



A Short History
of Barter as Money

A free resource developed by
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Barter, both as a form of direct trade and as a book-keeping entry, has been around much longer than any other type of money that operates in society today.

“Barter Dollars” today are essentially commodity-backed money, and have been in existence since time began.

The existence of “goods and services” debts were recorded in the form of clay tablets which are at least 2000 years older than the oldest coins.

The origin of barter [commodity-backed] money requires goes back to the beginning of trade in ancient societies, which started with temples and clay tablets in Mesopotamia and Egypt¹:

“Tax payments [by farmers] became standardised in terms of quantities of wheat or barley grain. These grain standards formed the basis for all the early money of account units, such as the mina, shekel, lira, and pound. Money, then originated not as a cost minimizing medium of exchange, but as the unit of account in which debts to the palace (tax liabilities) were measured. As the area over which taxes were imposed increased, palaces found it useful to farm out tax collections to private farmers. The first evidence of lending at interest comes from the practice of payment of taxes by the tax farmers, who then took bondservants and charged interest on the village debts. ... The clay shubati (received) tablets record these and other debts. Each tablet indicated a quantity of grain, the word shubati, the name of the person by whom received, the date, and the seal of the receiver. The tablets were either stored in temples where they would be safe from tampering, or sealed in cases, which would have to be broken to get to the tablet. Unlike the tablets stored in temples, the case tablets could and did circulate. A debt could be cancelled and taxes paid by delivering a tablet recording another’s debt whereupon the case which recorded the cancelled debt could be broken to verify the debt terms. This was general practice for several thousand years In other words, taxes, debts, and price lists existed for thousands of years, with clay tablets circulating before anyone had the bright idea of reducing transactions costs by creating money through stamping precious metals to coins. ... From the earliest times, markets operated on the basis of credits and debits, and even the smallest sales to consumers took place on credit, which could be carried on the books of the merchant for years before being cleared.”²

When we refer to the term “barter dollars” in today’s economy we actually refer to what has historically been known as “commodity-backed money” or “representative money”.

¹ Haas, H. (2003)., Money upside down – A paradigm shift in economics and monetary theory?, Universität Bremen, p. 45.

² Wray, L. R. (2000)., Modern money, in: Smithin, J. (eds) What is Money?, London: Routledge International Studies in Money and Banking, pp. 43/44.

Historic Barter

Traditional barter was the precursor of both fiat and commodity backed money and involved the direct exchange of goods or services for one another.

Aside from the obvious issue of fair trade (*ensuring that the items being swapped both have the same value*), barter has other problems such timing restraints and quantity restrictions. If you wish to trade corn for fish you can only do this if corn is in season. If you wish to trade a tonne of corn for a tonne of fish you have to ensure that you need a tonne of fish before you carry out the trade.

Commodity-Money

If the trade takes place now when corn is not readily available, or you are unable to use all of the fish now, then an "IOU" or intermediary resource is needed. This intermediate commodity can then be used to buy fish when they are needed. Thus the use of money makes all commodities become more liquid. When such an intermediary is introduced this becomes the basis of a commodity currency – money backed by a multilateral barter agreement between all participants.

Examples of early currency of a similar type appear throughout history:

- In ancient China tea leaves were compressed into "bricks"³
- In medieval times Iraqis used bread
- At various stages in history Russians used compressed cheese
- Through the colonial era when gold was rare commodity money was present in the form of gunpowder, musket balls, corn and hemp.
- The East African Masai used a currency made of miniature iron spears fastened together in the form of a necklace
- Today, cigarettes are seen traded in prisons and social-settings whilst in the remote parts of Columbia coca (or cocaine) is used in lieu of a nationally issued currency.

Since payment by commodity generally provides a useful good, commodity money is similar to barter, but is distinguishable from it in having a single recognized unit of exchange.⁴

Each of these items was desirable in their own right and was inter-tradable with other items which the holder of the currency might desire to acquire.

One of the (*many*) stumbling blocks of this type of money is that not everyone in the community may desire the resource.

Imagine, for a moment, trying to read a financial statement that had listed assets such as: cash \$5,000; 14 boxes of oranges; 25 boxes of apples; 1000 board feet of lumber; 3 acres of land; and, 8 machines. A first question that might pop into your mind is: "How in the world do I add these assets into one another?"

³ (2003)., Money and Banking, Economics & You. McGraw Hill. (Chapter 11), p.1.

⁴ Radford, R. A. (Nov 1945), "The Economic Organisation of a P.O.W Camp", *Econometrica* 12 (48): 189-201

It is immediately clear that for financial statements to be meaningful, amounts of dissimilar items must be stated in similar units. Money becomes the obvious choice of "similar units". By converting different kinds of objects into monetary amounts, they can be dealt with arithmetically. This is called the "money-measurement concept" and is a fundamental principle of accounting.

Representative Money

The system of commodity money in many instances evolved into a system of representative money. This occurred because banks would issue a paper receipt to their depositors, indicating that the receipt was redeemable for whatever precious goods were being stored (*usually gold or silver money*). It didn't take long before the receipts were traded as money, because everyone knew they were "as good as gold".

In this system, paper currency and non-precious coinage had very little intrinsic value, but achieved significant market value by being backed by a promise to redeem it a valuable asset which was universally desired. This is the origin of the term "British Pound" for instance; it was a unit of money backed by a Tower pound of sterling silver, hence the currency Pound Sterling. For much of the nineteenth and twentieth centuries, many currencies were based on representative money through use of the gold standard.

Representative paper money made possible the practice of fractional reserve banking, in which bankers would print receipts above and beyond the amount of actual precious metal on deposit.

In this system, the material that constitutes the money itself had very little intrinsic value, but none the less such money achieves significant market value through being scarce as an artefact.

Fiat Money (Money Today)

Fiat money refers to money that is not backed by reserves of another commodity. The money itself is given value by government fiat (*Latin for "let it be done"*) or decree, enforcing legal tender laws, previously known as "forced tender", whereby debtors are legally relieved of the debt if they (*offer to*) pay it off in the government's money.

By law the refusal of "legal tender" money in favour of some other form of payment is illegal, and has at times in history (*Rome under Diocletian, and post-revolutionary France during the collapse of the assignats*) invoked the death penalty.

Governments through history have often switched to forms of fiat money in times of need such as war, sometimes by suspending the service they provided of exchanging their money for gold, and other times by simply printing the money that they needed (*eg. Germany of World War 1*). **When governments produce money more rapidly than economic growth, the money supply overtakes economic value. Therefore, the excess money eventually dilutes the market value of all money issued. This is called Inflation.**

In 1971 the US finally switched to fiat money indefinitely. At this point in time many of the economically developed countries' currencies were fixed to the US dollar (*Bretton Woods Conference*), and so this single step meant that much of the western world's currencies became fiat money based.

