

18th September 2020

As we all spend more time indoors currently, those of us lucky enough to have access to a garden are growing fruit and vegetables, if not considering to do so.

Our goal as a collective is to expand what we all make markets in to encompass a greater variety of goods. In this letter, we make an example of peas – which are easy for most to grow wherever they are located across the globe.

Making market makers out of growers

For anyone growing for market exchange, these are some points to consider:

- Estimated date of produce picking.
- Estimated date of being brought to exchange/settlement.
- Estimated quantity of peas to be picked.
- Estimated quantity of peas you're comfortable to offer in exchange.

Say we have three local growers: Peter; Martin and Chris, growing weights of peas expected for exchange of Q , U and V (grains/ounces) respectively.

Whoever is deemed to grow 'the most marketable/portable quantity/weight' sets the price – which of itself is actually immaterial. Say that's quantity V offered for l (grains of copper.) Q and U are offered as Q is to V and V is to U .

$$Q \text{ for } \frac{Q}{V}l @ l \frac{Q}{V} \text{ for } Q$$

$$V \text{ for } l @ l \text{ for } V$$

$$U \text{ for } \frac{U}{V}l @ l \frac{U}{V} \text{ for } U$$

Our group is initially in a position to only offer their produce but as an *offer* of peas for copper is taken, a *bid* is revealed and thus *induces* people currently outside our pea-growing collective in (after sufficient training.)

Example with enumerated weights

Say Peter, Martin and Chris are expected to grow 25, 45 and 56oz of (standardized) peas for picking and delivery between 15th and 30th October. After a quick survey, Martin's 45oz of peas is deemed *most marketable* and so Martin 'sets the price' at 1 copper pennyweight. Our collective's pea market looks like:

$$25 \text{ for } \frac{25}{45} \cdot 1 @ 1 \cdot \frac{25}{45} \text{ for } 25$$

$$45 \text{ for } 1 @ 1 \text{ for } 45$$

$$56 \text{ for } \frac{56}{45} \cdot 1 @ 1 \cdot \frac{56}{45} \text{ for } 56$$

Getting people growing on a non-industrial scale without involving fiat is one of our collective's goals. But exchange of those goods v. weighty silver/gold coins is unnecessary and impractical in getting gold and silver to circulate. 5p and 10p coins in the UK are made of 50 and 100 grains of pure steel respectively. Clearing against such steel coins, with eventual steel v. silver exchange, would mean that silver would be introduced for exchange by proxy, perhaps ahead of direct exchange.

The main issue with generalised exchange are expressions such as $56/45 \cdot 1$ which get resolved into more manageable expressions as more and more goods are traded against each other. This is how 'money evolves.'



5th March 2021

In September 2020's letter, we examined making markets out of growers of garden produce. Rigours of market exchange are independent of whatever is being made a market of and such skills will need to be re-learned and honed.

In our first letter, we mentioned that our collective's bills of exchange can be re-used in exchange of themselves. How was this facility expressed when (quasi) bills of exchange were in use?



This 'third bill of exchange,' issued by Anthony Gibbs & Sons on 21st April 1914, highlights terminology used. We're informed that this bill is to be settled at 90 days from 21st April (20th July) but is dependent in settlement upon two prior bills of exchange, first of which was accepted by Deutsche Bank's London agent.

Just what this bill of exchange was for is unknown; underlying goods' details have not been made apparent. What kind of deals were being cleared by British/German bankers and Spanish 'communities'... just prior to the outbreak of a 'world war,' which itself was prior to another 'world war?' Anthony Gibbs & Sons morphed into Marsh & McLennan – a 'worldwide professional services firm.'

There's more than one 'company' involved in acceptance of this quasi-bill ('quasi' as it's expressed in/matures into British state fiat) Our collective's bills involve solely

those and their bills within our collective; accordingly, paperwork would be less arduous when clearing secondary, tertiary and further bills – should they arise. It's worth pondering how community clearing through bills of exchange was hijacked by 'state authorities' for nefarious ends over the centuries, especially from the late C19th to early C20th...

Exchanges

Due to unspecified reschedule of lectures, metal markets are active but suspended.

GOLD for SILVER	SILVER for GOLD
1 (one) oz. for 80 (eighty) oz. SJ (19/1/20)	70 (seventy) oz. for 1 (one) oz.
1 (one) oz. for 77 (seventy-seven) oz. CG (27/1/20)	68 (sixty-eight) oz. for 1 (one) oz.

SILVER for COPPER	COPPER for SILVER
1 (one) oz. for 100 (one hundred) oz. NJL (6/3/20)	90 (ninety) oz. for 1 (one) oz.

