

**Sarah Elvins**

**“Selling Scrip to America: Ideology, Self-Help and the Experiments of the Great Depression”**

**Introduction**

The ravages of the Great Depression prompted many communities across the United States to experiment with scrip, barter, and other forms of self-help. Alternative currency schemes proliferated after the Wall Street Crash of 1929, reaching a peak in the early 1930s and waning as the economic programs of Franklin Delano Roosevelt’s New Deal were put into place. Cities and towns across the United States attempted to encourage consumption and alleviate unemployment by issuing their own forms of money. Communities as diverse as Chicago, Atlanta, Detroit, and tiny Hawarden, Iowa turned to scrip as a solution to the crisis of the crisis. There was no single pattern to the use of alternative currency in America: stamp scrip, barter scrip, auction scrip, and tax anticipation warrants were all put into circulation in different parts of the country.<sup>1</sup>

A closer examination of the debate over scrip in the national and local media, by politicians, retailers, and other groups can provide insight into the possibilities and challenges for future proponents of alternative currency in the United States. Even though the groups advocating for the use of scrip were not uniform, certain arguments were repeatedly mobilized in an effort to gain support for alternative currency. First, scrip reflected the belief that local resources could be marshaled to combat the national economic crisis. Although the Depression was a national – and indeed international – problem, backers of alternative currencies believed that they would be able to concentrate the circulation of money to improve conditions within one particular community.

Secondly, scrip also appealed to American notions of self-help and individualism. In the early (pre-New Deal) years of the Great Depression, Americans ranging from President Herbert Hoover down to local chambers of commerce expressed concern that handouts of relief to the unemployed could

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<sup>1</sup> There is a small but growing literature on scrip in the United States during the Great Depression. One early survey with a useful appendix of communities that considered or put a scrip plan into practice is J.W. C. Harper, “Scrip and Other Forms of Local Money,” PhD dissertation, University of Chicago, 1948. See also Loren Gatch, “‘This is Not United States Currency’: Oklahoma’s Emergency Scrip issues during the Banking Crisis of 1933,” *The Chronicles of Oklahoma* Vol. 82 no. 2 (Summer): 168-99; Gatch, “Local Money in the United States During the Great Depression,” *Essays in Economic & Business History* Vol. XXIV (2008): 47-61; Sarah Elvins, “Scrip Money and Slump Cures: Iowa’s Experiments with Alternative Currency during the Great Depression,” *The Annals of Iowa*, Vol. 64 no. 3 (Summer 2005): 221-245; Elvins, “Scrip, Stores, and Cash-Strapped Cities: American Retailers and Alternative Currency during the Great Depression,” *Journal of Historical Research in Marketing* Vol. 2 no. 1 (2010): 86-107; Jonathan Warner, “Stamp Scrip in the Great Depression: Lessons for Community Currency for Today?” *International Journal of Community Currency Research* Vol. 14 (2010): 29-45; Warner, “The Anaheim Scrip Plan,” *Southern California Quarterly* Vol. 90 no. 3 (2008): 307-325; Richard H. Harms, “Paid in Scrip,” *Michigan History* Vol. 75 no. 1 (January/February 1991): 37-43.

undermine their dignity and sap them of their willingness to work. The creators of scrip plans like the barter system devised by the Organized Unemployed of Minneapolis, Minnesota emphasized how the relief that they offered was not charity, but a way to provide new opportunities for willing people to get back to work.

Finally, a study of the discussion of scrip in national and local media, by politicians, economists, and business leaders in the early 1930s reveals that alternative currency was viewed by many as an emergency measure, not means to permanently transform the economy. Even faced with the crisis of the Depression, few Americans were willing to embrace radical change. Advocates of alternative currency had to walk a fine line between emphasizing the innovative possibilities of scrip and reassuring the public that these plans were simply a means to “prime the pump” of an essentially sound economic system.

