



Justice Rising

Grassroots Solutions to Corporate Domination

Deglobalization/Relocalization

by Ruth Caplan and Jim Tarbell

The Alliance for Democracy was founded to “end corporate rule.” No small challenge, and yet we soon found ourselves taking on the even more formidable colossus of money power. Our first national campaign brought us successfully into the international arena as part of the effort that stopped the Multilateral Agreement on Investment in 1998.

But money power does not give up easily and, as we survey the global political landscape, we see how the financial industry is using the World Trade Organization (see p. 5) and the many bilateral trade agreements to assert their authority over countries and communities around the globe.

Now, the present economic meltdown has exposed the failure of the corporate globalization/financial deregulation/trickle-down economic model as a fraud perpetrated on the peoples of the world so a few can get rich by exploiting workers, communities and the earth. We now have a unique opportunity to say Enough! *iBasta!* Another World Is Possible.

Time is running out. The convergence of climate change, a global economy built on “endless more” consumerism and money power, and unprecedented population growth create an explosive mix. We no longer need the atomic bomb to make the earth unlivable for people and the majority of other species. Money power has created our own economic and environmental time bomb.

President Obama campaigned on hope and people rallied to his call. But it is courage that we need now. Courage to speak truth to money power and to corporate power. Courage to say Enough! *iBasta!* Courage to tell our President to stop propping up the fraudulent financial giants that trampled our communities and destroyed our homes. Courage to pull our money out of these institutions and invest in community or cooperative banks. Courage not just to look at what others are doing and say, “Great job. I’m with you,” but to start realizing our vision of a new economy right where we live. That’s what is happening with

the Davistown Commons in Maine (see p. 8), and at Hundredfold Farm in Gettysburg PA (see p. 6).

These locally-based initiatives cannot stand alone. We need a vision of how they can be woven together into the whole fabric of a bottom-up economy. That’s the idea behind community federalism (see p 3). We also need supportive infrastructure. That’s why the Mondragón worker cooperatives, begun 53 years ago, have been so successful. They include a university and the People’s Worker Bank, which provides financing for new cooperatives with contributions from workers and existing cooperatives.

This fabric must be woven into the understanding that nature itself has rights and that we must protect these rights in our communities. Corporations cannot be given dominion over the earth. We need the courage to take on court-conferred “settled law.” We must deny corporations the ability to appropriate Constitutional rights to deny us our rights and we must drive the rights of nature into the Constitution. This does not mean writing our Congressional delegation and asking them to pass a law to end corporate personhood. It means defying corporations and money power right in our community as has been done in Pennsylvania communities and now in New Hampshire and Maine where our Defending Water for Life campaign has been organizing.

Courage and defiance to create a new economy based on community and responsibility for the planet and the future, that’s the foundation for hope.

It’s time to establish a new set of virtues that will guide our lives and our decisions towards enduring happiness.

Mark Anielski, Page 2

A thing is right when it tends to preserve the integrity, stability and beauty of the biotic community.

Aldo Leopold, Page 4

Without enormous pressure by the American financial services sector... there would have been perhaps no WTO.

David Hartridge, Page 5

Working together, we can decrease our dependence on non-renewable outside resources, which would increase our local food security and stimulate our local economy.

Maia Campoamor, Page 8

A Publication of the Alliance for Democracy



graphic: Matt Wuerker



graphic: peoplesgrocery.org

Towards an Economy of Well-being

by Mark Anielski

The promise of economic development is founded on the myth that more economic growth and material prosperity will lead to greater happiness and resolve all of our social and environmental ills.

Not so. Despite 50 years of a rise in Gross Domestic Product, increased consumer spending, and more material possessions, many important quality-of-life indicators have been in decline since the mid 1970s. Self-rated happiness in the US has actually declined slightly since its peak in the early 1950s while rates of depression, suicide, and anti-depressant drug use by our youth have increased. Nor has economic growth solved the chronic problems of poverty. Further, it has exacerbated environmental degradation, most notably with climate change.

Why is economic growth promoted when happiness and many of our social and natural wealth indicators are declining? Why isn't genuine happiness the main focus of our economic, social and environmental policies? Imagine if our president, governor or mayor

woke up each morning and contemplated how to govern according to the four classic Western virtues: courage, wisdom, moderation and justice.

The Declaration of Independence identifies the pursuit of happiness as one of our most inalienable rights. But what is happiness? According to the ancient Greeks, happiness (eudemonia) means "good spirit." Happiness relates to the conditions of one's soul.

Thomas Aquinas said that what is necessary for the good life is virtuous actions and sufficiency of material needs. In my recent book tour, I began to ask audiences what happened to virtuous actions and the wisdom of a life of moderation.



The Buddhist Kingdom of Bhutan is one of the few countries in the world that has adopted happiness as its fundamental goal of economic development. It is constructing a new national accounting system that will result in an alternative measure of progress: The Gross National Happiness index.

New research by psychologists and sociologists is revealing the real determinants of well-being and happiness. Money, material possessions and education contribute only 10 percent to a person's sense of well-being. Meanwhile, the joy we experience when we have enduring and healthy relationships with family, friends, work colleagues and neighbors contributes 40 percent to our well-being. This means creating strong, resilient communities where people feel a sense of belonging, know their neighbors and experience sharing, reciprocity and trust. The most important factor for our well-being (50 percent) is the happiness genes we are born with and the conditions of our childhood and teenage years.

If we are to develop flourishing communities and economies that are founded on maximizing well-being, we will need new tools for measuring well-being and, in governing our communities, we need a new balance sheet. To this end I have proposed a Genuine Wealth model where wealth is properly defined as "the conditions of well-being" and where living genuinely means to act in accordance with our values or a set of virtues. This will mean measuring the conditions of our human, social, natural and manufactured wealth with a focus on ensuring that capital contributes to the good life.

My hope increases as the citizens and many communities I engage with begin to realize their own genuine wealth and are passionate about building flourishing communities of well-being, beyond the mere accumulation of material things. It's time to establish a new set of virtues that will guide our lives and our decisions towards enduring happiness.

Mark Anielski is the author of The Economics of Happiness: Building Genuine Wealth. He and his wife are consultants in Genuine Wealth. He teaches at the School of Business, University of Alberta and lives in Edmonton, Alberta, Canada. anielski@genuinewealth.net

Bhutan's Gross National Happiness

His Majesty Jigme Singye Wangchuck, the King of Bhutan, declared Gross National Happiness (GNH) the central measure of life in Bhutan. It is rooted in the notion that the purpose of life is inner happiness. Bhutan's King took responsibility to define development in terms of happiness, rather than in terms of an abstract economic measurement such as Gross National Product.

Bhutan's minister, Dasho Meghraj Gurung, put the Bhutanese philosophy succinctly: "Gross National Happiness connects Bhutan's development goals with the pursuit of happiness. This vision puts the individual's self-cultivation at the center of the nation's developmental goals, a priority for Bhutanese society as a whole as well as for the individual concerned."

Motivated to preserve its pristine nature and unique culture, Bhutan has limited its exposure to global trade, foreign capital investment, modern mass media and tourism. Bhutan believes that its indigenous culture is generally self-sufficient and has little to gain from conventional Western development. The country has for centuries followed a traditional model of development, which is based on improving the quality of life, while respecting natural and cultural constraints, rather than the quantity of material production and consumption. As such, it forms a reminder for conventional Western development planners that development can also be based on non-material values, such as cultural, social and environmental values.

From www.grossinternationalhappiness.org

Community Federalism:

Weaving the Local into a Sustainable System

by Ruth Caplan

From time dollars to worker and/or consumer-owned cooperative enterprises, people in local communities are finding innovative responses to our dominant economic system, which is driven by corporate CEOs and Wall Street gamblers. Today, these efforts are accelerating in the face of the economic crisis.

