

PositiveMoney

[www.positivemoney.org.uk](http://www.positivemoney.org.uk)



~~INTERMEDIATION~~  
~~CREDIT CREATION~~



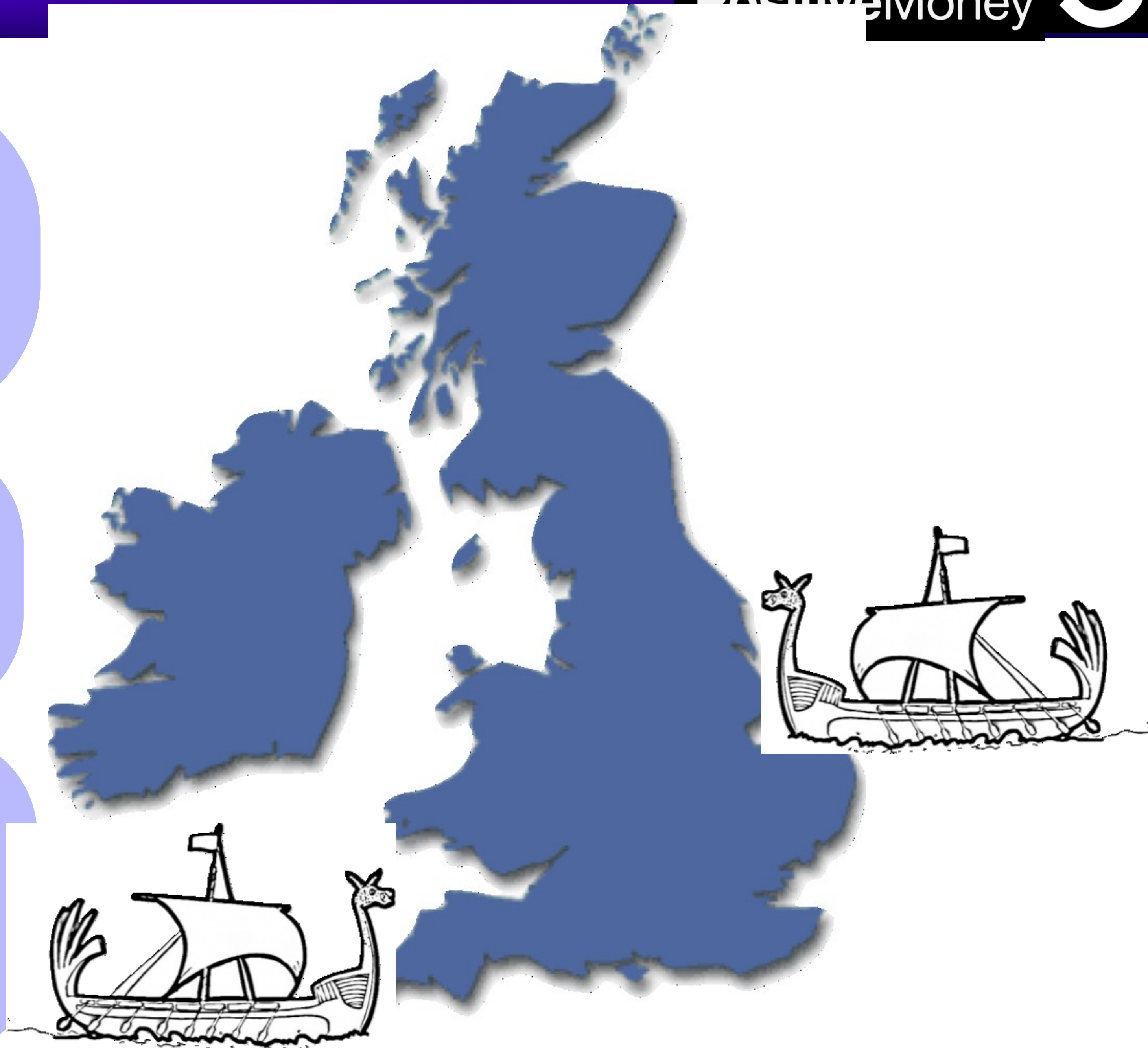
# HOUSING

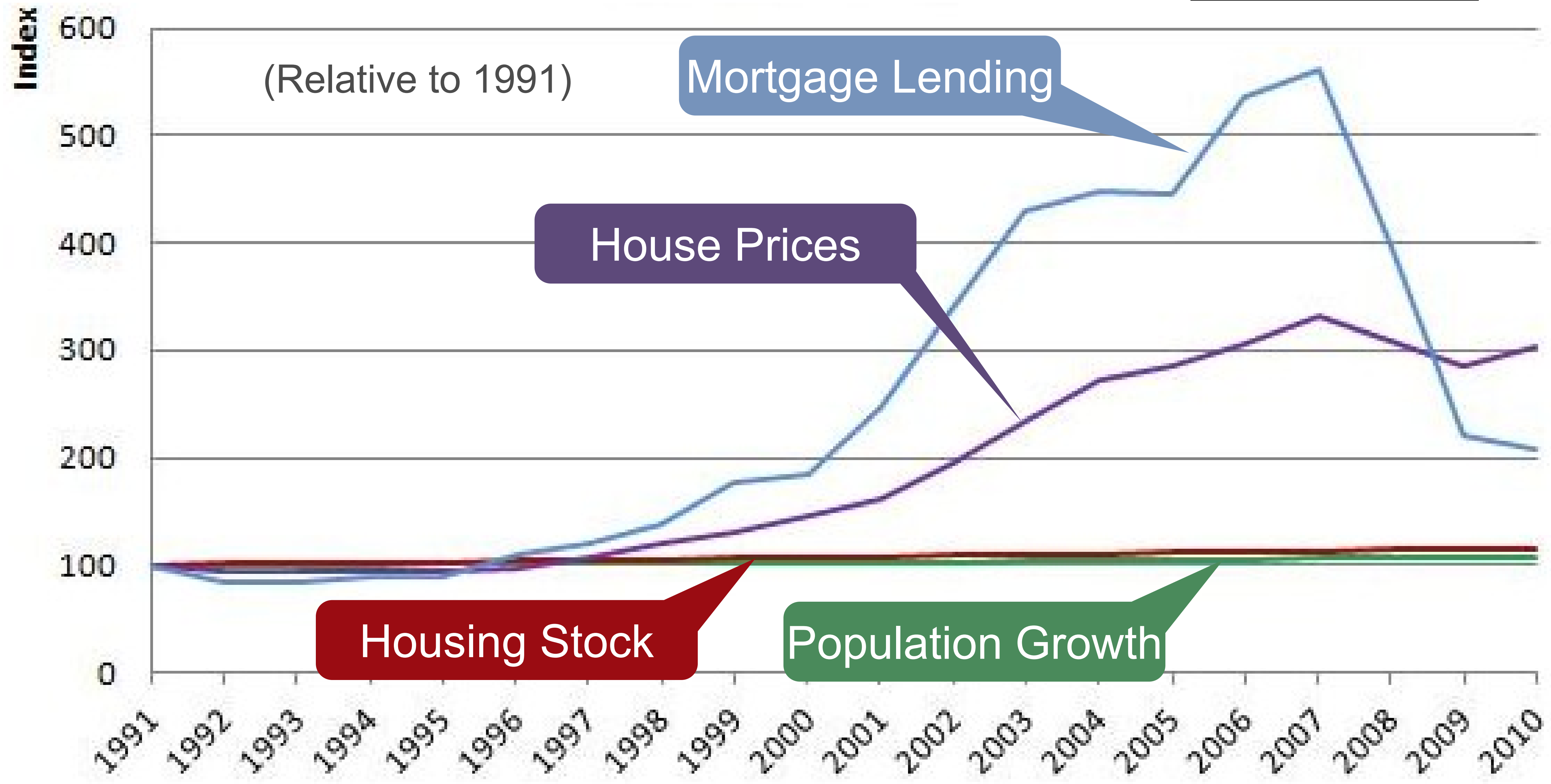


Why are house prices so high?

Too many immigrants!