As stated by leaders of the OECD as presented in their 2001 "Forum for the Future" conference held in Luxembourg, today, **trust has shifted** from a belief in the convertible value of money "**toward the critical acceptance of the institutional capacity of controlling the flows of money.**"⁵

⁵ OECD. (2002)., *The Future of Money*. Organisation for Economic Co-operation and Development, OECD Publications Service. p.44.

The Beginning	Once people began to travel and meet each other (even over short distances) they realized they had things they could swap. One person might live near a herd of wild animals, the other near some berries. One person might have more animal hides than they needed to keep warm in winter, another might be skilled in making spears. Swapping these goods was the obvious answer. ⁶
9000 BC <i>Direct barter</i>	The concept of standardized pricing begins to form as people begin to use cattle, sheep, and camels to set prices. Using cattle allowed participants to begin to put a price on goods. 2 goats might be worth one cow. When humans began to grow crops these were also used as barter money - especially as they could be carried around. ⁷
7500 BC <i>Commodity-backed money</i>	Agriculture and tokens become the first accounting records. Simple tokens were associated with agricultural sites, clay balls of various shapes (round, oval, etc.) representing specific goods (e.g., 2 round tokens could be a pair of cattle, 12 oval tokens a dozen units of wheat). This is the first known representation of inventory and the beginning of the concept of numbers. ⁸
4000 BC <i>Commodity-backed money</i>	Babylonian currency (warehouse receipt) tablet invented to record the transfer of assets and debts between parties. ⁹
4000 BC <i>Commodity money (inherent value caused by scarcity)</i>	Egyptian and Mesopotamian officials begin to receive their wages in gold. In the neighbouring countries of Mesopotamia and Persia, gold was also appreciated as precious and scarce commodity. Especially in Babylon, it is known that banks were founded, which traded in gold. Babylonian banks lent gold out to debtors and charged interest payable in gold. Babylonian banks also became debtors as they deposited gold of merchants and paid interest in gold to the depositors. ¹⁰
3600 BC <i>Commodity-backed money</i>	Early Mesopotamian civilization, The Sumerian, record commercial transactions on stone. ¹¹
3200 BC <i>Commodity-backed money</i>	Mesopotamian civilization moves to recording transactions on clay in the form of "tiny marks, dots, ticks and circles". ¹²
1500 BC <i>Commodity-backed money</i>	Graduating from carrying cattle along for trading in 1500 BC, the Phoenicians invented metal money, which they first formed into iron half-rings that looked like a pair of bull's horns. ¹³
1000 BC <i>Commodity-backed money</i>	Copper tallies appear are used in Italy to record debts owed between parties. These are purposely broken at the time of manufacture to provide stock and stub, whereby the debtor receives the stub and the creditor receives the stock. ¹⁴
600 BC	Lycurgus of Sparta, recognising that the lack of gold reserves was hindering local trade of assets, bans gold mining the praise of Pythagoras.

⁶ <http://www.moneystuff.co.uk/postcard/timeline.html>

⁷ Heinsohn, G. and Steiger, O. (2000)., *The property theory of interest and money*, in: Smithin, J. (eds) *What is Money?*, London: Routledge International Studies in Money and Banking,

⁸ Giroux, G. (2002)., *History of Accounting*, Mays Business School, Texas A&M University

⁹ Ingham, G. (2000)., 'Babylonian madness': on the historical and sociological origins of money, in: *What is Money?*, London and New York 2000, pp. 17/18

¹⁰ Lips, F. (2001)., *Gold Wars – The Battle Against Sound Money as Seen From a Swiss Perspective*, New York: Foundation for the Advancement of Monetary Education, p. 2.

¹¹ Durant, W. (1935)., *The Story of Civilization, Our Oriental Heritage, Vol.1*, (Simon & Schuster), p.77.

¹² Stone, W. (1969)., *The Accounting Review*, American Accounting Association, Vol. 44, No. 2 (Apr), pp. 284-291

¹³ OECD. (2002)., *The Future of Money*. Organisation for Economic Co-operation and Development, OECD Publications Service. p.44.

¹⁴ Wray, L. R. (2000), *Modern money*, in: Smithin, J. (eds) *What is Money?*, London: Routledge International Studies in Money and Banking, p. 45

700 BC
 Commodity money
 (inherent value
 caused by scarcity)

Coins invented in Lydia, Western Turkey by King Croesus. Started with crude slugs of electrum (a gold and silver alloy) of a standard weight. Later coins were stamped, first with simple lines and then with more complicated designs.¹⁵

Credit money
 (interest charged and
 principle never able
 to be repaid)

It has since been argued that coins were invented to facilitate trade and commerce, they would have travelled along the same paths as grain, lumber, and hides. They did not. As yet, no known hoards of the earliest coins have been found in Egypt, Tyre, or other centres of commerce.

"At this stage in the economy payments in metals for service was not normal. We can gain some idea of the practice of employment from [the Iliad and the Odyssey], and it would seem that employees were normally given board and lodging in return for service, and 'payment' was received at the end of service by way of a bonus, which could presumably, but not necessarily be given in metals... [As] bonus payments, the coins are more akin to gifts (or medals) than to coins as we know them."¹⁶

Prior to this time borrowing and lending took place in tallies and interest payments could be repaid through greater production or external imports. Coins, however, could exclusively be created by the minting creditor. Precious metal imports from other tax and banking regions could not ease the unseverable debt burden of interests payable in specific coins. Croesus' banking system lent out new unique coins, it is obvious that the interests payable similar to a pyramid scheme. The earlier the debtor becomes indebted and insolvent, the earlier the covenants of the credit contracts become effective increasing the creditor's wealth throughout the Middle East.

With this new invention of coinage, Croesus managed to amass unimaginable wealth within few years of his reign. After the invasion of Persia Croesus was killed in 546 BC, but in German language Croesus is still present in the saying "rich as Croesus". The advantage of the creditor was the disadvantage of the debtor who helped ideas of usury to spread. Croesus' monetary innovation was important, and it spread quickly over the Mediterranean world and throughout the Middle East and has helped to form some of the basis of today's banking system.¹⁷

¹⁵ Cook, R. M. (1958)., "Speculations on the Origins of Coinage," Historia. Wiesbaden.
¹⁶ Price, Martin J. (1986)., "Thoughts on the beginning of coinage," J. Price. Brooke, C. N. L, et al., eds. Studies in Numismatic Method Presented to Philip Grierson Cambridge: Cambridge University Press, 1986.
¹⁷ Soddy, F.(1933)., Wealth, Virtual Wealth And Debt – The Solution Of The Economic Paradox, New York: E. P. Dutton & Co., Inc., New York, pp. 186/187.