This market in Alpine strawberries is for display purposes only for those without Kingston's locality. If anyone would like similar seeds to grow their own strawberries for their own local market, please contact me. Note that more precise quantities and timings will be expressed as time progresses.



FOR DELIVERY BETWEEN JUNE and SEPTEMBER at KINGSTON

STRAWBERRIES for COPPER	COPPER for STRAWBERRIES
SJ (23/3/21) Between 1 (one) and 3 (three) oz. for 1 (one) oz.	



28th April 2021

Below is displayed member quotations in silver for copper/copper for silver and gold for silver/silver for gold. Also displayed is an example of a bill of exchange that is received on a quotation being taken.

If any quotation is taken, both parties receive bills of exchange as shown, with bookkeeper keeping a copy for records.

As elaborated previously, these bills can be used as evidence for further exchange. In the example shown, our hypothetical John receives 300oz gold and hypothetical Peter 1,000oz silver. Their respective bills (a/a,b and b/a,b) can be re-utilised given acknowledgement of prior exchange.

Calculation of personal and collective flux

Flux is that change in quantity of silver/copper/gold were both one's quotation's to be hit. For example, with NJL's quotations in silver *for* copper, 1oz of silver would move out and 100oz of copper in; with copper *for* silver, 1oz of silver would move in and 90oz of copper move out. This gives NJL's *personal* flux at 10oz copper; meaning that 10oz of copper will move into NJL's hands on both quotations being hit. *Collective flux* is that aggregation of everybody's *personal* flux across that market.

What could your personal quotations change to, having had both your prior quotations hit, in order to maintain *zero personal flux*?



6th May 2021

Exchanges update

This market is in Alpine strawberries for delivery within Kingston's locality. If anyone would like similar seeds to grow their own strawberries for their own local market, please contact me. More precise quantities and timings will be expressed as time progresses.

FOR DELIVERY BETWEEN JUNE and SEPTEMBER at KINGSTON

STRAWBERRIES for COPPER

COPPER for STRAWBERRIES

SJ (23/3/21) Between 1 (one) and 3 (three) oz. for 1 (one) oz.

CG (27/4/21) Between 1 (one) and 3 (three) oz. for 4 (four) oz. steel

Due to unspecified reschedule of lectures, these markets suspended indefinitely.

GOLD for SILVER

SILVER for GOLD

1 (one) oz. for 80 (eighty) oz. SJ (19/1/20) 70 (seventy) oz. for 1 (one) oz.

1 (one) oz. for 77 (seventy-seven) oz. CG (27/1/20) 68 (sixty-eight) oz. for 1 (one) oz.

SILVER for COPPER

COPPER for SILVER

1 (one) oz. for 100 (one hundred) oz. NJL (6/3/20) 90 (ninety) oz. for 1 (one) oz.



27th June 2021

Exchanges update

This market is in Alpine strawberries for delivery within Kingston's locality. More precise quantities and timings will be expressed as time progresses.

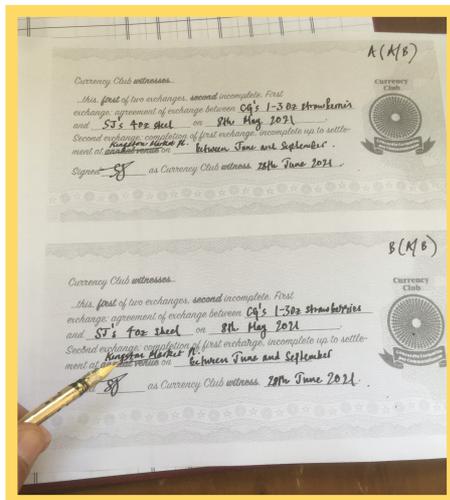
FOR DELIVERY BETWEEN JUNE and SEPTEMBER at KINGSTON

COPPER for STRAWBERRIES

STRAWBERRIES for COPPER

SJ (23/3/21) Between 1 (one) and 3 (three) oz. for 1 (one) oz.
CG (27/4/21) ~~Between 1 (one) and 3 (three) oz. for 4 (four) oz. steel~~

4 (four) oz. of steel for between 1 (one) and 3 (three) oz. CG (8/5/21)



Notification of trade: on 8th May, SJ took CG's offer of strawberries for steel. CG then established an offer of steel for strawberries, making the first two-way; *monetary* market in modern times.

CG and SJ now receive their respective bills of exchange (pictured) which are also simultaneously futures' contracts. As that time period when fruits begin to appear comes closer, these bills can be narrowed down in terms of their settlement date.

