<http://www.michianacurrency.org>

Ithaca HOURS use steady

By David Durrett Senior Writer
November 20th, 2008
<http://theithacan.org/>

Ithaca's own currency, the Ithaca HOURS, continues to circulate within the community and has even gained momentum in the face of the current economic crisis.

Steve Burke, president of Ithaca HOURS' Board of Directors and owner of Small World Music, a music store downtown, said as a result of the economic downturn, he has received even more inquiries about membership and how the Ithaca HOURS work has "probably quadrupled."

"An Ithaca HOUR will generate 30 times more economic activity than [a dollar] will," he said.

The Ithaca HOURS were created in 1991 by a group of local residents, in order to combat Ithaca's underemployment and low wages. The currency was intended to help promote local businesses and keep money in Ithaca.

"It was a way for people to earn money in another system other than dollars, because dollars became so scarce," Burke said.

The HOURS are worth \$10 each, the average wage in Tompkins County in 1991 and are also available in half-hour, quarter-hour and eighth-hour denominations. According to the Ithaca HOURS Web site at www.ithacahours.org, around 900 Ithaca businesses use HOURS, but some have limits on how many they can accept for a purchase or service, or how much of a price can be paid for with HOURS. Today, more than \$100,000 worth of HOURS is in circulation.

Employees at Ithaca businesses can request to have part of their wages paid in Ithaca HOURS, and dollars can be exchanged for HOURS at Autumn Leaves Books on The Commons.

Joe Wetmore, owner of Autumn Leaves, said the system helps protect Ithaca from corporations by keeping money in the community.

"Our town needs money to be able to survive, and when corporations take it all off to some rich suburb of New York City, it doesn't do our community any good," he said.

Ramsey Brous, owner of Ithaca Bakery and Collegetown Bagels, said he tries to spend Ithaca HOURS at the same rate as he receives them because, to him, the HOURS do no good if they are not being used.

"Part of the beauty of the system and part of what makes it valuable for the local community is the fact that you have to keep the money moving," he said. "It basically keeps people in the system employed."

Mike Westlund, manager of Ten Thousand Villages, said a problem he faces with the HOURS is finding people to accept them, because, if they do not change hands, they are "diminished currency."

"The more people that take them, the easier it is to circulate," he said. "If there's only one or two people that take them, you kind of collect them ... because the banks won't take them."

According to Burke, the Ithaca HOURS has a directory that lists all the businesses participating in the program. For \$10, a business can join the program, be placed in the directory and receive two Ithaca HOURS.

Wetmore said he pays part of his employees' salaries with HOURS, but only a small part, and he usually gets \$10 worth of HOURS each week.

"In their own little way, [the HOURS are] very successful, but they're a very miniscule part of our economy," he said.

Brous said the city should make an effort to help local businesses compete with national chains, as well as establish policies that encourage business.

"The more that we can rely upon the local community for local goods and services, the more protected we are from the ups and downs of the national or international economy," Brous said.

http://theithacan.org/am/publish/news/200811_ithaca_HOURS_use_steady.shtml

THE DESTINY OF DOLLARS by Paul Glover

Visiting Paris, Rome or the grocery store costs more dollars every day. The U.S. dollar's value is tumbling. After having been the world champion of money for sixty years, our dollar is staggering.

Since 1933 our money has not been backed by gold, nor by silver since 1969. American manufacture was the spine of dollar power until those jobs fled overseas. Domestic natural resources have been used up-- we've devoured 80% of America's original oil, most natural gas and richest topsoil. Effective military control of cheap foreign oil and labor is ending despite massive weapons spending. Federal Reserve Notes today merely represent \$9 trillion of national debt.

All national currencies are deep in debt-- indebted to nature-- because human economies extract from nature faster than we replenish. This debt accumulates as more human beings than ever consume earth's fuels, metals, soils and water. Eventually, were the planet used up, money would buy nothing.

Today, though, some national currencies still buy more than others, because those nations control more of these dwindling resources. Russia's economy, crippled when the USSR ended, rebounds because it controls one quarter of earth's natural gas, and pipes it to Europe.

So, to predict the destiny of empires and economies, and of your money, watch the flow of resources. China, currently the world's manufacturing powerhouse and owner of more U.S. dollars than any nation, depends itself on oil imported from the Middle East, South America and Africa-- just as we do. Burdened with one fifth of the world's population and fading soils, China will decline. Japan, a trading nation once so powerful that they owned America's biggest skyscrapers, has few domestic resources. Venezuela, by contrast, with far more oil than it needs, pulls Latin

America from Washington's grasp. The Canadians are selling us natural gas, so their money gets new respect.

Rather than depending on massive extractive corporations, and our giant landfill economy, America's economic health relies on millions of tiny local economies, just as healthy lungs rely on millions of tiny air sacks. Reviving human economies means reviving local economies, ecologically.

These essential regional changes have begun, led by millions of American businesses and nonprofit organizations, and recent college grads.

Among the many tools for rebuilding economies is local currency. Ithaca has pioneered this process with Ithaca HOURS (one HOUR = \$10.00). Millions of dollars' worth have been traded since 1991. Connecting people rather than controlling them, community cash releases the creativity of area residents to trade more ecologically. Grants are made to community organizations. Loans are made, interest-free. Local government itself could be funded increasingly by local money. With extra money committed to regional development, we're more able to purchase local organic food, solar power, local crafts, energy efficiencies, and holistic health care.

Americans are now forced to build a far better world because the alternative is a far worse world. Preparing our nation to thrive with one-tenth the oil and natural gas and coal begins at home. Looking far enough ahead, towards the adulthood of your children, there will be little oil but we will be warm. There will be few cars but we will go faster to places more beautiful. In dry regions there will be no flush toilets but bathrooms will be more sanitary. The most secure housing will be built substantially underground. Cities will grow much of their own food. Time binds us to great change. And in Ithaca, that Time is Money.

Source: <http://www.ithacahours.com/0711.html>



COCOA BUCKS

BY KEVIN KANAREK

<http://sustainablesocialmedia.org>

Like many people I've been paying more attention to prices at the grocery store and to what's on sale. So when I noticed a row of organic chocolate bars on sale at Rainbow Market, I decided to go for that instead of the pricier choice. Never mind that the best choice all around would have been: no chocolate.

Standing at the checkout line, I looked at my selection. It was Endangered Species Chocolate: specifically, the bar with the Endangered Belgian Chimpanzee on it. Or maybe it was just the chocolate that was Belgian. I wondered why I had never tried it before. Even now, about to buy it on account of the dollar discount, it just wasn't.... appetizing.

I care about endangered species. I appreciate that this company donates 10% of their profits to wildlife conservation. I will even generally pay a little more to support fair trade imports. So why my resistance to this product?

I think it's the juxtaposition of the endangered chimpanzee (or bat or butterfly) on the wrapper versus the chocolate bar inside. I'm used to packaging doing one of two things:

1. the more usual scenario, showing us an appetizing or stylized vision of what we're about to eat.
2. the more visceral strategy of luring us with a picture of some celebrity or model — and the implied promise that by eating this food, we will become more like they are. I think this is related to some mythic impulse to ingest our deities and heroes — without the mess of actually eating, say, Lance Armstrong.

There may be other categories, like the cartoon monsters on cereal boxes that little kids eat, but anyway — the point is, when I'm craving chocolate, I'm rarely also in the mood to either eat or become an

endangered chimpanzee.

"The chimpanzee isn't in the chocolate, silly," my friend said as we sat outside finishing our lunch and eying desert. She had bought fruit.

"I know, but instead of helping the chimpanzee, I feel like I'm eating him."

"What you're eating is your paycheck," she pointed out.

"Well, if they had a picture of my paycheck on the wrapper, I probably wouldn't have bought it now would I?"

She did not argue with this logic. But it reminded me of something even more remarkable. Chocolate used to be money.

I told her about the presentation on sustainable economics at the Green Festival. The speaker was Daniel Pinchbeck and he was talking about Ithaca Hours, a local currency in Ithaca NY which encourages people to spend their earnings within their community. Afterwards someone asked what happens when this currency pools — when one business is stuck holding a lot of the Ithaca dollars but needs to pay suppliers that don't participate in the program. After looking at different mechanisms for dealing with this scenario, Pinchbeck, took a longer view of the question.

Our current economic system encourages either hoarding, as we're seeing now, or seeking investments that will yield the highest return regardless of the long-term consequences. But what if we could measure and reward investments according to their ability to sustain community? Currency only has value as long as it's in play. Pinchbeck mentioned the work of Bernard Lietaer, architect of the Euro, and alternative systems that Lietaer had proposed including currency that would depreciate over time — a kind of negative interest.

The Ancient Aztecs, Pinchbeck noted, traded in cocoa beans. The actual unit of currency decayed over time and lost value.