<p>680 BC Commodity money (inherent value caused by scarcity)</p>	<p>The use of gold as a “commodity money/fiat money mixture” spreads in that it has an exchange value because if not used as money it can be used as a commodity. But once money has been widely accepted for that use, it may take on a value as money that is independent of the value of the commodity of which it is composed. A premium could develop on the money commodity because it is more “liquid” than other commodities. A distinction between money of “intrinsic” and “extrinsic” worth begins to form.</p> <p><i>“Value is conferred on a commodity by the esteem in which it is held as measured by outside valuations that relate demand to supply, i.e., by scarcity”.</i>¹⁸</p>
<p>650 BC - 500 BC Commodity money (inherent value caused by scarcity)</p>	<p>Sometime between 650 and 500 BC, coinage was spread throughout the Greek world with the incredibly precise date of 687 BC being inferred from early Greek writings. Such an early date cannot be ruled out but there is no hard evidence to support it and it has been suggested, therefore, even that: <i>“In default of convincing new evidence it is better to emphasize the secure terminus ante quem of c. 560 BC, and to admit that we are not sure how much earlier coinage began.”</i>¹⁹</p> <p>Financial transactions were made only in coined money. Money changing was the most common financial activity. Bankers accepted deposits and made loans.</p>
<p>550 BC Commodity money (inherent value caused by scarcity)</p>	<p>Accepting salt from a person becomes synonymous with receiving a salary, taking pay, or being in that person's service. Definite indications are available that both black and white pepper are also used during this period. Being a valuable commodity in itself and being easily transportable makes it suitable as a form of payment.²⁰</p>
<p>408 AD Commodity money (inherent value caused by scarcity)</p>	<p>Alaric I reportedly demanded 3,000 pounds in weight of pepper in 408 AD as part of a ransom for the city of Rome. In the Middle Ages, there was a French saying, 'As dear as pepper'. In England, rent could be paid in pounds of pepper, and so a symbolic minimal amount is known as a "peppercorn rent".</p>

¹⁸ Mundell, R. (1999)., The birth of coinage. Department of Economics, Columbia University.

¹⁹ Howgego, Christopher. (1995)., Ancient History from Coins. London: Routledge

²⁰ Editor. (2007. , Buy and Sell Magazine. (Edition 2) P.2.

<p>1100 AD <i>Commodity-backed money</i></p>	<p>Tally sticks are introduced into England which, like clay tablets, provide a record debt/credit contracts and tax liabilities between holders.²¹</p>
	<p>The name of the debtor and the date of the transaction are written on two opposite sides of the stick. After contracting, the stick is split full length so each piece has a full record of the notches bearing the amount of the debt and its unit of account for the contracted goods or services, the name of the debtor and the due date. The split is stopped about an inch from the base of the stick by a crosscut, so that one of the pieces is shorter than the other. One piece is called "stock" (<i>from which our terms capital and corporate stock and stockholder derive</i>) and issued to the creditor. The other piece is called "stub" (a term still used as in 'ticket stub') or "counterstock" and kept by the debtor. The King kept the stock. The taxed debtor kept the stub, because both halves were a complete record of the credit and debt and the debtor is protected by his stub from the fraudulent imitation of tampering with his tally. The King could buy with paying his "stocks" to sellers of goods and services.</p>
<p>1291 AD</p>	<p>After their expulsion from the Holy Land the Templar Knights established an extremely successful network of credit centers in their commanderies throughout Europe, with headquarters in Paris. Of course they did not tell anyone that there was no gold "backing" their pieces of paper. King Philip the Fair, in cahoots with the first Avignon Pope Clement V, destroyed the Order and ransacked the commanderies in search of the phantom treasure.</p>
<p>Early 1400's <i>Commodity money (inherent value caused by scarcity)</i></p>	<p>The Tolai people of East New Britain Province in Papua New Guinea begin using shells as money. This money has continued to be in use today as a contribution to the Tolai male secret society of tumbuan and dukduk, for distribution to people at death ceremonies, as payment of a bride price, for settling disputes, to purchase land or even garden food from local markets.²²</p>
<p>Early 1400's <i>Fiat money</i></p>	<p>Paper money developed in China.²³</p>
<p>1630 <i>Direct barter</i></p>	<p>The lack of foreign coins and hard currency forces the colonists of New England (now the USA) to barter. The English leaders felt that colonial exports, such as animal skins, dried fish, and tobacco, should be paid for in English goods. Colonial exports would be accepted in return for an equal value of such goods as fabrics, window panes, pewter dishes, and mirrors. This barter arrangement - an exchange of goods or services without using money - seemed ideal to the British but was increasingly unpopular with the colonists, who preferred coin for their exports to gain more independence over their buying power²⁴.</p>

²¹ Mitchell, I. A. (1913)., What is Money?, article in: The Banking Law Journal, May 1913, pp. 394-399

²² Marton, K, (2004), Land, Custom and Conflict in East New Britain, Resource Management in Asia-Pacific Program, The Australian National University, p.7.

²³ Weidenbaum, M. (2003) Facing The Challenges Ahead, The serious policy issues facing the United States. Address by Murray Weidenbaum, Honorary Chairman of the Weidenbaum Center on the Economy, Government, and Public Policy at Washington University in St. Louis. (10 Sept).

²⁴ Cooke, A. (1973)., America. New York: Alfred A. Knopf Publishing Company.