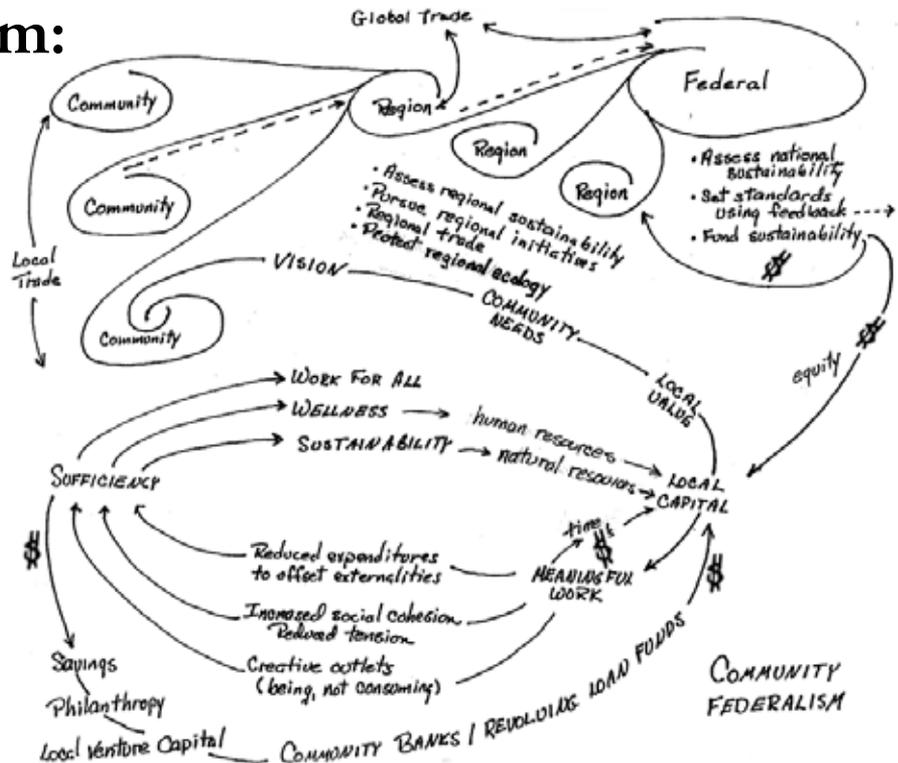
How can these efforts be linked together from the local to the national system of governance? What kind of a system is needed to promote an economy which protects and restores the environment for present and future generations? Can such a system ensure healthy communities with meaningful livelihoods for all job seekers based on the sustainable use of local resources for local consumption and regional trade?

These questions were raised in the mid-90s by the Economics Working Group made up of economists, writers, and policy advocates. Out of this collaboration came a working paper entitled *A General Agreement on a New Economy, GANE not GATT*. GANE calls for measuring progress using new economic indicators to measure well-being of the population and protection of the ecosystem.

Community federalism, rooted in the local while exploring what is needed at the regional and national levels, emerged as the central theme. Local communities begin the process by developing a vision for their future in order to maximize well-being; full employment with sustainable livelihoods; and environmental sustainability. All members of the community are heard and all options remain on the table until a final winnowing by consensus.

To implement the vision, a democratic participatory process that fairly represents all sectors of the community is established to develop specific plans and projects. In Washington State, the Envision Spokane project, with the goal of rewriting their city charter with a Community Bill of Rights, is an example of how such a process can work. Financing can come from savings in community banks, local taxes, local venture capital and philanthropy. "Time dollars" that exchange labor and local currency for goods and services help the community realize its vision without relying on national currency. Local funding is supplemented by federal funds in order to address the inequities of resources available to communities. In this way, federal taxes can actually help people create the kind of community they want.

As each community strives to become sustainable, some social and environmental costs of economic activity may fall outside the community. Economies of scale



Drawn to eliminate hierarchy, this flow chart helps visualize community federalism.

and the need for significant amounts of capital may lead to communities collaborating in regional development efforts from wind generators to technical training.

The federal government has three major functions in this process.

1. To remedy ecological and social problems arising from past and ongoing unsustainable activities.
2. To assist in the conversion to local and regional sustainable economies through an equitable distribution of federal tax dollars.
3. To ensure that corporations are not allowed to undermine efforts at building sustainable communities and regions.

Corporate charters must require corporations to:

- prepare production and product design plans facilitating the reuse and recycling of all materials;
- establish a rate of natural resource extraction that allows renewable resources to replace non-renewable resources.

Trade should enhance opportunities for useful work, improve residents' well-being and promote environmental sustainability in all communities engaging in trade of goods and services between regions and countries. To ensure international standards, a United Nations Code of Conduct for Transnational Corporations is essential.

For more about GANE, go to <http://www.greenecon.org/gane/> Send your comments and ideas to Ruth at rcaplan@igc.org.

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Toward Living Right on the Earth

by Ruth Caplan

Right Relationship: Building a Whole Earth Economy by Peter G. Brown and Geoffrey Garver takes us from the local to the global by asking what kinds of international institutions are needed to move from our current “economic growth equals prosperity” model, which is leading to an “ecological holocaust,” to one that promotes and supports a life-centered, socially-just global economy. Grounded in the Quaker concept of sufficiency, the book has been widely praised around the world, including by the former Executive Director of the United Nations Environment Programme and, perhaps most surprisingly, by the Chief of the Environment Division for the Inter-American Development Bank.

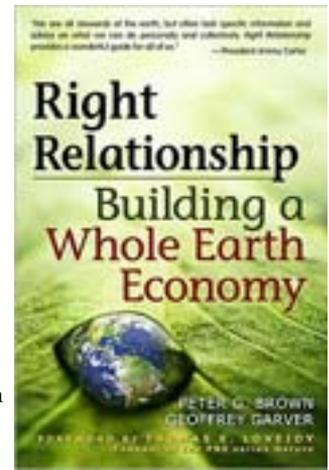
The authors start by defining terms:

- Right relationship is summed-up by quoting Aldo Leopold, “A thing is right when it tends to preserve the integrity, stability and beauty of the biotic community.”
- Economic efficiency (the allocation of resources to their highest valued use and the production and distribution of goods and services at the lowest possible cost), which ignores ecological costs, is replaced by “earth efficiency,” which measures how “the entire global community of life functions.”
- Wealth is redefined from money to “a share of the earth’s life” and the creative force of sunlight, which provides the energy to counter entropy.
- Cost of an item is the amount that “integrity, resilience, and beauty of the earth’s life-support systems must be exchanged to get it.”
- Money is “a license to exert an ecological cost by using up complexity or producing wastes and toxins.”
- And finally, waste is “the inability to do any more work to maintain self-organizational capacity.”

Greater equality is seen as “a cornerstone of social cohesion” and so “right relationship requires urgent and massive redistribution” through global taxation.

Using these principles, the authors then propose four global institutions for a whole earth economy.

- *The Global Reserve* undertakes monitoring and analysis of information on the ecological limits of the earth in order to keep the economy within those limits. International trade uses an exchange currency, ecors, which would be a system of credits and debits “tied to a nation’s management (or mis-management) of its ecological capacity.”
- *Trusteeships of Earth’s Commons* to protect the global commons in a fair way, is modeled after Peter



Barnes’ sky trust idea where “each person is legally defined as a co-owner of a common property resource.”

This could be set up as a global trust

or a series of national trusts. The problem here is that this unfortunately implies property rights to nature, which is counter to the concept that nature itself has fundamental and inalienable rights.

