

New Zealand's Vanishing LETS by Anton Pinschhof

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Whilst I am not currently devoting any time to this subject ¹ and have not looked into the New Zealand problem, I can say something of my experience with *LETS*, having been involved in Brittany in one that I started, and about a dozen others that I helped start, from 1996 till about 2001 when ours fizzled out. One of the others, in a neighbouring district to ours, had a strongly politically motivated core group and is yet operating as a self help group.



I have long had the distinct impression that applying the Vancouver formula, of private associations of like-minded spirits organising their own internal market, does not work far beyond the initial enthusiasm. What for mercantilist Anglos may be a popular sport may for others turn out to be a sectarian ghetto. Having visited Vancouver Island, and having also experienced English & European suburban archipelagos, I can quite understand how the *LETS* can enthuse enough varied types of people to be able to include a broad enough spectrum of goods & services, such that supply & demand are sufficient for the demand and the supply.

But in scattered rural populations where the circulation of goods and services is already difficult enough, and where the *LETS* membership formula attracts too many ideologically stereotyped and socially isolated people, there is always a lack of certain categories of producers and/or buyers, not to mention the inevitable psychological problem of an inward-looking group (attracting a high proportion of recent immigrants, eccentrics, outcasts and scroungers), for whom the *LETS* at first seems like a Shangri-La that excuses initiates from the effort of social intercourse with normal local people on the same planet...never mind political dialogue with institutions and other organisations.

My own (unheeded) initial advice when starting our *LETS*, and my conclusion now, is that *LETS* should organise always with a view to getting local public authorities and professional & cultural bodies to discuss and eventually apply the principles of local currency (basis of issue, agent of issue, entropy, etc.) rather than the *LETS* only existing for personal benefit.

The only way to avoid some members ending up with unspendable credits, or unredeemable deficits, is to finally involve the whole gamut of the local economy, allowing all to spend and accept credible parallel currencies, for a proportion of turnover, such that local currencies circulating in free competition with monopoly money can eventually be seen quite simply as a cheaper (private or public) monetary service.

The decisive moment may be when accountants add an extra column for non-monopoly currencies, under the heading of *transactions in kind*. If the *EU Commission* can lie through its teeth and invent the concept of *coexistence* between organic and genetically modified agriculture...a technical & legal acrobacy of monstrous and finally impossible proportions...then it should be possible to allow coexistence also for free currency and monopoly money, if only in the name of fair competition for services.

Petite-Bretagne, 8th June 2005

¹ Apart from sporadic work on my French translation of the Werner Onken article on [A Market Economy without Capitalism](#).