



Edgar Wortmann

e.w@onsgeld.nu

Roadmap to money reform

1. Personal journey
2. Diagnosis
3. Road map

Something is not right

- Creation is beautiful
- People like beauty
- Why do they create ugliness?

Personal journey

2000 – 2005	complementary currencies
2005	money masters / AMI
2013	Ons Geld / AMI Chicago
2013 – 2020	public debate (Ons Geld)
2020 – 2021	interest free credit

Debt is the problem

- Over indebtedness hampers prosperity grows
- The rich get richer, on the back of the poor
- Monetisation of debt (*institutional*)
- Fiscal stimulation of debt

The bank money system

1. is inherently unstable
2. is usurious
3. is oligarchic

(geared towards monopoly instead of free enterprise)

The key to usury is parity

It enables the few to create money
and exploit the money system

diagnosis



Fixed exchange rate (Parity = 1:1 exchangeability)
Enforced by the central bank. Backed by the tax payer
Socialization of risk. Privatization of power.

The central bank

- ✓ Maintains parity
- ✓ Is key to usury

Under the debt based order

- Institutional unfair competition
- Tremendous concentration of power

A dire situation

- Oligarchy is consolidating
- Totalitarian technocratic control
- Tremendously corrupt and deceitful

“For your merchants were the great man of the earth,
for by your sorcery all the nations of the earth were deceived.”

*Babylon will fall
Endure till the end*

- 1. Safe money**
- 2. Modern jubilee**
- 3. Demonetisation of debt**
- 4. Liberalization of credit**
- 5. Sound incentives**

Two phases

1. Transition period
2. Debt free money

Transition period

- Personal safe accounts
- Full reserve institution
- Parity with deposits

Transition period ends

- Personal safe accounts
- Debt free money
- Exchange rates

Debt free money?

- Not a claim to money (like a deposit)
- Embodiment of the general unit of value



During transition period

- Open system
- Deposits \leftrightarrow safe money (money transfer)
- Safe money quantity by demand

After transition period

- Closed system (centralized)
- Exchange under market conditions (buy/sell)
- Safe money quantity managed by MA

**Monetary authority (MA)
is NOT a (central) bank**

Direct management

- ✓ No debt
- ✓ No usury
- ✓ No market distortion
- ✓ Price for safety (monetary taxation)

Monetary management

1. Adequate buffers (safe money)
2. Monetary taxation (by MA)
3. No inflation nor deflation

Adequate buffers

- ✓ Safe money
- ✓ Well spread
- ✓ Absorb setbacks
- ✓ Conduct business
- ✓ Provide financing

Monetary taxation (by MA)

- ✓ Tax-free foot (adequate buffers)
- ✓ Progressive taxation of surplus
- ✓ For monetary reasons only (not for budgetary reasons)

Safe money quantity

- Increase: adding to public budget
- Redistribute: adding to public budget
- Decrease: taxing and not adding to p.b.

Safe money hoarding

1. Taxed by MA (monetary taxation)
2. Redistributed via public budget

(Re)distribution of safe money

- Public spending
- Public lending
- **Less taxation** (for public budget)

International exchange

1. Managed exchange rates
2. To maintain trade balance
3. Protect the safe money system

Safe money

- Old tech (conventional technology)
- Different organization (based on money not credit)
- Platform for innovation (by market participants)
- Level playing field for payment services

Banks

- Can offer interface
- Lose cheap funding
- Need to refinance

Bank financing

- Outflow of deposits
- Refinancing on financial markets
- Or lender of last resort (CB-credit)



Bank financing

- Banks indebted to CB
- Concentration of bad debts at CB



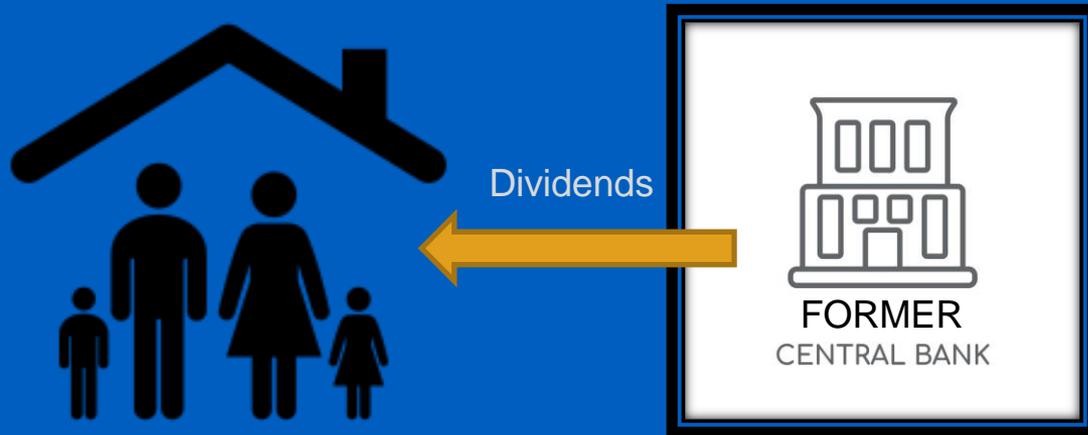
Reduction of debts by
accelerated payment of debts
(modern jubilee)