- *The Global Federation* is a “means of passing enforceable rules and regulations” relating to “global security and the protection of human rights and life’s commonwealth.” This institution would also have taxation authority with the goal of preventing abuse of the commons.
- *A Global Court* to provide “an independent judicial review of the performance of these institutions and compliance with global rules.” The court would have the power to prosecute “civil and criminal offenses that are ‘harmful to natural systems’.”

Their recommendations for nonviolent reform include, “Withdraw from the present system and highlight its illegitimacy.” Starting with reference to England’s anti-slavery campaigners, Ghandi’s salt march, and Martin Luther King Jr., they move on to the present context, by suggesting that “withdrawal of support for the corporate food system” is an example of present day non-violent resistance. We would add that the movement for time dollars and local currencies to support local economies can also be seen as non-violent resistance.

One need not agree with every recommendation to appreciate their effort to re-conceptualize the global in light of the present economic and ecological crisis. There is much food for thought to feed local discussion groups.

Professor Peter G. Brown was the first full-time Director of the McGill School of Environment. He has taught and consulted around the world on public policy and the environment.

Geoffrey Garver is an environmental consultant and lecturer in law in Montreal. He has watchdogged NAFTA’s compliance with environmental regulations and worked for the US Justice Department and EPA.

“Withdrawal of support for the corporate food system” is an example of present day non-violent resistance.

Trade Agreements Enflame the Financial Crisis

by Ruth Caplan

Global rules for “free” trade are based on the assumption that, if money is allowed to flow without restriction, then it will go to the most economically efficient use. Here efficiency really means the biggest return to the investor, which has nothing to do with investments that will help communities thrive and meet local needs. Today this model has imploded, but we are left with global rules that make it very difficult to fix the problem. How did this happen?

Not by chance. Over the last three decades, some of the world’s largest financial corporations have made promotion of trade agreements a strategic priority. David Hartridge, former WTO Director of Services, once commented: “Without the enormous pressure generated by the American financial services sector, particularly companies like American Express and Citicorp, there would have been no services agreement and therefore perhaps no Uruguay Round and no WTO’.”

Ellen Gould reports: “In the 1980s, American Express provided an unlimited budget and a large staff to create a lobby for the GATS (The General Agreement on Trade and Services). The CEOs of Citicorp and American International Group—the largest US bank and its largest insurance corporation—joined with American Express’ CEO to take personal leadership of this project. They founded the US Coalition of Service Industries (CSI), which established close relations with influential media and US government trade negotiators, who they met with as often as once a week. The Coalition has described its relationship with US trade negotiators as an ‘extraordinary example of government/industry cooperation’.”

Indeed. They succeeded in getting an Understanding on Commitments in Financial Services through which many countries, including the US, agreed to limit their ability to regulate financial services.

When the Doha Round of WTO negotiations began in 2001, one of the goals was to complete the GATS negotiations, which had run up against opposition from other countries during the earlier

Uruguay Round, which launched the WTO in 1995. As negotiations dragged on, Ellen Gould reports that the US Coalition of Service Industries published a research paper in 2006, which held up the “innovations of Western banks” as “examples of what could be gained by opening markets to foreign corporations.”

Now, deregulation of Western banks is creating a backlash around the world. At the same time, developing countries are being pressured to deregulate financial services like hedge funds and derivatives as part of the GATS negotiations.

The US, for its part, is making a specific promise to lock in repeal of the Glass Steagall Act of 1933, which prohibited a bank holding company from owning other financial companies. The Act was repealed in 1999 under President Clinton on the advice of some of the same economists now advising President Obama. The repeal gave commercial lenders like Citicorp the ability to trade mortgage-backed securities and collateralized debt obligations, which are now at the center of the current financial crisis.

As if this isn’t bad enough, some of the WTO negotiators are pressing hard to get a GATS amendment creating onerous new restrictions on regulations. These restrictions would force governments to make the process of getting a license (such as to operate a bank) “as simple as possible” and get rid of any regulations that could be considered not “relevant” or “objective.” The secretive group working on this amendment met in Geneva to consider a final draft in March, at the same time President Obama and other leaders at the G20 meeting were calling for stricter financial regulations. The contrast between what governments are saying publicly and doing behind the scenes is alarming.

Regulating derivatives and hedge funds, reinstating Glass Steagall, and retaining current regulatory authority are all critical to restoring financial stability. Of course, the latest WTO threats to the public interest haven’t made headlines, so it is up to the public to cry foul. We must demand that the US withdraw from all GATS negotiations on financial deregulation. Then the US must withdraw from any existing GATS agreements that hinder our government from regulating financial services.



photo: foe.uk

We must demand that the US withdraw from all GATS negotiations on financial deregulation.



Jeff Shafer, Vice Chairman for Global Banking, Citicorp, testifies on behalf of CSI at a Senate Finance Committee Trade Subcommittee hearing on the Doha Round.

photo: Stuart J. Harris

For a full discussion of these issues, “Financial Instability and the GATS Negotiations” by Ellen Gould, Canadian Centre for Policy Alternatives Briefing Paper.

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JUSTICE RISING is a publication of **The Alliance for Democracy**, whose mission is to end the domination of our politics, our economics, the environment, and our culture by large corporations. The Alliance seeks to establish true economic and political democracy and to create a just society with a sustainable, equitable economy.

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Justice Rising

by Jim Tarbell

Ten years ago, corporate globalization was on the march and local economies were not even thought of. Then, in November 1999, fifty thousand people showed up in Seattle for the World Trade Organization (WTO) Ministerial Conference. AfD's brave contingent marched to the front lines in the battle against money power holding a giant banner proclaiming *End Corporate Rule*. Corporate globalization faltered that day and all the people that came from small towns and big cities across the country went home and started building their local economies.

Last week, in our small community in Northern California, great, young organizers at the Noyo Food Forest, who have created a community-gardens-to-the-schools project, held an Earth Day fest celebrating localization and sustainability. An amazing 1600 people showed up, more than double the year before. Localization is on the rise, but global corporate power is still a force to be reckoned with. While governments around the world are proclaiming that free trade economics is a bust, that the invisible hand of the market is a failure and needs government regulation to ensure a sustainable future, corporate power is in the back rooms pushing global rulemaking that would make regulations illegal.

The effort to build a sustainable world requires a two-pronged strategy. On the one hand we must stop the global elites from promoting their self-serving, life destructing policies, and on the other hand we need to build a new economy based on the finite size of our planet and its ability to deal with our waste and pollution. Building our local economies is a big part of that solution. But it will also be necessary to establish policies from the local to the global to ensure that the financial elite and corporate-funded politicians do not set the agenda.

This issue of *Justice Rising* is about ensuring that there is a deglobalization of corporate power and a relocalization of our economies and lifestyles. It has been co-edited by Ruth Caplan, who has followed this two-pronged strategy for decades. She headed up the effort to write the General Agreement on the New Economy and has been part of the international movement Our World is Not for Sale. She was the Alliance's first Co-chair with Ronnie Dugger and is the current chair of the Defending Water for Life Campaign of the Alliance for Democracy.



This Issue & The Next

For more information on alternative economics and corporate power see the Fall 2007 *Justice Rising* on *Moving from the Extraction Economy to the Restoration Economy*. The next issue of *Justice Rising* will be on *Housing for Humans Not Corporate Castles*. Send submissions by July 6, 2009.

Hundredfold Farm Wins Award & In the News

AfD Co-chair Lou Hammann and friends brought Hundredfold Farm into being against all odds. Now it is an award-winning, 80 acre co-hosting project that features passive solar houses with photo voltaic power generating panels, an onsite biological wastewater treatment plant, and rainwater catchment.

This community has come together to do more than live ecologically sound lives. They have come together for community. Their vision is to "create, a small multi-generational intentional community of individuals who will actively practice and share the art of living in a sustainable way."

