

# PositiveMoneyNZ



**Newsletter #61 – Hope emerges from the ashes of BREXIT.**

Welcome to our 61st newsletter. Here is a link to [previous newsletters](#).

Our colleagues at [Positive Money UK](#) say that with Theresa May suddenly catapulted into the UK Prime Minister's seat after Brexit and the dramatic political events that followed, exciting new opportunities have opened up for our campaign for a fair, democratic, and sustainable money system.

Earlier this month, May hinted her government might adopt a different approach to monetary policy. She called for "an economy that works for everyone" and confirmed what is now widely recognised by economists and financial institutions: The Bank of England's policies of ultra-low interest rates and quantitative easing have increased inequality.



With the Conservative Party conference happening in just over two months Positive Money UK is looking at hosting an event at the conference to put their ideas forward. If you want to help with donations to help fund the event then please go [to their website](#).

During July we also posted:

- a link that has been on the [Positive Money UK site](#) for some time.
  - A recent change adopted by the Bank of England will allow other players into the payments systems and build resilience when there is another crisis.
  - The acknowledgement by the head of the US Federal Reserve (albeit with heavy caveats) that it might consider public money creation was significant.
  - Finally there was more talk of helicopter money (where Central banks issue money directly into the economy) from within the European Central Bank.
- Last week the Bank of England released a key paper that analyses the 'macroeconomics of central bank issued digital currencies'. The paper essentially asks what would happen if people could hold money electronically at the central bank, instead of having to use bank deposits (created by commercial banks).

The paper was explained on Bank Underground, a [new blog written by staff at the Bank of England](#) to bring more of their thinking into the public domain. If only our Reserve Bank could be so open-minded.

- an interesting insight from the Morgan Foundation into [how housing is managed in Germany](#). The Government there has taken a very proactive hands on approach.
- [The real deal on making housing affordable](#). Here is a very good article by Bernard Hickey who states that "The leader of the Government is more worried about the short-term fates of leveraged-up speculators and developers than the long-term fate of Generation Rent."

"Despite years of saying the only way to improve housing affordability is to increase supply, his position is any increase in supply that hurts the investors who have bought in the past couple of years is out of the question."

Cheers

Don Richards and Sue Hamill