1630-1960 <i>Direct barter</i>	Direct barter between New England colonies. The Massachusetts Bay Colony used corn and beaver skins as its medium of exchange. In the Southern colonies, it was tobacco and rice; and throughout most of the colonies, animal skins, corn, powder and gun shot, and livestock were often used. Since the market value of commodity money was determined by supply and demand, its value as money often decreased when there was an over supply in the marketplace. In addition, commodity money lacked uniform quality, and was prone to spoilage, difficult to transport, and costly to store. ²⁵
1633-1672 <i>Commodity money (inherent value caused by scarcity)</i> <i>Fractional reserves</i>	Rise of goldsmith-bankers in England. Goldsmiths used their safes for deposits of coins and other valuables and gradually became bankers. Beginning in 1633 goldsmith notes were used as receipts for reclaiming deposits and evidence of ability to pay. By 1660 goldsmith notes became banknotes, accepted in place of coin. ²⁶
	Then the goldsmiths discovered that they could issue more money (i.e. paper gold-deposit certificates) than they had gold, and usually no one would be any the wiser. Next, they discovered they could lend out this extra paper money and keep interest on it. This was the birth of fractional reserve lending - that is, lending out more money than you have reserves deposit. Obviously, it was fraud, often specifically outlawed when understood. ²⁷
1652 <i>Commodity money (inherent value caused by scarcity)</i>	In an effort to provide more good coin to further trade and commerce, the Massachusetts Bay Colony established an illegal mint in Boston. The General Court of Massachusetts appointed John Hull as mint master, and the first coin issued by the mint was the New England. ²⁸
1690 <i>Fiat money</i>	The Massachusetts Bay Colony was authorized to raise troops to help British soldiers fight in King William's War and to cover the expenses of an ill-fated military expedition into French Canada. The King allowed the colony to pay soldiers with Bills of Credit - a promise to pay in the future - printed on paper by the colony. The crudely printed notes were issued in denominations of five, ten, and twenty shillings. They read: "This indented Bill of Five Shillings due from the Massachusetts Colony to the Possessor shall be in value equal to money and shall be accordingly accepted by the Treasurer and Receiver Subordinates to him in all Public payments and for any stock at any time in the Treasury - New England, February the third, 1690. By order of the General Court." ²⁹
1703 <i>Fiat money</i>	South Carolina begins printing own paper money. ³⁰
1704 <i>Commodity-backed money</i>	UK Promissory Note Act confirms the legality of goldsmiths notes as negotiable and legal tender. ³¹
1709 <i>Fiat money</i>	Connecticut and other colonies on the East Coast of the United Kingdom colony of New England (now the USA) begin printing own paper money. ³²

²⁵ Cooke, A. (1973)., America. New York: Alfred A. Knopf Publishing Company.

²⁶ Holtgen, K. (1965)., The Review of English Studies 1965 XVII(64):399-405; doi:10.1093/res/XVI.64.399

²⁷ Carmack, P.S.J. (2001). The Money changers. P.4.

²⁸ Friedberg, R. (1975)., Paper Money of the United States. New York: The Coin and Currency Institute, Inc.

²⁹ Friedberg, R. (1975)., Paper Money of the United States. New York: The Coin and Currency Institute, Inc.,

³⁰ Cooke, A. (1973)., America. New York: Alfred A. Knopf Publishing Company.

³¹ Bisignano, J. (1998) Towards an understanding of the changing structure of financial intermediation: An evolutionary theory of institutional survival. Bank for International Settlements, Basle, Switzerland. © 1998 SUERF. p.22.

³² Cooke, A. (1973)., America. New York: Alfred A. Knopf Publishing Company.

1762 <i>Commodity-backed money</i> <i>Fiat money</i>	Barings Bank founded-Britain's oldest merchant bank. ³³
1764 <i>Fiat money</i>	Following years of restrictions on colonial paper currency, Britain finally ordered a complete ban on the issuance of paper money by the Colonies. ³⁴
1775 <i>Fiat money</i>	When the Revolutionary War breaks out in 1775, the Continental Congress issues paper money to finance the war. Although the Congress had no power of taxation, these notes were backed by anticipated future tax revenues. The young and inexperienced country issued far too much continental currency, causing it to depreciate rapidly. By the end of the war, it had become worthless or, as the saying went, "not worth a continental." ³⁵
1781 <i>Fiat money</i> / <i>Fractional reserves</i>	First central bank in America founded and chartered by the Continental Congress, the Bank of North America in Philadelphia. ³⁶ The bank was given authority to print currency and make loans based on fractional reserves, although private investors would hold 80 per cent of its stock. The US Government put up it's initial \$2,000,000 in cash; then the bank, through the old magic of fractional reserve lending, made loans to its charter investors so they could come up with the remaining \$8,000,000 in capital needed for this risk-free investment. Over the first five years, the US Government borrowed \$8.2 million from the First Bank of the United States. In that period, prices rose by 72 per cent. ³⁷
1792 <i>Commodity money</i> <i>(inherent value caused by scarcity)</i>	The Coinage Act of 1792 created the U.S. Mint and established a federal monetary system, set denominations for coins, and specified the value of each coin in gold, silver or copper. ³⁸
1800-1860 <i>Commodity money</i> <i>(inherent value caused by scarcity)</i>	When cowrie shells are first introduced to Uganda at the end of the eighteenth century two are sufficient to purchase a woman. Thereafter the wholesale importation of cowries causes inflation with the result that by 1860 one thousand cowries are needed for such a purchase ³⁹ . This is effectively a 500-fold depreciation of the cowrie shell.
1816 <i>Commodity-backed money</i>	England's Channel Islands of Guernsey and Jersey issued their own currency During the war against Napoleon, the British government was effectively bankrupt, with 80% of all tax revenue was going towards debt payments to the banks who had issued the currency. The people and the materials were there, but there was no money (as a medium of exchange) to move their resources. They issued their own currency and, eighteen months later, they repaid their bank debts, repaired the civil infrastructure, built a church and a monument. Today, there is \$36 million dollars of local currency in circulation for a population of 60,000 ⁴⁰ .

³³ Hughes, J., MacDonald, B (2002). International Banking, Addison Wesley. P.11

³⁴ (2005)., U.S. Currency Milestones. Fact Sheet. The Bureau of Engraving and Printing, The United States Department of Treasury.

³⁵ Morrison, S.E., Commager, H.E., Leuchtenberg, W.E. (1977)., A Concise History of the American Republic. New York: Oxford University Press

³⁶ von Nothaus, B. (2002)., The nature of money. Where it came from - where it is going. p.3.

³⁷ Carmack, P.S.J. (2001)., The Money Changers. p.4.

³⁸ (2005)., U.S. Currency Milestones. Fact Sheet. The Bureau of Engraving and Printing, The United States Department of Treasury.

³⁹ A Davies, G. (1996)., A History of Money from Ancient Times to the Present Day, rev. ed. Cardiff: University of Wales Press

⁴⁰ DeMeulenaere, S. (2000)., A Pictorial History of Community Currency Systems

1883-1834 <i>Commodity-backed money</i>	The National Labour Exchange created by Robert Owen and his followers issues paper money in the form of <i>labour notes</i> to the value of one, two or five hours redeemable at designated stores but the experiment comes to an end with the failure of the Grand National Trades Union ⁴¹ .
1833	Noted economist, Daniel Webster, laments: " <i>We are in danger of being overwhelmed with irredeemable paper, mere paper, representing not gold nor silver; no sir, representing nothing but broken promises, bad faith, bankrupt corporations, cheated creditors and a ruined people.</i> " ⁴²
1837 <i>Local money</i> <i>Fiat money</i>	William Lyon Mackenzie issued dollar-denominated notes in the name of the Provisional Government of Upper Canada on Navy Island in the Niagara River, following his abortive attempt to seize Toronto in the Rebellion of 1837. ⁴³
1861 <i>Fiat money</i>	1861, the Colony of British Columbia issues Treasury notes, first in pounds and subsequently in dollars. These notes, which were used to finance public works, circulated freely, given a shortage of minted coins. ⁴⁴
1912 <i>Fiat money</i>	Modifying classical economics Menger, Böhm-Bawerk and von Mises introduces the concept that money no longer represents the direct value of goods and/or services and that the creation of bank loans also creates money, and the repayment of bank loans destroys money, this understanding has not been applied to the quantity theory of money. The payment of interest also destroys money affecting the business cycle in a fractional reserve banking system. Mises calls the fiat money respectively the credit/debt created in a fractional banking system "fiduciary credit". ⁴⁵
1921 <i>Commodity-backed money</i>	German cities begin issuing own currencies. Lubeck City Currency issued to fight inflation and to allow trade between local merchants ⁴⁶ .
1921 <i>Commodity-backed money</i>	Stadt Wesel City Money (Germany) ⁴⁷
1923 <i>Commodity-backed money</i>	Bremen City Money (Germany) ⁴⁸
1929	Great Depression

