

Complementary Currency and Exchange

The Movement to Reinvent Money

Why Does Money Need to Be Reinvented?

- Throughout the world, money has been politicized and privatized.
- Money has become the keystone in the arch of political power.
- Money and banking are manipulated by and for limited private interests.
- Political money is exploitative, dysfunctional, and undemocratic.

Two Parasitic Elements of the Conventional Money System

- **Interest**

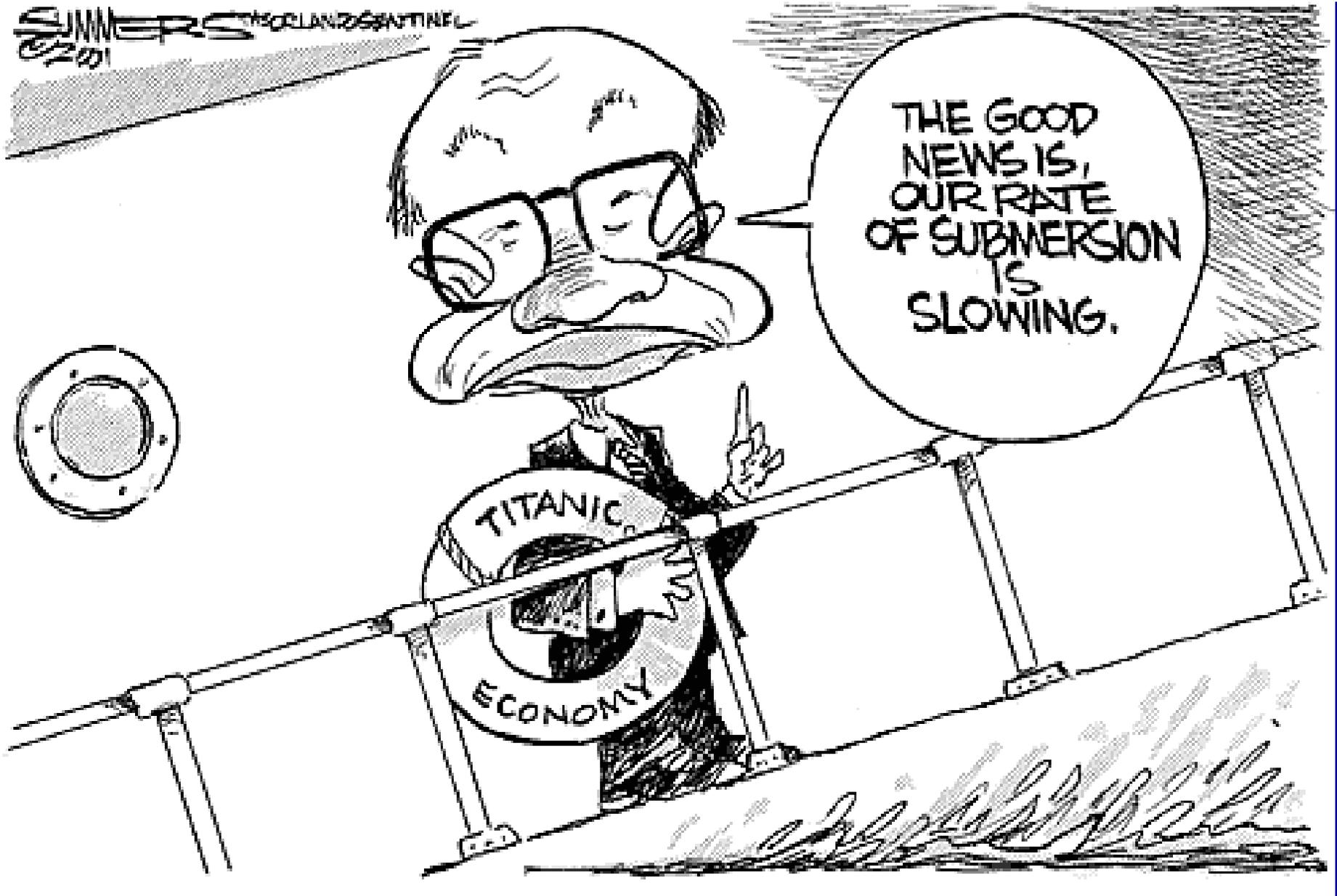
Collected by the banking cartel

- **Inflation**

Caused by government deficit spending

How is Political Money Dysfunctional and Exploitative?

