

PositiveMoneyNZ



Newsletter #33 - membership, an election date and the Bank of England's historic paper on money creation

Welcome to our 33rd newsletter. Here is a link to [previous newsletters](#).

Our [membership page](#) has been live for a month and this is your opportunity to join a movement that will fundamentally change our future, our children's future and that of our children's children. Membership costs just \$20 per year for waged and \$10 for unwaged so please [join up now](#). Those of you from outside of New Zealand can [also join up](#) – using Paypal to pay for your membership.

Our Prime Minister announced our election date as September 20th and as the cost of housing will be one important issue, it will be a great opportunity to get our message across. We are looking for Spokespeople for Positive Money New Zealand in some of the main centres – Auckland, Hamilton and Christchurch and if that sounds like you please contact [Sue and I](#) and we will discuss the opportunity with you.

Finally, the big international news this month was the release by the Bank of England of two documents [Money in the modern economy: an introduction](#) and [Money creation in the modern economy](#). This is the first time a central bank has come out and so openly stated that “the majority of the money in the modern economy is created by private commercial banks making loans”. This is ground breaking news and we are compiling an article to submit to *North & South* magazine on the issue. Watch this space.

During March we:

- Received a top up of 7,500 [fliers](#) from Chris Tschida in Auckland - at no cost to us. Chris believes in what we are up to and this is his well-received contribution to our campaign. Let us know if you would like some to hand out.
- Posted an item where [KPMG reported](#) that while bank profits rose 8.6 per cent in 2013, they say that shielding banks from the frost of regulatory reform is likely to be a challenge for 2014.
- Posted an item from the Bank of New Zealand and the Real Estate Institute of New Zealand [residential market survey](#). It found 17 per cent of agents said sales during February were to first-home buyers, down from 24 per cent a year ago.
- Sent a follow-up email to Local Government New Zealand, requesting a meeting. We received the following response “Fiscal and monetary policy is the responsibility of the Crown and the Reserve Bank. It is not a matter on which local government has a collective view nor is it a matter which our members have indicated is a priority policy item for its association to pursue in the coming year”.
- Posted a response to the Bank of England's bulletins [from Press TV](#) (a network based in Iran). They said that The Bank of England's dose of honesty throws the theoretical basis for austerity out the window.
- [Posted a Letter to the Editor from Deirdre Kent](#). Deidre made a very good point. While the papers have been talking about a 2 percentage point rise in interest rates in the next two years, a rise from 2.5 % to 4.5 % is actually an 80 % rise. Thanks also to Peter Young for his contribution.
- Posted a very good [28 minute clip](#) that questioned if the Bank of England (and our Reserve Bank) can “ultimately” control the money creation, given that the commercial banks create our money supply. Tony Greenham, Head of Finance and Business at UK New Economics Foundation did not think so. The clip provides a very good overview on how banks operate.

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- Sent links to the two Bank of England documents and the Tony Greenham clip to Bill English (our Finance Minister), David Parker (the Labour party's Finance spokesperson), Russel Norman (the co-leader of our Greens Party, Winston Peters (leader of a small and influential Party), Hone Harawira, Bryan Bruce (an influential documentary maker) and Raf Manji (an economist).

Cheers and don't forget to [join up](#).

Don Richards and Sue Hamill