



## New Earth Exchange: Building a Just and Sustainable Economy for Santa Cruz County and Beyond

We at *Connection Magazine* are so excited for the New Earth Exchange to begin in Santa Cruz County. This Trade Exchange system is a vision for our society . . . it is a vision of cooperation and justice.

We thank Langdon Roberts and Daz Haela for their expertise, wisdom and devotion to researching this professional exchange and implementing it in our community.

We encourage you and your business to take part with us in the New Earth Exchange.

*Connection Magazine* conducted an interview with both Daz Haela and Langdon Roberts about the New Earth Exchange. Please read on, learn about this Exchange, come to the meetings, join the New Earth Trade Exchange. Participate! And, you can take this Center Theme out of the magazine to have as a reference booklet.

Thank you Daz and Langdon!!

Here's to a new era; one of justice and intelligence,  
Pattie Mills & Thom Coby

### What inspired you to start this project?

**LANGDON:** Early in 2008, things were going really well for our business. My business partner, Daz and I had been open for almost a year and a half in Soquel Village, providing biofeedback and neurofeedback services to a growing clientele. We were in a high growth field, our clients loved us, and the word was spreading. It seemed like we would be very successful. Then, over the course of a few months, our business dropped by over 50%. Our self-employed friends in the healing professions, and other businesses as well, were telling us that they were also struggling. Some were even going out of business. The economy was crashing! People needed our services more than ever, because of the stress the economy was putting on their lives, but no one seemed to have any money. So, we were getting calls from people asking if we would be willing to barter for cleaning services, massage therapy or whatever. We love barter, but there was only so much that we could do. Many of the things that we needed were not the things that were being offered in trade, and much of what was offered in trade, we already had in sufficient amounts. We knew that there must be a better solution.

**DAZ:** An important inspiration for both of us is the social advantage that a network of connected individuals can have

in a small, geographical area, especially in a county with so many innovative individuals. A community of emotional and practical mutual support, much like villages of old, could eventually arise as a natural outgrowth of the trade exchange. The exchange could also be critical to our survival if our monetary system collapses. We feel the need for this project is so critical that we have been called to invest substantial time and money into making it a reality, even though we already have a full-time business to run.

### What types of backgrounds do you bring to this project?

**LANGDON:** As a neuroscientist and holistic practitioner, I have been trained

to be able to look at complex networks (such as the human brain), and get a sense of what type of interventions or changes might be necessary in order to restore the system to a healthy state, based on a

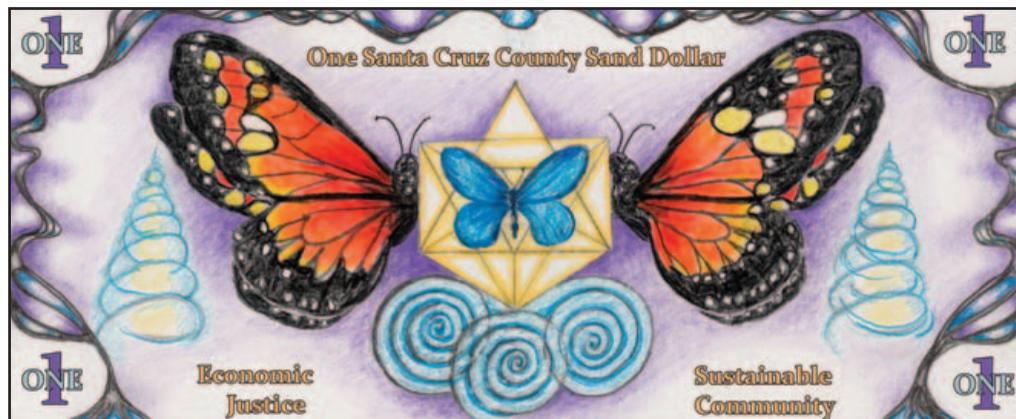
combination of scientific analysis, life experience and intuition. It occurred to me that an appropriate use of my abilities would be to look into what was really happening in our economy (which is also a complex, highly interconnected, constantly changing network, in many ways similar to the human brain), and figure out what could be done to get it back on track, from a perspective that was much more objective than that of most economists, who have been trained to take a particular culturally and societally sanctioned view of economics.

