

The story of Wörgl

Reference:

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Acknowledgement

All of this work is leaning heavily on the work of Fritz Schwarz about Wörgl. Most of it is only translations of his and I hope that he will forgive, wherever he is, the snotty young fellow he met in Wörgl 1951 when he was writing his book, that he cuts it to the bone for the internet. It took him a long time to realize the immense value of it and now he is using it shamelessly.

Without Fritz Schwarz we would not know, what exactly was done in Wörgl and would not be able to learn from it what we must learn when we want to repeat and improve another such experiment. Especially the „Banknotenausweis“ which is the used amount of the money of Wörgl which was so ridiculously low shows exactly what is wrong with our age-old money and how much better the money of Wörgl worked.

The highest amount ever in circulation was 7,443 Schillings! Average about 5,500.

The story of Wörgl.

Wörgl is a small town in the Austrian Alps. The monetary experiment took place during the Great Depression of 1932-33. Michael Unterguggenberger, Social Democrat mayor of the town, tried to apply the monetary reform ideas of Silvio Gesell (1862-1930) as well as he knew. There had been a previous such experiment in Germany, but its forced end did not leave much trace behind.

Michael Unterguggenberger, Mayor of Wörgl.

While the German experiment never hit the headlines, Wörgl and its Mayor shared front page with movie stars and the Night of the Long Knives on 30th June 1934. Who was Michael Unterguggenberger? Anyone who met him for the first time could not help noticing the intense, searching look of this rather small man. It was the slightly cynical look of a man who doesn't believe, and therefore accept, what he can't understand or grasp because of obscurities, gaps or contradictions. Alex von Muralt wrote that Michael Unterguggenberger always stressed not being a Marxist. Anyone acquainted with the contradictions of Marxism will understand why. Michael, born into an old Tyrolean peasant family, had lived the life of a poor European without letting his mind be rusted by the heavy blue-collar work. Born on 15th August 1884 in the Tyrol lowlands, he had to leave school at the age of twelve for a full-time job as a sawmill hand in Hopfgarten in the Tyrol, to support the family. However, he had no intention of continuing as a low-paid worker forever. After three years he had achieved his first target by apprenticing himself to a Master Mechanic in Imst, in the upper Inn valley. He had saved up the tuition fee penny by penny, paying the balance with his work as a journeyman mechanic. He did not wait for the lottery jackpot; little by little he built up his life himself. After apprenticeship, Michael became journeyman mechanic. After Imst he was posted to the Bodensee Lake, then as far as Vienna and farther to the borders of Rumania; then over to Galicia and on to Germany. In Liegnitz, Silesia, today South West Poland, he had his first contact with a trade union, an early form of organized labor. He never left the trade union movement for the rest of his life.

At that point in time he debated with himself whether to stick to being a journeyman or to make the effort to start his own workshop. He chose employment in the railway instead, for an ambitious worker found more career opportunities in the railways in those days compared to the present. In 1905, at the age of twenty-one, he had his first post at the Wörgl railway station. Soon his striving for social justice jeopardized his personal advancement. Marxism opposes the entrepreneur to his workers. It snubs a desirable co-operation between employer and employees. Anglo-Saxon teamwork is something Marxists will not accept. In the opinion of a Marxist the boss, entrepreneur or factory

manager, exploits the workers by redirecting ground rent and interest at their discretion to high finance. Payment of interest for capital investment and ground rent are the sine qua non for each enterprise. Marxism theoreticians Marx and Engels never entertained the idea that liquid monetary capital is actually what makes or breaks an enterprise. Engels, a member of the Manchester Stock Exchange, mentioned this once, but later forgot it and never returned to it.

As a result of his taking a stand for his fellow workers as a trade union man, Unterguggenberger was not promoted any higher. In 1912 he was elected representative for the union of Innsbruck Rail Engineers in the committee for personnel. For the higher officials of the Austrian Railroad Network he remained the one who represented the concerns of the workers against the interests of the Railroad. So he remained a simple worker, but also an advocate against the exploitation of working interests at all levels by the moneyed interests. With hindsight we should not regret this. It gave us Wörgl. In addition to having done a good job as a rail engineer he did a good job as a trade union official. Membership in Wörgl was growing. When he took over there were 100 members. Under his leadership the figure doubled three times up to 800 members. As most active trade unionists in those days, Michael became a Social Democrat as did thousands and even millions of others by joining the Party. He joined the party as most people do, without knowing much of the theories behind the demand for the "Nationalization of the means of production."

Michael was not satisfied with his daily work in the party. He wanted to know the reason behind things. However, he shared the experience of Swiss labor leader Hermann Greulich, who confessed that after a few pages of Karl Marx he felt dizzy; he had not however followed Scheidemann's (1865-1939) example, who wrote that after studying Marx's works he had to run away to drink some beer in order to recover. An incipient tuberculosis (the disease of the poor) may have contributed to the Austrian civil servant's and railway engineer's plunging deeper into the essence of the matter than did men of a sturdier nature. Michael Unterguggenberger read in his very little spare-time any writing on the subject of social reform he could lay hands on. The middle class engaged in social relief. That was all their professors of economics and their politicians could think of. Social insurances of all kinds, insurance as a safeguard against unemployment, Federal housing agencies, laws for the protection of tenants (which inevitably led to housing shortages) - that was about all that the middle class could garner on the subject of social reform. The cause of unemployment, as that of housing shortages or of widespread poverty, were not investigated anywhere; everybody was paying attention to and trying to fix effects. The underlying causes were not studied anywhere. No solution could possibly come from the middle class.

Michael Unterguggenberger was searching ceaselessly. He did research, as Otto Maass had in Erfurt and as people were doing in every country. He agreed with the central tenet of socialism: "Freedom of exploitation of men by men," but not with the method, the nationalization of the means of production. He lived through the crisis of 1907-08. During the crisis of 1912-14 he saw how Austria, and with Austria the whole world, was being led into war. During the Great War he lived through inflation, recognizing that Socialist college teachers knew even less than the middle class professors about the whys and wherefores of inflation. After inflation there came deflation. The socialists expected an overall change for the better, but were hit harder than before by inflation. Then came recovery, 1924 up to 1929. Finally, beginning in September 1929, a new deflation set in, followed by a major global economic crisis. And still the socialists were clueless as what to say about it and could not find anything in their "sacred" books as to why purchasing power fluctuated wildly, other than hashing and rehashing the only theory that could not have shed any light in the matter: the Quantity theory. This states that the value of money fluctuates simply and naturally because its circulating amount on the market is at one time too big and at another too small.