They strive to:

- cultivate and nurture relationships among themselves, both children and adults;

- have equal ownership of common land in order to avoid hierarchical privilege;
- create a cohesive community on a humane scale by arranging the houses and a common house to encourage and facilitate resident interaction;
- live in a sustainable way by encouraging environmentally sound decisions;
- sustain themselves by producing as much of their own wholesome and healthy food as possible;

This year the Green Building Association of Central Pennsylvania awarded them its 2009 Innovation in Design Award and the news media has given it plenty of coverage. Local CBS and Fox TV have both been there and NPR featured them on Earth Day 2009 on Barbara Bogaev's Sustainability segment. As she says "It may be that Hundredfold Farm is a step into all of our futures."

See www.hundredfoldfarm.org for more information.



New Economics

Responsibility and Partnership

by Jim Tarbell

London stockbroker David Ricardo and his fellow elites, in the early 1800s, concocted free-trade economic theories to justify the expansion of the British Empire, pillage the earth of its natural resources and convert people to commodities in a world of wage slavery. Greed, short-term profit, environmental disregard, and an ethic of racial superiority and privilege are all central to this “classical economic theory,” that has driven decision makers for the past 200 years. Now we are paying the price in destroyed communities, a poisoned planet and financial disaster for the average citizen.

As Western mega-corporations conquered the world, nobody was taking responsibility for the fate of the earth. Even today, after years of ecological disaster and the current financial crisis, economics departments and business schools still do not deal with responsibility. Harvard Business School, Yale’s School of Management or Wharton at the University of Pennsylvania do not promote responsibility as a key component in their business curriculum.

A *New York Times* piece critiquing business schools’ role in the current financial crisis pointed out that “schools have become too scientific, too detached from real-world issues...students are taught to come up with hasty solutions to complicated problems... schools give students a limited and distorted view of their role—they graduate with a focus on maximizing shareholder value and only a limited understanding of ethical and social considerations essential to business leadership.”

Even this critique misses the point. Words like “ethics” and “leadership” harken back to the days of Ricardo and his cohorts. The new economic approach has to embrace responsibility and partnership. Economic decision makers have to embrace their responsibility to the people, environment and communities that they operate in. Economic entities also have to move from a hierarchical-dominator model to a broader-based, partnership model of decision making.

Many examples of this new vision are beginning to surface. At the 2007 World Social Forum, various groups came together to form the US Solidarity Network (USSEN). Co-ops, non-profits, and worker-owned businesses are part of this new economic model grounded in principles of social solidarity, cooperation, egalitarianism, sustainability and economic democracy.

In a beginning effort to shift economic and business thinking in the educational field, The Bainbridge Graduate Institute has taken on a mission to “infuse

environmentally and socially responsible business innovation into general business practice by transforming business education.” Its MBA students take courses like Sustainable Operations, People and Teams, and Creativity and Right Livelihood. They cohabitate with the Islandwood graduate program in Education, Environment and Community, which “is based on the principle that a more sustainable future demands knowledgeable, committed and reflective educators.”

Meanwhile in Northern California, two non-profits, The Conservation Fund and the Redwood Forest Foundation (REFI) have acquired almost 100,000 acres of logged-over, industrial timber land and are in the process of developing a model for “community forestry” using “forest management practices to demonstrate respect for the integrity of forest systems...to benefit community and...provide high quality water, air, and forest products along with the open space that residents treasure.”

The Conservation Fund, a Washington DC-based non-profit, says “we develop market-based conservation strategies that balance environmental protection with community and economic development.” Their effort in Northern California is staffed by local environmentalists previously involved with turning timber watersheds into public open space. Under the Conservation Fund’s management, timberlands stay in active economic operation while still accounting for the public good and the needs of nature. Their quest is to eventually turn this project over to a local entity for management.

The Redwood Forest Foundation is a local entity involved in sustainable forest management. Moving beyond the epic battles over the redwood forests in the 1990s, REFI brings together concerned foresters, long-time timber executives and some of the staunchest environmental advocates on the Northern California Coast. The result has been an effort to deal with “the depleted forest ecosystems and manage these lands for social, environmental and economic benefits.”

These undertakings are experiments breaking new economic ground. Only through such efforts will we learn how to create economic institutions that are responsible for the earth and work in partnership with nature and community.



Co-ops, non-profits, and worker-owned businesses are part of this new economic model grounded in principles of social solidarity, cooperation, egalitarianism, sustainability and economic democracy.

A Vision For The Commons Davistown Rising!

by Maia Campoamor

The mission of Davistown Commons is to strengthen our rural communities, support our local economies, and provide a venue for the exchange of local skills and resources.

It is winter. Trees are covered with snow. Dozens of people come to a general meeting to create a community space in our rural town. Over fifty farmers, gardeners, bakers, artists, craftspeople, parents, babies, administrators, and teachers pack into a small house and the counter is laden with food. Folks fill their bowls and we begin to dream. Many voices are heard, many ideas exchanged, many visions shared. We are at the beginning of a long journey.

It is spring and birds are chirping. The sun is shining and bulbs, risen from their winter hibernation, have transformed into blossoming flowers. Folks gather at an old farm for the Davistown Commons Local Resource Celebration. Our neighbors have brought big bags of greens grown in their backyards. Slowly, the greens are combined into one large bowl, becoming a beautiful salad, a portrayal of our unity, cooperation and vision. We are neighbors sharing food, thought and inspiration.

It is summer and the blackflies are out. Local farmers, bakers and mushroom hunters converge in the parking lot of a corner restaurant and help erect a village of tents. Fresh veggies, mushrooms, maple syrup, meat, bread, jam, fruit and soap fill boxes and baskets. Our neighbors arrive on foot, by bike and in cars. They fill their bags and stay, having meaningful exchanges with the farmers and each other. This small farmers market, in its second year, has an apparent flow of mutual support between farmers and community members.

It is autumn. Leaves have turned orange, red and brown. Wood stoves are cranking and the season's harvest has been brought into the cellars and pantries. Folks gather at our local grade school for the 2nd Annual Davistown Commons Community Harvest Supper. We share food raised and prepared by over 25 local farmers and families. In the corner local musicians strum their instruments. Behind the scenes volunteers wash dishes. At the tables neighbors converse. In the hallway children play. In the middle of an "economic recession" we have an incredibly successful dinner and fundraiser. The funds will support the Maine Migrant Health Program, and the Davistown Community Farmshare, which helps



graphic: Mark Poirier



low-income folks in our community access local and healthy food.

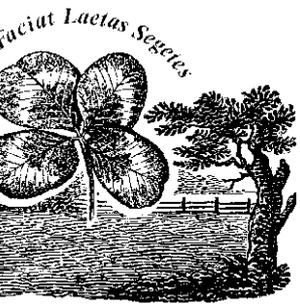
It has been over a year since our first official Davistown Commons gathering. Our vision and direction get clearer and our passion grows stronger. Our mission is to strengthen our rural communities, support our local economies, and provide a venue to exchange local skills and resources. We are an autonomous organization, voluntarily working to meet the common economic, social and cultural needs of our communities.

The organizers are bound together by values that have long fueled the activities and exchanges of our rural community: honesty, democracy, equality, reverence for the land, respect for our neighbors, community solidarity, self-sufficiency, local control over resources, social, ecological and economic justice and sustainability. Our actions and commitment are based in a belief that through cooperation, mutual aid, and ecological protection we can create just, fair and sustainable economic structures.