With this in mind, I let go of any impulse I might have had to hold onto that chocolate bar with the picture of the chimp on it, to use it as a hedge against an uncertain future. I broke off a small piece for my friend, and before we knew it, the whole thing was gone.

<http://sustainablesocialmedia.org/2009/02/17/cocoa-bucks/>

THE NEED FOR LOCAL MONEY

BY MICHAEL LINTON

If there isn't any about, and there are -

- ***people who want work***
- ***businesses that need customers***
- ***jobs that need doing***
- ***a tax base needing support***

then there really is no question about it.

There are problems, and they are, at the root, caused simply by the lack of money.

It only makes sense to create a money that stays around, that isn't lacking when it is needed. And to do this by whatever means is practical and legitimate.

After all, money is really nothing but information.

Imagine you go to build something, and you have the materials, the bricks and the wood, and the tools, and the time and the inclination, and planning permission and whatever - but ... NO INCHES!

Damn, we used too many yesterday, and now all the inches in town are over at the big project on the south side.

This is obviously absurd - but it is just exactly the way we talk about money.

So, just as you would use a different way to measure if someone told you there were no inches, so you can use a money of your own when the one from "them" isn't coming to hand.

But, as in all matters of design, remember the old rule -

If at first you don't succeed, try, try, and try again. Then give up - no sense in being a damn fool about these things. -W.C Fields

DON'T repeat the errors of the previous batch. The

form of any design for a new money should avoid any of the faults of the old.

There have been many local money systems throughout history, which have merely been small scale versions of the larger national currencies. But these don't work better at the local level than they do at the national. Issued in scarce supply by some local or regional authority, such currencies, simply by their very nature, create a local context of competition, which in turn generates conditions for local unemployment, local rich and local poor.

Furthermore, they are inherently even less stable than their national counterparts, and prone to embarrassing and irrecoverable collapse.

Written by Michael Linton of Landsman Community Services Ltd. Version #003 27-7-96

<http://www.gmlets.u-net.com/explore/need.html>

Michael Wade Linton is the designer of a Local Exchange Trading System (LETS) known as LETSystem.

The LETSystem design was originated in Comox Valley, BC, Canada, in 1982.

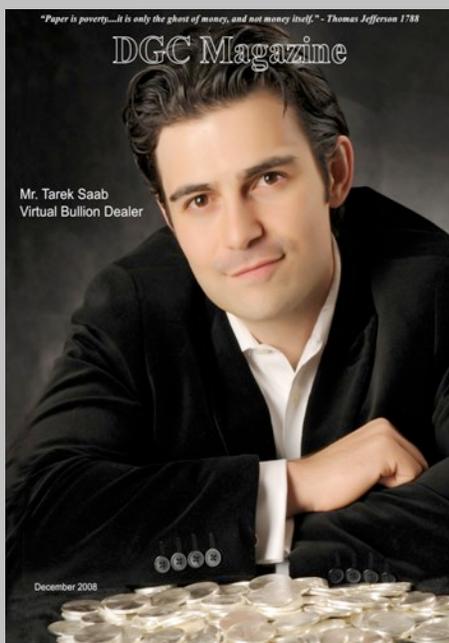
There are perhaps thousands of system identical or based closely on Michael Linton's original design now in operation around the globe. Landsman Community Services Ltd was incorporated in 1984 to support and to keep accounts for a programme of LETSystem development.

Linton is the director of Landsman Community Services, Ltd., a company whose focus is the development of "appropriate tools for community support."

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FAQs ON THE TORONTO DOLLAR COMMUNITY CURRENCY

The Toronto Dollar is a highly successful community currency in and around Toronto, Canada. The face value of the notes is equal to the value of the local Canadian currency. (1 Toronto Dollar = 1 CAD)

The Mission: The Toronto Dollar is a symbol of caring, created by community-minded citizens in the hope that it will help to build a more just and compassionate city. The work of the Toronto Dollar is to encourage more spirit-filled social and economic relationships among people from the community, business and government sectors – and particularly among those in the community sector in greatest economic need.

The model for this local currency is quite unique. Retail users can purchase the local money by exchanging 1 Canadian dollar into 1 Toronto dollar through participating local organizations. Unlike the Berkshares, there is no financial discount created for the local user through this exchange transaction. (Berkshares are \$9.50 for 10 Berkshares, retail users pick up a 5% discount).

However, unlike other community currency programs each time an exchange is made from national currency to local currency, 10% of the Canadian Dollars are removed and deposited into a reserve fund which is used specifically for the Toronto Dollar Community Projects Fund. All exchange transactions into local currency generate money for this local charity organization.

Toronto Dollar Community Projects Inc. has made grants of over \$86,000 to local social service organizations and programs that assist disadvantaged individuals and groups in the area.

The local merchant accepting Toronto Dollars can either spend the notes, pay part time help or swap back to CAD and receive \$.90 in national currency for

each 1 Toronto Dollars. Participating merchants are also required to pay a \$25 registration fee.

From the Toronto FreeNet project web site here is a great set of FAQs (<http://cap.torfree.net/dollar/faq.htm>) which will help to explain exactly what IS the Toronto Dollar?

Okay, what is it? The Toronto Dollar is the real thing, legal and taxable and accepted by participating retailers.

Who needs it? You do. We all do. Not only does it work like Bank of Canada money in that it will put food on your table, but -- and this is the important difference -- it generates ten per cent of its face value for community projects.

Where did the idea come from? So it's not original. Community currency turns up as the Ithaca Hour in the U.S., as the Sel in France, as Tlalocs in Mexico, as LETS in many countries. It's an idea whose time has come. In Toronto a volunteer group, the Toronto Dollar Community Projects Inc, has been planning our homegrown version since September 1997. And on December 5, 1998, the Toronto Dollar was launched in the St. Lawrence Market, by our enthusiastic Mayor Mel Lastman.

What's in it for me? A safer healthier place to live, for one thing. Most of us would like to see homeless families find food; low-income people find work and communities made stronger. Community projects cost money, and so far, there hasn't been an easy, practical way of raising that kind of money. The Toronto Dollar you use creates it.

How does that happen? A drop at a time makes the ocean. A pebble at a time makes the land. A Toronto Dollar at a time builds a better neighbourhood. Collectively, we make a difference. When you exchange your drab old Canadian dollar for a bright

new Toronto Dollar, ten percent goes to The Toronto Dollar Community Fund for community projects. You make a donation to the community and don't lose a thing because you can spend your Toronto Dollars, dollar for dollar, at participating businesses and with anyone who will take them. Ninety percent of your Canadian money is put in the Toronto Dollar Reserve Trust fund to back the Toronto Dollar for registered merchants who may want to cash in their Toronto Dollars. It's only registered businesses that can cash in and they get back ninety Canadian dollars for every hundred Toronto Dollars. Of course, if they don't want to cash in, they can keep using the money dollar for dollar with other participating businesses or in the community.

Where can I spend Toronto Dollars? Tomorrow who knows! But right now the main focus is the retailers and businesses of the St. Lawrence Market area and Gerrard Square Mall in Riverdale.

What does Toronto Dollar Community Projects Inc get out of it? Not a red cent. This is a volunteer community project started by St Lawrence Works, a coalition of business and cultural groups interested in putting its collective shoulder to the wheel to help community initiatives. Every penny of the Community Fund goes to help the community.

How do Community Organizations benefit? Anyone can make donations of Toronto Dollars to a favourite charity, but a committee of Toronto Dollar Community Projects Inc. decides how the Community Fund will be distributed. The first beneficiary of the fund was Out of the Cold, a program that helps homeless people. Over 25,000 Toronto Dollars have been given as grants to community organizations. Any participating community and charitable organization can receive a hundred and ten Toronto Dollars for every hundred Canadian dollars at the Toronto Dollar office, Gooderham Flatiron Building, Suite 501, 49 Wellington St. East, Phone 416 361-0466.

What about Counterfeiters? Counterfeiters will find Toronto Dollars unappealing. The Canadian Bank Note Company (the printer for Canadian dollars) has printed Toronto Dollars with special paper and a line, which cannot be duplicated. Furthermore, serial numbers allow the notes to be tracked. Counterfeiting Toronto Dollars is illegal and punishable under the law as forgery.

What about the expiry date? Toronto Dollars can be exchanged at par for newly issued Toronto Dollars

before and after the expiry period.

How are operating costs paid? Toronto Dollar Inc uses the interest earned on the Reserve Fund to help cover overhead costs. Other costs are paid for through private donations and fundraising events.

How can I earn Toronto Dollars? Accept Toronto Dollars for your home based business, your goods and services. Advertising is available in The Toronto Dollar Voice (416-927-0150). You can also advertise on the Toronto Dollar bulletin board in the lobby at the St. Lawrence market.

How can I participate?