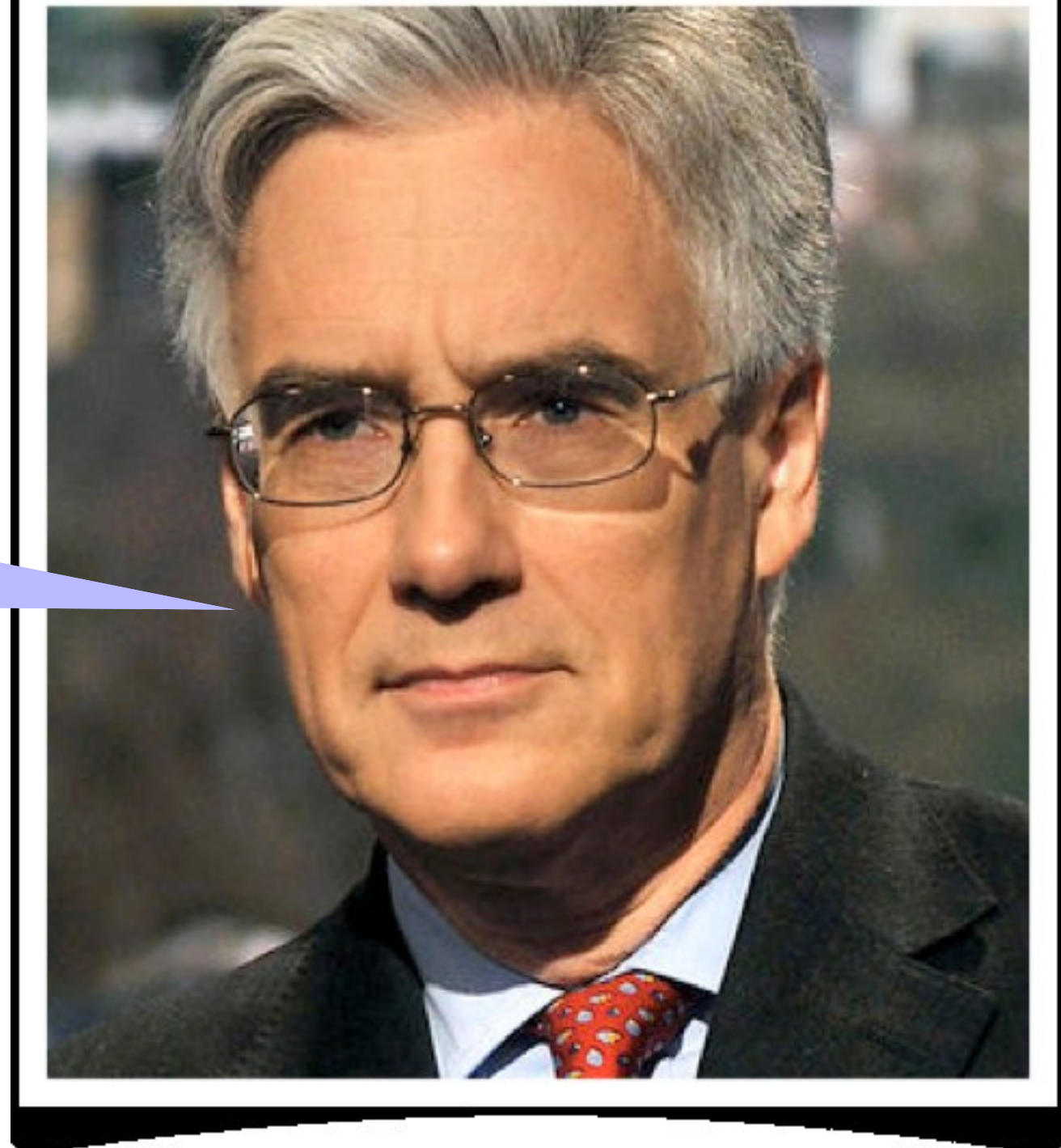
And not enough houses!