I have been self-employed nearly all of my adult life, and have always worked hard, yet never managed to become wealthy. I don't really seek financial wealth personally, but I do have a very strong sense of the importance of fairness in all realms society, including economics.

My spiritual life and my community are very high priorities to me, and I look at all of my work, whether with my clients or in building sustainable systems, as service to the Divine as well as to humanity. I see my purpose in life as learning to love more deeply, through working toward the evolution of consciousness and culture. When Daz and I met, back in 2005, I recognized that

she had a similar perspective and knew right away that we would be working together to build a better world.

**DAZ:** The vision of a society of cooperation and justice was planted in me as a teenager in the 60's, by the likes of Robert Kennedy and Dr. Martin Luther King. As an adult, thankfully, I still hold that vision for the world and am now doing my best to do something about it! I have been fortunate to have a career of varied experience, first in the retail, wholesale, and manufacturing fields and currently in alternative health care, which includes changing the way our thoughts and beliefs influence our lives. I walk the paths of both practicality and



Possible Sand Dollar Design

spirituality quite well, integrating into both mainstream and alternative culture. I carry forth a deep interest in creating conscious communities of people, physically and virtually, and in invigorating neighborhoods to become more community-like.

It's essential to remember that sustainability also applies to our society; creating sustainable structures that will support us in all phases of life. The intent here is to help us all to become, or regain, who we truly are at our essence: loving humans who value connection. My roles in life, as mother, grandmother, artist, designer/seamstress, gardener, and community servant, provide diverse perspectives, which inform the operations and visioning of this project. Helping my clients at The Center become more aware and my daily awareness practices enable me to hold the bigger picture of the Exchange. As life has become more complex since the sixties, I have felt at a loss for answers to some of the questions that face society, including how money is made and spent and why it often seems that there isn't enough to go around. Envisioning solutions to those questions helped form the basis for New Earth Exchange.

### Why do we need New Earth

### Exchange?

**LANGDON:** When we look at the current condition of the economy and the environmental devastation that has accompanied the rapid economic expansion of the past century, it becomes obvious that something about our economic system just doesn't work. Why do we have so many people living in poverty when we have the scientific technology to produce more than enough food and material goods for everyone on the planet to have a reasonably high standard of living? Why are so many products produced that are either obsolete before they are put on the market, or are so poorly manufactured that they will end up

in the landfill almost immediately, when we know that this type of overproduction cannot be sustained, and will end up hurting us all in the long run? Why is so much fossil fuel wasted in shipping products half-way around the world, when they could easily be manufactured much closer to home?

One reason for this seeming insanity becomes clear when we look at the way in which our money is created. Every U.S. dollar that exists, either in print or electronically, was created by a bank out of thin air, and lent into existence at interest to someone. The same thing is true for the money of other countries as well. Therefore, the U.S. money supply, as well as the world money supply, must always be smaller than the amount that people owe to the banks, since the amount owed equals the total amount in existence plus compound interest, which accumulates geometrically. One very unsettling result of this structure is that the economy must always continue to grow rapidly, or it will crash, just like it did in 2008.

In order to keep the economy expanding, the government cooperates with the banks and the media to continually send out the message that spending and growth are good, and that true happiness comes from having the biggest house, the best car, and the best and newest material goods that we can possibly afford, regardless of how and where they are made, or how much their manufacture exploits people or hurts the environment. We are taught to compete with each other vigorously, and to mistrust

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anyone who talks about economic cooperation or who places a higher value on things like family, community or spirituality than on material “success”. The notion that we could be happy living simple lives, buying only what we need and what will bring us true happiness, rather than what we think we need in order to impress or to belong to mainstream culture, seems alien to most Americans, who are caught up in the materialistic frenzy promoted by the media.