- Political money is inefficient and inequitable – many needs go unmet because the supply of money is deficient.
- Periodic cycles of depression and inflation derive from the actions of central banks.
- Money concentrates power and wealth – the rich get richer; everyone else gets poorer.
- Who decides whose interests will be favored?
- Conventional political money causes social and international conflict and ecological destruction.



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Stay the course, Bernanke.

Privatization Taken to Extremes Means

- Not better management, but
- Privilege,
- Exploitation,
- Conflict and
- Class warfare

Elites have typically sought to dominate and exploit others through the strategies of

- Enclosures
- Clearances
- Legal privilege

The Basic Approach

- Take control of essential or desired resources, and compel everyone to pay in order to gain access.
 - Monopoly
 - Oligopoly
 - Cartels

Examples

- The enclosure acts in England privatized common land by legal coercion.
- “Clearance” of lands (Scottish highlands) by military force or intentional destruction of its ability to support life (slaughter of the bison herds in North America).
- Government-granted monopolies that limit or eliminate competition (British East India Company).



"And now there go the Wilsons! . . . Seems like everyone's evolving except us!"

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Money is Credit



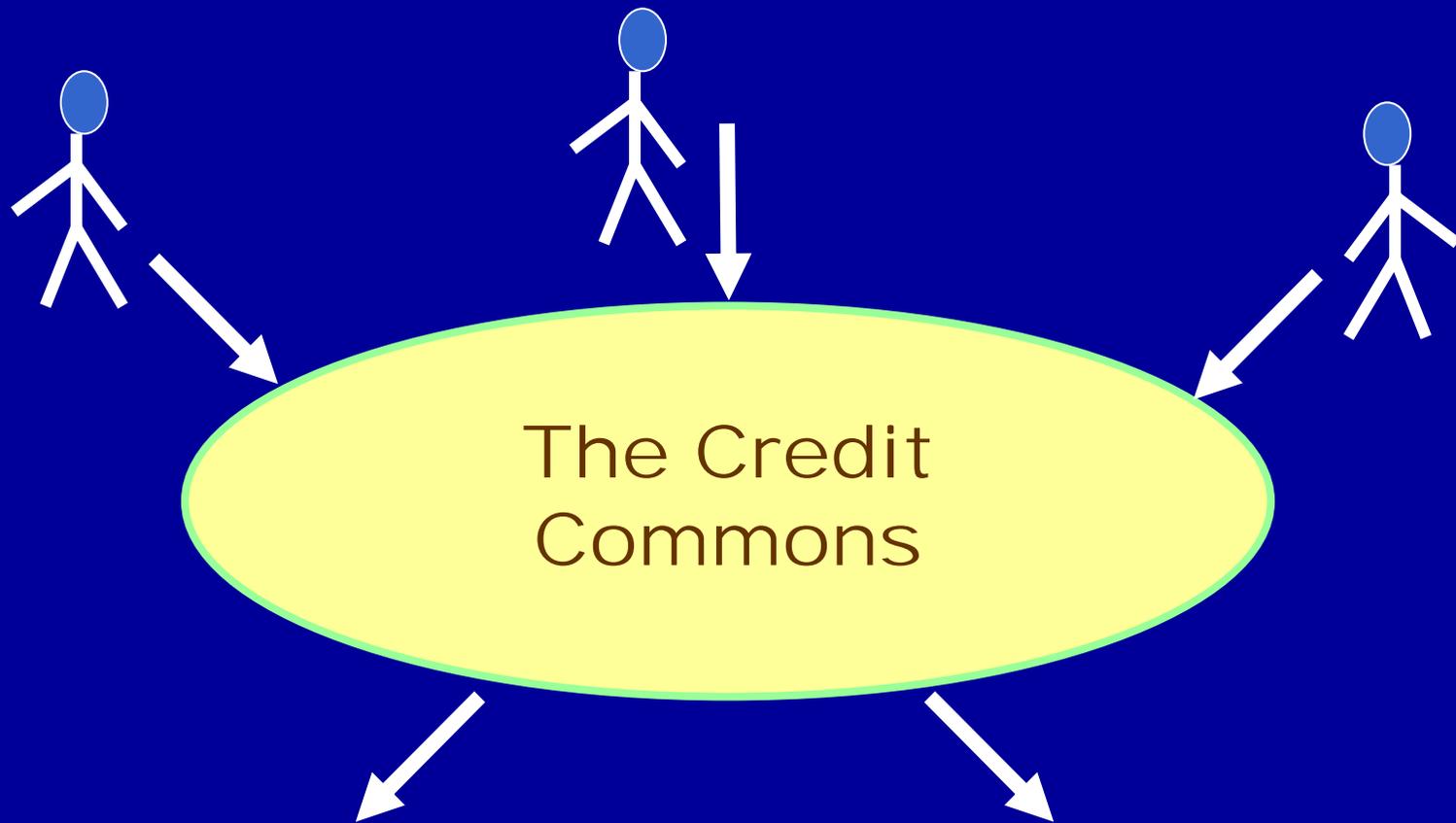
Credit is Money

Credo = Belief > Credit

- All credit derives from **belief** in a **promise**.
- Credit is based on trust.
- Who deserves credit?
- Who or what do you trust?
- Whose promise will you accept as payment?

What is the Credit Commons?

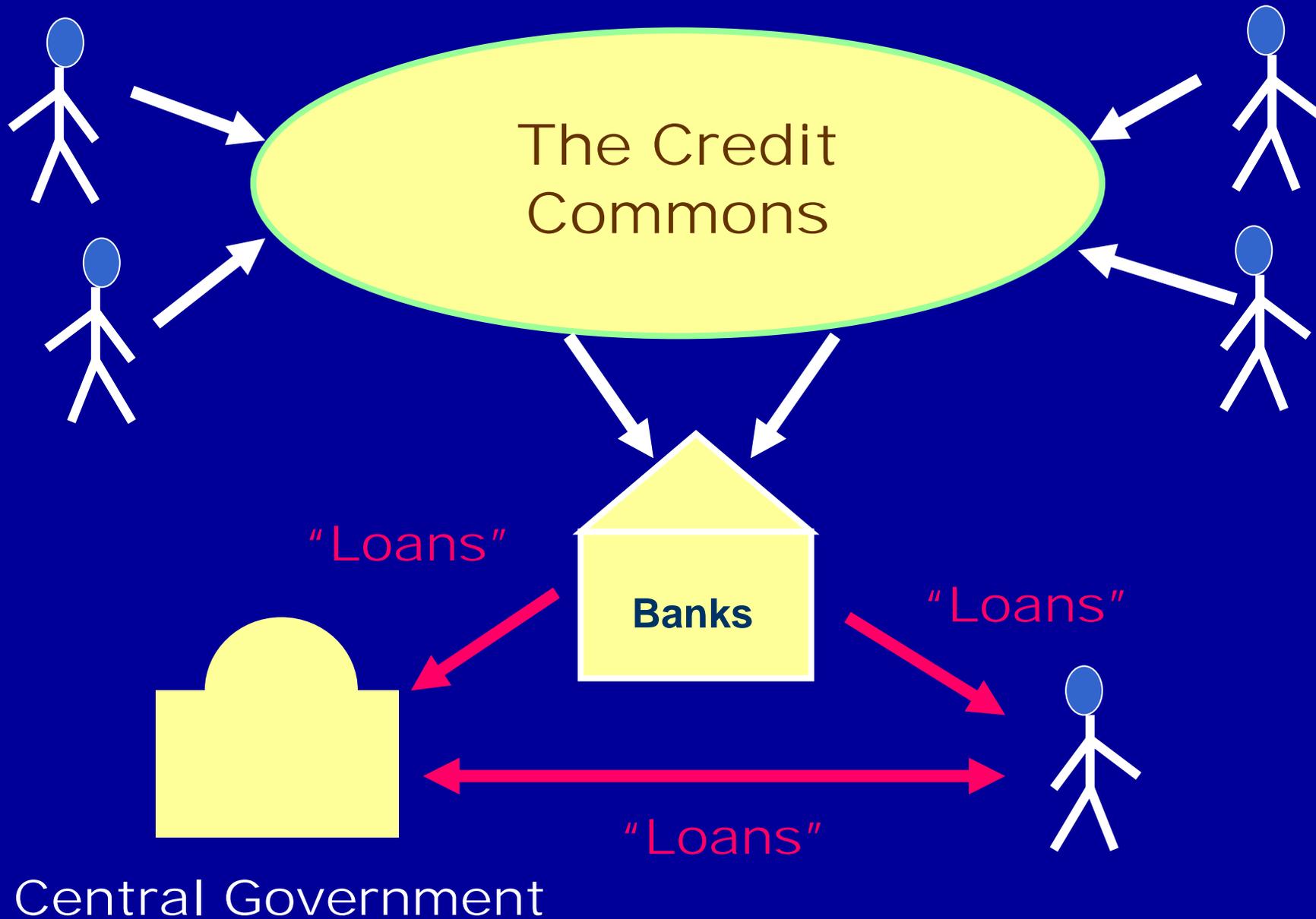
The credit commons is
the virtual pool of credit and trust.