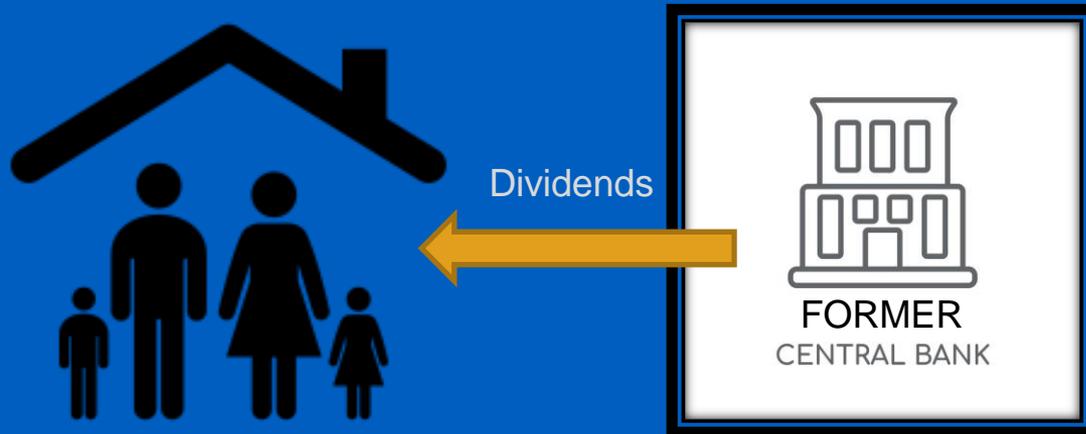
Bank debt payment vouchers



Remaining vouchers converted in shares in the former central bank



Bad debts less toxic



Extent of the modern jubilee

A function of:

- demand for safe money (during transition)
- demand for CB-credit

Demonetisation of debt

free/managed exchange rate
instead of parity with the currency

Bank financing

- ✓ Market principles
- ✓ No demand deposits
- ✓ Prospectus requirements

Bank financing

- Quasi monies allowed
- No institutional backing
- Free/managed exchange rates

Liberalization of credit

- Less rules
- No privileges for banks
- Credit not dominated by banks

Ending

- ✓ Institutional unfair competition
- ✓ Subsidized funding for banks
- ✓ Dominance of banks

Liberalization of credit

- ✓ Diversity
- ✓ Fair competition
- ✓ Proper market functioning

Progressive taxation of hoarding (of safe money)

- **No concentration of power** (in the safe money system)
- **Incentive to invest** (circulation of safe money)

Monetary authority

- No self interest
- Not a market participant
- Separate power of government

Safe money (public and central)

Quasi monies (private and distributed)

As permanent alternatives (vice versa)

No aid when the buck is broken

Because there is a sound alternative

Availability of quasi monies
disciplines central government

Quasi monies

- Transparency
- Market principles
- No institutional backing
- Free/managed exchange rate
- No prohibition

Central government

- No backing of quasi monies
- Taxation only in safe money
- Borrowing only in safe money

Local government

- Taxation in gov. issued money
- Borrowing in gov. issued money
- Spending in gov. issued money

Functions of quasi monies

- Alternative to safe money
- To keep government in check
- Flexible credit creation

Flexible credit creation

- Interest free
- Proper risk allocation
- Based on quasi money
- Constrained through market principles

Cooperative credit system

- No interest
- One-off costs
- Borne by the seller



Incentives (1)

- Additional turnover for seller
- Only if it's worth the cost (seller decides)
- Constrained by available capacity
- No costs nor interest for the debtor

Incentives (2)

- credit is available
- no price inflation
- no debt growth over time
- resources are used; not overstretched

Availability of interest free credit
disciplines interest bearing credit

Money reform =
ending institutionalized usury =
ending central banking
in a sensible way



Questions?

onsgeld.org - e.w@onsgeld.nu