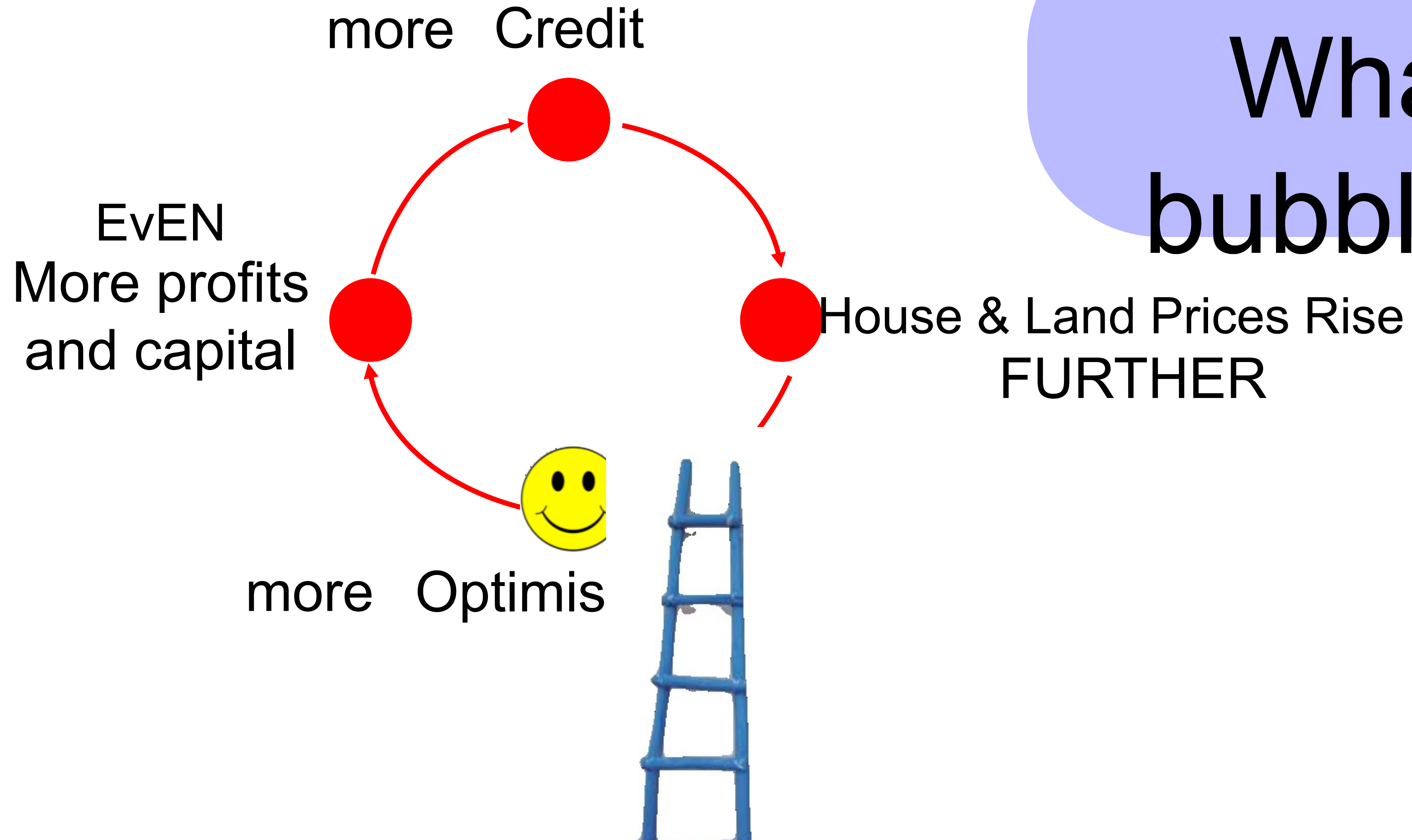
We need also to recognise the role that credit can play in driving asset price cycles which in turn drive credit supply in a self-reinforcing and potentially destabilising process. Thus ... increased credit extended to commercial real estate developers can drive up the price of buildings whose supply is inelastic, or of land whose supply is wholly fixed. Increased asset prices in turn drive expectations of further price increases which drive demand for credit: but they also improve bank profits, bank capital bases, and lending officer confidence, generating favourable assessments of credit risk and an increased supply of credit to meet the extra demand.



Adair Turner in “The Future of Finance”



Bubble?  
What  
bubble?!