Mayor of Wörgl during the global economic crisis.

Wörgl is a small town. Its population had increased from 648 in 1900 to 4427 just after the war. Michael Unterguggenberger was elected town councilor. Soon he became deputy mayor and in 1931 mayor. The stable prices of the late 1920s had made possible the building of the courthouse road, of the secondary school, as well as supplying Wörgl with piped water and electric power. This lasted until 1929. Then came Black Friday, the baneful 24th October 1929: the Great Crash and then night over Europe. Up until now (1951) we are suffering the consequences of that crisis, which expanding the Wörgl experiment could have ended once and for all. One can imagine what that crisis meant for a man like Michael Unterguggenberger in his small town. He had personally experienced semi-poverty, and knew what the crisis meant for one who depends solely on one's income, which guaranteed no more than subsistence even when permanently employed. At the time Wörgl had a population of 4216. Being a railway junction, the railway employed 310 people in 1930, but by 1933 the number had plummeted to 190. Following that, the newly unemployed came one after another to their former colleague, who was now mayor, asking for help. Already in 1929 the service facility

for steam locomotives had become obsolete following the transition to electric engines. The nearby cement plant in Kitzbühel employed 45 to 60 workers in 1930, but by 1933 that figure had shrunk to two. The Zipf brewery sacked between 10-14 workers from the previous 33-37. A cellulose factory, which in 1930 still employed 360 to 410 workers, in 1933 had only 4 men guarding idle machines. Farmers, who made up about a third of the working population, could barely sell their products at depressed prices and the remaining two thirds of the work force, consisting of blue collar and white-collar employees plus people running small businesses, considerably suffered from these bleak circumstances. The ranks of the unemployed increased daily. Both they and those with expired insurance benefits turned to their mayor. In 1932 there were some 200 expired benefits cases destined for public charity schemes. In the spring of 1932 Wörgl township counted 350 unemployed. In its immediate surroundings there were 1500. Out in Vienna the federal government and the president of the Central Bank, Dr Kienböck, were watching helplessly without knowing what to do.

Unterguggenberger consulted *The Natural Economic Order* by Silvio Gesell.

He read and re-read: An economic crisis, that is the falling off in sales and employment with all the attendant symptoms, is a consequence of falling prices. The solution: prices must never be allowed to fall. He started by approaching people to win them over. He went from person to person until he could hold a decisive session of the Wörgl Welfare Committee. After long talks with every single member of the committee he launched the session on 5th July 1932.

The people present were: Mayor Michael Unterguggenberger, retired official of the Austrian State Railway, Deputy Mayor Josef Gollner, merchant, Deputy Mayor Josef Balser, State Railway official, Councilors Jacob Astner jr, farmer; Johann Astl, member of the regional government, electrician; Franz Danek, merchant; Alois Kogler, State Railway Official; Oswald Koller, electrician; Peter Lanzinger, retired railway official; Sebastian Mitterer, baker; Rosalia Nestler, railway official's wife; Georg Opperer, retired; Johann Payer, farmer; Franz Pick, railway official; Martin Pichler, member of the regional parliament and tailor; Thekla Sittenthaler, railway official's wife; Dr. Georg Stava, retired regional government official; Max Steinbacher, ordinary citizen; Johann Straber, farmer; Christian Wascher, carpenter; Fanny Weinmayr, railway official's wife.

The mayor began with a short summary on the current situation as seen from the local government viewpoint: In the town area proper there lived close to 400 unemployed, 200 of whom were expired insurance benefit cases. Adding the nearby villages the unemployed total was 1500. The council owed 1,300,000 Schillings to the Innsbruck Saving Trust. The interest, amounting to 50,000 Schillings in arrears from 1931, could not be paid any longer. Unpaid taxes for the year 1931, amounting to about 118,000 Schillings, were the council's only credit. But in 1932 it was nearly impossible to get any of that. Due to these backlogs the town was also in arrears in respect of the regional government. Both this government and the Trust paid a percentage of the regional and federal taxes back to the town. But they would not disburse anything to the town without taxes coming in, thereby depriving the town even of that source of income. Local taxes for the first half of the year had fetched just 3,000 Schillings. As nobody could pay taxes, the situation of the town was getting worse. The worker was down to his last savings. The local savings bank suffered from a shortage of money. At auctions there were no bidders, because everybody looked forward to prices falling further. All payments had stalled. The number of unemployed rose daily. The situation was bleak indeed! Then the mayor submitted his proposals to the committee. The details were not new, since he had gone over these with them in countless conversations. He read out:

DISTRESS RELIEF PROGRAM. Slow circulation of money is the principal cause of the faltering economy. Money as a medium of exchange increasingly vanishes out of working people's hands. It seeps away into channels where interest flows and accumulates in the hands of a few, who do not return it back to the market for the purchasing of goods and services but withhold it for speculation. As money is an indispensable wheel in the machine of production, an accumulation of great sums in a few hands means a gigantic danger for peaceful production. Every time the flow of money is interrupted, so is the exchange of goods and services, with a consequent fall in employment. Uncertainty about the state of the economy makes the owner of money careful, causing him/her to hoard it or to spend it reluctantly. He or she distrusts investment. Money circulation is thus slowed down, the turnover of goods and services shrinks and jobs disappear. Such a situation denies incentives to the population, threatening peace and wealth with destruction. Whole nations and states are under the threat of ruin. Our small place cannot liberate the world, but we want at least to give a sign. In the Wörgl area the sluggish, slow-circulating National Bank currency shall be replaced with a medium of exchange with a better circulating performance than ordinary money. "Certified Compensation Bills" shall be issued in denominations of 1, 5 and 10 Schillings and put into circulation. The council shall issue the Bills and the public shall undertake to accept such Bills at their full nominal value in payment for goods and services. In order to turn around the economy of

the township, public works shall be planned and paid for with the same Bills. The issuing of Wörgl "Money" Bills were printed for a total nominal value of 32,000 Schillings. The denominations were 2000 x 1 Schilling, 2000 x 5 Schillings and 2000 x 10 Schillings.

