



Newsletter #49 – article in the Herald on money creation fuelling house prices.

Welcome to our 49th newsletter. Here is a link to [previous newsletters](#).

There was an excellent article in the Herald “[Banks fuel housing market by 'creating' money](#)” by Bryan Gould. Bryan Gould was Vice-Chancellor of the University of Waikato, serving from 1994 until his retirement in 2004 and was awarded Companionship of the New Zealand Order of Merit in 2003 for services to Education. In October 2006 he was awarded an honorary doctorate by the University of Waikato. He is a board member of TVNZ. The article states

There is virtually no constraint on the volumes of new money that the banks are able to create and lend in this way. The only limitation is the availability of new borrowers with enough security and ability to service the loan - and even those constraints are eased by the asset inflation that ever-increasing lending brings about. The banks are able in other words to go on lending ever-increasing amounts into an inflating market which they themselves create.

During July we posted:

- News from our sister organisation [Gode Penge in Denmark](#). A newly formed party “The Alternative (Alternativet)” is bringing a monetary reform proposal into Danish parliament.
- Austria and sufficient numbers have signed a petition to force a referendum on [Austria leaving the European Union](#).
- Our sister organisation in Switzerland is three quarters of the way to getting [a referendum on money creation](#).
- BNZ head of research Stephen Toplis warns [of NZ recession risk](#). So much for the rock star economy.
- A [10 minute audio](#) from Radio New Zealand. During the 1960's and 70's the Irish banking institutions closed their doors for months on end; and the Irish coped very well. It asks the very good question - do we need the highly paid bankers?
- A [30 minute audio](#) from Radio New Zealand on our future financial stability. Jane Kelsey and Steve Keen make some good points whereas others think there is no problem.
- A link to [the Keiser Report](#) that featured Ben Dyson at the 9 minute 30 second mark. We recommend that you watch the full 22 minutes though as it is entertaining.
- Attended the launch of [Jane Kelsey's book The FIRE Economy](#), on Tuesday 14th July at the National Library (FIRE stands to Finance, Insurance and Real Estate). Sue spoke to Jane and gave her a copy of Sovereign Money. She had not heard of the Chicago plan so we gave her a copy.

PositiveMoneyNZ



Sue and I have moved from Wellington to Whakatane to live so if you are in the Bay, Waikato or Auckland and want us to talk, give us a call on 07 307 9366. If there is anyone in Wellington willing to take up the reigns down there then give us a call on the same number.

Don Richards and Sue Hamill