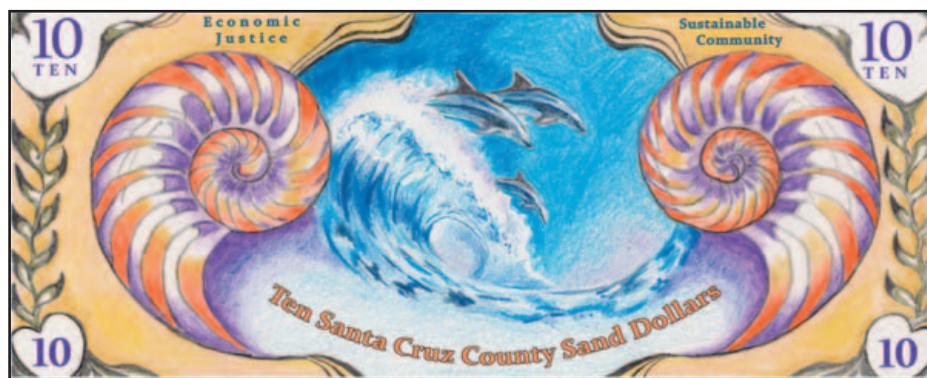
The reason that the system works the way it does is not because the people who created it were ignorant of its flaws. It’s because the need for continual growth, along with periodic collapses, are necessary elements of a system that allows the Fed (Federal Reserve) to accomplish its primary mission: use interest as a tool to make sure that the rich get richer at the expense of the rest of us.

The flow of interest always runs from the poor, who pay the highest rates, to the rich, who borrow at low rates (or simply create the money out of thin air, in the case of the banks). The banking families who created the Fed, which was modeled after the Bank of England, knew exactly how it would effect the poor. Their disdain for the common people is reflected in the following quote from the Rothschild brothers of London writing to associates in New York in 1863 regarding the creation of a central bank: “The few who understand the system will either be so interested in its profits or be so dependent upon its favors that there will be no opposition from that class, while on the other hand, the great body of people, mentally incapable of comprehending the

interests.” Today’s mainstream corporate leaders and politicians, for the most part, exhibit the same disdain for the vast majority of the population.

Many of us in Santa Cruz County are waking up to this reality. Yet, if we stop buying all this stuff from overseas, won’t we be contributing to the dreaded economic crash? Don’t we need to continue borrowing and buying stuff that we don’t need in order to do our part as Americans? The unsettling truth is that as long as we rely on the Federal Reserve banking system to supply our money, we actually need to do exactly that! The mathematics of money that is created at interest doesn’t allow it to be any other way. There is simply no solution to our economic and environmental dilemma as long as the Fed and the central banks of other countries exist in their current form!

All of these reasons, in addition to



Possible Sand Dollar Design

the fact that the Federal Reserve is clearly unconstitutional, are why people like Ron Paul, Dennis Kucinich, Ralph Nader and many, many others are calling for an end to the Fed. Some are predicting that the Fed

happened throughout history all over the world when governments can’t pay their debts due to interest, corruption or wars. But if the Fed is going to end, we need to have something else in place long before that happens, in order to avoid economic chaos. If the Fed somehow survives, we will still need to find some way to counter the continuous movement of capital from the masses to the ultra-wealthy.

Until a few centuries ago, most capital was in the form of “commodity money”. Commodity money is simply the use of tangible materials, such as gold, silver, acorns, sand dollars, or anything that a society decides is appropriate, to represent value. These systems work pretty well on a small scale, provided the supply of the chosen commodity grows approximately as fast as the population. However, the use of a single commodity to represent value is

tional one, we let the new get stronger until it has legs, which may eventually mean that the old will no longer be needed, or at least much less than it is now. Won’t it be great when we can pay our major bills with trade dollars? This is a new way of thinking for most people, but one that becomes obvious once you know how it works.