### **Popular Understandings of the Economy**

The study of scrip allows a unique opportunity to explore the average consumer’s understanding of the economy and public discourses about the causes of the Depression. In the months and years after the Wall Street Crash, a familiar explanation for the economic crisis hinged on the role of private consumers who were foolishly “hoarding” their money when they needed to resume spending at the high levels of the 1920s. President Herbert Hoover coordinated an anti-hoarding drive in early 1932 to increase the amount of currency in circulation.<sup>2</sup> Editorials and retail advertisements emphasized the role of the private consumer in turning economic conditions around. An editorial in the *Buffalo Evening News* argued,

The law of supply and demand is constant – consumer, retailer, manufacturer. It’s logical and self-evident. Merchants supply the consumers’ needs – your needs. Manufacturers supply the merchants – your merchants... You are a necessary part of the business cycle, and upon your filling your place in this cycle depends the prosperity and welfare of the nation. If you stop buying, the merchants’ shelves remain stocked, the sales forced must be thinned, factories must shut down.<sup>3</sup>

To business leaders, this emphasis on voluntarism and private consumption would pose no great ideological threat. By the end of the 1920s, the maturation of new forms of marketing, retailing and distribution had encouraged Americans to view the purchase of consumer goods as a means of self-expression and self-development. The notion that the economy could recover if only people would stop foolishly hanging onto their money and resume individual spending was a comforting one. It suggested that the economic crisis was only a temporary

<sup>2</sup> “Humble Homes and Drive on Hoarding,” *New York Times*, 15 February 1932, p. 26; “Drive Opens in City to Check Hoarding,” *New York Times*, 1 March 1932, p. 1.

<sup>3</sup> “Buy Out Depression,” *Buffalo Evening News*, 20 November 1930, p. 1.

setback, which could be solved not through great individual sacrifice, but instead by returning to the free-spending “normalcy” of the 1920s.

But beyond simply getting consumers to spend, many economists, retailers and politicians became interested in the notion that spending could be targeted within one particular community, focusing efforts at recovery. This type of argument was not entirely new. As independent retailers in American towns and cities faced increasing competition from chain stores and mail order catalogues during the 1910s and 1920s, many mobilized a language of localism to encourage patrons to spend “at home.” Department stores emphasized that they were locally owned and operated, that profits earned were churned back into the community, and not siphoned off to Wall Street or some far-off corporate headquarters. The accuracy of such claims might be open to debate (for example, one might argue that chain store branches paid just as much in local taxes as other businesses, and that buying an item manufactured in a distant place did not qualify as a “local” purchase even if it was acquired in one’s hometown store). But for the average consumer, these types of arguments would already be quite familiar.<sup>4</sup>

In a time of economic crisis, retailers and business advocates continued to encourage consumers to pay attention to where they spent their dollars in order to maximize the ameliorative effects of private consumption. The editor of the local paper in Clear Lake, Iowa, acknowledged that any form of expenditure was welcome in an effort to jump start the economy, but urged citizens to prioritize local spending:

...above all, buy EVERYTHING POSSIBLE IN THIS TOWN, or from the farmers of our community that will restore our surplus money to working in our own community – among ourselves – and our OWN prosperity will be greater than otherwise...When we trade with each other we create local prosperity. When we trade with other people elsewhere who do not spend anything with us, we create local depression. There can be no happy medium – it is either one or the other.<sup>5</sup>

This message was repeated in a series of newspaper ads by a group of local businesses. Readers were exhorted, “Divide Your Dollars with Your Neighbors – Buy at Home.”<sup>6</sup> Clear Lake residents who took their dollars to another town or city or sent them to distant mail-order houses were not much better than the soldier who would desert his comrades on the field of battle.<sup>7</sup> In Rochester, New

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<sup>4</sup> For more on local spending initiatives during the 1920s and 1930s, see Elvins, *Sales and Celebrations: Retailing and Regional Identity in Western New York State, 1920-1940* (Athens, Ohio: Ohio University Press, 2004).