- Buy Toronto Dollars, spend them, accept them as change, and pay for employment.
- Donate Toronto Dollars to individuals, to community programs.
- Volunteer to help Toronto Dollar Community Projects Inc.
- Urge businesses, friends and organizations to use the money that builds community.

Where can I get Toronto Dollars?

- CIBC, 1 Toronto Street, at King Street East. (East of Yonge St.)
- The Toronto Dollar Information Booth in the St Lawrence Market. (Every Saturday)
- St. Lawrence Smoke and Gifts St. Lawrence Market. (Tuesday through Saturday)
- Royal Bank Marjory and Gerrard St. E.
- The Second Story Gerrard Square Shopping Centre, 1000 Gerrard St. E.

How can I find out more?

From the Toronto Dollar web site:
<http://www.torontodollar.com>

Visit the Toronto Dollar Information Booth in the St Lawrence Market.

E-mail: tordoll@web.ca
Phone: (416) 361-0466
Fax: (416) 361-1123

Write to:
Toronto Dollar Community Projects Inc.,
Gooderham Flatiron Building,
49 Wellington Street East, Suite 501,
Toronto, ON M5E 1C9

U.S. GOVERNMENT ISSUED LEGAL TENDER STAMP SCRIP (1933)

During the financial crisis of the Great Depression thousands of communities in Europe and the US introduced their own local negative interest rate money.

How close has the U.S. Federal Government ever come to offering 'good' money to the American people?

On February 17th, 1933 a Bill was introduced in Congress which called for the US Government to issue ONE BILLION U.S. DOLLARS worth of negative interest money. This would have been a self-liquidating ecological form of U.S. Government issued money or scrip.

Senator John H. Bankhead of Alabama introduced a bill into Congress which authorized the Federal Government to issue a dated stamp scrip which would have operated as legal tender during a limited period of the issue. Senator Bankhead's plan was an emergency issue of script be injected into the national circulation, partly through the regular expenditures of the Federal Government, partly through the expenditures of the state governments among which certain shares of the scrip issue would be apportioned, and partly through localities among which the states would further subdivide the issue.

Because the proposed new currency was to have only a limited life, just as all living things do, it was considered an ecological form of money. The US proposal was based on creating a new version of "legal tender" in the form of a scrip that could be redeemed after one year into the standard dollars that were then backed by gold.

It would have created serious competition for the privately owned Federal Reserve System which earns a profit from money creation. Two weeks later on March 3rd the New Deal was announced and that stopped the passage of this Bill.

I. THE BANKHEAD-PETTENGILL BILL

February 17, 1933

SEC. 2. The Secretary of the Treasury shall cause to be engraved and printed currency of the United States in the form of stamped money certificates. Said certificates shall be in the denomination of \$1 each, and the issue shall be limited to \$1,000,000,000. Said

certificates shall be of a suitable size to provide space on the backs thereof for affixing postage stamps. The backs of said certificates shall be prepared in such manner as to indicate clearly the proper place for affixing each stamp contemplated herein, to the end that on the second Wednesday after the issuance of said certificates from the Treasury the first stamp shall be affixed, and thereafter on each Wednesday until a total of 52 stamps shall be affixed; and said certificates in the spaces designated for affixing said stamps shall set forth the day of the month and year when each such stamp shall be affixed, as for example:

"On April 5, 1933, affix 2-cent stamp here."

The face of said certificates shall set forth substantially the following:

"This certificate is legal tender for \$1 for payment of all debts and dues, public and private, customs, duties, and taxes: Provided, That on the date of its transfer there shall be affixed 2-cent postage stamps for all dates prior to such date of transfer, as set forth in the schedule on the back hereof. When fifty-two 2-cent postage stamps shall have been affixed this certificate shall be redeemable at any post office for \$1 lawful money of the United States."

(a) The Secretary of the Treasury is authorized in his discretion to issue the certificates directed to be issued hereunder in monthly or semimonthly installments, all of like tenor and effect except that the schedule for the affixing of the stamps on the back of said certificate shall bear dates for the affixing of stamps appropriate to the date of the issue of each such installment of certificates.

(b) When such certificates appropriately stamped in full shall be presented to the Secretary of the Treasury for redemption he shall certify to the Postmaster General from time to time the amount of certificates so presented for redemption, and the Postmaster General shall thereupon pay to the Secretary of the Treasury out of the funds arising from the sale of stamps the sum of one dollar for each such certificate so redeemed, whereupon said certificates shall be destroyed.

(c) Prior to the issuance of the first installment of certificates hereunder the Secretary of the Treasury is directed, by posters to be hung in post offices and other public places, and by advertising in newspapers and

magazines, to advise the public of the contemplated issue of these certificates, with appropriate directions to the public with reference to the affixing of stamps, the legal tender quality of the certificates, their redemption feature, and all such similar information. There is hereby appropriated for the use of the Secretary of the Treasury to defray the cost of such advertising the sum of \$100,000.

(d) When such certificates shall have been issued by the Secretary of the Treasury the person holding the same on and after 12:01 o'clock antemeridian of the first Wednesday set forth in the schedule on the back of said certificates, shall affix in the space therein provided a 2-cent postage stamp of the United States. Prior to such time said certificates in the hands of all holders shall be legal tender for the payment of all debts for the sum of \$1. After affixing the first stamp said certificate shall be legal tender as aforesaid for the payment of all debts until the following Wednesday when another 2-cent postage stamp of the United States shall be affixed by the person holding the same prior to 12:01 o'clock antemeridian of such Wednesday, and thereafter for 50 consecutive additional Wednesdays like postage stamps shall be affixed by the holders. At all times when there shall be affixed all such postage stamps as are required to be affixed on the back of such certificates prior to the date of transfer, such certificates shall be legal tender as aforesaid for the sum of \$1. When fifty-two 2-cent stamps shall have been affixed on the back thereof the holder may present the same to any post office in the United States for redemption, and the same shall be redeemed by such post office in any present lawful money of the United States. All post offices in the United States are hereby charged with the duty of making such redemption and of forwarding such certificates for cancellation to the Secretary of the Treasury.

(e) With respect to such certificates as shall become unfit, through use, for further circulation, the Secretary of the Treasury and the Postmaster General are authorized and directed to provide for the exchange of such worn-out certificates for new certificates, and to make all regulations required for that purpose.

(f) It is declared to be against the public policy of the United States to provide in any contract executed subsequent to the date of this act that the certificates to be issued under this act, or any like issue, shall not be received in the discharge of such contract, and all such provisions in such contracts are hereby declared null and void.

(g) Said certificates, when accepted by the Government, shall be promptly reissued by any department or agency of the Government receiving the same.

(h) In transactions of less than \$1 such certificates are

not legal tender unless stamped by the person tendering the same for one additional week after tender.

(i) Banks of deposit receiving such certificates as deposits may charge 2 cents for each certificate so deposited as a service charge.

(j) The Secretary of the Treasury and the Postmaster General are authorized to promulgate regulations for carrying out the provisions of this act.

(k) If and when the wholesale commodity price level of all commodities, included by the Bureau of Labor Statistics in computing index numbers of wholesale prices, shall equal 80 per cent of the average index number for the year 1926, then anything to the contrary herein notwithstanding, the Secretary of the Treasury is directed to discontinue the issuance of certificates hereunder, and such certificates as are then outstanding shall be retired as the same are presented for redemption or replacement of worn-out certificates.

(l) Five hundred million dollars of the amount made available under section 2 of this act shall be apportioned among the States on the basis of population according to the fifteenth decennial census. This amount is made available as herein provided in addition to the amount made available to the States under section 4 (a) of this act. The amount so apportioned to the States shall be delivered to the governor of the State applying for the apportionment made to his State, upon application being made therefor by the governor. The amount apportioned to a State shall be administered within the State under rules and regulations adopted by the governor thereof and through such agencies as he may establish. The amount apportioned to a State may be by the governor thereof apportioned to the counties, and/or to the municipalities of said State, and may be used in construction work or for emergency relief as defined in section II of this act.(1)

(1) The above extracts are from the amendments offered by Senator Bankhead to the Costigan-LaFollette unemployment relief bill (S.5125) considered but not passed by the last (72nd) congress. Afterwards these amendments with some changes and additions were made into a separate bill (S. 5674 which was identical with Congressman Pettengill's bill H. R. 14757). Still later, in the present (73rd) congress, Senator Bankhead reintroduced this bill as S. 242. As finally drawn the bill aims to use the stamp feature not only for emergency relief but also for stabilization purposes.

<http://userpage.fu-berlin.de/~roehrigw/fisher/stamp-ap-1.html>

THE BORSODI CONSTANT AKA "THE EXETER EXPERIMENT" INFLATION FREE CURRENCY (APPROXIMATELY 1971-1974)

United States Constitution forbids the counterfeiting of this nation's currency, however, it in no way limits the circulation of a completely alternative medium of exchange...