Even before the "Money" reached the hands of the welfare subcommittee, the Austrian National Bank protested, claiming that money was being printed, thereby violating the banknote issuing privilege of the National Bank in Vienna. The mayor answered that the Bills were not money - only certificates of work done. But he smiled as he said that, for he knew that no sooner the term "money" appeared in the argument than all sorts of theoreticians would enter the fray, never coming to an agreement as to what "money" is, and as to whether these Certified Compensation Bills were money or not. But until that was settled the controversial Bills would circulate. And so it happened.

On the 31st of July 1932 the town administration purchased the first lot of Bills from the Welfare Subcommittee for a total face value of 1000 Schillings and used them to pay wages. The 1000 Schilling official money paid to the Welfare for the Bills were deposited at the local "Reiffeisenkasse". The town treasury was thus ready to issue the Bills, which could be exchanged at the local bank at the rate established by the program. The text printed on the Bills. Slow-circulating money has thrown the world into a tremendous economic crisis. Millions of hard-working people suffer dreadfully. It is the terrible beginning of the economic demise of the world. It is time to stop the downward rolling of the economic machine with sound knowledge and determined action, for mankind not to be driven into fratricidal wars, confusion and disintegration. People live by exchanging goods and services. Money of slow circulation has curtailed the exchange of goods and services a great deal and hence millions of citizens, willing to work, have already lost their rightful place in the economic process. The exchange of goods and services needs to be revived and a living space restored to those expelled from it. The small town of Wörgl issues its Certified Compensation Bills towards the single end of ALLEVIATING MISERY AND GIVING WORK AND BREAD.

(Remark BY H.E.: And it did, but only for one short year. Then it was stopped by what one can only call evil forces.)

AN ANECDOTE The first wages paid out, to the amount of 1000 Schillings, returned to the coffers of the community almost on the same day. Taxes were being paid! On the third day somebody came running and shouting, "Mr. Mayor! Our Bills are being counterfeited. We have only issued 1000 Schilling so far, but the amount of overdue taxes paid with them has already reached 5,100 Schillings! Somebody must have counterfeited the Bills!"

The Mayor smiled forgivingly. He knew that bigger men would make the same mistake. Even Professor Dr. Bundsmann, lecturer of macro-economics at the University of Innsbruck and honored with the Austrian title of "Honorary Civil Servant" would call the success of Wörgl with its fast circulating money a hoax, because he could not understand how 5100 Schilling in taxes could be paid from an issue of only 1000 Schillings. That was beyond the expectancy of the Mayor himself. But every Schilling coming as Bill was re-circulated right away to pay an invoice, and was back and out again in short order, because this money attracted a penalty when idle. At that time the National Bank of Austria kept in circulation a constant amount of about 914 million Schillings for a population of some 6 million, or 153 Schillings per person. At the issuing peak, the value of Wörgl Bills was 7443, less than 2 Schillings per person. But these 2 Schillings gave more income and profit to each person than the 153 Schillings of the National Bank. Why? Because they were designed to entice people into using them, which is what money is for: to pay, to do business, to exchange. A. Hornung, who was against this "free money" and the whole experiment, reported grudgingly: "The issue of relief money was back in the coffers of the municipality within days. From there it could be re-used for payments. The total average in circulation was: August 1932 3675 September 3375 October 3525 November 6350 December 5725 January 1933 5450 February 5650 March 5625 April 5750 May 5675 June 5875 July 5800 August 5825 September 5825 Average: 5,294 How ludicrous is the thought of people with no inkling of the importance of money's velocity of circulation for the economy

(Remark by H.E.: "People" includes economists).

These amounts were ridiculously small. But what did these paltry sums make possible? Tax arrears now being paid to the unemployment fund, plus a 12,000 Schillings federal relief loan, made possible to create jobs exceeding the numbers originally planned.

(Remark by H.E.: The above total was about 120,000 Schillings, not including the wages of the city employees, or about 7% of the overall generated trade. The grand total was in the range of 2.5 million, this sum being the guess of Dr. Horning, surely not a friend of the experiment.)

Eye witnesses report One report was written by Claude Bourdet, master engineer from the Zürich

Polytechnic. "I visited Wörgl in August 1933, exactly one year after the launch of the experiment. One has to acknowledge that the result borders on the miraculous. The roads, notorious for their dreadful state, match now the Italian Autostrade. The Mayor's office complex has been beautifully restored as a charming chalet with blossoming gladioli. A new concrete bridge carries the proud plaque: "Built with Free Money in the year 1933." (H.E. remark: No longer!) Everywhere one sees new streetlights, as well as one street named after Silvio Gesell. (H.E. remark: Name long changed) The workers at the many building sites (H.E. remark: No more building sites two months later) are all zealous supporters of the Free Money system. I was in the stores: the Bills are being accepted everywhere alongside with the official money. Prices have not gone up. Some people maintained that the system being experimented in Wörgl prevents the formation of equity, acting as a hidden new way of exploiting the taxpayer. There seems to be a little error in that view. Never before one saw taxpayers not protesting at the top of their voices when parting with their money. In Wörgl no one was protesting. On the contrary, taxes are paid in advance; people are enthusiastic about the experiment and complain bitterly at the National Bank's opposing the issuing of new notes. It is impossible to dub it only a "new form of tax" for the general improvement of Wörgl. One cannot but agree with the Mayor that the new money performs its function far better than the old one. I leave it to the experts to establish if there is inflation despite the 100% cover. Incidentally price increases, the first sign of inflation, do not occur. As far as saving is concerned one can say that the new money favors saving properly so-called rather than hoarding money. As money lost value by keeping it at home, one could avoid the depreciation by depositing in the savings bank.

Wörgl has become a kind of pilgrim shrine for macro-economists from a variety of countries. One can recognize them right away by their learned expressions when discussing the beautifully maintained streets of Wörgl while sitting at restaurant tables. Wörgl's population, proud of their fame, welcomes them warmly."

Fritz Pfister, elected councilor of Bern, offers his own insights. Together with a teacher he interviewed various businessmen and other people about the new money, recording their answers. The following summary is from the magazine "Geld und Arbeit" for 1933. How the population sees the money reform. In Wörgl we went from house to house and from shop to shop asking people twelve questions.