<sup>5</sup> Editorial, *Clear Lake Mirror*, 31 March 1932, 3. Emphasis in original.

<sup>6</sup> *Clear Lake Mirror*, 23 July 1931, 3. This emphasis on localism was not unique to Iowa. For an extended discussion of these types of sales strategies in Buffalo and Rochester, NY, see Elvins, *Sales and Celebrations*.

<sup>7</sup> “Stop!!! Don’t Be a Deserter!” *Clear Lake Mirror*, 6 August 1931, p. 3.

York, the local Civic Committee organized a pledge campaign to encourage individuals to promise to spend a certain amount of money within the local economy.<sup>8</sup> In Key West, Florida, retailers organized a “home dollar” campaign in which they reminded consumers that no matter where they spent money in Key West, local businesses contributed to civic improvements, paid wages to people in the area, and helped to improve conditions for all. Consumers were reminded, “The dollar you spend at home – stays here and works. . . Remember your neighbor will take better care of you than a stranger.”<sup>9</sup>

It was not much of a leap for merchants to move from encouraging consumption at home to devising forms of alternative currency that could *only* be spent within one community. In the early 1930s, as communities experimented with ways to coax more money into circulation, the idea that some new sort of money could help to solve the crisis gained influence. Boosters argued that scrip could focus recovery efforts in one area, allowing people to help their neighbors without risk of funds being diverted to Wall Street bankers or strangers outside of the community. And in the case of a community where there was little currency to spare, scrip could help to get business moving once again. In the small town of Hawarden, Iowa, Charles Zylstra became an early proponent of stamped scrip. Zylstra, a Dutch immigrant, had worked in a cooperative bank before arriving in the U.S. and was familiar with European currency experiments and the theories of Silvio Gesell.<sup>10</sup>

Zylstra developed a plan to pay the unemployed to perform public works: his scrip was designed to generate its own redemption fund through the purchase of stamps. Users of scrip would be required to purchase a 3-cent stamp and affix it to the back of the certificate each time it changed hands. After the money had circulated 36 times, it would be worth \$1.08 (the extra eight cents would be collected for administrative costs) and could be redeemed in cash. The prominent Yale economist Irving Fisher became excited by the possibilities of the Hawarden plan, although he cautioned that the requirement of a purchase of stamp for every transaction would be less effective than a dated plan, where scrip could circulate freely until, after a period of one or two weeks, a stamp would be have to be purchased to extend its use. Fisher saw stamp scrip as a direct challenge to consumers who were hoarding currency: it was “a fleet-footed currency which nobody *can* hoard” because the cost of affixing a stamp on each certificate would penalize any consumer foolish enough to hold onto scrip without spending it.<sup>11</sup> Fisher toured the U.S. offering advice about the mechanics of alternative currency plans to interested communities, and sent his research assistant Hans Cohnsen to collect material about scrip experiments in Germany and Austria.<sup>12</sup>

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<sup>8</sup> Elvins, *Sales and Celebrations*, pp. 121-138.

<sup>9</sup> *Key West Citizen*, 19 April, 1932.

<sup>10</sup> *Hawarden Independent*, 4 August 1932, p. 2.

<sup>11</sup> Irving Fisher, *Mastering the Crisis: With Additional Chapters on Stamp Scrip*. New York: Adelphi, 1933, p. 157.

Zylstra, while not the inventor of stamp scrip, became a major promoter of its use in the United States. He saw unemployment as a community problem, and argued that just as citizens during World War I had rallied to support the Liberty and Victory bond drives, “WE ARE AT WAR NOW, at war with each other. We are trying to hang onto money and property with a deathgrip, but we do not seem to realize that it is our friend’s throat of which we have hold and the harder we squeeze the more difficult it becomes for this friend to supply us with the necessary food and manufactured articles.”<sup>13</sup> This sense of the responsibility of all community members towards the wellbeing of each was key to the success of the Hawarden plan. Zylstra argued that in a small community, most people would not mind having to pay 3 cents in order to complete a transaction using scrip, given the great benefit that the program would have to general business conditions and in the creation of work for their neighbors.<sup>14</sup>