In 1948, roughly 60 years ago, Dr. Ralph Borsodi wrote a booklet entitled, "Inflation is Coming and What to Do About It". In the mid 1970's, around the time of his local currency experiment, he wrote, "If we continue this foolishness [fiat money]," says Borsodi, "we're eventually going to witness a debacle followed by a depression worse than that of the 1930's." Dr. Borsodi was a very smart man and about 30 years ago he experimented creating his own version of privately issued, commodity backed local money. His experiment and creation is considered a successful venture.

Ralph Borsodi was born in New York City in 1886 or 1887, by his own admission, the actual year was not recorded.* He was so moved by Nixon putting an end to the gold standard, after 1971 he created his own private money system called the "Constant". This commodity backed money was only an experiment and it included notes backed by a basket of commodities and pure silver medallions he called 'globes'. *(Ployboy interview <http://www.soilandhealth.org/03sov/0303critic/Brdsdi.intrvw/The%20Plowboy-Borsodi%20Interview.htm>) This new 'sound currency' was born in the town of

Exeter, New Hampshire, and was the brain child of Dr. Ralph Borsodi and Robert Swann. The currency was based on a standard of value using thirty different commodities in an index. It was named the Constant because, unlike government issued national currency, this private money would hold its value over time. (the value remained Constant) This medium of exchange was created to be inflation-proof. Dr. Borsodi's currency was 100% based on the real wealth of commodities and not on some politician's paper promises.

The constants circulated in Exeter for over a year and just as Dr. Borsodi had theorized it was accepted by the local citizens and was recognized as a legally issued non-governmental currency. Borsodi received financial backing for the project from several well known people including Mr. Ray Kroc the founder of McDonalds™. The new private currency successfully circulated in the Exeter area and was used by the public. At that time, the Constant even received national publicity in Time & Forbes.

What did the U.S. Treasury Department have to say about the private currency? A Treasury agent was quoted at the time saying, "We don't care if he issues pine cones, as long as it is exchangeable for dollars so that transactions can be recorded for tax purposes."

Dr. Ralph Borsodi was famous for successful experiments in self-sufficient living. Beyond self-sufficiency, he focused on the causes and cures of inflation.

His view was that governments will cynically and stupidly debase the purchasing power of their own currencies

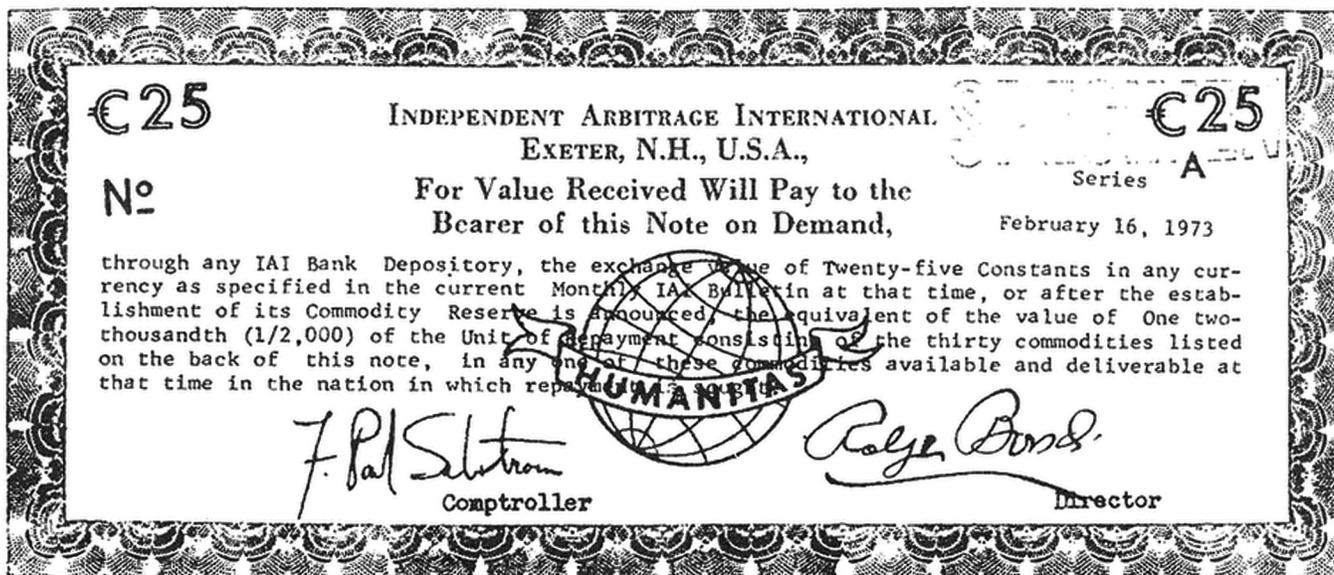
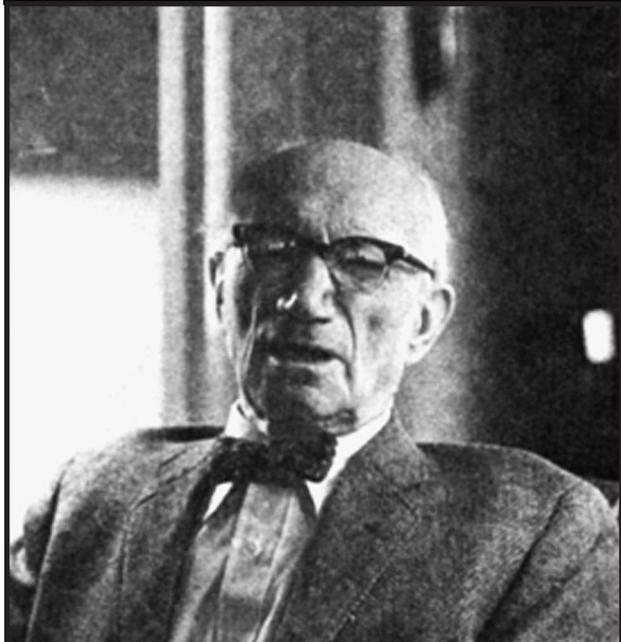


Figure 8.7: A Constant Note -- Face Side

Image courtesy http://www.ratical.org/many_worlds/cc/NMfHC/chp8.html



*Dr. Ralph Borsodi late in life
One Ounce Silver Globe Constant'
Source of these photos is unknown.*

on purpose by printing too much paper money.

In one interview, Borsodi pointed out, *“During most of the last century, the majority of economists preferred gold and silver or currencies that were solidly backed—unit for unit—by such real wealth. The prevailing doctrine among those economists was that the worst possible kind of money was ‘printing press’ money . . . currency backed by nothing except the word of the government which issued it. They called this fiat money. They didn’t have much regard for it.”*

In the 1970’s, Dr. Borsodi understood that *“planned inflation is just like planned drug taking. It doesn’t work. You always need a bigger ‘fix’ the next time around. Politicians have never stopped inflating a country’s currency once they’ve begun. Quite the contrary. They just keep on giving a nation’s money supply a bigger and bigger shot in the arm until the whole situation runs away with itself. And that’s what’s happening on a global scale right now.”*

Just as many great financial minds of today, Dr. Borsodi traced our current financial problems back to Bretton Woods[1944]

“I LIKE WHAT I CALL ‘RATIONAL SYSTEMS OF MONEY’. I LIKED THEN IN 1944 AND I STILL LIKE THEM TODAY. FIAT MONEY IS NOT RATIONAL AND KEYNES’ PHILOSOPHY OF ECONOMIC GROWTH CAN LEAD ONLY TO FIAT CURRENCY.”

*“The Bretton Woods conference disturbed Dr. Borsodi so deeply that he soon wrote a small paperback in which he prophesied what are substantially the economic problems that we’re experiencing right now. The booklet, published in 1948 by The School of Living, was titled *Inflation is Coming and What to Do About It*. Despite the fact that the publication sold nearly half a million copies, however, few individuals in positions of power seem to have read it or to have heeded Borsodi’s warnings. And so we find nearly every nation in the world frantically trying to run up . . . an increasingly rapid down escalator of debased currency. It costs more and more every day, in other words, just to stay even than it did the day before. During the 28 years from 1945 to 1973, the value of the United States dollar depreciated by a good two-thirds . . . and a 1974 dollar has shrunk an additional 10%. And there’s no end to the madness in sight. “If we continue this foolishness,” says Borsodi, “we’re eventually going to witness a debacle followed by a depression worse than that of the 1930’s.”*

Borsodi discussed his idea with local banks and even representatives of the Federal Reserve System in Boston. Just as today's Berkshire deposits of user funds are handled by the local Credit Unions, Borsodi deposited the proceeds, and those from subsequent sales, with two local Exeter banks so that they had the money on hand to cash any Constants presented to them for exchange.