Ultimately, we aspire to create a community space that helps facilitate the exchange of life's basic necessities, primarily food, but also education, childcare, shelter, healthcare and community. This could be a cooperatively-owned food store/cafe, as well as a venue for community meals, meetings, educational workshops, children's activities, farmers markets, and more. It would decrease our dependence on non-renewable, outside resources, increase our local food security, stimulate our local economy and be an invaluable contributor to the vitality of our community.

In the meantime, the Davistown Commons represents not an actual location, but an ever-evolving vision. That vision takes many forms and as the seasons change so do the activities and evolution of Davistown Commons. What guides us daily is a deep-seated belief that there are healthy and sustainable alternatives to the consumer-driven, individualist culture that currently dominates our society. By strengthening our relationships with our neighbors, exchanging local resources, promoting education, and acting out of mutual aid, cooperation and generosity, we believe we can thrive, and create a model of a self-sustaining community.

Maia Campoamor is a mother, farmer and community organizer in Montville Maine. She grows food for her community and organizes locally as part of a larger struggle for social, ecological and economic justice.



Fedco Seeds

A Consumer/Worker Cooperative

by CR Lawn

Should Fedco Seeds outsource its order fulfillment? So advised an article I read recently in one of those trade journals with horrid

names like Multichannel Marketer. For a business growing rapidly like ours (about 50% in the last two years) into that awkward medium-size range, that's the conventional wisdom.

Outsource? Order fulfillment? The very lingo is cold and distant, conjuring images of Orwellian newspeak. To outsource order fulfillment is to hire someone else for a fee to do the dirty work of pulling and shipping orders for you, leaving you with the supposedly more fun tasks of picking and pricing your products and writing your catalogs and promos.

For us, that advice couldn't be more wrong. Why? Because we've achieved success by doing as many of our own jobs as we can—even those routinely farmed out by other businesses to consultants, specialists, or outside experts with big machines (and bigger egos).

Did our roof need repairs? Gene put together an in-house crew with sufficient interest and skills, giving our workers an opportunity to do something outside the normal routine and to hone new skills on the job.

Did we want to accept internet orders? Other companies hired a webmaster. Gene and David became their own dreamweavers, creating a nearly seamless system in a couple of years for no outside fees.

Employ an outside payroll service? Not a chance. As our sheaf of checks has grown, five different persons on our staff have handled the job. Now we use payroll software instead of my head to do the math, but we still do it ourselves.

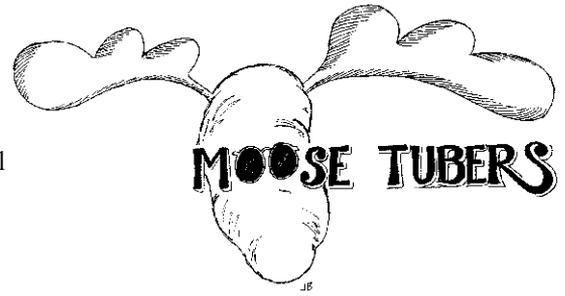
Seed packing machines to fill the more than half million packets of seed now ordered each year? No, our packers have disdained them. The machine is their hands, scooping rapidly. We like to touch and smell the seed.

How about that

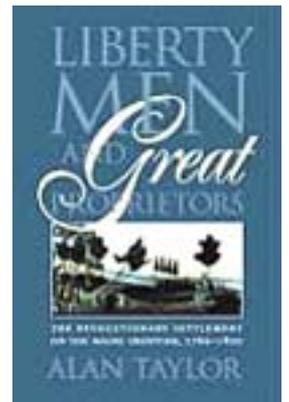
annual bugaboo of all small businesses—the dreaded Form 1120 corporate income tax return? I learned on the job and have been filing ours for more than 20 years, not only saving Fedco many thousands of dollars in accounting fees but also developing a deep understanding of our inner financial workings. From routine postings to elaborate financial statement preparation, I see all the details. No Bernie Madoff or even a petty cash version thereof could ever emerge from within, given that close scrutiny.

Who do you think will do a better job of collating, pulling and shipping orders accurately—workers who have built up personal relationships with customers over 30 years or firms of hired gun consultants far removed from their real clients? The answer lies in caring and taking responsibility. For it to work, we must all be one community: gardeners, farmers and group-ordering customers, workers, managers and even many of the growers of our seeds and trees. We all have the same interest in delivering and receiving excellent products, accurately pulled, packed, and backed by good information and decent fair service. If we can concoct creative catalogs and have a few laughs along the way, so much the better.

CR Lawn founded Fedco Seeds in 1978 and has worked for the cooperative ever since.



We all have the same interest in delivering and receiving excellent products.



Revolutionary Fervor Launched Maine Land Rebellion

In 1776, Davistown's settlers addressed their neighbors, "Your deliverance from final poverty, from infamous oppression, from entailed miseries to posterity now depends on the union of the people."

In the book *Liberty Men and Great Proprietors, The Revolutionary Settlement on the Maine Frontier, 1760-1820*, Alan Taylor provides a fascinating and detailed account of the farmers who settled in the Maine back-country between the Kennebec and Penobscot Rivers and their struggle to prevent the landed gentry—the Great Proprietors—from laying claim to the land the farmers had cleared. With expectations about liberty, justice and equality raised by the Revolution, in which many had fought, the Liberty Men were determined to protect their right to homestead the back-country, saying, "These lands once belonged to King George. He lost them by the American Revolution and they became the property of the people who defended and won them'."

The Great Proprietors, backed by the Congregational Church, sought to provide "elite counsel to calm their expectations" and to "smother forever the confiscating avarices of Democracy." The Congregationalists sent missionaries to the back-country to promote the idea that righteousness depended on higher church authority and the rule of law. They were deeply disturbed by the evangelical fervor of the local ministers who believed salvation came from a direct experience of the holy. Nor did they welcome the evangelical message "that the earth could sustain all in comfort if every family enjoyed equal access to the resources they needed, or cooperation supplanted possessive individualism."

Taylor summarizes: "In mid-Maine, agrarian protest and visionary religion grew side by side and proved mutually reinforcing as each promoted a more decentralized, egalitarian culture that seconded the settlers' growing distrust of centralized authority and elite expertise."

Groups —Deglobalization—



Grassroots Economic Organizing

www.geonewsletter.org

GEO is a valuable resource on grassroots

organizing to build and finance worker- and community-owned, democratically run, solidarity-based, ecologically sustainable enterprises and organizations.

E. F. Schumacher Society www.smallisbeautiful.org

Founded by Robert Swann, the E. F. Schumacher Society in Great Barrington, MA has been central to the land-trust movement to take land out of the speculative market and to the success of BerkShares, the local currency in Western Massachusetts. Its advocacy of building sustainable local economies includes seminars and an extensive library



Transition United States www.transitionus.org

Transition Initiative provides community trainings aimed at engaging people in strengthening their communities and reducing carbon emis-

sions, resulting in a life that is more abundant, fulfilling, equitable and socially connected

Time Banks www.timebanks.org

Under the motto, "Time Banks Weave Community One Hour at a Time," the organization is a resource for learning about time banks and for any community wanting to establish a time-bank system. They are sponsoring a national conference June 25-27 in Madison, Wisconsin.



USSEN www.populareconomics.org/ussen

The US Solidarity Economy Network was formed at the 2007 US Social Forum in order to help build the movement for transformative social and economic justice with particular focus on sustainability, cooperation and social and economic democracy. It is currently sponsored by the Center for Popular Economics in Amherst MA

The United States Federation of Worker Cooperatives www.usworker.coop/

FWC was founded in 2004 after a series of regional meetings and now serves as a national grassroots membership organization of and for worker cooperatives, democratic workplaces, and organizations that support the growth and development of worker cooperatives.