Retailers picked up on the notion that scrip helped to ensure that relief efforts were concentrated within the community, and the idea was repeated in publicity for alternative currency campaigns. A plan devised in Canarsie was trumpeted as a “Plan to Keep Money Circulating at Home.”<sup>15</sup> Professor E. H. Gault of the School of Business Administration at the University of Michigan was an advocate of barter scrip as a means to keep trade flowing within communities. In a memorandum for retailers about the benefits of scrip, Gault suggested that merchants should use scrip as the basis for a “trade-at-home” advertising campaign. He argued that consumers should be reminded in promotional material (and even on individual scrip statements) with a statement like “You have this money only because our local merchants support home industries. If this money helps you, help your local industries by buying from your local merchants.”<sup>16</sup> The Evanston, Illinois, Retail Merchants’ Association (EIRMA) was instrumental in organizing scrip in that community. The retailers argued that EIRMA money would allow Evanston merchants to pay their taxes, pay wages to area employees and support other local businesses.<sup>17</sup> Yet this emphasis on the local market could also pose challenges: merchants were caught between wanting to attract customers who wished to make purchases and suppliers who would not redeem local scrip. Even if residents in a community understood their participation in the economy in terms of their patronage of the area department store, that store was firmly part of a national economy. Indeed, that merchant brought in goods not only from around the United States but from around the globe.

<sup>12</sup> Hans Cahrssen, “Working for Irving Fisher,” *Cato Journal* 10 no. 3 (Winter 1991): 825-833; Fisher, *Stamp Scrip* (New York: Adelphi, 1933).

<sup>13</sup> Charles Zylstra, “Second Release,” press release, n.d, Fisher Papers, NYPL, reel 1 vol. 28.

<sup>14</sup> Zylstra, Hawarden, to John Murphy, Mayor, New Haven CT, 18 November 1932, Fisher Papers, NYPL, reel 1 vol. 29.; Charles Zylstra, “First Release: Offers Plan to Issue Scrip,” press release, n.d., Fisher Papers, NYPL, reel 1 vol. 28.

<sup>15</sup> “Merchants Sponsor Plan to Keep Money Circulating at Home,” *New York Times*, 4 March 1933, p. 27.

<sup>16</sup> E.H. Gault, “A Sound Money Plan for Community Barter,” March 13, 1933, Burton Historical Collection, Detroit Public Library, Mayors’ Papers, Box 7.

<sup>17</sup> “Scrip Dollars Circulated in Evanston, Ill.: Merchants Back Issue and New Aid to City,” *New York Times*, 29 December 1932, p. 20.

The willingness of a large business, to accept scrip could give a sense of legitimacy to the use of alternative currency. Rich's Department Store in Atlanta repeatedly stepped in to accept scrip that was issued to the city's teachers when a capital shortfall meant that their salaries were going unpaid. The store did not require teachers to make a purchase, but simply exchanged their scrip certificates for cash. Between 1930 and 1934, Atlanta issued more than \$500,000 in scrip to municipal workers, which Rich's absorbed.<sup>18</sup> Rich's reaped the benefit of increased loyalty from Atlanta teachers, and store president Walter Rich was presented as the savior of the city on the front page of the *Atlanta Constitution*.<sup>19</sup> In other instances, however, scrip issues floundered as businesses refused to participate, as was the case when Chicago's State Street department stores refused to accept the scrip which had been paid to city teachers. One store executive explained that if any single department store decided to break rank with the others and accept scrip, "it would mean a tremendous rush of buyers taking out merchandise and leaving the stores with paper which they would be obliged to turn into cash for their own creditors."<sup>20</sup>