**What made you decide to create a regional trade exchange? Why not a simple local currency, like Ithaca Hours or Berk-Shares?**

**LANGDON:** When we first started this project, we knew very little about alternative currencies. We were familiar with the concept of barter networks, which would solve the problem of resource availability, so we looked for one in Santa Cruz county and discovered that it didn’t exist. There had been a local barter network functioning for a while in pre-internet days, run by volunteers, but it had dissolved, leaving many people with credits that they couldn’t use. We discovered that the internet based commercial trade exchanges (sometimes known as business to business barter systems), which tended to be much more efficient, stable and successful in the long-term, required expensive software and were subject to tax regulations that seemed like more than we could handle at the time. They also did not seem to be very suited to the needs of micro-businesses owners or underemployed professionals and laborers, which were many of the people whom we wanted to serve. So we started looking into other alternatives, such as local currencies.

We discovered that there were a few reasonably successful local currencies in the U.S. The longest running local currency is Ithaca Hours, in Ithaca, New York. Founded in 1991, with currently about \$100,000 of currency in circulation, it’s accepted at over 900 businesses. Built gradually over 23 years, with many hours of volunteer labor, it has provided measurable, although moderate, benefit to the community. However, the Ithaca story is the exception, rather than the rule. Most local volunteer-run fiat currencies (currencies that are backed only by community good will) fail within the first few years, due to lack of interest, insufficient marketing, lack of confidence, mismanagement, or volunteer burnout.

We briefly explored the possibility of a currency backed by U.S. dollars, such as the BerkShares program in Western Massachusetts and Eastern New York. Berkshares were designed to be purchased for 95 cents on the dollar, providing a small economic incentive to use the local currency. Although BerkShares has grown much more rapidly than Ithaca Hours, and has made a measurable impact on the local economy somewhat

simply not flexible enough to meet the complex and rapidly changing needs of a global economy. Furthermore, adopting gold or some other commodity as our single store of value would create tremendous economic pressure to continually find more of it, which could have devastating environmental consequences.

Our current banking system, in which money exists as debt owed (at interest) to the central banks, has helped to drive the rapid economic and technological growth of the past few centuries. However, the environmental and human costs of this rapid expanse have been tremendous. It has become obvious to most of us that this continued rapid expansion of commerce, simply cannot continue. We clearly need a workable alternative, and we need it quickly!

**DAZ:** The question to ask ourselves is: Do we continue supporting a system that doesn’t support us (the Fed) and doesn’t work well, or do we create one that does? New Earth Exchange is a living system that grows organically, unlike the unnatural manner of the Federal Reserve system. In our exchange, the members are beholden to one another, not to some outside power that makes rules we no longer choose to live by. There is power in that. By creating a new, efficient system alongside the old dysfunc-



Langdon Roberts, Daz Haela, New Earth Exchange Co-Founders and Administrators

tremendous advantage that capital derives from the system, will bear its burdens without complaint, and perhaps without even suspecting that the system is inimical to their

will simply collapse because of its intrinsic instability, whether we like it or not, and our currency will collapse along with it. This happened recently in Greece, and has

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faster than the Ithaca system, it is very expensive to run, and the currency is still not in widespread use even after 8 years of reasonably aggressive marketing.

## So what is the solution?

**LANGDON:** As it turns out, the way to invigorate a local economy is not just to enact a local solution, but to address the needs of a somewhat larger region. Although it is great for consumers to buy as much of what they need locally as possible, using a local commerce system to keep the money from leaving the county, it is not reasonable to expect many businesses to do the same. In order to provide sufficient variety, Santa Cruz grocery stores and restaurants, for example, need to be able to purchase produce and other products that are grown or made in places like Napa County or the Central Valley. We would not really want to have to build factories in Santa Cruz County to manufacture appliances, cars, and all of the other things that we use on a regular basis. It is reasonable, however, to expect that eventually we would be able to produce most of the products that we use in an area the size of Northern California. What is needed for maximum economic viability and environmental sustainability is the proper balance between the diversity provided by a larger trading region, and the efficiency and reduced environmental impact of shopping locally. It is also critical that businesses and their customers have reasonable access to capital. And, of course, we need a currency system that is not based on 'interest' so that there is no pressure to grow the economy by consuming more than we actually need, and so that the money does not automatically accumulate in the hands of the wealthy.