1st question: In your opinion was there any option other than this money reform in order to come out of difficulties? A Director: The municipality had no other option to alleviate the crisis. The President of the craftsmen guild: As the municipality had already taken a mortgage on everything that could be mortgaged, there was no other way. Without that money there would be no business. A Police constable: The only thing that could help Wörgl would be to relocate a state agency here. Otherwise there is no future for the municipality. A Clergyman: With the good tax revenue, the crisis-easing measures got a new lease of life. The municipality couldn't do anything else. A School Principal: The municipality was in a bind, with no escape. A Tinsmith: There was no choice. A Tailor: No! The Owner of a department store: There was no alternative. A Pharmacist: No, else we would not have used this means. A Beer wholesaler: No, the municipality was ridden with unemployment virtually overnight. This money eased the situation considerably, creating many jobs. Such projects would not have had a chance otherwise. A Medical Doctor: Actually, no! It was a very good idea. A Cinema Owner: Not really.

2nd question: What was expected of the reform? Director: Possibly the council was expecting more from it, but the fear from repeated injunctions forbidding that course of action prevented a bigger success. Clergyman: The success could have been bigger. Shopkeeper: To overcome scarcity of money, which was achieved.

3rd question: How secure did the people feel with that money? President of the Craftsmen guild: Most people accepted it without question. In my view it is completely safe. I would regret its demise. Police Constable: At first I had doubts. There was one burglary where the thief took official money, but threw away Wörgl money. He must have been a stranger, because a local would have taken it. Clergyman: There was no doubt about security, because one knew it to be fully covered. Tailor: I did not know that such money would be issued, but I accepted it without qualms. Small shopkeeper: Without reservations in view of the good cause. The monthly fee and the 2 per cent exchange loss went to the Welfare fund for the poor. Shoemaker: That way one had money for some maintenance, which would not have been possible on the dole. And one did not lose with that money because the municipality readily changed it back. Pharmacist: All in all without resistance. The business people accepted it in view of competition. Posters in the shop windows said: Relief money accepted here." Beer Wholesaler: A third of our income is in relief money. Money circulates. Deals become possible. That was not the case before. Medical Doctor: Overall it was accepted well. Only business people with a high turnover showed some reluctance.

4th question: Did you use that money for ordinary purchases or did you exchange it for official Austrian money? Pharmacist: 100-200 Schillings of my monthly income were Certified Bills. Relief money does not interfere with business at all. Merchant: I have clearly noticed the upsurge in business. I used more than half of these Bills to buy goods and other expenses. Administrator: If production in our factory starts again we would not hesitate to buy Bills from the municipality to pay our wages. Tinsmith: Some money has actually been exchanged for Austrian Schillings, but otherwise bills and taxes were paid and goods purchased. I bought goods and felt the influence upon the rate of business. The workers on the maintenance projects begun by the municipality needed clothing. They came to me, paid with relief money, and with that I paid for taxes, lighting and water. Owner of department store: Most of it went to purchasing goods. That is the essential advantage! The money stays in the community, without shady deals. Local merchants benefit. The 2 percent fee when vouchers are exchanged for official money can be recovered because with money at hand one can ask for cash discount. Medical Doctor: When I am paid with relief money I give it to my wife for her to buy bread or groceries.

5th question: How did the population accept the money? Tinsmith: They accepted it readily, despite some lack of theoretical understanding. Owner of department store: Without reservations. Beer Wholesaler: It was well accepted, even by the Kundl innkeeper. Cinema Owner: I take it readily. When the project work ended in January 10 percent of my revenue was in Bills. At present it is 24 percent. My income has doubtless risen with the Bills, from people who would not have come otherwise. Merchant: With official money it often happened that people who actually had enough to pay their debts let the merchant wait, just to cash in on the interest from the savings bank.

6th question: Do you believe that an extended circulation or an expansion of the area beyond the limits of the municipality would be desirable? Clergyman: The success would be certain in a larger area. School principal: Account transfers could produce difficulties. Administrator: A larger circulation would succeed well. Director: A larger area would guarantee a good success. President of the Craftsmen guild: There is no doubt about success in a larger area. Police Constable: A larger area certainly would bring success. Tinsmith: Yes, if all participated. Tailor: Without any reservations. Owner of Department store: Very certainly. Pharmacist: Yes. Given the small environment, success was much bigger than I had imagined. Before I was skeptical, but was surprised afterwards at how taxes were paid despite the difficult times.

7th question: Do you consider the result a success? Merchant: I look at the experiment as the evidence that Free Money is viable and advantageous. Director: In my view it is a success. If the Mayor can carry out his projects he will be in a position to get many more public works done. President of the Craftsmen guild: There is no question about success. Police Constable: Overall it can be considered a success for sure. Tinsmith: Quite certainly, it was a surprising success. Owner of Department store: Yes, particularly because the circulating sum is rather small for a community of some 4000 inhabitants. Pharmacist: Certainly. Beer Wholesaler: Absolutely. Medical Doctor: Yes. The whole operation can be looked on favorably. I don't understand the government's big opposition. Cinema Owner: Sure. One can see that something has been created.

8th question: Did you hear complaints? Medical Doctor, Cinema Owner, Merchant, Director, Clergyman, Administrator, President of the association of Craftsmen, Police Constable, Taylor, Owner of Department store: No. Director, Beer Wholesaler: The stamps should stick better.

9th question: With that money, were there any commodities bought within the community which otherwise would have had to be purchased outside it? Director: Certainly. The Bills allowed people to buy goods within the community, which they would otherwise have had to buy outside it. President of the Craftsmen guild: It is not clear. Medical Doctor, Cinema Owner: I don't know. Owner of department store: I don't know for sure. In any case, one can use that money only within the boundaries of our community. Pharmacist, Beer wholesaler: The money stays within our community.

10th question: Can you suggest improvements? Beer Wholesaler: The paper is somewhat low quality. Pharmacist: I would suggest a charge of 5% when the vouchers are changed back to official money instead of the current 2%. (All the other interviewed persons were contented)

11th question: Are business transactions made more difficult by the stamped money? Merchant: Not in the slightest. Businessman: My original fear that things would get tangled was unwarranted. Tinsmith, Taylor, Owner of department store: No, not at all. It is actually money like any other. Pharmacist: Transactions are going completely smoothly. Medical Doctor, Beer wholesaler: No. Cinema Owner: Not in the least. An increase in the volume of business became evident.