### **Self-Help, Not Charity**

The traditional American celebration of individualism and belief in self-help meant that even during the crisis of the Depression, many were wary of collective solutions that might undermine the initiative of the unemployed. Since the late nineteenth century, a general cultural acceptance of laissez-faire capitalism and social Darwinist notions had resulted in a sense that the American economy provided opportunities for those who were willing to work, and that it would be unnatural and ineffective to provide handouts for the poor.<sup>21</sup> A wave of self-help organizations which aimed to mobilize and provide opportunities to the unemployed grew from coast to coast in the early 1930s.<sup>22</sup> Scrip was central to

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<sup>18</sup> L. Morgan, "The Four R's in Georgia. . . Readin', Writin', 'Rithmetic and Rich's," Unpublished Manuscript, Rich's Department Store Collection, MSS 708 Box 2, Folder 5, Kenan Research Center, Atlanta History Center, Atlanta, GA. See also, William Roberds, "Lenders of the Next to Last Resort: Scrip Money in Georgia, 1932-1935," *Economic Review – Federal Reserve Board of Atlanta*, Vol. 73 no. 5 (September-October 1990): 16-30; Elvins, "Scrip, Stores, and Cash-Strapped Cities."

<sup>19</sup> "Rich's, Inc., Will Advance Pay for Atlanta School Teachers," *Atlanta Constitution*, 14 December 1930, p. 1; "Teachers' Salaries Paid at Rich's," *Atlanta Journal* 21 December 1930, p. 3.

<sup>20</sup> "Negotiating Their Scrip Salary New Study for Chicago Teachers," *Christian Science Monitor*, 11 September 1931, p. 8.

<sup>21</sup> Michael Katz, *In the Shadow of the Poorhouse: A Social History of Welfare in America* (New York: Basic Books, 1985); Neil Betten, "American Attitudes Toward the Poor: A Historical Overview," *Current History* Vol. 65 no. 383 (July 1973): pp. 1-5; Paul Boyer, *Urban Masses and Moral Order in America, 1820-1920*. Cambridge, MA: Harvard University Press, 1978.

<sup>22</sup> George Tselos, "Self-Help and Sauerkraut: The Organized Unemployed, Inc., of Minneapolis," *Minnesota History*, vol. 45 (Winter 1977): 306-320; "Cooperative Self-Help Activities Among the Unemployed," U.S. Department of Labor, Bureau of Labor Statistics, 1933; L.H. Grinstead and Willis Wissler, "Barter Scrip and Production Units as Self-Help Devices in Times of Depression,," Bureau of Business Research, College of Commerce and Administration, Ohio State University, Columbus, OH, November 1933.

the functioning of many of these new associations. In areas where people had no cash on hand, alternative currency could facilitate barter, allowing the exchange of goods and services to take place much more precisely. Most of the coupons used in barter and exchange associations were in the form of commodity scrip (where warehouse receipts backed up the medium of exchange) but in some cases “hour” scrip was issued which used hours of work as the standard. A group of Harlem businessmen opened the Harlem Mutual Exchange, which issued scrip to members in exchange for hours of skilled work.<sup>23</sup>

In Minneapolis, a group called the Organized Unemployed ran a warehouse and store where the only circulating medium of currency was scrip.<sup>24</sup> Reverend George Mecklenburg, director of the program, argued that scrip was crucial in bridging the gap between unemployed labor and surplus products. He recalled years later, “Our lack was not food and clothes; our lack was money. People could not buy things without money.”<sup>25</sup> Unemployed workers received \$1.50 a day in scrip to work chopping wood, working on a plot of land growing vegetables, making preserves or canning sauerkraut. The organization ran a “white-collar” restaurant for the unemployed, where hot lunches were sold for 10 cents, and a dormitory where one could pay for a bed to sleep in with 15 cents of scrip a night. The group’s store stocked an amazing array of items – not only used goods brought in for barter but wood, produce and a host of products made by workers for the cooperative. At its height, over 1,500 people visited the facility daily.<sup>26</sup>