Fortunately, an excellent model for this type of economy already exists, and has been successful in stabilizing a regional economy for 78 years. The WIR Bank of Switzerland is a complementary regional currency that is accepted at 62,000 businesses, and facilitates about \$2 Billion in transactions annually, or an average of about \$30,000 per business! During economic downturns, WIR bank activity increases to compensate for reduced availability of the official state currency, the Swiss Franc. The WIR currency is directly generated by the participating businesses, and has no interest attached to its creation. This system of currency, which empowers people rather than a central authority, and produces stable money, has been so successful that it has been replicated many times by business communities around the world. Currently, at least \$30 Billion in business is transacted through Business-to-Business trade exchanges, which follow the WIR Bank model.

Theoretically, all business could be transacted through trade exchanges. All em-

ployees could be paid in trade dollars and all government supported endeavors could be funded by them. In practice, however, laws requiring that taxes be paid in the official state currencies ensure that only about 10-15% of total sales for most participating businesses (though significantly more for some service businesses) can be transacted in trade currency dollars, thus ensuring the dominance and profitability of the central banking system. Still, what business wouldn't want to be able to pay 10-15% of its overhead in trade dollars, or to increase gross sales by a similar amount, due to increased availability of capital?

Although we initially thought that running a genuine commercial trade exchange would be beyond our reach financially, high quality software and support for building local trade networks has recently become available at a price that we could afford through Global Exchange Trading Systems (GETS). GETS founders Richard Logie and Linda Sim, who have been instrumental in the development of more than 20 successful trade exchanges worldwide, have generously offered their time and expertise to help us to understand what is necessary to run a successful exchange and to get things moving here in Santa Cruz County. We are already signing up members, and even talking with groups in San Francisco about how we will expand into all of Northern California, as soon as our foundation here in Santa Cruz County is solid.

## So, how does a trade network operate?

**LANGDON:** The operation of a trade network is remarkably simple. Each participating business is issued a credit limit by the people who are entrusted to run the exchange. Businesses then purchase whatever they need from other businesses in the network using trade dollars (or a combination of U.S.\$ and trade dollars), which are created electronically at the time of purchase. In exchange for this privilege, each business must sign a legal agreement to provide goods or services of at least equal value to what they have spent, to other members of the network. That's all there is to it. So, for example, if a hardware store owner wants to buy 10 gallons of paint, valued at \$300, he simply transfers \$300 from his account to the paint manufacturer's account. The paint

maker, in turn, needs to go to the chiropractor because she has been lifting heavy buckets of paint all day, and transfers \$50 from her account to the chiropractor, who in turn, needs a new ladder, and therefore transfers \$100 to the hardware store. The accounting is all done electronically on a central secure server. Trade exchange members search for what they want to purchase, and post offerings or wants via a search-able online database. Each business sets its own policies about how much local currency to accept, and under what circumstances they will

accept it. With smart phones and portable computers, this system is now accessible nearly everywhere.

The process is challenging for many people to grasp be-

cause we have been conditioned for our whole lives to think of money as something that can only be created by governments (even though the Federal Reserve, which actually creates U.S. Currency, is not a government agency, but a privately owned corporation). In today's world, money is simply a form of information. As community and monetary economist Thomas Greco Jr. states, "the essence of money is an agreement (a consensus) to accept something that in itself may have no fundamental utility to us, but that we are assured can be exchanged

has the authority to create "Legal Tender" (money that must be accepted for purchase of all goods or services, under penalty of law). Most complementary currencies (currencies designed to operate alongside of the official government-approved currency) may be accepted (or not) entirely at will, which is one reason that they tend to be unstable. Trade exchange currencies are generally backed by legal contracts signed by the businesses involved, as well as by the reputations of the businesses. The fact that there is legal recourse if a business does not honor its debts is one of the things that makes business-to-business trade exchanges generally successful, while most other forms of complementary currencies fail.