12th question: What is your view about the Wörgl Free Money being forbidden? Director: Implementing the Mayor's scheme will create many more jobs. Instead of forbidding it, it should be

expanded to a larger area. President of the Craftsmen guild: I am decidedly against the injunction stopping it. It would be better going to prison than having the operation discontinued. Clergyman: I am against. Relief money can revitalize industry. Administrator: I am against prohibiting it. Tinsmith: The prohibition will be a blow to us. Nobody has lost. Until then there was only talking. Our Mayor has acted, not only talked. Tailor: I want it to go on. The thing is so simple that even a little schoolboy can understand it. Owner of the department store: Not much can be done against it. From a businessman's viewpoint the relief money can only be favorably looked upon. Beer Wholesaler: The prohibition would be a big blow to Wörgl. Medical Doctor: It would be stupid, as nobody is being harmed. Cinema Owner: The Mayor is a clever man, he manages not to get tripped and caught. At the beginning of this year I had the choice of three places where to open a cinema: Kundl, Kirchbichl and here. I was warned against relief money. But I thought that I would get patrons by coming here, and so I opted for Wörgl.

" Fritz Pfister concludes: "As one can see, nobody in Wörgl rejected the operation. All the relevant decisions at the town council were unanimous. One single exception is worth mentioning: an elderly man of about 60 with conspicuous horn spectacles who shouted loudly. However we did not really get what he was shouting about. When we asked the Police Constable, he tapped his index finger twice on his forehead in a highly significant way and smiled while shaking his head."

Remarks by Hans Eisenkolb: Some responses are more significant than others. 3rd question: Beer Wholesaler: MONEY CIRCULATES 6th question: Medical Doctor: BIG OPPOSITION BY THE GOVERNMENT 12th question: Tailor: SO SIMPLE THAT EVEN A LITTLE SCHOOLBOY CAN UNDERSTAND IT 7th question: School Principal: ACCOUNT TRANSFERS COULD PRODUCE DIFFICULTIES. The School Principal's answer is highly significant, because it shows that account transfers were made. This means that the local bank gave people a choice. They could exchange at a cost of 2% or leave the Bills in a voucher account until transferred. For non-transferred sums at the end of the month it charged the account holders the monthly fee of 1%. There were no large sums kept beyond the end of the month. This fact was always neglected, but it shows that "book money" was possible. The arguments of the "book money" freaks therefore hold no water.

Free Money Spreads in Austria The people of Kitzbühel, a nearby village and famous ski-resort, after laughing at first also put "Dwindling Value Money" in circulation after the example of Wörgl. On 1st January 1933 they issued Bills for a total of 3000 Schillings, or one Schilling per head of population. The vouchers of Wörgl and Kitzbühel were mutually interchangeable and were accepted without problems. Four other communities in the Tyrol: Hopfgarten Market and county, Brixen and Westendorf (total population 16,000) also decided on "Dwindling Value Money" pending the federal government decision.

(Remark by H.E.: It seems that Wörgl money was already circulating in Westendorf, thus serving a larger population)

In June 1933 Mayor Unterguggenberger held a briefing in Vienna for 170 Mayors - after reviewing accounts and reports from Wörgl. All the attendants were of the opinion that it was desirable to introduce that "magic money" also in their communities. The Austrian National Bank acts against Wörgl. On 19th August 1932 Mr. Rintelen, member of the Vienna government, received a delegation consisting of Mayor Unterguggenberger, President of the Chamber of Commerce Peter Westen, Director Richter, Senior Civil Servant Dr. Nolle and journalist Fritz Schwarz. This member of the government showed that he fully understood the theory behind the Wörgl experiment. The Bills made sense to him. It appeared that the experiment could be continued. The shortcomings of the National Bank issuing policy were discussed. On examination it turned out that it was deflationary. It had reduced the total amount of notes in circulation from a yearly average of 1067 million in 1928 down to 997 in 1932 and 872 in 1933! These are the full results of the Wörgl experiment.

Today, in 1951, we can still see what was achieved in that community right in the middle of a crisis and without incurring extra debt. We see how the fast circulating money created jobs and income and unified all political parties. Despite that, scientists could be found (by the National Bank) who "proved" that the attempt had to be forbidden. The argument put forward by the government official in charge of investigating the Wörgl experiment was: "Although the issue of relief money appeared fully covered by an equal amount of official Austrian notes, the supervising authorities, starting with the area administration in Kufstein and following with the government office of the Tyrol, must not allow themselves to be satisfied. As a matter of record the borough of Wörgl has exceeded its powers, since the right to issue money in Austria is a privilege of the National Bank.

(Remark by H.E: That should have been revoked, by reason of incompetence in supplying the economy with sufficient money). This is stated in article 122 of the bylaws of the Austrian National

Bank. Wörgl broke that law." Based on this "expert" opinion, the area administration in Kufstein issued the Prohibition Order against the Relief Money. It used Paragraph 207 of the Local Government regulations for the Tyrol, which states that area administrations have the right and the duty to cancel decisions of the local councils violating existing laws. The prohibition went into force on 15th September 1933, since the formal appeal submitted in the meantime by Wörgl did not entail an automatic stay of execution. The legal proceedings went all the way up to the Supreme Court in Vienna. The Court definitely quashed it on 18th November 1933.

Certain people, ignorant of what had actually happened in Wörgl, assumed that the experiment had failed. Press headlines could be read as: "The Wörgl swindle!" in the Neues Winterthurer Tagblatt of 20th November 1933; or "Wörgl Bluffs", in the Neue Zürcher Nachrichten of 17th October 1933. Switzerland Suppresses the Experiment On 24th May 1933 Unterguggenberger spoke before an audience of 1000 in Winterthur, Switzerland, making his points simple and clear as was his way. For the 3rd September 1933 he was due to speak at a convention organized by the Zürich, Schaffhausen and Thurgau branches of the Swiss association for Free Economy. But the Swiss state attorney issued an injunction against Unterguggenberger speaking, and denied him a travel visa. The same thing happened to the principal of the Nürnberg Grammar School, Dr. Uhlemeyr (later murdered by the Nazis) and also to Graz theology professor Dr Ude. The end - and a beginning. The February 1934 uprising in Vienna, ending with the suppression of "leftist" political parties, led also to Mayor Unterguggenberger's resignation in Wörgl. After that his lung ailment, which he had fought against with his strong will while pursuing his goal, overtook him. Michael Unterguggenberger passed away on 19th December 1936. That he was one who constantly strove towards improving the living conditions of his fellow men does not appear only from his Free Money experiment, but also in the way people who knew him gave their appreciations.

O Michael, known only by a few

with your money, with no money you did something new

but in a world that is rotten

you are nearly forgotten

That's why I cry aloud

in letters that shout

MICHAEL UNTERGUGGENBERGER is your name

and one day the world will know of your fame.