Key to the success of the program, in Mecklenburg’s view, was the psychological benefits it offered to unemployed Minnesotans. In his memoirs, Mecklenburg described “The best service the Organized Unemployed had rendered was to save the self-respect of the people. They all felt that they were not receiving charity. They were working cooperatively with each other and for each other, under carefully laid plans.”<sup>27</sup> A publicity flyer for the organization boasted of the spirit of comradeship that infused formerly unemployed workers, now engaged in chopping wood or working at the sauerkraut factory: “These people feel they are working for themselves, not for somebody else. The ex-banker works with the ex-plumber chopping wood and eating the heartiest meals they have enjoyed in twenty years.” A closing statement on the central lessons that the administration of the Organized Unemployed had learned throughout the experiment asserted “Unemployed people want to work. They hate the

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<sup>23</sup> “Back Barter in Harlem,” *New York Times*, 10 January 1933, 40.

<sup>24</sup> Tselos, “Self-Help and Sauerkraut,” 307.

<sup>25</sup> George Mecklenburg, *Never a Dull Moment: Reflections on Sixty Years in the Protestant Ministry* (New York, 1964), 73-74.

<sup>26</sup> Russel Kurtz, “Resume of Study of the Organized Unemployed, Inc., of Minneapolis, Minn.” Russell Sage Foundation, January 1933, United Way of Minneapolis Records, folder 153: 4, Social Welfare History Archives, University of Minnesota.

<sup>27</sup> George Mecklenburg, *Never a Dull Moment: Reflections on Sixty Years in the Protestant Ministry* (New York: Exposition Press, 1964), p. 78.

breadline.”<sup>28</sup> When Karl Starkweather of Plymouth, Michigan wrote to Irving Fisher for information about setting up a scrip program in his community, he emphasized his sense of pride in his own initiative: “Even though I have nothing else, I still have the optimistic attitude, time and energy. I want to use this in some way to help get things out of the general doldrums.”<sup>29</sup>

The fact that scrip would not be tainted with suggestions of charity but would provide a way for individuals who were down on their luck to help themselves was touted as a clear advantage by communities contemplating the use of scrip for relief payments to the unemployed. In the city of Portland, Oregon, officials emphasized that scrip “represents a sincere effort on the part of public officials and well-meaning private citizens to enable their neighbors to help themselves through self-respecting work.”<sup>30</sup> This language of self-reliance and the psychological importance of allowing individuals to feel that they were earning their relief payments, rather than simply receiving a handout, was echoed by other scrip promoters. When writing to Irving Fisher about the benefits of self-liquidating currency, Charles Zylstra argued,

Somehow people will have to be able to buy the things that they need to live, or the pressure can not be retained and revolution will result. The money necessary to pay for these necessities can be collected as voluntary gifts and donated, destroying people’s morale, or it can be provided through a credit extension to provide work.<sup>31</sup>

Zylstra compared scrip to a sort of pressure valve, that could relieve tensions which might otherwise result of an overthrow of the existing system. Fisher, in turn, underscored the sense of scrip as a relief plan that offers work, not charity, to the unemployed when suggesting the use of a national system of stamp scrip to the Emergency Relief administration. He noted that unlike a “dole” payment which primarily benefits its recipient, scrip circulates through and entire community and thus spreads its benefit to all. Best of all, “When given to the unemployed, Stamp Scrip does not create the psychology of charity; it merely puts the unfortunate in a position to help themselves.”<sup>32</sup> Economist Stuart Chase argued that these systems of exchange would help to quicken the circulation of real money, but just as importantly, would “restore self-respect and tangible comfort” to consumers enduring the ravages of the depression.<sup>33</sup>

### **Priming the Pump**

<sup>28</sup> “The Organized Unemployed, Inc., Minneapolis,” typescript leaflet, n.d., George Tselos papers, Minnesota Historical Society, p. 4.

<sup>29</sup> Karl H. Starkweather, letter to Irving Fisher, 13 February 1933, Irving Fisher Papers, NYPL.