Cooperative Development Institute [/www.cdi.coop/index.php](http://www.cdi.coop/index.php)

CDI is the Northeast's center for cooperative business education, training and technical assistance and is committed to building sustainable rural and urban communities where people work together to meet their needs, have access to quality jobs, affordable products and services, and share ownership of essential resources.

Network of Spiritual Progressives www.spiritualprogressives.org

In a Washington Post full-page ad, the Network for Spiritual Progressives call on President Obama for a new economic order that "embodies our highest values" instead of "fostering selfishness, materialism, and environmental destruction." They call for single payer health care and rewriting all corporate charters every ten years for corporations with an annual income of over \$50 million. Proof of a "satisfactory history of social responsibility (including ecological responsibility and caring for the well-being of workers)" would have to be presented to a "jury of ordinary citizens."



Solutions: A New Publication for a Sustainable and Desirable Future

A magazine, launching in 2009, to provide a forum devoted to whole-system solutions and the design of an integrated human and natural world. It will address the world's most pressing problems such as climate disruption, loss of biodiversity, poverty, energy descent, overfishing, air, water, and soil pollution, and human population growth. The journal will be edited by Robert Constanza, Director of the Gund Institute for Ecological Economics at the University of Vermont. For subscription information, go to www.thesolutionsjournal.com

—Relocalization —Books

by Jim Tarbell and Ruth Caplan

For David Korten, his book, *Agenda for a New Economy, From Phantom Wealth to Real Wealth*, is the synthesis of his thinking over many decades. His conclusion is in the subtitle: “Why Wall Street Can’t be Fixed and How to Replace It.” Korten clearly distinguishes between capitalism which is “what happens in a market without appropriate rules” and a market economy. He elaborates: “Proper market rules preclude speculation, the acquisition of monopoly power, and the destruction of real wealth to create phantom wealth” (see Korten in Winter JR).

He emphasizes that “markets work best within a caring community. The stronger the relations of mutual trust and caring, the more the market becomes self-policing.” He calls for a living economy where each community has “a sense of its own identity and a shared commitment to investing in the human, social, and natural capital crucial to its vitality and capacity to serve its members.”

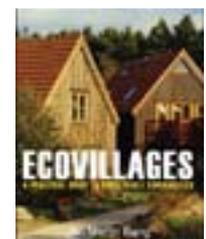
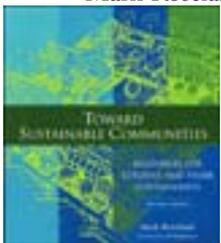
The most intriguing of his twelve specific recommendations is to “transfer to the federal government the responsibility for issuing money.” This is in contrast to the present system where money is created by the banks through lending and by the bank-run Federal Reserve through its bailouts. He elaborates on the production of money, saying, “government would spend it into existence to meet a public need, preferably a public investment in infrastructure, education, or technology development.” It seems this could be the core of the federal role in the transformation to a living economy if meeting public needs led to a more equitable distribution of wealth, as well as furthering local self-sufficiency, so that all communities could thrive and become sustainable.

Mark Roseland and New Society Publishers have pushed the creation of sustainable communities since 1992 with multiple editions of *Toward Sustainable Communities: Resources for Citizens and Their Governments*. In the 2005 third edition, they have evolved to applying “a new framework based on the concept of ‘community capital,’ to understand city development as a process of developing and managing natural, social and economic capital.” They emphasize that “we need to find ways, at the community level to become masters of the market forces that drive the unsustainable and inefficient development of our settlements.”

The book goes on to describe the basic elements of a sustainable economy: natural capital, human capital, social and cultural capital, physical capital and economic capital. They then outline general policies, practical examples and lists of resources for managing these different aspects of our sustainable future. Water, waste, energy, air and transportation are all looked at. Smart Growth and new urbanism, a sense of place and the value of community are all considered. Their chapter “Community Economic Development” looks at local self-reliance, community development organizations and financing possibilities as well as tools and policy resources that communities can utilize to achieve their goals. Part Three of the book looks at mobilizing citizens through public participation and shared decision making from the neighborhood to city hall. The last chapter lists the tools and resources to get this done.

But will it make us happy? In the *Economics of Happiness: Building Genuine Wealth*, Mark Anielski says yes and tells us how to get there. He has been working on this theme for a quarter of a century and has finally put down his knowledge in this important book. He delves into how economics took a wrong turn in the past, and he illuminates the road ahead in creating an economics that can measure our genuine human, natural and social capital that are so essential to a world that maximizes happiness for all of nature. His “vision of a living, sustainable economy is founded on the mutually reinforcing and integrated principles of efficiency, equity and reciprocity...inspired by the cooperative economy of Emilia Romagna, a nourishing and vibrant region of Italy.” He shares examples of communities that are undertaking an effort to create an economics of happiness, and finally he delves into money and reveals a “model that returns the power of money creation to the people in community...to serve the genuine needs of an economy of happiness.”

Finally, Jan Martin Bang’s 2005 book *Ecovillages: A Practical Guide to Sustainable Communities* takes us into the world where people are intentionally creating sustainable communities. He tours us through 24 sustainable communities around the world and introduces us to why people are creating these new lives, the philosophies they are thinking about, the designs and technologies they are utilizing and finally the economics they are embracing. His take on money and the financial economy as opposed to the real economy is a prescient analysis of the world we find ourselves in today and how to find our way out.



Co-ops: Resistance And Hope

by Ruth Caplan

The ebb and flow of the co-op movement reflects the struggle of people to build an economy based on the needs of the community in the face of the moneyed elite who use their wealth to hold onto power and exercise it for their own aggrandizement. Indeed, the cooperative movement emerged from 19th century struggles by workers and farmers for economic power in the face of growing corporate power. These struggles can inspire us today.

The cooperative movement began when textile workers in Rochdale, England emerged from an unsuccessful strike in 1843 determined to help themselves economically. They formed the Rochdale Equitable Pioneers Society and opened a store for their basic necessities like sugar and flour, as an alternative to the company store. Their cooperative principles still guide the cooperative movement today.

In the US, the Populists' Farmers Alliances mobilized to do away with the power of the company stores, the Eastern banks and railroad barons. They formed cooperative stores for purchasing farm goods and warehouses for storing grain until farmers could get a fair price. Spreading from Texas throughout the South and Midwest, these alliances created a

powerful movement in the 1880s and early 1890s. With their demise comes the cautionary tale from Larry Goodwyn, author of *The Populist Moment*, that, "The destruction of the cooperatives by the American banking system was a decisive blow, for it weakened the interior structure of democracy that was the heart of the cooperative movement itself."

From the ashes of the Populist movement emerged a less political cooperative movement. By 1920, there were 2,600 consumer co-ops in the United States with a combined sales volume of about \$260 million. They were almost all general stores, 80% of which were in towns with populations of less than 2,500. Yet most were out of business by the end of the decade as wholesalers couldn't service this far-flung network of small co-ops.

Then came the Great Depression, triggering another great wave of co-op organizing in cities and rural areas. This time it had political backing as part of Franklin Roosevelt's New Deal

and a vibrant labor movement.

The New Deal also led to the creation of rural electric co-ops, which are today the most highly capitalized form of co-ops. In 20 years they got electricity to 90% of rural farms, which had been ignored by the private sector. Although highly successful in enhancing the quality of life of rural America, these co-ops have not broadened out and in many ways have become quite entrenched with private electric utilities.

In the late 1960s and '70s the "new wave" of consumer co-ops was born out of the 1960s counter-culture to promote economic participation, healthy food and buying local.

Housing is the other major sector which has spawned co-ops. These were first established by ethnic and union groups forming self-help cooperatives to provide affordable housing. They got a boost through the federal funding of low-income cooperatives in the 1960s and 1970s. Today, there are about 376,000 dwelling units in affordable housing cooperatives in the United States. There are also very high-end co-op apartment buildings.