Suggestions as to further markets are welcome but bear in mind that delivery is at

Kingston's locality... unless some wish to establish delivery at their own locality (and so keep books.)

Growing tips: it's best to grow most fruits/vegetables in portable cloth pots rather than in fixed 'beds' – the former can be 'taken inside' should the need arise. In order to encourage growth, it's best to grow 'nitrogen fixers' such as beans (purple arrow) alongside and after your intended plant is growing (strawberries with red circle.) Basil (highlighted in green circle) similarly planted acts as an insect repellent – even more so when leaves are crushed up and added to water for spraying.



23rd July 2021

Exchanges update

This market is in Alpine strawberries for delivery within Kingston’s locality. More precise quantities and timings will be expressed as time progresses.

FOR DELIVERY BETWEEN JUNE and SEPTEMBER at KINGSTON

COPPER for STRAWBERRIES

STRAWBERRIES for COPPER

SJ (23/3/21)

Between 1 (one) and 3 (three) oz. for 1 (one) oz.

CG (27/4/21)

~~Between 1 (one) and 3 (three) oz. for 4 (four) oz. steel~~

4 (four) oz. of steel for between 1 (one) and 3 (three) oz. CG (8/5/21)

A further ‘new’ market in tomatoes also for delivery within in Kingston has been established:

FOR DELIVERY BETWEEN AUGUST and SEPTEMBER at KINGSTON

STEEL for TOMATOES

TOMATOES for STEEL

SJ (23/3/21) Between 1 (one) and 3 (three) oz. for 1 (one) oz.



Chris Guttridge

Recently, CG’s offer of 1-3oz Strawberries for 4oz of steel was taken by SJ, with the final exchange to take place in Kingston between July-September 2021. Parties involved each received a *bill of exchange* in recognition of this interaction, drawn on both SJ and CG, for 4oz of steel and 1-3oz of strawberries, respectively. Both parties can be said to be holding *swaps*, not futures; indeed they are not to be “reassigned” anonymously or otherwise. The term *bill of exchange* is adopted due to endorsement chains arising from the use of these contracts in subsequent interactions.

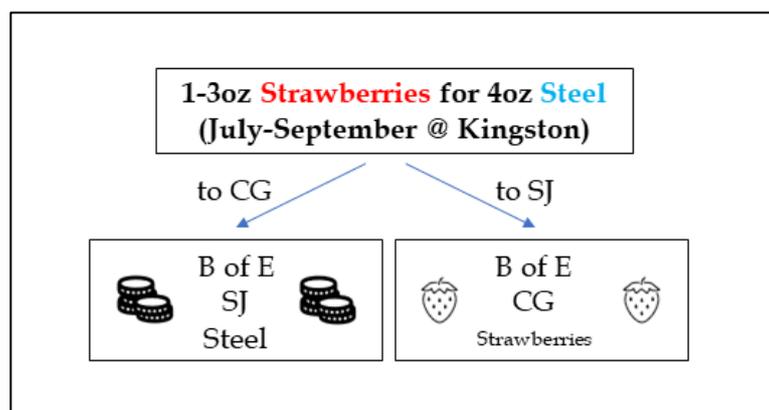


Figure 1 – How each party can use a Currency Club bill. CG receives steel from SJ (A(A/B)); SJ receives strawberries from CG (B(A/B)).

Once drawn, a Currency Club bill can be used to make further trades where others want those goods that the bill matures into – which can be achieved by *nesting* a bill within another (see figure 2). Nesting a bill endorses its validity and discourages the dumping of defective

bills into the hands of others. If, for example, SJ were only to *assign* ownership of a *bill* to another party (say by transferring the original bill with an accompanying bill of sale), the assignee’s rights would be limited to recovering amounts only from CG—since they are the only party ordered to deliver strawberries¹. Further, *assigning* bills inhibits potency as many might be less willing to accept them under such circumstances.