⁴¹ Davies, G. (1996)., *A History of Money from Ancient Times to the Present Day*, rev. ed. Cardiff: University of Wales Press

⁴² Turk, J., Rubino, R. (2001)., *The Coming Collapse of the Dollar*. (Chapter 8).

⁴³ Powell, J. (2005)., *A History of the Canadian Dollar*. Reserve Bank of Canada. ISBN 0-660-19571-2. p.95.

⁴⁴ Gold dust was also used as a medium of exchange in the colonies of Vancouver Island and British Columbia following the discovery of gold in the Fraser River in the late 1850s. The use of gold dust was open to abuse, since the dust was of uncertain quality and had to be weighed (Reid 1926).

⁴⁵ Mises, L. (1980 [1912]), *The Theory of Money and Credit*, Indianapolis: Liberty Classics.

⁴⁶ Friere, M. (2007)., *Moedas Socias. O que sao, como funcionam e por que podem ser consideradas instrumentos de desenvolvimento local*. Banco Central Do Brasil. p.8.

⁴⁷ Friere, M. (2007)., *Moedas Socias. O que sao, como funcionam e por que podem ser consideradas instrumentos de desenvolvimento local*. Banco Central Do Brasil. p.8.

⁴⁸ Friere, M. (2007)., *Moedas Socias. O que sao, como funcionam e por que podem ser consideradas instrumentos de desenvolvimento local*. Banco Central Do Brasil. p.8.

1929
Commodity-backed money

In Austria the town of Wörgl near Innsbruck, with its 5,000 inhabitants, drew widespread attention. In the little town and its environs, over 1,500 people were out of work. So the mayor financed urgent communal projects with "work value certificates". Circulation of money increased steadily, unemployment sank within a year by 25%, and the municipality's financial situation improved markedly. The additional income was made available for urgent social needs. And the recognition was soon established that a complementary, overseeable payment system within a local or regional community assures the circulation of money, reduces unemployment, and reinforces community bonds.⁴⁹

1930s
Commodity-backed money

Irving Fisher of Yale University analyses the Worgl case in Austria and publishes various articles about its success. Subsequently, more than 400 cities, and thousands of communities or organizations all over the United States, issued one form or other of emergency currency. Many were stamp scrip, involving the application of a stamp at prescribed intervals (monthly, for example). There was also a movement to issue this stamp script officially nationwide: Senator Bankhead of Alabama presented a bill to the Senate February 18, 1933, and Representative Petenhill of Indiana presented a bill to the House of Representatives on February 22, 1933.

During this time Irving Fisher approached Dean Acheson, then Undersecretary of the Treasury, to obtain support from the Executive branch for the same idea. Acheson asked the opinion of one of his Harvard professors, who advised him that the system would work but that it would imply strongly decentralized decision making, which he should check out with the President. Soon thereafter, President Roosevelt prohibited any use of "emergency currency" and announced the New Deal centered around a grandiose centralized plan of large construction projects.

In this book, produced during the middle of the Great Depression, Fisher endorsed the so-called Chicago Plan put forward by leading economists at the University of Chicago. The plan included 100 percent bank reserves, and Fisher endorsed it because he believed the system in place before 1935 had been far too unstable.⁵⁰

1931
Commodity-backed money

Wara Currency Note Herr Hebecker of Schwanenkirchen, Bavaria (population 500) owned a small bankrupt coal mine. Instead of paying his workers in Reichsmarks, he decided to pay them in coal. He issued a local scrip called Wara on the reverse of which were small squares where stamps could be adhered. By 1931, this free economy movement had spread throughout Germany involving more than 2,000 businesses. 20,000 Wara were issued and 2.5 million people handled them between 1930 and 1931.⁵¹

⁴⁹ Cooperative Principle and Complementary Currency. Dr. W. Wüthrich. 2004

⁵⁰ Humphrey, T (1997)., "Fisher and Wicksell on the Quantity Theory," Federal Reserve Bank of Richmond Quarterly Review, 83 (Fall).

⁵¹ DeMeulenaere, S. (200)., A Pictorial History of Community Currency Systems

1934 <i>Commodity-backed money</i>	<p>Founding of the WIR in Switzerland as a self-help organization in 1934 by Werner Zimmermann and Paul Enz. Small and medium-sized businesses were especially hard hit at that time by the depression following the stock market crash of 1929. Sales had receded massively, and many employees had lost their jobs. There were no signs of a recovery. It is estimated that in Switzerland around 20% of the bank notes in circulation were hoarded outside the banking system and thus removed from economic circulation. In other countries the percentage was probably much higher. The WIR started with 16 members and an initial capital of SFr 42,000. The name "WIR", an abbreviation for "Wirtschaftsring-Genossenschaft" ["Economic Circle Cooperative"].⁵²</p>
1935 <i>Direct barter</i>	<p>US pharmaceutical giant Monsanto sells saccharin to a company in China for trade. When the company was unable to pay in cash, Monsanto took frozen mackerel in exchange, and acquired an export market in the world's most populous country⁵³.</p>
1936 <i>Local fiat money</i>	<p>During the Great Depression of the 1930s, a number of towns and cities in Alberta, Canada, issued scrip or certificates that circulated as money. In August 1936, Alberta's Social Credit Government, led by William Aberhart, issued "prosperity certificates."⁸ These were issued in denominations of \$1 and were used to pay relief workers on provincial public works projects. Additionally, the legislation allowed certificates to be put into circulation via special agreements with municipalities.</p>
1936 <i>Commodity-backed money</i>	<p>To promote the circulation of certificates, increase spending, and deter hoarding, holders were required to affix a one-cent stamp to the certificates every week to maintain their value. At the end of two years, the Government of Alberta promised to redeem the certificates using the proceeds of the stamp sales, with the residual (after paying the expenses related to the issuance of the certificates and the stamps) going to the government.⁵⁴</p>
	<p>Argentine Gesellian Money launched after economist Silvio Gessel.⁵⁵</p>
1936 <i>Commodity-backed money</i>	<p>East India Trading Company Rupee</p>
1944 <i>Commodity-backed money / Fractional reserve</i>	<p>Bretton Woods Accord established a fixed exchange rate regime, whose aim was to provide stability in the world economy after the 1930s "Great Depression" and the World War II. This accord fixed the exchange rates of major currencies to the US dollar and set the price of gold to and \$35 per ounce. The accord required central bank intervention to maintain the fixed exchange rates.⁵⁶</p>

⁵² Wüthrich, W. (2004)., Cooperative Principle and Complementary Currency.

