

Advanced Study Notes

On the AMI and its speakers for the 2021 AMI ZOOM Conference

Stephen Zarlenga founded the American Monetary Institute 25 years ago, in 1996. By 2005, his book, *The Lost Science of Money (LSM)*, was published in two languages, and the first AMI Conference was held. In the first years of the conference, the mechanics of money creation in our banking system was an important focus. Zarlenga argued in LSM and his presentations that the banks were creating nearly all of our money coming into circulation. He further argued that this ability or extreme privilege needed to be for the public's benefit and publicly administrated. Participants at these early conferences and most of the presenters read the LSM and began asking questions. It turned out the textbooks were wrong, that the Western World had new money coming into circulation that wasn't neutral but favored the bank owners.

After the modeling work of Kaoru Yamaguchi and Michael Kumhof came a quiet acknowledgment from researchers in the central banks themselves. Richard Werner carefully did a targeted hands-on study of the process in a German Bank and found experiential proof. While the general public has not as yet learned this in their civic education classes, the students of monetary thinking and reform worldwide have grown in number to understand this morally corrupt situation.

By 2010, AMI Conference presenters not only explained the immorality of our monetary system but how it needed reform. The National Emergency Employment Defense (NEED) Act was introduced into the 111th and the 112th Congressional sessions. The NEED Act would implement the three pillars of monetary reform: 1) New accounting measures would stop the banks from creating new money when loans or investments were made. Banks could still make loans and investments but would have to use their own or other people's money with proper awareness and consent. 2) Government develops a public administration plan for how the government loans and spends new money or shares new money directly with its citizens. 3) The Federal Reserve Banking System is taken over by the government. Its necessary functions are adopted into the new banking system where the United States Central Bank is public and not private. At this year's AMI Conference, John Howell, who worked with colleagues at the Alliance For Just Money, will present a brief update version of the NEED Act, titled: *The American Monetary Reform Act*. John will then focus on his primary topic and discuss how he learned to promote monetary education with the League of Women Voters.

As a response to the present banking system 2017, Michael Kumhof offered a paper on how you could have "side-by-side" competition between Central Banks offering their currency for citizens/residents of their nation that would be outside the private banking system. Today, this proposal is called CBDC or Central Bank Digital Currency. Depending on the details would be a (first) significant step in undercutting a private bank's ability to create money. Miguel Angel Fernandez Ordoñez, the Governor of the Spanish Central Bank during the Great Recession that started in 2007-8, will speak at this AMI Conference on the significance of CBDC. Also, speaking on CBDCs, although not exclusively, are Joseph Huber and Ole Bjerg.

Responding to climate change, Steve Keen will discuss using a parallel currency of Universal Carbon Credits. Another proposal for an international carbon-based currency is called the Tierra and will be presented by its author, Frans Verhagen.

Besides international proposals, there are smaller public, more organic presentations for cutting back on private money creation. That is to create public banks, local community currencies, or alternate community initiatives. Please check out the following speakers for these ideas: Mark Cassell, Katharina Serafimova, and Arie Ben-David.

Throughout the AMI Conference years, there have been presentations on the history of money and society. While Zarlenga's LSM covers Western Civilization, starting with the Middle East and ancient Greece coming up to the present day and the NEED Act (2nd edition), all AMI conferences have covered the history of money. This AMI Conference will be no exception. Jeffry Sklansky, Nic Tideman, and Ronnie Phillips will cover monetary history in the U.S. Mark Pash will cover Labor vs. Owners and monetary reform.

Also, covering US history, there will be a presentation by the Parity working group covering the historical pricing system of raw materials, particularly agricultural products that were active law from 1942 through 1952. Virginia Hammon and Randy Cook will also follow with more thought on parity. Parity had initially been part of the NEED Act and, shortly before it was introduced into Congress, was dropped. It would have brought up a debate on our domestic and international marketing and monetary systems, and it was decided to separate these debates.

The current US monetary reform movement will include insights from John Titus, who has done insightful work using the Federal Reserve's statistics. Going beyond the US, Ahmad Kameel Meera will consist of both a Muslim and a Malaysian perspective in his Post Bretton-Woods presentation. Continuing with concerns of our western corporate and financial systems are presentations from Lilian Held-Khawam and Pezwak Kokabian. These presentations will show that advancing monetary reform is not easy because our whole political economy has been affected.

Why? Zarlenga made another observation early on: "Over time, whoever controls the money system, controls the nation." This quote was the latest version of a thought that goes back several hundred years. However, this observation is again proving true today. Zarlenga often added that the Bankers and the power elite would do anything to keep their special status and power.

I thought this was an endemic structural problem and that people in all echelons of life who understood this problem would generally agree on how to go forward. Further, there would be a natural variety of ways for how money could be neutral, and each country would decide its future.

Even though I still believe in this thought, I have found it a bit naive. In this world of corporate power, the super-rich, and lobbying power, the laws are not being manipulated toward the common good or general understanding. I find it something like the problem of the three blind men and the elephant. Depending on where the person is, the situation looks different. There are monetary reformers close to central banks who say central banks are the problem and others who say the central banks can help save us and lead us to a better future. There are money reformers in the corporate world who see the power of corporations, their plans for the future -including

creating their money systems - and point to them as the problem. Others have a hardcore belief that their national government (certainly including the US) or international governing bodies are the biggest problem or fear. Like many other central banks, the Federal Reserve System can appear like part of the government or entirely independent and escape criticism.

As an educator, my natural response to this confusion is that we will need a lot of grass-roots civic education! In the United States, people should join the Alliance For Just Money, and people in other countries should join or create their local monetary reform study and movement group. Then all these groups should join the International Movement for Monetary Reform. Mark Young will speak about the IMMR and international challenges. We will have country reports and perspectives from Jussi Ora working with monetary reform in Sweden and Domenico D'Amico working in Italy.

An exciting addition is the Saturday lunch (1 pm Central Time US) to engage our Spanish-speaking fellow citizens. We will interview Miguel Fernández Ordóñez in Spanish and follow that up with questions and a discussion. Later at 4:15 pm (CT), we will have Mary Sanderson speak to the whole group in English, reporting about the lunchtime meeting and discussing the issues in Latin America.

At least two of our speakers: Laurence Kotlikoff and Patrizio Laina, will be speaking about the big picture of monetary reform. Kotlikoff will share his ideas to fix the whole system once and for good, while Laina will summarize past monetary reform research and where future research is needed. Sergio Rossi will review the Swiss reform initiative, *Vollgeld*, followed by an assessment of monetary reform today with particular regard to the role of the central bank.

Another perspective on the big picture will come from Tim DiMuzio and Richard Robbins on COVID-19, the challenges and opportunities that can go with it.

If you are participating from the US, new to monetary reform, and studying to prepare for the AMI Conference, the best place to start is the Alliance For Just Money website and the AMI website. If you are participating from another country, you can check the IMMR website and look under membership countries for their websites. If there is none from your country, I suggest visiting the Positive Money website out of London. Hit the Resources tab and then "videos." This is a great resource, and in particular, I like Banking 101 (all six parts take an hour. Also, you can subscribe at the AFJM to stay current with monetary reform and subscribe to the AMI website for the depth of its AMI Conference speakers. The organizing structure of AMI is evolving, and so is its website. If you are a monetary reformer from anywhere in the world who wants to get involved and can share your voice or written words or simply help in other ways, please communicate to us.

The AMI Conference Team:

Steven Walsh

Govert Schuller