

# PositiveMoneyNZ



**Newsletter #45 – Economists speak out in favour of money creation for the people not the banks.**

Welcome to our 45<sup>th</sup> newsletter. Here is a link to [previous newsletters](#).

In an amazing development, a [letter signed by 19 economists](#) called on the European Central Bank to adopt an alternative to quantitative easing. Rather than give money to the banks to lend out - the letter recommended the money be used to finance Government spending or as a direct payment to people to pay down existing debt. The letter was published in the *Financial Times*!

The Broadcasting Standards Authority posted [details of their decision](#) not to uphold our complaint. While the response was disappointing, they did give us a fair hearing. We just had too many guns stacked against us. We are waiting on The Reserve Bank to respond to our complaint that they misled the Authority

We had [a successful two days at the Kapiti Sustainable House and Garden](#) Show on the 21st and 22nd March. In excess of 30 people asked to be added to our newsletter and we had a lot of good conversations.

During March we also:

- Posted a link to [a worrying statistic](#). Kiwis' mortgage debt has officially climbed past \$200 billion, a mountain of borrowing which has doubled in the space of 10 years. As a proportion of gross domestic product, the debt burden has increased from roughly 69 per cent to 88 per cent. Add to that the Government Debt and out total debt is 100% of GDP.
- Posted an article on The Reserve Bank looking at [tightening up on how much banks can lend](#) to residential landlords.

In a predictable reaction to the news on the previous post, the Property Institute's boss has told the Reserve Bank Governor to "[stick to his knitting](#)", after the central bank announced plans to crack down on investors. Where was the "stick to the knitting comment" when the Reserve Bank made it harder for first time buyers to buy, allowing investors to buy up more property?

- Attended a talk hosted by the Fabian's by Professor David Coates on "Developing a new economic agenda for the left" to a packed room. Professor Coates was very eloquent and put forward a compelling argument about collective bargaining and strong unions driving productivity. He had spoken to our Labour front bench and was impressed with their grasp of the issues. He had the same conversation with the British Labour Party front bench and all he got was blank faces.

Don asked about government issued money and while he was aware of Martin Wolf's call, he considered it a step too far. We handed out a lot of fliers afterwards.

- According to the [Trade Me property price index](#), which tracks the asking prices of new residential property listings, the national average asking price jumped to \$505,350 in the three months to February, up 12.3 per cent on the same period a year ago.

# PositiveMoneyNZ



"In other words, asking prices have gone up more than \$1000 every week across the country over the past year," said Nigel Jeffries, Trade Me's head of property.

- Posted an article on [foreign-owned firms taking bigger profits offshore](#). This make NZ's current account deficit worse and syphons more money out of the economy.
- Posted an article on [the large debt levels that farmers have](#). When we approached Federated Farmers to talk about Positive Money we were told that debt was not a concern for their members.

Finally our membership for 2015 is now open. Please go to [our membership page](#) and show your support by signing up. A year's membership costs \$20 for waged and \$10 for unwaged.

Don Richards and Sue Hamill