⁵³ Phillips, T. (2003)., The new global currency. Guardian Unlimited. (27 February).

⁵⁴ The Globe, 8 April 1937.

⁵⁵ Burruso, S. (2005)., Economic Law, Ethics, and Paradox: Is There a Way Out? American Review of Political Economy, Vol. 3(1), pp.1-38

⁵⁶ Kreslik, M. (2006) International Foreign Exchange Trading. Mendel University. pp. 9-10.

<p>1970 <i>Commodity-backed money</i></p>	<p>Economist Ralph Borsodi and Robert Swann issue a currency that was based on a standard of value using thirty different commodities in an index similar to the Dow Jones Average. It was called the Constant because, unlike the national currency, it would hold its value over time. The Constant circulated in Exeter for more than a year, proving, as Borsodi had hoped, that people would use currency which was not the familiar greenback. At the time, it received national publicity in Time, Forbes, and other magazines. When asked by a reporter if his currency was legal, Borsodi suggested that the reporter check with the Treasury Department, which the reporter did. He was told, "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."⁵⁷</p>
<p>1971 <i>Fiat money</i></p>	<p>President Richard Nixon unilaterally resigns from the Bretton Woods Accord. The agreement collapsed because foreign holders of dollars started demanding gold but there were too many dollars in circulation to honour the redemption guarantee. This brought about the rise of fiat currency in the United States, a move which was quickly followed by other countries.</p>
<p>1972 <i>Direct barter</i></p>	<p>PepsiCo does a deal with the government of the USSR to supply the first western consumer product on sale in the Soviet Union. Instead of roubles, Pepsi was traded for vodka, and PepsiCo acquired distribution rights to Stolichnaya in the US⁵⁸.</p>
<p>1972 <i>Commodity-backed money</i></p>	<p>The Constant is issued by the International Independence Institute, under the leadership of Ralph Borsodi and Robert Swann, circulated for a year in Exeter, New Hampshire stores as a demonstration that local bank notes, working with the not-for-profit sector, remain a contemporary option for local exchange.⁵⁹</p>
<p>Mid 1970's <i>Commodity-backed money</i></p>	<p>In the early 1970s, the mayor of the city of Curitiba in Brazil became concerned with increasing waste disposal problem in the city. Lacking the money to hire people to clean up the streets, he devised a low-cost plan to alleviate the problem with existing resources.</p> <p>Residents could exchange one bag of waste for one public transport token. Soon, these tokens became an accepted medium for exchange between the residents, increasing economic activity. In a similar program, the city bought organic waste from slum dwellers in exchange for tickets which could be used to buy food from special warehouses stocked with food purchased by the city from around the area. The organic waste was composted and sold to farms.⁶⁰</p>

⁵⁷ Swan, R. Witt, S. (1995). Local Currencies: Catalysts for Sustainable Regional Economics.

⁵⁸ Phillips, T. (2003)., The new global currency. Guardian Unlimited. (27 February).

⁵⁹ Local Currencies in the Twenty-First Century: Understanding Money, Building Local Economies, Renewing Community. Susan Witt and Christopher Lindstrom, E. F. Schumacher Society. 2004

⁶⁰ (1998)., Aktie Strohalm NGO. Lokale Economie Wereldwijd. Utrecht: Netherlands.

1982 <i>Commodity-backed money</i>	The Local Employment Trading System is founded by Michael Linton in Courtenay, B.C., in response to local plant shutdowns. The U.K. now boasts over 250 LETS. Canada has about forty LETS ⁶¹ and there are more than 1,500 LETS and Community Currency groups from 39 countries. ⁶²
1982 <i>Commodity-backed money</i>	ITEX founded in Portland, Oregon. ⁶³
1985 <i>Commodity-backed money</i>	LETS founded in the United Kingdom ⁶⁴
1986 <i>Commodity-backed money</i>	LETS founded in New Zealand ⁶⁵
1986 <i>Commodity-backed money</i>	The three neighbouring provinces of La Rioja, Jujuy, and Tucuman in Argentina started issuing their own bond-money. The amount of bonds issued grew and by the end of 1991, the bonds represented an estimated 60% of all currency in circulation in the Salta region, which may be considered to be an over-issuance. In the neighbouring province of Tucuman, this proportion was estimated at 43% of the currency in circulation in 1997. ⁶⁶
1987 <i>Commodity-backed money</i>	LETS founded in Australia ⁶⁷
1987 <i>Commodity-backed money</i>	Salta Province Debt Cancelling Bond, Argentina ⁶⁸
1989 <i>Commodity-backed money</i>	After being denied a bank loan, the owner of The Deli in Great Barrington, Massachusetts, issued "Deli Dollars" as a way to finance the move from one location to another. Customers bought Deli Dollars for \$8 to be redeemed for \$10 worth of soup and sandwiches at a later date. It was not the first time scrip had been used as a self-financing tool for a small business, but Deli Dollars caught the attention of international media including CNN, NBC, CBS, and Tokyo TV, giving new energy to the local currency movement. ⁶⁹

⁶¹ Cottam, T (1994)., Local currencies foster a more caring society., Burma-Tibet group of OPIRG-Carleton

⁶² Tarsis, J, (2003)., LETS Changed my life, New Community Quarterly Australia (May Issue)

⁶³ (2004)., The Right Map for the Journey. Annual Review. Stoel Rives LLP. P.41.

⁶⁴ Seron, S. (1995)., Local Exchange Trading Systems. Universite de Bourgogne - Dijon

⁶⁵ Seron, S. (1995)., Local Exchange Trading Systems. Universite de Bourgogne - Dijon

⁶⁶ Schuld. J. Dineros Alternativos para el Desarrollo Local. Lima: Universidad del Pacifico. p.76.

⁶⁷ Seron, S. (1995)., Local Exchange Trading Systems. Universite de Bourgogne - Dijon

⁶⁸ Tommasi, M. (2002)., Federalism in Argentina and the Reforms of the 1990s

⁶⁹ Kliewer, K. (2003)., Barter financing: The story of deli dollars. TelesCo-Op News. (April) P.4.