Remarks by Hans Eisenkolb Wörgl money was not really Free Money as understood by Silvio Gesell because something essential was missing - a stable purchasing power. Michael Unterguggenberger proved some things though. A demurrage fee on cash can keep it in circulation, thereby ending unemployment and depression. He proved that it could be a local affair. He proved that the value of his Bills held without problems and could even increase, matching the rise of the Austrian Schilling (at the time about 6% per year). He also proved that such money can be used without coercion, out of free will, and that there were thousands willing to join the experiment very quickly after initially ridiculing it (Kitzbühel took three months). His 5000 Schillings had become a threat to the mighty money power. Therefore he was stopped. Anyone wanting to start a local money system should study the Wörgl experiment with a view of improving on it, but not the way Irving Fisher (1867-1947) proposed. He wanted to "improve" it by a hefty 104% annual demurrage fee. The amount should be even less than the 12% charged in Wörgl. 6% would be more than sufficient, making local money much more acceptable.

Ideally it MUST have a stable reference standard, i.e. an exchange rate to unstable official money. It must be an honest measure of value.

Excerpt from Irving Fisher's Stamp Scrip (1933)

WOERGL Compared with the Bavarian village of Schwanenkirchen, the Austrian town of Woergl is a large community. It has about 4300 inhabitants of whom, however, 1500 in 1931-32 had lost their jobs; for, in and about Woergl a number of factories had closed their doors. Taxes, therefore, were in arrears, and the town itself was almost as "down-and-out" as these 1500 of its inhabitants. The Mayor of Woergl, (Unterguggenberger by name) organized a Local Relief Committee, not so much to give charity as to produce jobs. But who or what was to produce the good Austrian Schillings that

would pay for the jobs?

This mayor with a long name was not disposed to help anybody at anybody's expense. In fact, he was shrewdly and very properly resolved that the town should be one of the beneficiaries of anything that was done. In the first place, out of the new jobs, the town would get new roads and other municipal improvements and repairs long overdue. In the second place, by getting money into the pockets of the workers, it might well hope to recover from those pockets some of the back taxes. But to pay wages in order to recover a part of the wages would hardly be profitable; nor would the imposition of new taxes for the sake of wages for the sake of old taxes be a very good swap. Herr Unterguggenberger had watched the Schwanenkirchen Wara experiment with intense interest. The solution of the Woergl situation pointed to Stamp Scrip. The town would issue it, with the consent of the workmen and of a sufficient number of the merchants and also of the local savings bank. The bank was to hold the guarantee fund (in the form as previously described of a bookkeeping transaction). There was to be no final redemption; and the stamps, at 1 per cent per month, were to be sold by the town, and the proceeds used, not for propagating the idea but for the enlargement of the town's welfare work. But though there was to be no final and complete redemption, every holder of the scrip was to have the privilege of redeeming it at the town treasury or at the local banks at any time; but for such redemption a service charge of two per cent had to be paid. As the stamp was only 1 per cent, the disadvantages of redemption at 2 per cent were, at any given moment, greater than the probable disadvantages of going on at 1 per cent. Redemption, therefore, was not likely to hurt the circulation of the scrip. Moreover the banks and the town were to re-issue any that was redeemed. And so it worked out in practice. All city employees, including the mayor, were to receive 50 per cent of their salaries in scrip, and the new emergency workmen were to be paid 100% in that form. According to plan, on August 1, 1932, 32,000 Schillings' worth of the scrip (equivalent to about \$4500) was issued, in denominations of 1, 5 and 10 Schillings.

This amount was later found to be in excess of the actual need, and instead of following an "inflationary" policy, only about 1/3 of the issue or less was kept in circulation through re-issues, the rest remained with the city. This showed great wisdom on the part of the municipal administration, as it kept the purchasing power of scrip at par with regular Schillings. The scrip was called "Woergl Certified Compensation Bills." The monthly stamps (affixed to the face of the scrip) were named "Relief Contribution Stamps," and each unit of scrip was super-scribed, "They Alleviate Want, Give Work and Bread." (4) What were the results? For the following information I am indebted to a Geneva economist, Hermann Scheibler, (5) who went to Woergl on my behalf and questioned the mayor, the bank and some of the merchants and workmen. Some of the local merchants, like some of those in Schwanenkirchen, had begun by refusing to accept what they regarded as a bizarre substitute for real money; but seeing it circulate and seeing the city employees patronizing the merchants who took it and banked it, the skeptics forced by considerations of competition once more decided to "climb on the band wagon."

Soon everybody accepted it without hesitation, because everybody else accepted it. The only cases of permanent refusal to receive the scrip were the post office and the railroad, both of which are government institutions with interests primarily outside of the vicinity where the scrip is supposed to circulate. The attitude of the Austrian Government has not been hostile. As to the rate of turnover, the mayor reports that the amount of the first wages paid returned to the city 20 times in a month. The other facts are contained in a report of the mayor of Woergl to the Tyrol state government, January 1, 1933 Taxes in arrears from 1926 to 1931 were as follows (year by year): 21,000 Schillings 26,000 " 28,000 " 31,000 " 61,000 " 118,000 " But after the scrip was issued, not only were current taxes paid (as well as other debts owing the town), but many arrears of taxes were also collected. During the first month alone (6), 4542 Schillings were thus received on the arrears. Accordingly, the city not only met its own obligations but, in the second half of 1932, executed new public works to the value of 100,000 Schillings. Seven streets aggregating 4 miles were rebuilt and asphalted; twelve roads were improved; the sewer system was extended over two more streets; trees were planted and forests improved, and permanent jobs were given to from 30 to 50 of the 1500 unemployed; but probably a powerful influence has been exerted to prevent any increase of unemployment, by keeping business active. In these benefits, the local banks shared. Up to the date when the scrip was issued (August 1, 1932) withdrawals at the local Reifeisen Bank had exceeded deposits for an entire year; in the first and last months of the said year, the excesses of withdrawals over deposits were: August 1931, 44,362 Schillings; July 1932, 12,355 Schillings. But in August 1932, first month of the Stamp Scrip, the balance turned the other way by 6591 Schillings, despite the fact that August is generally considered the poorest month of the year. (7) On January 1, 1933 Woergl (an Alpine town) had under construction a new ski jump and a water basin for the Fire Department. The mayor says that the scrip has fulfilled all promises, and thinks it should be adopted nationally. At all events, a neighboring city of 20,000 inhabitants was, at last reports, considering the introduction of scrip within its borders, under the advice of the mayor of Woergl and of a University Professor of

economics, and the Woergl experiment has begun to attract somewhat general attention in Austria. As conclusion to this report Mayor Unterguggenberger stated: "The Stamp Scrip of Woergl will have historical significance, because it has kept its promise to provide 'work and bread.' It has, in fact fully satisfied all our expectations."