Given this variety, it is clear that not all cooperatives adhere to the values enunciated by the International Cooperative Alliance, including self-help, self-responsibility, democracy, equality, equity, and solidarity.

Co-ops and Our Future

So here we are today faced with an economic meltdown and able to draw on a rich history in the co-op movement. As we look at the potential of the cooperative movement, the International Cooperative Alliance definition is a good base: "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise."

The supporting institutions that have emerged to provide financing, expertise, and solidarity are important to the future of the cooperative movement, but equally important is a willingness to take on the monied interests. Will this movement embrace and promote alternative currencies and more community banks to create greater independence from Wall Street? Can co-ops operate on a larger scale like the rural electric co-ops without selling out? Do we have the courage of the Populists to stand up and create a real economy that serves we, the people?



Mondragón Co-ops

From deep in the valleys of the mountainous Basque country of Northern Spain, the growth of Mondragón worker cooperatives, begun in 1956, has been financed by the cooperative People's Worker Bank. Later consolidated as Mondragón Corporation Cooperativa, they have set up subsidiary companies across the globe in response to local market saturation. Now faced with the global economic downturn, the cooperatives provide job guarantees for their worker/members with losses at one company covered by the others. If a co-op does have to close, workers are guaranteed a job within a 30-mile radius. Workers at non-cooperative subsidiary companies, making up 2/3s of the workforce, lack such guarantees. This may soon change as Eroski, the largest of the coops, is offering all its workers a chance to become cooperative members. By 2010, the percent of cooperative member/workers may reach 75%. Meanwhile, workers in failed companies have asked Mondragón to help them buy their company and teach them how to run it cooperatively.

Brave New England: Toward a New Regional Economy

by Dave Lewit

In 1907 the streets were full of mud, wagons, horse manure, garbage, and flies. Gas lamps lit side streets. Country girls, children, and Irish immigrants labored long hours in Lowell's mills. Mainly the rich went to college and ran city hall. And yet, two decades later, the Irish ran Boston, the streets were clean, paved and filled with cars. Subways and streetlights ran on electricity. Women smoked and used contraceptives. Radio and movies displaced pulp fiction. A revolution of sorts in twenty years.

Now we are faced with melting glaciers, world contempt, hungry immigrants, and oligarchs, once again run wild. Do we have 20 years to re-do our system and live up to our democratic ideals? Do we have the courage to start in our regions regardless of legal and political demands from outside? Will 2029 be our year of autonomy?

What might a New England regional economy look like? Or as public policy professor Richard Falk says, what is our *horizon of desire* for a new system?

We could implement locally-owned import-substitution by manufacturing here what has been imported. What if we built inter-urban trains instead of nuclear destroyers at Bath (Maine) Iron Works? What if Connecticut's gun factories converted to making machinery for alternative energy generation? If sweatshop-made clothing were banned throughout New England, would clothing factories in Nashua come back?

New England used to feed itself, but now imports food from elsewhere. New England, with its rocky soil, could lead the way in urban agriculture—recycle garbage for soil nutrients, use rooftop and front-yard gardens and greenhouses for winter produce.

We need a regional currency to keep our money recirculating regionally. A Bank of New England, limited to regional investment and currency could convert US dollars to New England Dollars worth 10% more in regional goods and services. The region could also establish "green" taxation, with the government collecting from those that pollute, deplete and waste our resources, not from people earning a living.

Regional money could be used for: training and financing a million new farmers; industrial conversion; building and rebuilding villages; fixing schools; expanding medical and health training; building wi-fi; maglev; windmills; sailing ships; and so on. These would be creative activities of, by, and for New England.

Our *horizon of desire* reveals not only the economy we want, but also the social system that supports it.

Communities will model their educational system along lines of the world they are striving for. A progressive, autonomous region will foster diversity and variability among communities according to their resources and conditions. Local assemblies will have funding, networking, and strong oversight powers when acting in concert. Groups of assemblies will be able to require legislative action for the region.

Human Rights is one of four pillars that together can support an ideal state for the 21st century. The second is denial of personhood to corporations. The third is primacy of local decision-making, including hand-counted paper balloting. The fourth is the preservation of nature. Most of what follows from these pillars constitutes a system that is democratic, just, and sustainable to be embodied in a regional constitution.

How can we survive? How can we "revolve"—the root of "revolution"? This must come through strategic non-violence which is offensive, in contrast to the defensive avoidance of police brutality during a demonstration or sit-in, and should be combined with a visioning process leading to constructive alternative projects.

Attitudes of people and their leaders must change to embrace tolerance and conservation, and discard competition and personal wealth accumulation. We must find new ways for advanced and efficient production beyond corporate pretentiousness and immunity. People must revisit basic values of love, honor and community; liberty, equality and solidarity; and harmony with nature and acceptance of mortality. They must refocus on inward, not outward development—elaborating and interconnecting local microcosms rather than trying to own the galaxy.

Moving toward regional autonomy will be gradual and on our part nonviolent. It will ride waves of economic crisis, war outrages, civic heroism and insight. Persistent efforts must be made to reveal the folly of many corporate and governmental practices. Alternative principles and institutions—including model local and regional constitutions—must be promoted. And we need the political autonomy to defend it.

Dave Lewit is a social psychologist, visionary, editor of the Boston-Cambridge Dispatch



The red, white and green pine tree flag of New England was hoisted when the New England Confederation was formed in 1643 while the British were preoccupied with Cromwell's revolution.

Attitudes of people and their leaders must change to embrace tolerance and conservation, and discard competition and personal wealth accumulation.

Local Currency & Time Dollars

Circulating Money to Promote Local Business

by Ruth Caplan

When the formal economy is broken, as it was during the Great Depression and is today, creative solutions spring up to keep local economies meeting the needs of people. In the 1930s, local scrip was printed in communities across the country to keep economic entities functioning. Robert Swann, the publisher of the Springfield Union newspaper, paid his employees in scrip. Forty years later, he laid the groundwork for local currencies by issuing “The Constant” in Exeter, NH. Then in 1982, he helped create SHARE (Self-Help Association for a Regional Economy) to make low interest loans available for small, locally-owned enterprises in Great Barrington, MA where he had established the E. F. Schumacher Society.

SHARE inspired the creation of BerkShares, which really took off when five local banks agreed to handle the exchange of BerkShares. Today BerkShares is one of the most successful local currencies in the country with almost two million dollars exchanged for cash and \$180,000 in circulation.

Time dollars are a second form of local currency, which are a formalized barter system using time banks based on time spent in providing a service with time dollars issued for set amounts of work time. Usually, a central clearinghouse keeps track of participants’ credits and debits and lists services people have to offer or what they want to buy. It’s a guilt-free way for neighbors to help each other and earn equal help in return.

Edgar Cahn, founder of the Antioch School of Law, created the idea of time dollars “to provide a solution to massive cuts in government spending on social welfare. If there was not going to be enough of the old money to fix all the problems facing our country and our society, Edgar reasoned, why not make a new kind of money to pay people for what needs to be done?”

Time Dollars value everyone’s contributions equally. One hour equals one service credit. First funded through foundations and promoted by the Greens and Public Interest Research Groups (PIRGs) in college towns, time dollar experiments burgeoned across the country, but now they are being subsumed by local currencies, which stimulate the local

economy and have more flexibility in how they can be spent.