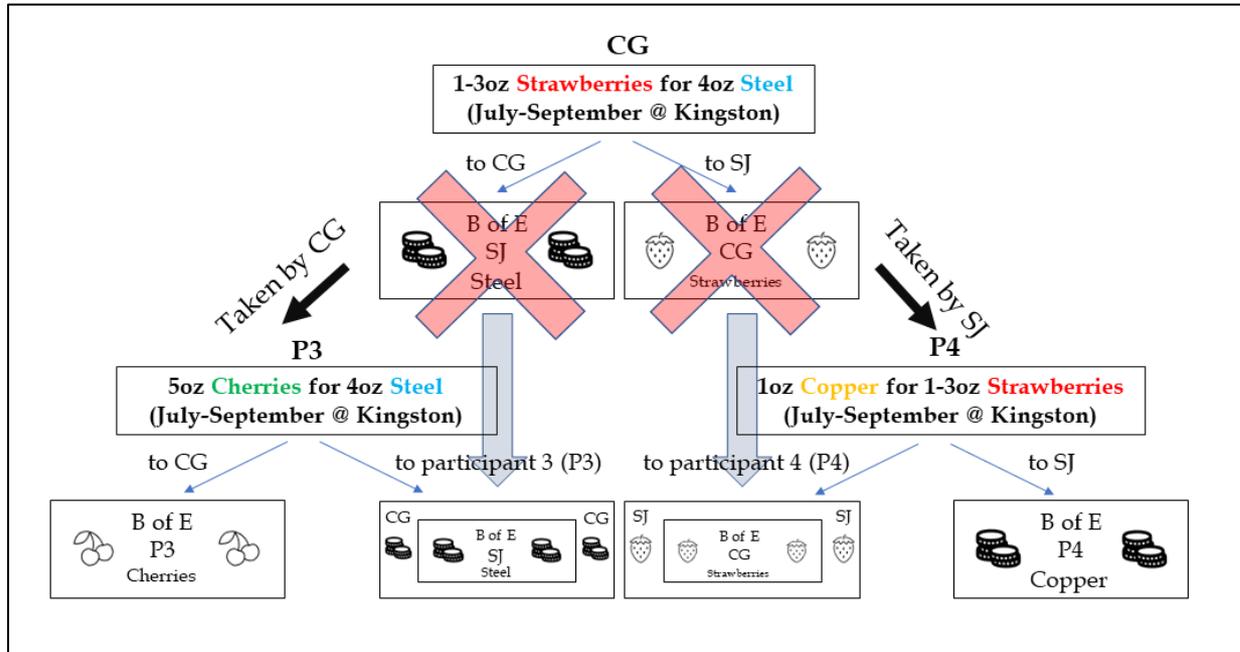


Figure 2 - Bills can be nested within new bills where they become endorsed (grey arrows). Nested bills consequently become “obsolete” (red crosses).

In contrast, if SJ were to use the original bill as the basis of another, thus vouching for its quality, others may be more willing to accept it in payment. Indeed, SJ would be liable were the original acceptor (CG) to default since they have also been ordered to deliver strawberries, albeit initially being “backed” by a bill drawn on CG. Nesting a bill forms an endorsement chain where each endorser takes accountability for the delivery of goods. Moreover, once a bill has been nested in another, the freshly drawn bill acquires the potential to be nested further; naturally, there is no limit to the number of times bills can be nested (see figure 3).

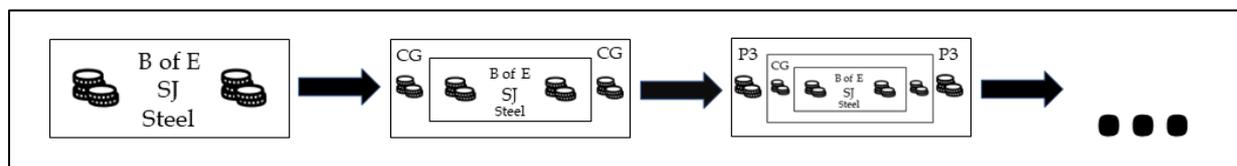


Figure 3 - Bills can be nested an unlimited number of times; each time augmenting the endorsement chain of the original bill.

In the example in figure 2, cherries would move directly to CG; copper to SJ; steel to Participant 3; and strawberries to Participant 4: the same outcome were each interaction to occur one at a time in sequence. It follows then that positions can be closed by taking a

¹In transferring a bill by assignment *without* endorsement, the transferor excludes himself from the endorsement chain; the assignee can therefore recover goods only from those who have previously endorsed it at the time of transfer.

“counteracting” offer from another participant maturing simultaneously. If Participant 3 takes ‘5oz Cherries for 4oz Steel’ from Participant 5, goods drawn on Participant 5 could then be given “directly” to CG (see figure 4).

