

Manifesto

Description

Public Money Australia (PMA) believes in a financial system that supports a fair, productive and sustainable economy and planet.

We do not have that now as private banks create almost all of our money when they make loans, with most of the new money going into housing, starving the productive economy of liquidity, pushing up house prices and household debt.

Banks need more restrictions on their ability to create our money and more direction on putting money into the productive economy, where goods, services and jobs are created.

This also requires us to modernise our approach to public finance, for instance by using the power to issue public money to support infrastructure, innovation and the productive economy.

PMA maintains a very clear and specific aim, namely, to change the way the money system works.

PMA does not:

- subscribe to any conspiracy theories about the money system
- act on behalf of any lobby or interest group
- believe that regulation alone can solve the problems with banking or the money system. What is needed is systemic change.
- support the use of illegal or violent means to bring about change. We campaign for the money system to be changed with minimal social and economic upheaval.

PMA is not

- a political organisation. We don't campaign for either a bigger or a smaller role for government. We campaign for changes to the money system which would be to the benefit of all political views.
- against privately-owned banks. Privately-owned banks have an important function in providing payment services, a secure place for our money, saving opportunities, and to lend us money.
- against bankers. Most people who work in banks do not understand the money system and its effects, and are simply trying to provide a service for customers and earn a living. Undoubtedly some bankers have abused their power, but this is not the root cause of our financial crisis; the root cause is our current money system.
- against lending, or charging interest on loans where an investor is lending their money to somebody else.
- against capitalism. We believe that capital should be put to work in a competitive private sector to produce goods and services and jobs.

Statement of purpose:

A financial system that supports a fair, productive and sustainable economy and planet.

We belong to [a coalition of organisations](#) and people from across the world, campaigning to change the way money is created and used.

The Problem

Public Money Australia believes that our money system has mutated over the years in response to technology, regulation, de-regulation, and globalisation. The result is an unfair system which does not work in the public interest.

PMA has identified the following problems with the current money system:

- Unsustainable indebtedness: Because more than 97% of our money is issued as credit, debt increases at the same rate as the money supply.
- Financial instability: Money creation is pro-cyclical – too much is created in a boom, and too little in a recession, causing the pronounced boom and bust cycle.
- Anti-democratic: Because the government relies on commercial banks to create money, the government has to borrow more, and we have to pay higher taxes and suffer reduced public services.
- Perpetual expansion: In order to service large amounts of debt the economy has to grow, even when markets are saturated and resources depleted.
- Unbalanced and unproductive economy: Banks choose where new money is spent on the basis of their own profits rather than the needs of the economy or our wellbeing.
- Inequality and the concentration of wealth: Interest payments on the entire money supply suck wealth out of the economy into the banks.
- Bank runs, subsidies and bailouts: The banking system is unstable without government subsidies and guarantees which also creates a moral hazard for banks and investors.
- Unfair, monopolistic and anti-competitive: The right to create money gives banks an unfair advantage over all other parts of the economy and is damaging to the real economy when misused.

PMA believes that the money system is not fit-for-purpose and needs updating. A well-functioning money system will provide more stable economies, which will benefit everybody.

Our Goal

PMA wants to change how money works by informing and stimulating debate, and supporting ideas and policies which move towards our end goal of a financial system that is fair, productive and sustainable.