1991 <i>Commodity-backed money</i>	Paul Glover hears a radio interview about Deli Dollars and Berkshire Farm Preserve Notes. The story inspired him to Issue Ithaca Hours in his hometown of Ithaca, New York, as a way to create more local jobs and more security for Ithacans who are underemployed.
	Ithaca Hours has since grown from its small grass-roots beginning to include over a thousand individuals and stores. The scrip can buy food items, construction work, professional services, health care, and handicrafts. Each Ithaca Hour is worth ten dollars so the five thousand Ithaca Hours (or \$50,000) in circulation have increased local economic transactions by several hundred thousand dollars annually. ⁷⁰
1991 <i>Commodity-backed money now Fiat money</i>	Bartercard was founded on the Gold Coast in 1991 by Brian Hall, Andrew Federowsky and Wayne Sharpe. ⁷¹
1991 <i>Commodity-backed money</i>	Womanshare is a skill exchange system in New York City by Diana McCourt and Jane Wilson. Womanshare's founders say that "... time is our most valuable resource - our real wealth - and so time is Womanshare's currency. All work time is valued equally, one credit for every hour worked whether the skills are professional or life skills." Some 200 offerings and needs are printed in a directory together with a newsletter. The system is limited in size to 100 participants so that "close relationships between members" can develop. ⁷²
1992 <i>Commodity-backed money</i>	Tradebart Pty, Ltd. founded and based out of Everard Park, Australia. ⁷³
1993 <i>Commodity-backed money</i>	BBX commences operations in Adelaide, Australia. ⁷⁴
1995 <i>Fiat money</i>	Barings Bank, the UK's oldest bank, is declared bankrupt. ⁷⁵
1995 <i>Commodity-backed money</i>	<p>Sistema Intercambio y Transacciones Locales is initiated in Ecuador in the campesino communities by an educator who had learned about the Local Exchange Trading System. Adapting the system to suit local realities, SINTRAL is a completely decentralized network of over 50 community exchange systems.⁷⁶ Key points are:</p> <ul style="list-style-type: none"> ▪ Mutual Aid: people must work together and help each other. ▪ Decentralized: no one needs to be in charge. ▪ Transactions are recorded using cheques. ▪ Local Production for meeting Local Needs. ▪ Fostering Community Spirit. ▪ Saving resources and the environment. ▪ Currency is called "Recursos", Resources.

⁷⁰ Solomon, L.D. (1996). Rethinking Our Centralized Monetary System: The Case for a System of Local Currencies, with a Foreword by Robert Swann Westport, Ct.: Praeger Publishers

⁷¹ Sale of Bartercard Australia. Bartercard Website News. 8th August 2007.

⁷² Cohen-Mitchell, T. (2005)., Community Currencies at a Crossroads, Education for Community Building, Newvillage (Issue 3)

⁷³ Business Week.

<http://investing.businessweek.com/businessweek/research/stocks/private/snapshot.asp?privcapld=26416628>

⁷⁴ (2006)., BBX Annual Report. (September 2006). P.7.

⁷⁵ Hughes, J., MacDonald, B (2002). International Banking, Addison Wesley. P.11

⁷⁶ Wild, R. (2001)., SINTRAL Network. Outlook Newsletter. p.1. (Spring)

1995 <i>Commodity-backed money</i>	RT was created Buenos Aires, Argentina, by urban ecologists of PAR (Programa de Autosuficiencia Regional) to provide a lifeline for so-called "the new poor" under the circumstances of severe structural unemployment and financial instability. Ultra-rapid proliferation of RT has been reported by the mass media, for instance, "up to 20% of the population were involved in trading in barter clubs" (BBC4 2002, in, Pearson 2003:214). ⁷⁷
1996 <i>Commodity-backed money</i>	the "LA OTRA Bolsa de Valores" launched a community currency system, known as "Tianguis TLALOC". Triggered by the Mexican crisis, with its persistent social and economic impacts at the grassroots level, the "LA OTRA Bolsa de Valores" created a platform in which causes and impacts of the financial crisis and its alternatives could be discussed. ⁷⁸
1997 <i>Commodity-backed money</i>	Women-run Community Exchange System in Thailand Launched. Bia Kud Chum was from the start designed and run by women from Kud Chum. Those with accounts could withdraw up to 500 Bia, interest-free. A Bia Market was organized in three villages, three different days per week at which people could buy goods using Bia. Bia Kud Chum suspended operations on request of the Bank of Thailand in 2000 pending further research, but has now been restarted on a 5 year program and expanded to 50 communities. ⁷⁹
1997	David Bowie makes financial history by raising \$55 million through the issue of issue of 10-year asset-backed bonds, the collateral consisting of future royalties from 25 albums that he recorded before 1990. Prudential Insurance Co. bought the bonds ⁸⁰ .
1998 <i>Commodity-backed money</i>	In the Grand-Yoff district of Senegal's capital, Dakar, an initiative is underway to introduce a local currency. This project, supported by the West-African NGOs, Groupe Recherche Action Formation (GRAF) and ENDA Tiers-Monde, is implemented through an existing network of credit unions. After several workshops promoting the concept, the first community exchange group was formed in 1998. The group, called Doole (meaning 'force' in the main local language) began by organising monthly markets through which to introduce the currency newly printed currency notes, called 'bons de travail', which are denominated in hours. One hour is equal to 1000 francs CFA (about US\$1.50). People can pay 500 CFA to join the system, and in return receive 'bons' with a value of 5 hours. However, people do not have to be members to participate as anyone can use 'bons', and there is no administrative involvement in recording transactions. ⁸¹
1998 <i>Commodity-backed money</i>	LCM has been developing fast in Brazil since 1998, with the benefit of learning from mistakes of Argentina. Powell estimates that "if Argentinean growth patterns were replicated, there could be as many as five million <i>prosumadores</i> in Brazil alone by 2007"

⁷⁷ Minujin et al. (1995)., in, Powell 2002a:6

⁷⁸ Robertson, J. (1997)., Electronic Exchange Systems. Turning Point 2000. (Feb Issue).

⁷⁹ DeMeulenaere, S. (2000)., A Pictorial History of Community Currency Systems.

⁸⁰ "The History of a Music Business Revolution". <http://www.projects.ex.ac.uk/RDavies/arian/bowiebonds.html>

⁸¹ (1999)., Senegal & Thailand Community Currency Systems. International Journal of Community Currency Research.