Doesn't it take more than a trade exchange to create true sustainability? Aren't changes in consciousness and culture also necessary?

**LANGDON:** Absolutely. We are not in this alone. We are working alongside many other organizations and individuals who are dedicated to creating a more sustainable society. We have developed mutually supportive relationships with many other organizations such as Transition Santa Cruz, Transition SLV, Freedom Forum, If Integrities, Community Empowerment Network (Empowerment.net), People's Reserve Credit Union and Think Local First. Our success in this endeavor is dependent upon successful collaboration and education.

It is essential that the many organizations and individuals in this county that have sustainability as their goal learn to work together. The limiting factors preventing substantial movement toward a sustainable society are not so much lack of interest and willingness to participate, as much as lack of collaboration, communication and



Langdon Roberts, Daz Haela, New Earth Exchange co-founders and members

in the market for something that does". In actual fact, anyone has the right to create money. Only the Federal Reserve, however,

organization amongst the various branches of the sustainability movement. If we as leaders and volunteers in our particular organizations can manage to move past



our own egos and attachments to political parties and narrowly focused agendas, and if we can let go of the idea that everyone should support our particular project or approach, and if we can come together to identify very specifically what needs to be done and work together to see that it actually gets done, then we will be successful. If we can create a cohesive agenda that at least most of us can agree upon, we will have no shortage of supporting citizens showing up to make that agenda a reality. As Harry S. Truman said: "It is amazing how much you can accomplish as long as you do not care who gets the credit."

As a first step toward a more efficient organizational structure, New Earth Exchange has become part of a new forum that is designed to support cooperation amongst organizations and individuals who are dedicated to creating environmental, economic and social sustainability: empowerment.net. We will be presenting our plan for a just and sustainable economy at their first Community Empowerment workshop on July 28th at the Center for Spiritual Living in Santa Cruz.

## Is New Earth Exchange just for businesses, or does everyone benefit?

**LANGDON:** We have expanded the business trade exchange model to include participation by non-profits as well as individual residents. Non-profits can receive donations from businesses in trade dollars, which can either be spent at businesses in the network, or sold to individual members who want to help to support the work of the non-profit (Trade dollars may be sold either in the form of electronic credits, or paper currency, known as "Sand Dollars," which can circulate freely within the community, just like Federal Reserve notes). In this way, the non-profit can raise U.S. Currency to help pay expenses that cannot be paid in local dollars. The donating businesses can write off their donations at full value, even though they are paying in trade credits. Customers can search the database to see which businesses donate to their favorite non-profits and can shop preferentially at those businesses, if they choose. The non-profits can even sell the local currency at a slight discount, so customers save money while helping out the non-profits. Everybody wins.

**DAZ:** Everyone in the county will benefit by keeping more business local, which means more dollars stay here, rather

than going to big corporations. We will get to know the people with whom we do business. Also, mutual credit clearing, which is the model that New Earth Exchange uses, makes available those goods and services that would otherwise go unused when capital is scarce. Even micro-business owners, including part-timers, young people or weekend entrepreneurs, or anyone with skills that are going unused can access the things they couldn't otherwise purchase if counting solely on the scarce US \$. Since we are a not-for-profit business, the fees that we charge to join are only about 1/3 of what most trade exchanges charge, so anyone can afford to join.