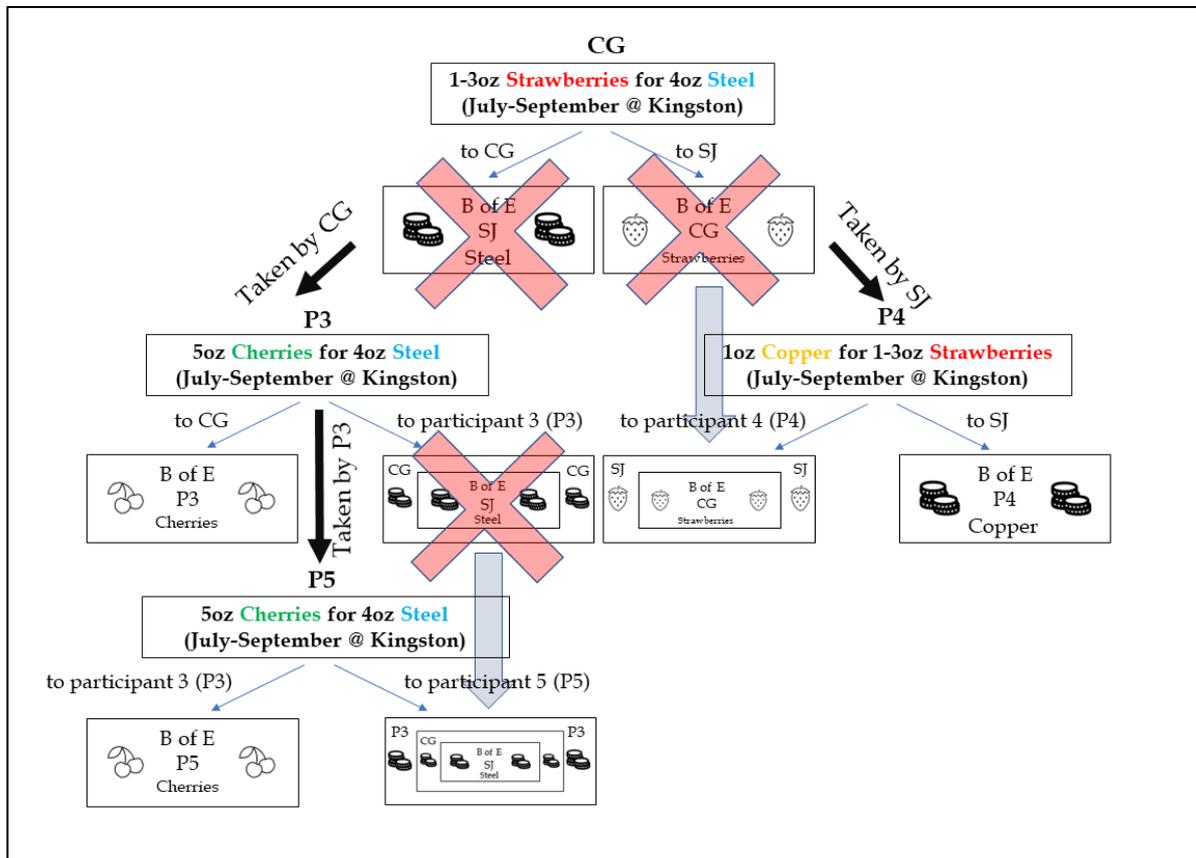


Figure 4 - Positions can be closed by taking a counteracting offer.

In conclusion, nesting Currency Club bills enables extraordinary market rigour and efficiency. Without it, each interaction may need to be settled one at a time, consequently slowing goods' movement between individuals. Nesting enables a theoretically unlimited set of interactions to occur *synchronously* at settlement, [driven by the principle of endorsement](#).



11th August 2021

Exchanges update

SJ's quotation of tomatoes against steel from 23/3 has been cancelled and replaced as below:

FOR DELIVERY BETWEEN AUGUST and SEPTEMBER at KINGSTON
STEEL for **TOMATOES** **TOMATOES** for STEEL
SJ (23/3/21) ~~Between 1 (one) and 3 (three) oz. for 1 (one) oz.~~
SJ (11/8/21) 5 tomatoes of >1/3oz each for 1 oz. on Wed, 25th August
SJ (11/8/21) 5 tomatoes of >1/3oz each for 1 oz. on Wed, 1st September
SJ (11/8/21) 3 tomatoes of >1/3oz each for 1 oz. on Wed, 8th September

A single plant produces mature, edible fruits at various times within a period (see pictures below of the tomato plant behind three new quotations.) Making the most of this observation is how 'futures markets' originally formed.



This market is in Alpine strawberries for delivery within Kingston's locality. More precise quantities and timings will be expressed as time progresses.

FOR DELIVERY BETWEEN JUNE and SEPTEMBER at KINGSTON
COPPER for **STRAWBERRIES** **STRAWBERRIES** for **COPPER**
SJ (23/3/21) Between 1 (one) and 3 (three) oz. for 1 (one) oz.
CG (27/4/21) ~~Between 1 (one) and 3 (three) oz. for 4 (four) oz. steel~~
4 (four) oz. of steel for between 1 (one) and 3 (three) oz. CG (8/5/21)