<sup>30</sup> Pamphlet from Multnomah county/City of Portland, n.d. Irving Fisher Papers, New York Public Library, Reel no. 1, vol. 28.

<sup>31</sup> Charles Zylstra, letter to Irving Fisher, October 28, 1932, Irving Fisher Papers, New York Public Library.

<sup>32</sup> Memorandum by Irving Fisher, n.d., Irving Fisher Papers, NYPL, Reel no. 1., Vol. 28.

<sup>33</sup> Stuart Chase, “500,000 Turn to the Use of “Wooden Money,” *New York Times*, 15 January 1933, p. E8.

Scrip was an innovative experiment for communities grappling with an unprecedented economic crisis. Politically, it was viewed as a “progressive,” but not revolutionary, measure. Communities from across the political spectrum became interested in the possibilities of alternative currency. On one hand, a community like Hawarden, Iowa, was reported as being “governed by a council so ‘liberal’ in its attitudes” that it had created a municipally-owned light and water works to fund all costs of city government. It was not seen as surprising that the council would be open to new collective solutions to the problem of unemployment.<sup>34</sup> When, on the other hand, Evanston, Illinois first proposed the use of alternative currency, the *Christian Science Monitor* described, “This conservative suburb to the north of Chicago has suddenly gone ultra-progressive with the adoption of a stamped scrip plan.”<sup>35</sup> The authors of an early survey of barter and scrip in America were emphatic that experiments with community self-help and alternative currency were not a radical departure from traditional practices. They noted,

Most of the three hundred and fifty barter organizations and the one hundred unemployed groups in the country are located in sections of the country populated by what is commonly known as old American stock. They are the plodding, conservative, loyal, ‘rugged individualists,’ the so-called backbone of the nation. In hard times they find it easy to cooperate and work together.<sup>36</sup>

The emergency of the Depression could thus push some of these traditional “individualists” into more collective action. But it did not transform their core beliefs. While some Communist Party members and critics of “tyrannical capitalism” called into question the existing social and economic system, the majority of Americans “dug in and helped themselves in a simple way. It is an adventurous, hopeful...American movement.”<sup>37</sup>

For even the most ardent supporters of scrip plans, care had to be taken to emphasize that alternative currency would provide a temporary boost to the existing economy, not a way to facilitate abandonment of the current system. The metaphor of “priming the pump” of the economy served as a shorthand for scrip’s role: it would provide a temporary boost to encourage the flow of “real” money into circulation. In his 1933 guide to stamp scrip, Irving Fisher described how as a boy he was given the job of pumping water at his grandmother’s house. After laboring furiously without producing any water from the pump, he was instructed to provide a “supply-side scoop” of water in order to connect with the supply of water in the ground and jerk it out of hiding. Fisher argued, “Such is the office of Stamp Scrip - to prime the pump, which has thus far been unable to connect the great supply of credit currency with the thirsty world. The small scoop of water is

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<sup>34</sup> *New York Herald Tribune*, 15 January, 1933., p.1.

<sup>35</sup> *Christian Science Monitor*, 29 December 1932, p. 1

<sup>36</sup> Weishaar and Parrish, 105.

<sup>37</sup> *Ibid*, p. 110.

the customer walking with his stamp scrip.”<sup>38</sup>

Fisher saw local scrip programs as insufficient to jolt the economy back to a healthy state, and so proposed a national scrip plan, to be administered through the U.S. Post Office. Democratic Representative Samuel B. Pettengill (Indiana) sponsored a bill for a national scrip plan jointly with Senator John Hollis Bankhead of Alabama. In his remarks to the House of Representatives, Pettengill explained how scrip could prompt hoarded dollars back into the economy:

It is submitted that this bill attacks the problem at its foundation. It brings buyers into the market. It encourages the payment of debt. It penalizes buyers for not using available purchasing power....It might be all that is necessary to “prime the pump.” As soon as these buyers come into the market place, confidence should return and values immediately start to rise. If that should be the result, then other money, now hoarded by the hundreds of millions of dollars, would also come into the market. People would say, “Now is the time to buy.”<sup>39</sup>