Remarks to Irving Fisher's Stamp Scrip.

While Mr. Fisher realized the possibilities of Free-money as it was called then, he made an awful mistake, thus killing the idea in America. He didn't grasp the principle that Free-money is predominantly meant to be stable money, to be kept at a constant purchasing value without either inflation or deflation and that the demurrage was meant only to keep it in circulation when interest was too low to do it. Silvio Gesell (1862-1930), the inventor of Free-money, at first proposed 5.2% per year to be applied weekly, but later favored 1% bimonthly, or the so-called "Seriengeld" consisting of four different colored series of money where one would be recalled and exchanged for a fee. He never really considered circulating Free-money as an alternative currency. Now back to Woergl. A high 12% per year was used and it worked, while Mr. Fisher's 104% per year (2% weekly) never worked. The 12% in Woergl was too high, but it must be understood that the Bills were kept at par with the Austrian Schilling, thus gaining 7% in value during the year of the experiment. Therefore the 12% was only 5% in real terms. Anything higher would hinder the acceptance of such money and anything much lower would not prevent hoarding.

Woergl, by the way, would have failed the moment when the deflation of the Schilling had ended, because then the 12 % would have ceased to be acceptable. The Woergl Bills would have put an inflationary pressure on the Schilling as well as on themselves if they had spread as they were about to. They had no exchange rate and were therefore pegged to the Schilling. But they were stopped. The depression continued and led to war. After that the money lost its value anyway, as it must for every generation if its basic flaw is not eliminated. It will happen again, and nothing can change that for as long as most people who see the ravages of usury only want to get rid of money altogether, which is wrong and will never work. The world religions could not do it. They will never be able to break the power of money. Most of them not even try anymore, wanting only to get as much as possible for themselves. But there will always be people believing that they can change the world by doing away with money, even opposing those able to show that it is possible to change the system by demoting money from ruler to servant.

The alternative money during the depression in Germany and Austria worked, but was stopped by violence, and even the non-performing working stamp scrip of the US was forbidden.

Letter to a friend

I do not think that Irving Fisher intentionally killed Free Money with the impossible 104%, but he did so in fact. Like all economists, he thought that the normal turnover for a currency is between 10 and 20 times per year. A big problem is the inability of economists to understand that the normal turnover for Free Money is between 500 and 1000 times per year. The value of Free Money in circulation MUST be equal to that of goods and services, which can be attained with a 4% yearly demurrage fee. 104% CANNOT work because the value of money would be less than that of goods and services, much as now the value of goods and services is less than that of money. Nobody would accept such money unless forced. It can NEVER be used as a second currency because nobody would accept it voluntarily.

People always seem to forget that there are two parties in any deal, buyer and seller. The seller must also be satisfied and must know that other people will in turn sell him something for it. A currency losing 2% every week just would not do. It gives no TIME to decide. Free Money can NEVER be introduced from the top down, from the government, because Free Money would eventually replace the existing money making it worthless - or better, it would show that official money would be worthless if 95% of it was not permanently hoarded and NOT used to purchase goods and services. If all of the existing money bought things as Free Money does, there would be just too much of it, monetary assets included. No government can dare doing such a thing. A government needs to keep their own money at a greater value than the money of other countries, or its backers would see to it that such a government went. No money reformer sees this either. Free Money will REPLACE the other money whichever way is introduced, and the replaced money would buy nothing more because it would be sold for Free Money. Now money buying neither goods nor services would mean that the money isn't worth anything any more.

This didn't happen in Woergl because Woergl had only 5,000 Schilling worth of demurrage money. I would not call it Free Money because of a missing major factor. It had no stable purchasing power by

being pegged to the Austrian Schilling. It would have gone down with it. Official money and all monetary assets would go down in hyperinflation, and Free Money should not be seen as causing it.

Free Money should be seen as a safety net and as an honest measure of value. No more claim would be necessary than being a money staying in circulation. It is not interest-free money. It would become one only when real capital carried no more interest. All money reformers believe that it is enough to replace actual cash with a lesser amount of Free Money. That would not work, because of the existence of a much larger amount of monetary assets. They will have to go also. There is no way to save them. This money is worthless NOW and cannot be saved.

These are facts not broadcast by money reformers, but when it comes to practice the users will know. The spreading of Free Money will force other moneys on the market by changing their value in relation of goods and services. There will be fewer goods on the market because most of them would have been sold for Free Money. The same amount of money with fewer goods would, of course, have the same effect as the same amount of goods with more money. Prices would go up. When prices go up people run with their money to buy whatever is still worth buying. This is another reason for Gesell money to be started locally and regionally in small amounts. It gives people time to get out of their monetary assets by either investing in real assets or changing into assets on the basis of stable Gesell money. The Gogobank will do this also, when the drop in value of the Dollar backing the Gogo becomes noticeable. More and more of the backing will be Gogo denominated promissory notes. Gesell money like the Gogo will be isolated from the rising prices in old money, because its value (exchange rate) will rise by exactly the same amount.

This is the reason why it must have an exchange rate right from the start. Money reformers, who do not understand this and want to start alternative money without this, had better not start any at all. All that needs to be done is spelled out with my Gogos. Even if I should fail to get them going, the blueprint is there. It will be a fast slide for the old money, once started. It would start in any case, even without Free Money, as has happened in most countries of the world. The Euro as well as the Dollar will be affected, because there is just too much of both around. To cure inflation, excess money removed from the market would be a possible cure. It will probably be tried, but then alternative Free Money will have a heyday. A long lasting deflation is not possible any more. I have the feeling that the powers that be know this, and try for that very reason to keep up the stock market bubble as long as possible, even at the cost of flirting with inflation.

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These are numbers from the first days of Woergl:

AN ANECDOTE!

The first paid out wages in the amount of 1000 Schillings returned almost on the same day to the coffers of the community: taxes were being paid! On the third, somebody comes running and loudly says: „Mr. Mayor! Our Value of Work Vouchers have been falsified. We have only issued 1000 Schilling so far, however, the amount of overdue taxes paid with these reached already 5,100 Schilling! Somebody must have forged the vouchers!"