The In's and Out's of the Credit Commons

Credit is based on trust

We all put in, but who can take out?



The Credit Commons can be accessed only through banks!

Fundamental Principle of Modern Money

Modern money is nothing more than credit
based on a promise.

Money typically takes the form of

1. Bank deposits that are created when banks make “loans,” or
2. Currency notes emitted by the central bank.

Why do we trust these forms of money?

Privatization of the Credit Commons

- Access to credit is controlled by the banking system.
 - Banks decide who gets access and on what terms. They charge interest on all “loans.”
- National governments have extraordinary access.
 - By their arrangement with the banking system, they can borrow as much as they wish.

The Central Government- Central Bank Nexus

- *The debt economy rests upon a conspiracy between the political state and the banking interests against commercial exchange...*

E. C. Riegel

Money Power Equals War Power

- *...as long as our governments are vast counterfeiting machines, Mars can laugh at peace projects.*

-- E. C. Riegel

Reclaiming The Credit Commons

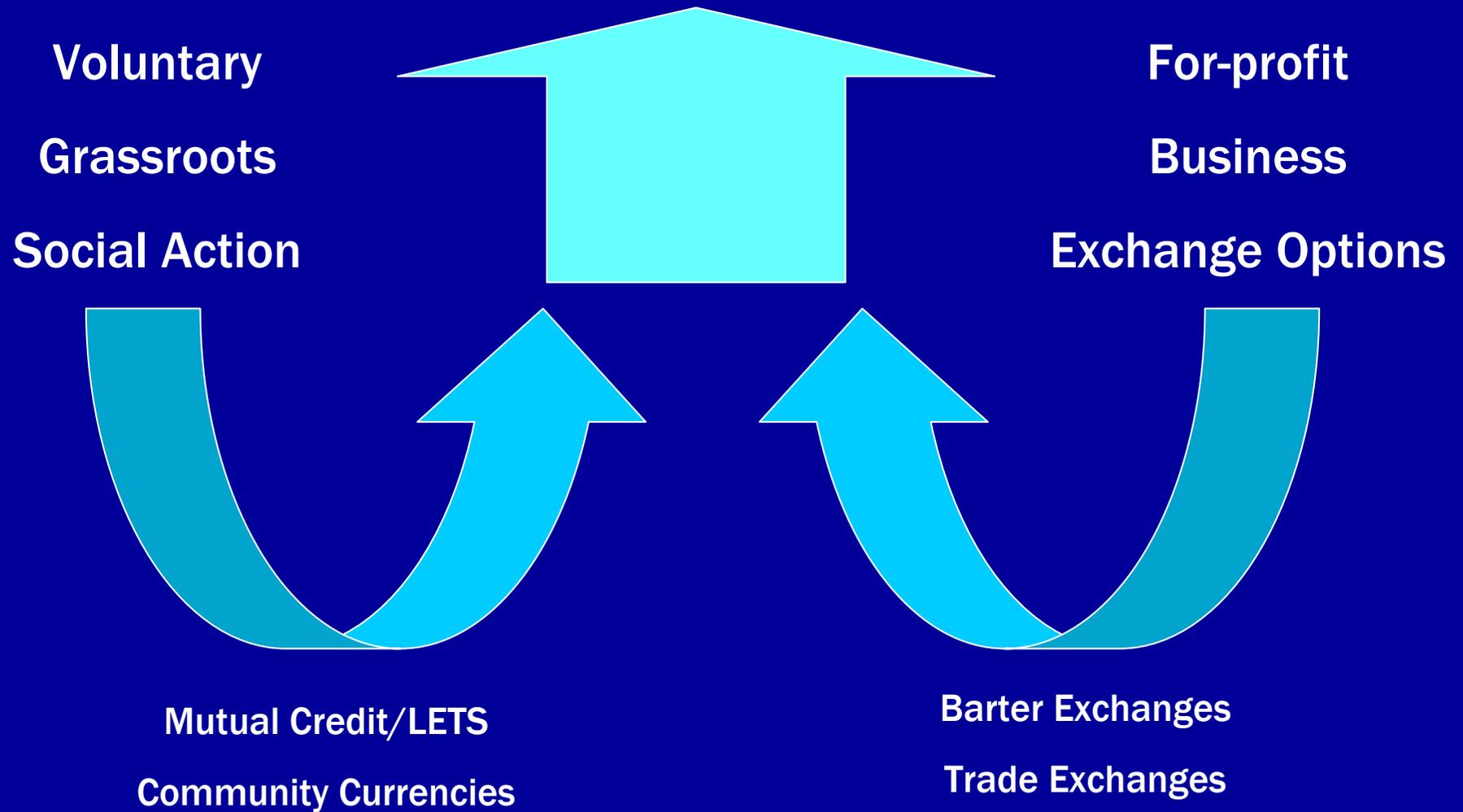
The Exchange Process is Being Reinvented

