

Positive Money

October 2011

Scope

- The worst possible system?
- Conspiracy or cock up?
- Towards an ideal monetary system
- First: Why care? A brief personal history

Why care

- Prosperity, peace, justice for all
- Obvious financial system manufacturing injustice, widening wealth inequality and threatening prosperity
- An economic and political journey
- A time of crisis

The worst system

- King, of all the many ways...
- Credit creation and irredeemable money
- Central banking and interest rates
- Legal tender laws and currency monopoly
- Deposit insurance and limited liability
- Extensive, ineffective regulation - eg IFRS
- CDS - financial booby traps - division of labour

Conspiracy or cock up

- Ignorance
- Intellectualism and ego. Kuhn, Structure of scientific revolutions
- Political economy and partisanship
- Institutional incompetence and public choice
- Evolution and convenience: cock up

Towards an ideal

- Options:
 - Privatised central banks
 - 100% fiat money
 - Free banking: 100% and FRFB
 - Currency choice
- Proposal:
 - Given time: constitutionalise then denationalise
 - In crisis: Evans' 2 days, 2 weeks, 2 months

Conclusion

- Everything is at stake
- General pattern of events highly predictable, timing less so
- Economics needs a paradigm shift
- Hope and optimism through awareness and campaigns