“One of these was the strategy of utilizing small local banks as the administrative agent for starting a new monetary system. As Borsodi often pointed out, local banks are not the problem in themselves. The problem is that they have to deal with dollars only and the issuing of dollars is a monopoly of the centralized government controlled system. Local banks provide an important and needed service in accepting deposits, making loans, keeping accounts, and collecting payments on loans.”

The bank acted as the “money changer” or as they are called in the DGC community “exchange providers” and agreed to accept deposits for the experiment. In other words, the privately issued constants, were at any time instantly convertible back into national currency through existing local bank(s). This is almost identical to Berkshares. Local people wishing to participate in the experiment would simply deposit national currency to the Exeter Bank in a joint checking account and that balance would show as Constants rather than dollars.

Borsodi believed:

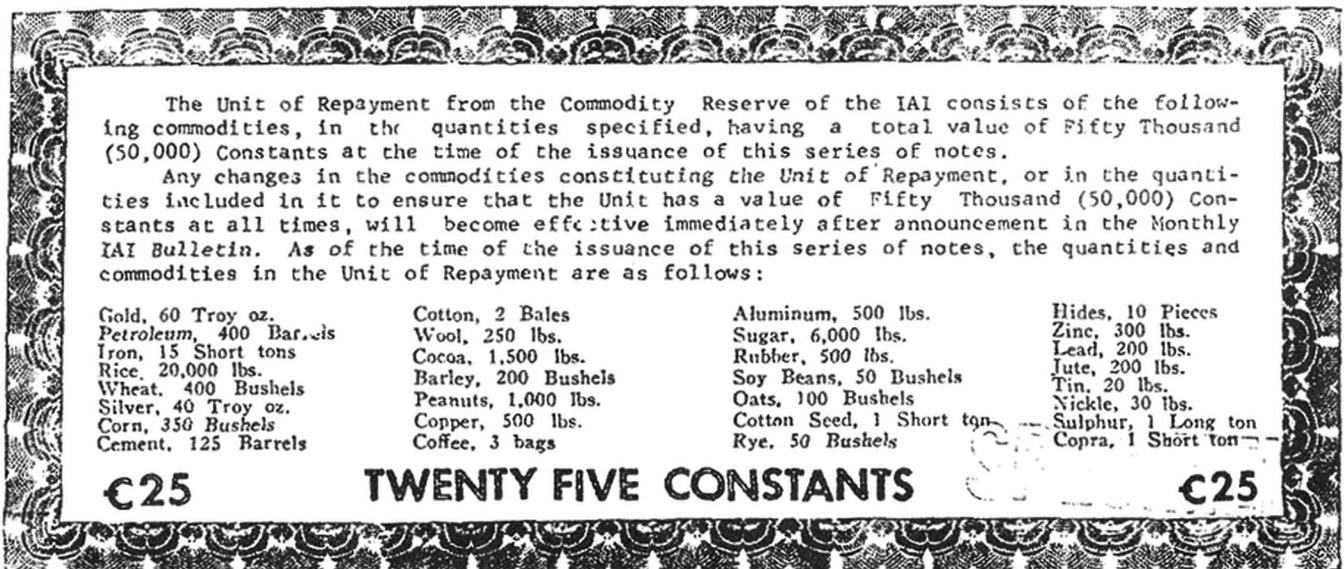
“That is, if certificates were printed and distributed with the guarantee that they'd always be 100% redeemable in fixed amounts of, say, 30 of the world's most widely used resources . . . those

certificates would automatically increase in value as the value of the resources increased (in terms of constantly degraded national currencies). Whereas a dollar will now buy less than one-third as much gold or wheat or silver or iron or tin or cotton or copra as it bought in 1945 . . . such a certificate (which is issued with the guarantee that it will always be exchangeable for a fixed amount of all these goods) will, by definition, perpetually buy the same amount of gold or wheat or silver or iron or tin or cotton or copra. Year after year after year after year.”

The first Constants were sold on June 21st 1972. Over a period of about three years, Borsodi presented his ideas to many people who deposited approximately \$100,000 in his bank experiment called Arbitrage International and the funds were used to buy the basket of 30 basic commodities on the world market. (Arbitrage International maintained a Luxembourg and a London office, in addition to its temporary headquarters in Exeter, New Hampshire.)

“The value of a Constant was based on that of specific amounts of thirty basic commodities, including gold, silver, iron, aluminum, lead, copper, nickel, tin, zinc, coal, oil, wheat, barley, rice, rye, oats, soya, maize, wool, cotton, cocoa, coffee, copra, hides, jute, rubber, cement, sulphur and sugar, and holders could sell them at any time for the total of whatever the constituents were then worth: Borsodi's organisation, Independent Arbitrage International, recalculated the Constant's underlying value monthly and let the banks know. “People who bought Constants from Borsodi's organisation at, say, \$2.18 a 10-

Figure 8.8: A Constant Note -- Reverse Side



Constant note were surprised later when the bank paid them \$2.19 for it” a local newspaperman, Mel Most, wrote after the experiment had been running for seven months.”

“To everybody’s surprise, even including Borsodi, many people bought Constant notes and made deposits in the bank checking account. At the same time Constants began to circulate around the town of Exeter, where restaurants and other businesses accepted them in payment.”

The participants in the experiment saw the value of their constant rise 17% in three years. 36 months into the test, “...a constant bought in 1970 can still be traded for exactly one constant’s worth of goods . . . while a dollar will now buy only 85% of what it would purchase three years ago.”

“The significance of Borsodi’s experiment is that a small town - Exeter had a population of almost 9,000 people at the time - readily adopted an alternative currency despite the fact that it was not backed by the local government as had been the case in Wörgl. “Thousands of dollars[-worth] of bank money orders and personal checks for Constants have circulated like money and been used for buying and selling, and have been cashed [by banks]” Most wrote. “Even the staid, wealthy Philips Exeter Academy paid in Constants for thousands of dollars[-worth] of printing and supplies. The Town of Exeter accepted them as payment for parking fines. Very few people ever redeemed them for dollars at the bank.” Even when the experiment ended not all Constants came back: many were kept by their holders as souvenirs. No legal problems over issuing the notes emerged.”

AS FAR AS THE ALTERNATIVE MONEY SYSTEM GOES, THE CONSTANT IS SO GOOD THAT THE ONLY THING KEEPING IT FROM WORKING FOR EVERYONE RIGHT NOW IS THAT THE GOVERNMENT WOULDN’T GO FOR IT. IT DEFEATS THE GOVERNMENT’S WHOLE PURPOSE. THEY WOULDN’T BE ABLE TO PRINT MONEY ANY TIME THEY WANTED TO: THEY WOULDN’T BE ABLE TO MANUFACTURE MONEY OUT OF THIN AIR. RICK PERRY, EXETER, N.H.

“With the exception of silver and gold, Borsodi never intended that his proposed Bank for the Issue of a Stable Currency (BISC), for which the Exeter Experiment was a dummy run, should buy actual physical stocks of the thirty commodities

backing the Constant because of the costs and problems involved in storing them, particularly perishables like wheat and rice. Instead, he proposed that BISC buy commodity futures with part of the money it received for Constants and that it should sell the futures and buy replacements as they approached maturity. The rest of the purchase money was to have been invested in securities or issued as loans and the income used to cover BISC’s administrative costs.”

Borsodi also minted pure silver medallions which he called globes. These were available in 1/2 and 1 ounce .999 silver denominations and sold for dollars at the Constant exchange rate.

“As Keith Dewey—a young man who has helped Dr. Borsodi found his alternative currency—says, “We can’t call them coins because that’s against the law and we refuse to call them medallions so we call them globes. They’re the missing link between absolute barter and trading. They have no labels on them. No dollar sign or cent sign, and no constant sign. All it says on a globe is that the piece of metal contains either one-half ounce or a full ounce of .999 fine silver. A globe, in other words, is a very convenient barterable item. You can’t keep wheat in your pocket and you can’t keep a fish in your pocket but you most certainly can keep a globe—which has a real worth of its own—in your pocket. And that real worth, by the way, remains constant. No matter what a dollar bill will buy on any particular day, a globe will always purchase exactly its weight in silver—and a corresponding amount of any other commodity—because a globe is silver.”

Constants were circulated in shops throughout Exeter for over a year. Borsodi, now ninety years old was required to limit his activities by order of his doctor and the currency experiment was discontinued. Dr. Ralph Borsodi passed away at his home in Exeter, New Hampshire on October 26, 1977.