By far the most famous is Ithaca Hours, started by Paul Glover after hearing a radio interview with Schumacher Society staff. Today there are over 900 participants and some employers/employees use Ithaca Dollars for partial wages. Local businesses can get “no interest” loans in Ithaca Dollars, if they are spent within 6 months. Merchants are encouraged to accept as many Ithaca Dollars as they can put back into the local economy. In an import replacement program, “organizers work with local businesses tracking the goods that businesses buy from outside the region and then connect them with local producers of the same goods.” Detroit Cheers is also worth noting, where a dozen merchants have agreed to participate as one step to revive the city suffering from a 22% unemployment rate.

Madison Hours of Madison, WI is adding local currency to their hour bank and is hosting the 20,000-member TimeBankUSA national conference June 25-27. Michael Shuman, author of *The Small-Mart Revolution: How Local Businesses Are Beating the Global Competition* estimates that 75 local currency systems have sprung up around the country.

As our current economic crisis has deepened, the media has increasingly reported on local currencies. *Newsweek* ran a story in December highlighting the creation of River Currency in Milwaukee. *USA Today* ran a story in April reporting how Pittsboro, NC in partnership with Capital Bank, is reviving the Plenty, originally created in 2002. Lyle Estill, president of Piedmont Biofuels, which accepts the Plenty says, “We’re a wiped-out small town in America. This will strengthen the local economy. The nice thing about the Plenty is that it can’t leave here.” *Newsweek* quoted the Schumacher Society’s Susan Witt as saying you can use BerkShares to “get a divorce, plan a funeral and go to just about any restaurant in town.” *Good Morning America* concluded its March 14, 2009 show on local currencies describing it as “a bank built on goodwill that will never need a bailout.”

At times of serious depression, there is great impetus to turn to local currencies. For time dollars and local currencies to thrive there needs to be strong leadership or an individual like Paul Glover in Ithaca, NY, along with strong support from local businesses and banks. It is an essential part of a broader effort at relocalization.



Deli Dollars issued to help a local deli move into a new space.

At times of serious depression, there is great impetus to turn to local currencies.



Bank On It: Cash-Starved States Create Their Own Credit

by Ellen Brown

On February 19, 2009, California narrowly escaped bankruptcy, when Governor Arnold Schwarzenegger put on his Terminator hat and held the State Senate in lockdown mode until they signed a very controversial budget. If the vote had failed, the state was going to be reduced to paying its employees in IOUs. California avoided bankruptcy for the time being, but 46 of 50 states are insolvent and could be filing Chapter 9 bankruptcy proceedings in the next two years.

One of the four states that is not insolvent is North Dakota. That is because North Dakota has the only state-owned bank in the nation. The state legislature established the Bank of North Dakota (BND) in 1919 to free farmers and small businessmen from the clutches of out-of-state bankers and railroad men. By law, the state must deposit all its funds in the bank, and the state guarantees its deposits. The bank's stated mission is to deliver sound financial services that promote agriculture, commerce and industry in North Dakota. The bank partners with private banks to loan money to farmers, real estate developers, schools and small businesses. It loans money to students and it purchases municipal bonds from public institutions.

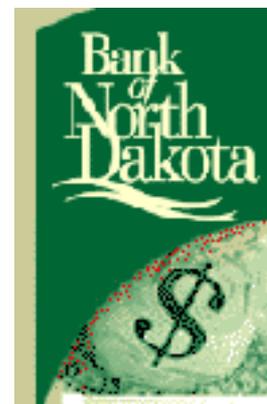
As a commercial bank BND can extend credit (create money as loans) in a sum equal to many times their deposit base.

Today, we are in a dangerous deflationary spiral, as lending has dried up and asset values have plummeted. The monopoly on the creation of money and credit by a private banking fraternity has resulted in a malfunctioning credit system and monetary collapse. Credit

markets have been frozen by the wildly speculative derivatives gambles of a few big Wall Street banks, bets that not only destroyed those banks' balance sheets but are infecting the whole private banking system with toxic debris. To get out of this deflationary debt trap requires an injection of new, debt-free money into the economy, something that can best be done through a system of public banks dedicated to serving the public interest, administering credit as a public utility.

California could do this as well. Robert Ellis is a Tucson talk show host who once worked on Wall Street and has been involved in setting up several banks and financial institutions. In January of this year, he proposed in a letter to Governor Schwarzenegger that California could resolve its financial woes by setting up a bank on the model of the Bank of North Dakota. Ellis wrote to the governor: "I admire your tenacity in dealing with California's financial problems. Your idea of using IOU's was ingenious but there is a better way. The State of California can charter its own bank and issue its own checks to all state employees...It can also pay all its vendors, contracts and contractors through the bank... Additionally, once the bank is operational, you can fund your own state projects and you determine the interest rate paid as opposed to being at the mercy of the banks you currently deal with or the interest rates the investment bankers make you pay to issue bonds. By doing this, you will put the state in control of its own destiny and make it the benefactor of its own money."

This is an excerpt of an article Ellen Brown, wrote for YES! Magazine in March 2009. Ellen developed her research skills as an attorney practicing civil litigation in Los Angeles. In Web of Debt, her latest book, she turns those skills to an analysis of the Federal Reserve and "the money trust."



To get out of this deflationary debt trap requires an injection of new, debt-free money into the economy, something that can best be done through a system of public banks dedicated to serving the public interest.



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Why You Should Care

Free Trade Economics is a fraud

The present economic meltdown has exposed the corporate globalization/financial deregulation/trickle-down economic model as a fraud perpetrated on the peoples of the world so a few can get rich by exploiting workers, communities and the earth.

Happiness is on the Decline

It's a lie that our consumer culture creates happiness. Over the past fifty years, as World Gross Domestic Product has risen, self-rated happiness has decreased and rates of depression, suicide, and anti-depressant drug use by our youth have increased, while massive poverty has remained a chronic problem.

Free Traders are Pushing Deregulation

Citicorp, AIG, American Express and the US Coalition of Service Industries is pushing the US Trade Representative and the World Trade Organization to forbid regulation of financial industries. They have also gotten the US to propose to its global trading partners that it will never repeal the Glass Steagall Act, which means that commercial banks will always be able to trade in risky financial instruments while still being protected by the taxpayers.

No One is Responsible for the Earth

Free market theory absolves everyone of responsibility for their actions and proposes that an invisible hand guarantees an optimum outcome for all. This practice forbids anyone from being a responsible steward of the land and prohibits concerned citizens from taking actions to either support the maintenance of a healthy atmosphere or stop the depletion of natural resources.

Community is Fun

We can live lightly on the earth and be happier by spending more time with friends and family, by treasuring nature's gifts, and by breathing deeply with the breath of Gaia.



What You Can Do

On a Personal Level

- Take a moment and think about what really makes you happy. How can you create more time for more of those happy moments?
- Take up the motto, "More fun, less stuff."
- Buy your food from local farmers and eat by the season; Grow some of your own food, digging in the soil with your grandkids or neighbor kids.
- Put your money in a community bank.

On a Community Level

- Learn more about local currencies. Begin with time dollars to build a core of people thinking locally and exchanging local services. Then when you have a good local exchange going, begin to explore a local currency and invite speakers from towns where they have local currencies. For list, go to www.smallisbeautiful.org/local_currencies/currency_groups.html
- Find out where the closest consumer or worker cooperative is located; arrange a field trip.
- Invite your neighborhood to a meeting to talk about your dreams for your neighborhood. What's missing? Would time dollars or a cooperative enterprise help realize your dreams?

On a State Level

- Tell your state legislature and your governor that you want:
- A state bank like North Dakota;
 - More support for local economies from community gardens to farmers' markets;
 - More support for de-centralized alternative energy.

On a National Level

- Tell your Congressional delegation and President Obama that you want:
- No more banks too big too fail;
 - Reinstatement of the Glass-Steagall Act;
 - More funding for cooperative banks;
 - A stop to all negotiations on WTO/GATS financial services.