Having known the story of Woergl for a long while I never questioned these numbers. Thousand Schillings were issued and I assumed, as everybody else did that they went into circulation right away, but was this so? They were issued as part wages to notoriously skinflint public employees as monthly wages. Who can think that they spent them on the first day? I'd rather think that they spent them over the length of the month, meaning that on the first three days only a tenth of the amount came into circulation. How could a paltry 100 Schillings and even 200 move 5100 Schilling of taxes into the coffers of the city? They must have moved at least three times more to get there. First to the receiver, then to the tax payer and third to the city again. Probably the must have moved more than that in between before they came to somebody willing to pay taxes, probably a lot more. All within three days!

There is no sense even guessing at figures of circulation speed. How often in three days? How often in a year? We know that the Austrian money at that time moved on the average only 8 times a year.

No wonder, they called it the miracle of Woergl and the Austrian National Bank got scared for their slow moving money and had this powerful competition squashed by the force of law. A powerful competition of only 5,294 Schillings altogether.:-) (monthly average)

Now consider that bit was maybe only 100 which scared them so, because they started fighting the money of Woergl before it was even issued.

How about trying to put a few hundred Dollars worth of such a money into circulation now and see, what will happen? Stick it out, even if the National Bank opposes it as they did the Social Credit money of Alberta 1936. These guys did it the wrong way with a horrendous user fee of 52% a year and therefore could not get people to accept it. Because of that they still needed the money of the National Bank and could be black-mailed when threatened by a loss of the credit rating.

Fact is, that they would not have needed the money of the National bank and their credit at all and should have told them to keep it in no uncertain words if they would have used such a low user fee, that people could have accepted the Alberta money. This money would have ended the depression within weeks as Irving Fisher falsely had predicted for stamp script which had an even higher user fee of 104% and therefore also never was accepted.

Without depression, who knows, whether W.W.II would have happened. We know that a high 12% user fee was used in Woergl 1932 and their money was accepted and if a lower user fee of about 5% is used such a money would still be more acceptable. As long as the money of the National bank hasn't left the market as it had done in the time of Woergl, it is better to use as low a user fee as possible to get such an alternative money accepted before deflation and depression gets a foot-hold.

The example of Woergl shows how little of such a money is needed to move a lot of goods and services and by that would keep the economy humming.

With extreme caution in the estimates we can say that the estimated 300 Schillings in circulation during the first three days in Woergl must have moved at least 20,000 Schillings of goods and services to enable some businessmen owing taxes to pay the 5,100 Schillings of Taxes collected. It was probably much more. But even so the turnover of this money was high.

What does this mean for the Gogo, which is a similar medium of exchange as the money of Woergl was? This is easily answered. Even a small amount of Gogos introduced into the local economy would generate many sales as were generated even in the first three days in Woergl and it would go on and on as long as the Gogos would stay in circulation as they will by design.

On the very first three days the money of Woergl generated about ten times more sales as the money of the Austrian National Bank it replaced, did in a year. The same would apply to the Gogos and the Dollars they would replace and if continued during the year the amount of additional business will be staggering.

The Gogos, not having as high an user fee as the money of Woergl had, might not move quite as fast, but even five times the amount of business wouldn't be so bad. The Gogos are designed in a way that even in a much smaller market as Woergl they can function, but do not expect a lot of turnover until a market of the size like Woergl has formed.

How about trying out a few hundred Gogos? Only two for each participant are needed. So even when all the people in the valley will be using them 10,000 will be plenty because the Dollar will, after all, also still be used.

In Woergl they started with 300 Schillings and used in the average about 5000. The small amount of 10,000 Gogos will be backed by all the merchandise in all the stores willing to sell for Gogos and all the tradesman and workers selling their services for them as well as the Dollars they were sold for and which are kept for redemption by the Gogo alliance.

Do not ever think this is a scam, where the members of the alliance want to run away with the measly 10,000 Gogos, when they and the other acceptants can make a Million Dollars in sales every year if they keep them stable and in circulation.

The numbers for the first three days of Woergl show something very hopeful. It will only take a few weeks and only a few Gogos to overcome a depression hitting our area. When as little as 2 or 300 Schillings could generate at least 20,000 Schillings of sales within three days this shows the motive power of Gesell money clearly and it is only a matter of introducing it.

It should be done ahead of a severe depression because then it could be too late as it was in Woergl. Woergl was stopped by the Austrian National Bank which didn't want their deflation policy ended by it. The results of that are known. Unemployment brought Hitler to power. Austria was annexed and W.W.II started.

It is unbelievable but a continuation of Woergl could have prevented it. Even in Woergl alone unemployment was reduced by 25% in a very short time and without unemployment and depression there would have been no war.

The owners of the Austrian National Bank have to take responsibility for much blood whose shedding could have been prevented.

The mistakes of Woergl.

We know now that Woergl failed not because of intrinsic faults in the money used but because it could be, and was, stopped by hostile forces.

We must therefore look closely what allowed them to do this and avoid making the same mistakes.

Mistake 1 was using a fairly high demurrage of 12% a year, which made business owners reluctant to accept this money. They would not have accepted it at all if it had been slightly higher than that. To overcome this reluctance a lower yearly charge as proposed for the Gogos (5%) should be used.

Mistake 2 was to have the money issued by a government agency, even a local one. This made it easy to squash. The issuing of Gogos by a group of business people is much more flexible and any opposition can be foiled in the same way as was done and is done by many people even in very oppressive countries. As Dollars are used everywhere, so can Gogos.

Mistake 3 did not show because of the short time of the experiment, but it would have ended it even without opposition. It was the missing standard of value and the pegging to the national currency. Had Woergl money spread and bought more goods thereby removing them from the market, any returning National money would not have found enough to buy, and both currencies would have had to face a severe inflation. It is therefore necessary to have an independent standard of value and an exchange rate for the Gogos from the very start.

The fourth mistake, if one can call it that, was the timing. The money of Woergl was introduced too late. The factories were already shut down and unemployment so high that it could not be overcome fast enough even if it was reduced by 25%. Here also the dependence on a government agency prevented the spreading of the money. Everybody - and there were many ready to join - was waiting for the legal issues to be sorted out. When the opposing forces won, it was the end of the experiment. The depression continued and ultimately ended in W.W.II.

Let us hope that this time a better timing can prevent W.W.III.