Sources:

<http://www.motherearthnews.com/Nature-Community/1974-05-01/The-Borsodi-Constant-an-Inflation-Free-Currency.aspx>

http://www.cooperativeindividualism.org/swann_robert_on_borsodi_and_money.html

REAL Dollars - Local Currency for Lawrence, Kansas (2000-2003)

In September 2000 a local group in Lawrence, Kansas organized a non-profit agency call the Lawrence Trade Organization (LTO for short). The idea was to create, print and distribute a local currency called REAL Dollars. The acronym stands for "Realizing Economic Alternatives in Lawrence". Converting USD into REAL Dollars was easy at the Community Mercantile's Free State Credit Union and

the Liberty Hall box office in town. As one blogger wrote back in 2003, the concept was to, "...convince local businesses to accept the new bills and motivate the public to trade in their Benjamin bills for Burroughs bucks."

[*http://www.lawrence.com/news/2003/nov/03/the_real/](http://www.lawrence.com/news/2003/nov/03/the_real/)

The goals of using the REAL Dollars was pretty much the same as any other community (1) Keep the money circulating within the local community (2) Reinvest into preserving the community's local character (3) Protect certain local land from development. The program's organizers even received an opinion from the Kansas Department of Credit Unions stating that,



“REAL dollars were negotiable instruments” that could be handled by credit unions.

REAL Dollars were liquid. As consumers and retailers paid in one U.S. dollar for every REAL dollar, each REAL dollar in circulation was matched by an equal deposit in the LTO’s bank account. The paper did not become worthless, it always held that face value.

The start of their local program was very exciting and local business participation was good. Everyone from bars, grocery stores, hardware stores, liquor stores, movie theaters, hair salons and a host of specialty services all participated in the program and most added to their business the attractive “We accept REAL Dollars” window sticker.

Before the first year of circulation ended several of the money’s organizers moved out of the state and the REAL Dollar use began to drastically decline. [Lawrence.com](http://www.lawrence.com) reported that from the original \$65,000 which was printed, only about \$5,000 made it into circulation.

While the bills have become popular gifts and collectors’ items their circulation has died and the LTO was dissolved..

WHAT HAPPENED?

CC Magazine is looking for insight into why this program did not survive. What keeps some currency programs up and running? What causes others to fade out?

What can new programs do to avoid an ending like this one?

Write us with your information and we will feature it in the next issue.

http://www.lawrence.com/news/2003/nov/03/the_real/

Image from:

<http://www.dailykos.com/story/2008/12/8/175810/259/387/670827>

http://s244.photobucket.com/albums/gg37/OrangeMike_2008/?action=view¤t=burroughs_three.jpg

THE COMPLETE STORY OF TENINO WOODEN MONEY

By Don Major, from the Thurston County Independent, Feb. 19, 1965

The Nation, and Tenino, was gripped by the Great Depression in 1931, and money was scarce. The Independent in November of that year advocated editorially that scrip be used to meet the currency shortage. Then on December 5, 1931, the matter of emergency struck home with the failure of the Citizens Bank of Tenino. Joel Gould, now of Olympia, came over from Buckley to act as liquidator. This tied-up the accounts of the depositors while the affairs of the defunct bank were being adjusted. Thus the shortage of money became acute.

The Tenino Chamber of Commerce met to meet the emergency and agreed to issue scrip to permit the depositors to assign 25% of their bank accounts to the Chamber. The printing press at the Independent office was soon running out of assignment forms and depositors signed for definite amounts of money within the 25% limitations. The printing of \$1.00, \$5.00 and \$10 denomination scrip was done on engraved pieces the size of paper money then in use. The 25 cent denomination was the yellow bond paper without any fancy border. Trustees of the Chamber of Commerce Committee, F.W. Wichman, D.M. Major and A.H. Meyers, signed each piece. They agreed to redeem the certificates “During the Process of Liquidation of the Citizens Bank of Tenino.” This scrip printed in December, 1931 totaled \$3,255, of which \$1,279 was circulated. Eventually the Chamber redeemed \$1,079.75 of this scrip.

Some samples of “slice wood”, a new printing material, had been received from Albert Balch of Seattle, who was promoting it for Christmas cards and other items. This was made in a special machine at Aberdeen by a man named Eckersley. Sitka Spruce and Port Orford and red cedar were used. The first pieces were flimsy sheets of 1/80th of an inch thick. The 25 on hand were sufficient to put Tenino in the wooden money business. Later the slices were sandwiched with a paper in between. One issue of a thousand

Continued on page 30

The Idea of a Local Economy

by Wendell Berry

Published in the Winter 2001 issue of Orion magazine

“The idea of a local economy rests upon only two principles: neighborhood and subsistence...”

A TOTAL ECONOMY is one in which everything—“life forms,” for instance,—or the “right to pollute” is “private property” and has a price and is for sale. In a total economy significant and sometimes critical choices that once belonged to individuals or communities become the property of corporations. A total economy, operating internationally, necessarily shrinks the powers of state and national governments, not only because those governments have signed over significant powers to an international bureaucracy or because political leaders become the paid hacks of the corporations but also because political processes—and especially democratic processes—are too slow to react to unrestrained economic and technological development on a global scale. And when state and national governments begin to act in effect as agents of the global economy, selling their people for low wages and their people’s products for low prices, then the rights and liberties of citizenship must necessarily shrink. A total economy is an unrestrained taking of profits from the disintegration of nations: communities, households, landscapes, and ecosystems. It licenses symbolic or artificial wealth to “grow” by means of the destruction of the real wealth of all the world...

Aware of industrialism’s potential for destruction, as well as the considerable political danger of great concentrations of wealth and power in industrial corporations, American leaders developed, and for a while used, the means of limiting and restraining such concentrations, and of somewhat equitable distributing wealth and property. The means were: laws against trusts and monopolies, the principle of collective bargaining, the concept of one-hundred-percent parity between the land-using and the manufacturing economies, and the progressive income tax. And to protect domestic producers and production capacities it is possible for governments to impose tariffs on cheap imported goods. These means are justified by the government’s obligation to protect the lives, livelihoods, and freedoms of its citizens. There is, then,

no necessity or inevitability requiring our government to sacrifice the livelihoods or our small farmers, small business people, and workers, along with our domestic economic independence to the global “free market.” But now all of these means are either weakened or in disuse. The global economy is intended as a means of subverting them.

In default of government protections against the total economy of the supranational corporations, people are where they have been many times before: in danger of losing their economic security and their freedom, both at once. But at the same time the means of defending themselves belongs to them in the form of a venerable principle: powers not exercised by government return to the people. If the government does not propose to protect the lives, livelihoods, and freedoms of its people, then the people must think about protecting themselves.

How are they to protect themselves? There seems, really, to be only one way, and that is to develop and put into practice the idea of a local economy—something that growing numbers of people are now doing. For several good reasons, they are beginning with the idea of a local food economy. People are trying to find ways to shorten the distance between producers and consumers, to make the connections between the two more direct, and to make this local economic activity a benefit to the local community. They are trying to learn to use the consumer economies of local towns and cities to preserve the livelihoods of local farm families and farm communities. They want to use the local economy to give consumers an influence over the kind and quality of their food, and to preserve land and enhance the local landscapes. They want to give everybody in the local community a direct, long-term interest in the prosperity, health, and beauty of their homeland. This is the only way presently available to make the total economy less total. It was once, I believe, the only way to make a national or a colonial economy less total. But now the necessity is greater.

I am assuming that there is a valid line of thought leading from the idea of the total economy to the idea of a local economy. I assume that the first thought may be a recognition of one’s ignorance and vulnerability as a consumer in the total economy. As such a consumer, one does not know the history of the products that one uses. Where, exactly, did they come from? Who produced them? What toxins were used in their production? What were the human and ecological costs of producing them and then of

disposing of them? One sees that such questions cannot be answered easily, and perhaps not at all. Though one is shopping amid an astonishing variety of products, one is denied certain significant choices. In such a state of economic ignorance it is not possible to choose products that were produced locally or with reasonable kindness toward people and toward nature. Nor is it possible for such consumers to influence production for the better. Consumers who feel a prompting toward land stewardship find that in this economy they can have no stewardly practice. To be a consumer in the total economy, one must agree to be totally ignorant, totally passive, and totally dependent on distant supplies and self-interested suppliers.

And then, perhaps, one begins to see from a local point of view. One begins to ask, What is here, what is in me, that can lead to something better? From a local point of view, one can see that a global “free market” economy is possible only if nations and localities accept or ignore the inherent instability of a production economy based on exports and a consumer economy based on imports. An export economy is beyond local influence, and so is an import economy. And cheap long-distance transport is possible only if granted cheap fuel, international peace, control of terrorism, prevention of sabotage, and the solvency of the international economy.

Perhaps one also begins to see the difference between a small local business that must share the fate of the local community and a large absentee corporation that is set up to escape the fate of the local community by ruining the local community.

So far as I can see, the idea of a local economy rests upon only two principles: neighborhood and subsistence. In a viable neighborhood, neighbors ask themselves what they can do or provide for one another, and they find answers that they and their place can afford. This, and nothing else, is the practice of neighborhood. This practice must be, in part, charitable, but it must also be economic, and the economic part must be equitable; there is a significant charity in just prices.