The secretary of the Evanston Illinois Retail Merchants’ Association similarly emphasized the way in which scrip could allow not only those in the direst need but consumers who were making do with “shabby and worn” clothing, personal effects and household furnishings because of a general lack of confidence in business. Scrip could help these consumers to finally return to the marketplace. He noted, “The law of demand will be fortified with ready cash to turn the wheels of progress. The law of supply will cause the factory whistles to blow and machinery to hum...our consuming capacity has not decreased, nor has our population decreased.”<sup>40</sup>

Even organizations which had managed to set up a sort of alternative economy of barter transactions saw their actions as a supplement, not a challenge, to conventional business. George Mecklenburg argued that Minneapolis’s scrip issue would ultimately benefit area merchants, by “stirring up the stagnant pool into which business has slumped.”<sup>41</sup> A pamphlet produced by the Organized Unemployed self-consciously rejected any suggestion that the cooperative was somehow a challenge to the capitalist system, maintaining, “We are not a protest movement. We are for labor. We are for the merchants...We do not interfere with regular business because we create new business which would not have been in existence had we not organized.”<sup>42</sup> Such programs were conceived as a way to temporarily create a separate economy for the unemployed. Organizers assumed that as soon as members of the cooperative regained full employment, they would

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<sup>38</sup> Fisher, *Stamp Scrip*, Chapter IX.

<sup>39</sup> *Congressional Record*, House of Representatives, February 22, 1933.

<sup>40</sup> Peter N. Jans, Executive Secretary of the Evanston Retail Merchants Association (EIRMA), 1933 proposal for national scrip plan, Irving Fisher Papers, NYPL.

<sup>41</sup> Quoted in Tselos, “Self-Help and Sauerkraut,” 314.

<sup>42</sup> “Calling in Scrip,” pamphlet from the Executive Committee of the Organized Unemployed, Minneapolis, n.d. [April 1933], Tselos Collection, box 2, MHS.

once more use their wages to shop in the conventional retail outlets of the community. Scrip simply facilitated exchange amongst the unemployed and was thus a supplement, not a threat, to the “regular” economy.

The many business leaders and politicians who supported scrip were split between a willingness to experiment for the sake of recovery and an essentially conservative faith in the capitalist system. For those interested in promoting alternative currencies in the twenty-first century, there are some lessons that can be learned from the experiences of Americans during the Great Depression. Scrip did not prove successful in ending the Depression, despite the best hopes of figures like Charles Zylstra and Irving Fisher. As Jonathan Warner has noted, at best these experiments temporarily helped to mitigate the worst effects of unemployment in small communities.<sup>43</sup> Typically, after a flurry of interest and newspaper reporting about the start of a scrip plan, after a period of only a few weeks or months the issue would collapse and local governments sought out other means to solve their financial crisis.

This paper suggests that it is worth paying attention to the rhetorical strategies used by scrip organizers. In the American context, there has traditionally been little room in mainstream political discourse for expressions of radical collective action. During the 1930s, scrip organizers were able to encourage individuals to participate in alternative currency experiments by highlighting the relationships of local consumers to the businesses in their communities, by emphasizing the ways in which scrip was superior to charity in preserving values like individualism and self-respect, and by shying away from any suggestion that alternative currency was revolutionary or would permanently change the structure of American capitalism. This is not to deny the transformative potential of scrip as a tool of reform: but to remind organizers of future scrip plan that in order for any plan to resonate beyond the realm of local activists, to be truly embraced by a wider public, attention must be paid to larger cultural patterns and beliefs. By appealing to traditional American notions of self-help and individualism, scrip organizers might be able to broaden their support and ensure the continued success of complementary currency issues.

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<sup>43</sup> Warner, “Stamp Scrip in the Great Depression: Lessons for Community Currency for Today?”