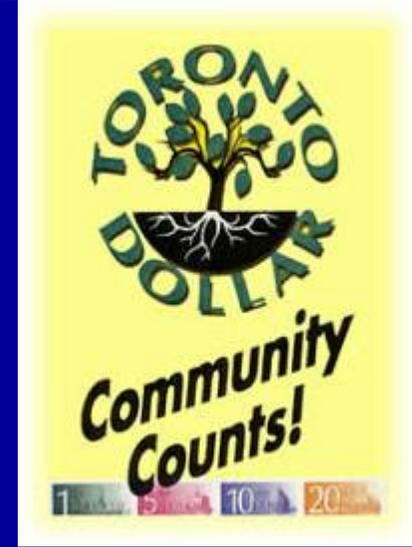
Complementary Currencies and Credit
Clearing Arrangements are Emerging
on Various Levels and Fronts.

Promising Directions

- Freedom approaches based on voluntary participation, that involve
 - Grassroots organizations,
 - NGO's
 - Associations of businesses,
 - Municipal and provincial governments,
 - For-profit enterprises

Main Currents of the Movement





LETS-linkup



All over the world,
mutual credit systems
and community
currencies are emerging.





- The Swiss WIR Bank is a prime example of a credit clearing association.
- Established in 1934, the WIR Bank has continued to thrive.
- The WIR Bank clearing system now serves more than 60,000 small and medium sized business members.

In Argentina, trading clubs and private currencies proliferate in the face of economic and financial stringency.

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CREDITOS QUE NO SE ACEPTAN EN LOS NODOS ZONA

- ▶ Bonaerense Oeste (el trébol)
- ▶ Nodo El Buen Sembrador - Regional
- ▶ Trébol Bonaerense
- ▶ Red que Región Mar y Sierras -



Autónomos de
 or - Club del Tru
 del Trueque Am
 m - Red Global
 os Zona Sur. ▶

Commercial interests are discovering the advantages of direct credit clearing.



INTERNATIONAL RECIPROCAL TRADE ASSOCIATION



Provincial Government Currencies



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What Are the Disruptive Technologies in Money and Banking?

- Mutual credit.
- Credit Clearing.
- Co-responsibility.
- **Internet based** markets, social networks, accounting and information management.
- Reliance upon “strong identity.”
- Reliance upon peer-to-peer reputation ratings.

It Is the Unique Combination of Elements That is Revolutionary

These technologies are being combined into new products that make the exchange process:

- Simpler
- Less costly
- More efficient
- More equitable
- More democratic
- Easier to understand
- Sustainable

The Next “Free Abundance” is Credit

- The present system of money and banking is a choke on credit, which is **potentially infinite and free**.
- The practical limits of credit are:
 - The productive capacity of the buyer, and
 - The trust of the seller
- The appropriation of credit by the government and banking sectors diverts a huge proportion of economic output from need satisfaction to accumulation and waste.

The Future of Money is **No Money**

- The highest evolutionary step of **reciprocal exchange** is the process of mutual credit clearing.
- The future of exchange lies in decentralized autonomous mutual credit clearing networks.
- These networks will be linked together without the center destroying their autonomy.

A New Economic Order?

“...extension of exchange transactions without state money is in reality the beginning of a new system of settling accounts, indeed the beginning of a new economic order.”

--Ulrich von Beckerath

Sources

- Books:
 - *Money: Understanding and Creating Alternatives to Legal Tender* - Greco
 - *Money and Debt: A Solution to the Global Crisis* - Greco
 - *Flight from Inflation* - Riegel
 - *The New Approach to Freedom* - Riegel
- Website: <http://www.reinventingmoney.com>
- Blog: <http://beyondmoney.blogspot.com>