Of course, everything needed locally cannot be produced locally. But a viable neighborhood is a community; and a viable community is made up of neighbors who cherish and protect what they have in common. This is the principle of subsistence. A viable community, like a viable farm, protects its own production capacities. It does not import products

that it can produce for itself. And it does not export local products until local needs have been met. The economic products of a viable community are understood either as belonging to the community's subsistence or as surplus, and only the surplus is considered to be marketable abroad. A community, if it is to be viable, cannot think of producing solely for export, and it cannot permit importers to use cheaper labor and goods from other places to destroy the local capacity to produce goods that are needed locally. In charity, moreover, it must refuse to import goods that are produced at the cost of human or ecological degradation elsewhere. This principle applies not just to localities, but to regions and nations as well.

The principles of neighborhood and subsistence will be disparaged by the globalists as “protectionism”—and that is exactly what it is. It is a protectionism that is just and sound, because it protects local producers and is the best assurance of adequate supplies to local consumers. And the idea that local needs should be met first and only surpluses exported does not imply any prejudice against charity toward people in other places or trade with them. The principle of neighborhood at home always implies the principle of charity abroad. And the principle of subsistence is in fact the best guarantee of giveable or marketable surpluses. This kind of protection is not “isolationism.”

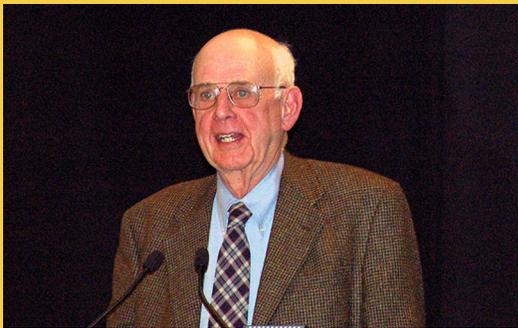
Albert Schweitzer, who knew well the economic situation in the colonies of Africa, wrote nearly sixty years ago: “Whenever the timber trade is good, permanent famine reigns in the Ogowe region because the villagers abandon their farms to fell as many trees as possible.” We should notice especially that the goal of production was “as many as possible.” And Schweitzer makes my point exactly: “These people could achieve true wealth if they could develop their agriculture and trade to meet their own needs.” Instead they produced timber for export to “the world economy,” which made them dependent upon imported goods that they bought with money earned from their exports. They gave up their local means of subsistence, and imposed the false standard of a foreign demand (“as many trees as possible”) upon their forests. They thus became helplessly dependent on an economy over which they had no control.

Such was the fate of the native people under the African colonialism of Schweitzer's time. Such is, and can only be, the fate of everybody under the global colonialism of our time. Schweitzer's description of

the colonial economy of the Ogowe region is in principle not different from the rural economy now in Kentucky or Iowa or Wyoming. A total economy for all practical purposes is a total government. The "free trade" which from the standpoint of the corporate economy brings "unprecedented economic growth," from the standpoint of the land and its local populations, and ultimately from the standpoint of the cities, is destruction and slavery. Without prosperous local economies, the people have no power and the land no voice. This is a shortened version of the article that appeared in the magazine.

WENDELL BERRY farms in Port Royal, Kentucky, with his family. He is the author of more than thirty books of fiction, essays, and poetry, including Citizen Papers, The Unsettling of America, and Another Turn of the Crank (essays); That Distant Land (stories); and A Timbered Choir: The Sabbath Poems 1979-1997. His new novel, Hannah Coulter, will be published this fall by Shoemaker & Hoard.

<http://www.orionmagazine.org/index.php/articles/article/299/>



Wendell Berry

Photo from: Stephanie Young Merzel

<http://www.flickr.com/photos/justthismoment/>

Just This Moment Photography

Salt Lake City, Utah, USA

Continued from page 27

even carried a "watermark" reading "Confidence makes good; Money made of wood", which could be seen by holding it up to the light. This was supposed to guard against counterfeiting.

The publicity of Tenino Wooden Money began to snowball in February, 1932, the old Seattle Star carrying the story early that month, followed by the Tacoma News-Tribune, Oregonian, Seattle P-I and others. The Halls of Congress heard of the unique method of meeting the money shortage and in March it was featured in the Congressional Record. Thousands of stories and comments appeared over the world in newspapers and magazines. Orders from collectors and souvenir hunters came in increasing demand and eight issues were printed through 1933, mostly in 25 cent denominations, but also in 50 cent and \$1.00. In all \$10,308 worth of wooden money was issued of which about \$40 was redeemed by the Chamber of Commerce. In April, 1935, business people used small wooden fifth cent tax tokens due to a state shortage of tokens. Like the original wooden money, they are now quite valuable.

This story comes to us from the City of Tenino Washington web site,

http://www.ci.tenino.wa.us/wooden_money.htm

City of Tenino

PO Box 4019

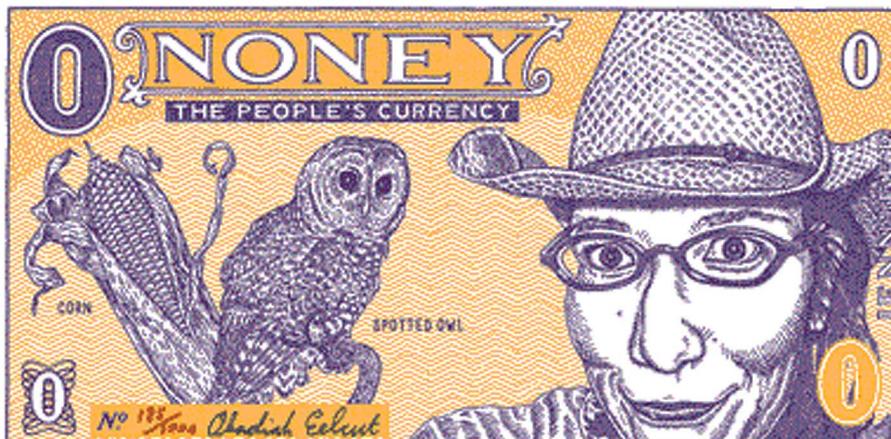
149 Hodgden Street South

Tenino, WA 98589

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NONEY

Noney --rhymes with money-- is cultural tender for the payment of any amount, anywhere.



In 2003, Obadiah Eelcut began circulating 10,000 Noney notes. Each note is a hand-drawn, hand-printed and hand-signed piece of art. Each note can also be traded for things. The result is an experimental combination of printmaking, performance and public art... an experience unlike that of traditional currency.

<http://www.noney.net/>

AMY KIRSCHNER: SENSE BEYOND THE DOLLAR - A PRIMER ON LOCAL CURRENCIES

REPUBLICATED FROM VERMONT COMMONS, ISSUE 26

“Money alone sets all the world in motion.”

- Publius Syrus, 42 B. C.

“Yet habit -- strange thing! What cannot habit accomplish?”

So wrote Herman Melville in his epic novel *Moby-Dick*. More than 150 years later his face would appear on currency near his home in Pittsfield, Massachusetts, and his quote would become relevant not only for describing a captain in search of an elusive whale, but also for a group of citizens searching for an elusive economic vision.

Like many towns in Vermont, Great Barrington, Massachusetts (population 15,000), has a strong sense of community identity and a spirit of self-reliance. Maintaining that vibrancy and independence is a challenge, with local stores competing in a national economy that drives business and life itself out of downtown, and often results in ownership that is disconnected from locale and people who are disconnected from each other. The national economy seeks only expansion; nationally based businesses do not concern themselves with a stewardship role in local communities.

To return economics, our communities, and ourselves back to the center of things requires more than a change in thinking; it calls for a change in habits that strike squarely at the heart of the systems that bind us. Great Barrington is using a local currency to try to do that.

Begin with habits, which keep us in our comfort zone and create a story that we live every day. The collective economic story we are living today is a particular kind of corporate capitalism. For many, it has superseded other historical stories founded upon religion, for example, or nationality, or ethnic identity. Capitalism is the measure and meter of our lives. Our individual economic habits conglomerate to create the economic systems we rely on, live within, and sometimes fight to oppose. Like Georges Seurat's masterpiece – in which millions of dots of paint, each individual and unique, add up to, say, a Sunday afternoon by a lake – our individual stories contribute to the landscape of economic life. And from our small, private places it is difficult, if not

impossible, to see the larger picture.

Unlike our individual stories, the story of the capitalism we practice has no end, no moral. It is a story built upon perpetual growth, not unlike cancer cells. The habits that perpetuate both cancer and capitalism will sacrifice the life they are built upon to drive their growth. The larger corporate capitalistic economy puts up barriers that obstruct anything other than the economic monoculture we have now. When we wake up and realize that this is a system that simply cannot continue without eventual collapse, we will seek another way of being and living.

