

Money May Be Going Out of Style

MONEY is becoming so expensive that it may be going out of style. In addition to electronic banking and plastic credit cards, it looks like old-fashioned bartering will become another strong factor in the decline and disappearance of greenbacks and coins.

Before money was invented people exchanged goods and services directly. When we first realized we had a critical energy shortage, certain economists proposed the conversion of dollar bills to "energy notes." Everything would be measured in terms of energy rather than by existing monetary values, but the idea didn't go over.

However, the basic idea of bartering has been growing steadily. Larry Inks, chairman of Barter Systems, a network of 61 barter exchanges based in Oklahoma City, is quoted in U.S. News & World Report as predicting the new real estate branch of his firm will reach \$200 million a year in trades within 12 months.

Other barter activities reported by the magazine include a dentist

who gets new carpeting for his home in exchange for putting braces on the teeth of a carpet dealer's children.

A food distributor sends a freezer full of steaks to an antique dealer and gets furniture in return. A homemaker trades vegetables to a neighbor for automobile repairs. An auto manufacturer reportedly traded cars for a new corporate jet.

Bartering allows businesses or individuals to trade goods or services at fair market value, often when there may be no cash market available for either. Bartering might help bypass inflation.

It might look like a way to bypass taxes, too, but the Internal Revenue Service and sales tax collectors don't agree. They keep a close watch for barterers to collect the government's cut.

If an apartment building landlord receives a work of art by a professional artist in return for rent-free use of an apartment IRS says the landlord must include in income the fair market value of the artwork and the artist must include fair

rental value of the apartment. Certain small scale barterers might be tax-free.

Published reports tell how, back in 1921, Armand Hammer, then a young physician-businessman, wired V.I. Lenin, head of the Soviet Union, that he would arrange immediate shipment of \$1 million worth of American grain in exchange for Russian furs and hides. The Russians were starving, and Lenin quickly agreed.

Considerable international bartering is being carried on today, although it is not always publicized as such. The U.S. Department of Commerce estimates that 10 to 20 percent of all world trade is barter.

Bartering could provide some relief for citizens who have something of value but are short on dollars to buy what they want, or their dollars won't buy enough of what they need.

"Let the barterer beware!" is an apt slogan, because unscrupulous traders might misrepresent what they have to trade just as they may do for what they have to sell.