

Appendix B

On the Problem of How to Word Paper-Money

One of the things I wanted to do in the course of the Exeter experiments was to word the paper-money we issued so that it might become a model for study. It is impossible to be sufficiently explicit on coinage or on the checks used for bank-money. But on paper-money it is possible to be both explicit and complete. This was proved when we printed our paper-money. It was not only possible to be legally formal and complete but even to include the weight of all the commodities included in the unit of redemption, as the wording on the Constant makes clear:

INDEPENDENT ARBITRAGE INTERNATIONAL
EXETER, N.H., U.S.A.

For Value Received
Will Pay to the Bearer of this Note on Demand,

through any IAI Bank Depository, the exchange value of One Hundred Constants in any currency as specified in the current monthly IAI Bulletin at that time, or after the establishment of its Commodity Reserve is

announced, the equivalent of the value of One five-hundredth (1/500) of the Unit of Repayment consisting of the thirty commodities listed on the back of this note, in any one of these commodities available and deliverable at that time in the nation in which repayment is sought.

The Unit of Repayment from the Commodity Reserve of the IAI consists of the following commodities, in the quantities specified, having a total value of Fifty Thousand (50,000) Constants at the time of the issuance of this series of notes.

Any changes in the commodities constituting the Unit of Repayment, or in the quantities included in it to ensure that the Unit has a value of Fifty Thousand (50,000) Constants at all times, will become effective immediately after announcement in the Monthly IAI Bulletin. As of the time of the issuance of this series of notes, the quantities and commodities in the Unit of Repayment are as follows:

Gold, 60 Troy oz.	Petroleum, 400 Barrels	Iron, 15 Short tons
Rice, 20,000 lbs.	Wheat, 400 Bushels	Silver, 40 Troy oz.
Corn, 350 Bushels	Cement, 125 Barrels	Cotton, 2 Bales
Wool, 250 lbs.	Cocoa, 1,500 lbs.	Barley, 200 Bushels
Peanuts, 1,000 lbs.	Copper, 500 lbs.	Coffee, 3 bags
Aluminum, 500 lbs.	Sugar, 6,000 lbs.	Rubber, 500 lbs.
Soy Beans, 50 Bushels	Oats, 100 Bushels	Cotton Seed, 1 Short ton
Rye, 50 Bushels	Hides, 10 Pieces	Zinc, 300 lbs.
Lead, 200 lbs.	Jute, 200 lbs.	Tin, 20 lbs.
Nickle, 30 lbs.	Sulphur, 1 Long ton	Copra, 1 Short ton