## What is the most important thing that is necessary for the success of New Earth Exchange?

**DAZ:** To make massive social change, we are called to step up and move out of outmoded ways of thinking. At this point, what is needed is tenacity and undying commitment from our community to stay with it while in it's infancy. Langdon and I have been developing this for over four years and are committed to doing what is necessary to make it work. It's a calling for us; impossible to consider NOT doing it. We continually remember the quote from Gandhi: "First they ignore you, then they laugh at you, then they attack you, then you win." The important thing about this statement is that you have to keep on keeping on even when things are tough. We are asking you to help us and help yourselves by staying with it. It will work, but it needs your participation. Sign up. Use it. Sign up your friends. It's healthy to doubt and question. Be a skeptic. Be honest about your doubts and call us to get some answers. It will succeed if enough people believe that the people have more power than the seemingly powerful few who wrote the economic rules



Daz Haela  
of the Federal Reserve system.

**LANGDON:** As every successful business owner knows, the way to build a profitable business is to effectively answer the question "what's in it for me right now?"

As we have come to find that our financial institutions serve only the interests of the elite few, at the expense of all that sustains life, local economies based on shared values within our communities becomes the obvious solution. Moving our money to a local bank or credit union is an imperative first step. Bringing it down to a grassroots community driven level via New Earth Exchange is the next. As each of us unleashes the gifts and services we have come to this planet to offer one another, our communities begin to thrive with the power of mutual support that is our true essence as well as our common destiny!

Summer Love – Occupy Cabrillo – zRightsOfNature.net

"We are excited to be part of New Earth Exchange's program for local non-profits. Transition Santa Cruz will be able to use donated Sand Dollars by providing them to our members to spend locally, or by using them to purchase things we need from local businesses. Most of all, we are glad to support local currency--a key part of building local resilience. And the New Earth Exchange program is the most carefully thought-out local currency we have heard about anywhere."

Michael Levy, Founder of Transition Santa Cruz

"We at Empowerment.Net, see New Earth Exchange as a crucial part of creating economic sustainability for our region. Sustainability is a community effort. It takes many people who see beyond the present who know that our choices today affect every generation to come. We are networking with like-minded organizations and will be presenting the New Earth Exchange trading system to all our workshop and seminar participants as part of our holistic approach to sustainability. We encourage every individual to learn how and what to do to be part of the solution, connect with others doing the same and assist our transition to a sustainable world."

Christopher Love, Founder of Empowerment.net

"Local currencies are a way modern society can use money in the most efficient way possible This is the way money should be: a simplification of barter. By working within a local structure the waste and loss caused by filtering our money (energy) through outside/foreign banks is eliminated and the value of the currency can be maintained."

Elle Black, Volunteer for the Santa Cruz Freedom Forum and Santa Cruz  
for Ron Paul

"New Earth Exchange's system really helps local sustainability. Money that would have previously escaped out of the area through larger chain stores can now stay and recirculate through local businesses. It's a great idea."

Mike Matessa, Transition SLV Board Member

for every potential customer. General consensus is that we are a selfish species, and we will only commit to a product, service or organization if we perceive that our personal needs are being met. In most cases, since we live in a culture of extreme skepticism and desire for instant gratification, those needs must be met both obviously and immediately.

Once we have a few hundred businesses and individuals signed up and trading vigorously, it will become readily apparent that joining our trade exchange will provide obvious and immediate benefits: reduced cash output for overhead, increased business, and increased ability to make purchases for a richer personal lifestyle, as well as building a stronger community and reducing stress on the environment. Until that time, we are relying on the fact that a small percentage of us have moved past simply asking "what's in

it for me right now?" and have begun to ask "What can I do to contribute toward creating a sustainable society that will ensure the opportunity for ourselves and our children to live healthy, secure and abundant lives?" These forward-thinking supporters have been showing up slowly, but steadily, with donations, volunteer hours, and membership commitments. By the time this article goes to press, we should have enough members entered into the system to get started trading in earnest and start moving towards a truly abundant and sustainable future!  
*New Earth Exchange meets Monday, June 25th at the Live Oak Grange at 6pm, for socializing, networking, potluck and fund-raising silent auction. For more information, please call (831) 476-7529, or check out [www.NewEarthExchange.org](http://www.NewEarthExchange.org).*