Habit is a cable; we weave a thread each day, and at last we cannot break it. ~ Horace Mann

As we consider local currencies, acknowledge that at the epicenter of the decentralist economic movement has been the E.F. Schumacher Society in Great Barrington, Massachusetts. Founded by Robert Swann in 1980 and currently led by Susan Witt, this organization has been stewarding the personal library of E.F. Schumacher (author of *Small is Beautiful*) and advancing work on community land trusts and local currencies. Great Barrington's local currency, known as the BerkShare, has been in operation for two years. The goal of the currency is “to initiate, encourage and administer educational and practical programs for the furtherance of regional economic self-reliance...” BerkShares' supporters envision nothing less than “the formation of small businesses, cottage industries, farms and cooperatives that would enable local communities to develop greater self-reliance,” as well as “the development of alternative exchange instruments and of community associations which would foster and support initiative in these areas.”

Our economic system creates money through loans granted with interest, which fosters a cycle of seemingly unending growth. Why? As our current Wall Street mess reminds us, it is because the total sum of money owed is always greater than the amount of money in circulation to repay the issued loans. Our economic goals and habits stem from this currency-issuing system. The good news: there exists more than one way to create a monetary system. One of capitalism's better qualities, something we have become accustomed to, is consumer choice. By offering a different monetary

standard, beyond just a new means of payment, people who realize that they wish to break certain economic habits now have a means of doing so.

Picture this: A BerkShare is a colorful note about the same size as a U.S. Federal Reserve Note with the faces of local heroes such as Herman Melville, W.E.B. DuBois, Norman Rockwell, Community Supported Agriculture movement founder Robyn Van En, and the local Mohican tribe. The BerkShare comes in denominations of 1, 5, 10, 20, and 50. The BerkShare system has continued to grow and prosper since they began circulating in late 2006. As of June 1, 2008, more than 1.6 million BerkShares have been issued from local banks, with 165,000 notes remaining in circulation. A BerkShare finds its way into the local economy when a citizen in Great Barrington goes to one of 11 branches of five local banks in town and exchanges \$9 in federal notes for 10 BerkShares. The consumer then spends those BerkShares at one of the more than 300 business that have signed up to accept BerkShares in the area. Another 300 businesses will accept the currency even though they are not listed in the directory.

While many local currencies have come and gone – Ithaca HOURS, Burlington Bread, and thousands more during the Great Depression and in recent memory – BerkShares enjoy the greatest circulation, participation, and publicity of any currency to this point. The BerkShares system has succeeded where many other local currencies have stumbled for a few important reasons. First, the BerkShare enjoys incredible support from the business community; members include restaurants, grocery stores, art galleries, accountants, medical services, farms, construction companies, and even a funeral home. Many local currencies find difficulty reaching a critical mass of businesses that allows them to trade with each other in that currency. BerkShares also has a clear, focused, and web-based training module for businesses. Helping a business plan for the small amount of additional accounting that is necessary to support handling multiple currencies is critical.

While businesses and citizens can't currently deposit BerkShares into a bank account, local banks serve as the exchange point for citizens and businesses to acquire or redeem the notes. Susan Witt of the Schumacher Society points out that having "Main Street storefront representation" keeps BerkShares easily accessible and in the public eye. She adds that redeemability – being able to convert your BerkShares to Federal Reserve notes with ease – has been a key

reason for the success of the program. It lowers an individual's or business' risk factor for participation.

Not only are BerkShares backed by federal dollars, but also by the reputation of the board members of BerkShares and of the E. F. Schumacher Society. They have a nearly 30-year track record of finding innovative ways to improve economic development opportunities for Berkshire County businesses and citizens. They promote community land trusts, have started micro credit lending programs for small businesses, and launched a different currency (called Deli Dollars) a number of years ago to help relocate a small restaurant. Witt has served on local boards and written numerous articles and essays promoting progressive economic ideas, as well as identifying the obstacles that stand in the way, chief among them the power of habit to shape thought and behavior. "Our patterns of monetary use are so deeply established," she explains, "that even clear recognition of the necessity for system change doesn't ensure breaking of old habits."

Few understand how difficult it is to launch a new local currency project better than Witt, and she is up-front about the challenges. One challenge is that the fires of a new idea must be constantly stoked through publicity, education, and orientation.

A directory is being designed to fit around the notes themselves, which can double as a money holder.

They have learned that the on-line directory was less useful to users than paper directories. A recent discovery was that marketing the economic design of the currency proved less successful with prospective participants than emphasizing the values of the currency. Special occasions such as parties and auctions tend to drive circulation because they serve both as a reminder and as a community event. They've also found that they need an employee to facilitate everyday transactions, and funding for that position can only come when there is financial sustainability.

Future plans for BerkShares include checking accounts, debit cards and electronic exchange, an extension of the circulation from city-wide to county-wide (at the request of the banks that have adopted the program), and a fund-raising campaign to hire an employee.

The Latin root for "habit" derives from the concept of "holding" or "possessing." A habit is something we carry with us. It is not a coincidence that the word "habitat" comes from the same root. The concept that we carry our places with us – through our language, or the lens

through which we see the world – extends to the notion that our habits shape our habitats. Empty downtown storefronts replaced by big boxes in fields where cows used to graze is evidence of this. Our habitats hold the physical evidence of our individual habits. It is often the shock of such physical change that awakens us.

How do we move from the place of awakening to the need for a new way of operating to actually living it? If it is the story of the values our capitalism espouses – survival of the fittest, competition over cooperation, growth at the expense of all else – then we must look to change our individual actions in the place where the greatest and most powerful change can occur. The medium that holds these values throughout all the economy's manifestations is... money, and how we both create and use it.

In other words, where money is concerned, the sum of our individual habits ties us to a common future.

Ultimately, the life, success and impact of a currency doesn't depend on the founders, but on the people and businesses who use it every day. Witt has gained a perspective on how people use BerkShares and how easily (or not) it folds into their lives. She has noticed that usage tends to follow income level. The higher-income-level users have the luxury of holding the local currency in their wallets with no immediate spending plans, and do so. They are less likely to need to budget and track expenses as might happen with credit/debit card usage or by writing checks. Those with less income, who primarily use the cash economy anyway, also have a relatively easy time making the transition to BerkShares. They are accustomed to using cash to pay for daily needs, and using a different piece of paper, if it can buy the same things, doesn't seem to be a hurdle.

But the real challenge lies in the middle class, where most reside economically. It is too easy to use a credit card, to earn airline miles, to shop online, and to put our bills on automatic payments. Witt notes that even the greatest supporters of BerkShares are often not in the habit of carrying it in their pockets to do the daily shopping. She says that habits are what must really be overcome to see the full reality of what is possible for a local currency.

Local Currency in the Green Mountains

In Vermont, a new breed of local currency is taking hold. There are now three "time bank" systems in place – Burlington, Middlebury, and Montpelier. A time bank is an accounting system that allows neighbors to trade

services at equal rates of value. A lawyer can earn the same amount of hours for giving legal advice or mowing her elderly neighbor's lawn. Anyone with any level of ability can participate in earning and spending these credits. Also, a new business-to-business trade system, Vermont Sustainable Exchange, will allow businesses statewide to trade with each other through an online marketplace, with issuance of local paper currency planned for the future. Previous paper currencies – in Burlington, Hardwick, and Montpelier – have all ceased operations, echoing many of the challenges mentioned by Witt.

The role of trust and the credibility of currency organizers cannot be underestimated. A local currency is a financial instrument that only has as much power as the people who use it. We put our trust in banks with cherry furniture and marble counters. The measure of the strength of a local currency is not its physical assets, but the dignity and connectedness of those who lead and participate.

"Suppose you had the revolution you are talking and dreaming about. Suppose your side had won and you had the kind of society that you wanted. How would you live, you personally, in that society? Start living that way now!" - Paul Goodman

Sometimes we hear a new story, a revolutionary idea, that awakens us and causes us to reframe our notion of what our story is. How does a changed thought become a changed life? How many changed lives does it take to change a culture? Most local currencies exist in the world of novel schemes – short-lived but catchy, they are born quickly and die just as fast. But what it takes for an idea to go from ephemeral to sustainable is the ability it has to weave its way, organically and irrevocably, from what we determine is important in our lives. Then we must enforce that thought by changing our habits to take in a new way of being.

History hinges on small actions leading to incredible changes. Howard Zinn writes, in *You Can't Be Neutral on a Moving Train*, "We forget how often . . . we have been astonished by the sudden crumbling of institutions, by extraordinary changes in people's thoughts, by unexpected eruptions of rebellion against tyrannies, by the quick collapse of systems of power that seemed inevitable.... Small acts, when multiplied by millions of people, can transform the world."

How can we support local currency efforts? Start today. If there is a local currency where you live, start integrating it into your economic habits immediately.