1999 <i>Commodity-backed money</i>	Toronto Time Dollar Launched in Canada. According to its organizers, the project seeks to strengthen the neighbourhood's identity and autonomy, promote local trade, and provide a locally generated source of funds for charitable organizations tackling poverty and homelessness. ⁸²
1999 <i>Commodity-backed money</i>	In three rounds of financing, BarterTrust raises \$70 million in venture funding from General Motors Investment Management Corporation, Deutsche Banc Alex. Brown, GE Equity, the private equity division of GE Capital Corp., Vector Capital, Venture Strategy Partners, Argus Capital, Draper Richards, El Dorado Ventures, Generation Partners, MSC Industrial Direct and PurchasePro.com as well as individual investors. ⁸³
2000 <i>Commodity-backed money</i>	Bartercard withdraws from planned AUS\$20 million (US\$12 million) Initial Public Offering (IPO) float on the Australian Stock Exchange, citing uncertain market conditions, despite adequate support from its members and public investors. ⁸⁴
2000 <i>Commodity-backed money</i>	Bartercard Australia acquires major competitor – IBEX - taking on IBEX's 2,500 national members, approximately 20 staff. ⁸⁵
2000 <i>Commodity-backed money</i>	BarterNet raised \$21.3 million in its Series B funding bringing its total capital to more than \$26 million. Led by Trident Capital, this investment group also included Halpern, Denny & Company and existing investors Alignment Capital, Wand Partners, and the partners of Parthenon Capital. BarterNet signs affiliation agreements with 19 local exchanges representing over 25,000 businesses. ⁸⁶
2001 <i>Commodity-backed money</i>	BarterNet Corporation announces that affiliate transactions totalled \$230.9 million for the year. The sum representing the combined gross revenue of the 26 barter exchanges around the world that are were consolidated into BarterNet at the time. Company claims that "The average business bartered \$4,760 worth of goods and services." ⁸⁷
2001 <i>Commodity-backed money</i>	BarterTrust changes name to Tradaq. ⁸⁸
2001 <i>Commodity-backed money</i>	South African meat exporter Udom Supply Immax co trades 300,000 head of cattle (approximately 10 million USD worth) for 1,080,000 tonnes of rice from Thailand. Thai government collects value added import tax of approximately \$6.65 USD per head of cattle introduced. ⁸⁹
2002 <i>Commodity-backed money</i>	BarterNet changes name to Intagio following purchase of BarterTrust/Tradaq. ⁹⁰

⁸² Cohen-Mitchell, T. (2005)., Community Currencies at a Crossroads, Education for Community Building, Newvillage (Issue 3)

⁸³ (1999)., BarterTrust.com CEO Says the Internet Permits Economically Sound, Cashless B-2-B Barter in the U.S. San Francisco Business Wire.

⁸⁴ Aldred, J. (2000)., Bartercard Calls Halt to IPO and Float. Internet.Com Business News. (19 June).

⁸⁵ Aldred, J. (2000)., Bartercard Moves on After Float Halt. Internet.Com Business News. (23 June).

⁸⁶ (2000)., Bartering Network Pulls in \$21 Million. Internet Retailer. (Sept 18).

⁸⁷ PR Newswire. (2001)., Barternet Transactions Total \$231 Million for 2000. (20 March).

⁸⁸ Meyer, B. (2001)., "Alternative Financial Services Network Changes Name". Barter News. (8 May)

⁸⁹ Bangkok Post Saturday, October 6, 2001

⁹⁰ Meyer, B. (2002)., "BarterNet Unveils Name Change". Barter News. (2 April).

2003 <i>Commodity-backed money</i>	SANE community Exchange System (CES) started operating an internet-based LETS in Cape Town, South Africa. In the meantime there are several such systems operating in different regions in South Africa, and the CES network is being used by LETS in several countries, among them New Zealand, Australia, Israel, USA, Norway, etc ⁹¹
2004	On 17 November 2004, BBX (Australia) issues a prospectus, offering 14 million shares to raise \$7 million cash and 2 million shares to raise 1 million BBX Trade Dollars. The share offer price was 50 cents per share. The offer was due to close on 8 December 2004, but due to it being under-subscribed was extended to 24 January 2005. Ultimately, the offer remained under-subscribed and was subsequently withdrawn. ⁹²
2005	Bartercard obtains a listing on the Alternative Investment Market (AIM) in London. The listing, however, does not take place in the form of a conventional IPO, but through exchanging shares with an already listed company, the Universal Direct Group plc (UDG). For 100 percent of shares in Bartercard International Ltd., resident in Bermuda and until then parent company of the entire Bartercard Group, Bartercard's shareholders obtained 217 m newly issued shares or 95.9 percent of UDG's voting stock. UDG changed its name to Bartercard plc and, being the sole owner of Bartercard International Ltd. and thus the indirect owner of all other associated companies, has been acting since that time as the holding company. £4.14 m. European Entertainment Investments Ltd (to be converted into 18 m ordinary Bartercard shares at an average conversion price of 23p per share.) A convertible loan note for the amount of £0.55 m (approx. A\$1.3 m) was issued to Montgomery Equity Partners. Shareholders and board members also contribute fresh capital amounting to £0.5 m in exchange for 3.12 m new shares. ⁹³
2005	BBX issues a second prospectus on 11 May 2005, offering 24 million shares at 25c per share. This offer was over-subscribed and closed on 27 July 2005. ⁹⁴
2005	BBX listed on the Australian Stock Exchange. ⁹⁵
2006	BBX states its intention to launch a property investment fund using a combination of cash and barter currency. BBX aims to float the \$A100m BBX Property Fund on the Newcastle Stock Exchange in August 2006. Intention is to raise \$A30m in cash and \$A70m in "trade dollars", which are used in barter trade to purchase and sell goods. ⁹⁶
2007	ITEX acquires Intangio.
2007	BBX Property Fund Limited announces results of share and lists on the National Stock Exchange of Australia and issues 1,119,921 ordinary shares and 7,087,070 'B' shares. ⁹⁷
2007	By the 29th September 2007 BBX Property Investment Fund has only raised \$15 million dollars, of which more than 70% is in BBX Barter Dollars. ⁹⁸

⁹¹ http://en.wikipedia.org/wiki/Local_Exchange_Trading_Systems

⁹² (2005). BBX Annual Report. p.14.

⁹³ (2006)., Research Report on Bartercard PLC., Performaxx Research. P2.

⁹⁴ (2005). BBX Annual Report. p.14.

⁹⁵ (2005). BBX Annual Report. p.4.

⁹⁶ Chong, F. (2006)., Pioneering fund plans to use barter and cash. The Australian. (3 May).

⁹⁷ Fearson, D.J. (2007)., Letter from BBX Property Investment Fund Limited to National Stock Exchange of Australia.

⁹⁸ (2007)., 40510 NSX Annual Report. BBX Property Investment Fund Limited Annual Report. BBX.