=


5 years  
3 months  
1952

OR

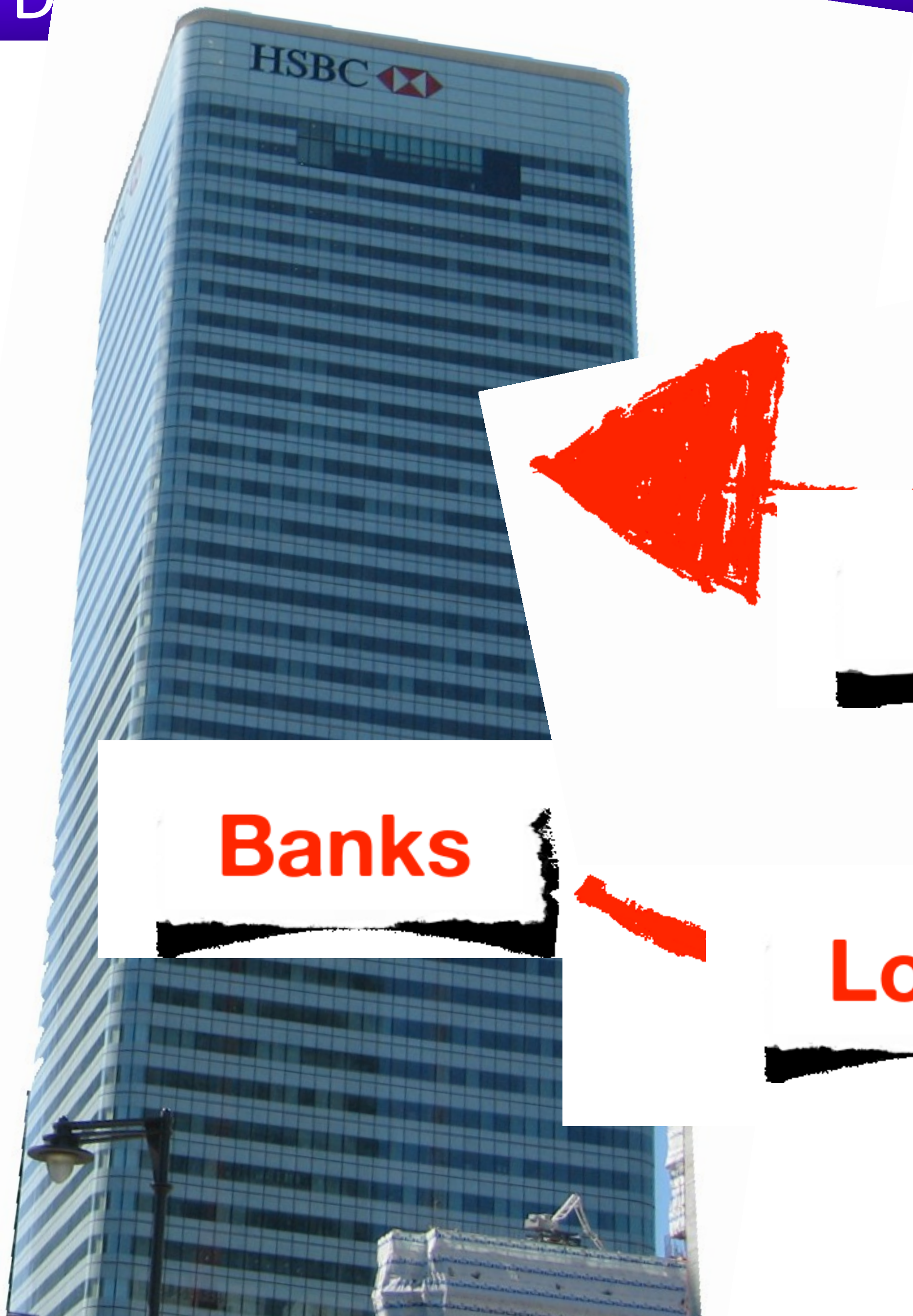
11 years  
8 months  
2011

With Interest:





DEBT



**Repayment + Interest**

**Banks**

**Loans**



**Public**





**If banks don't lend...**

**...there is no money**



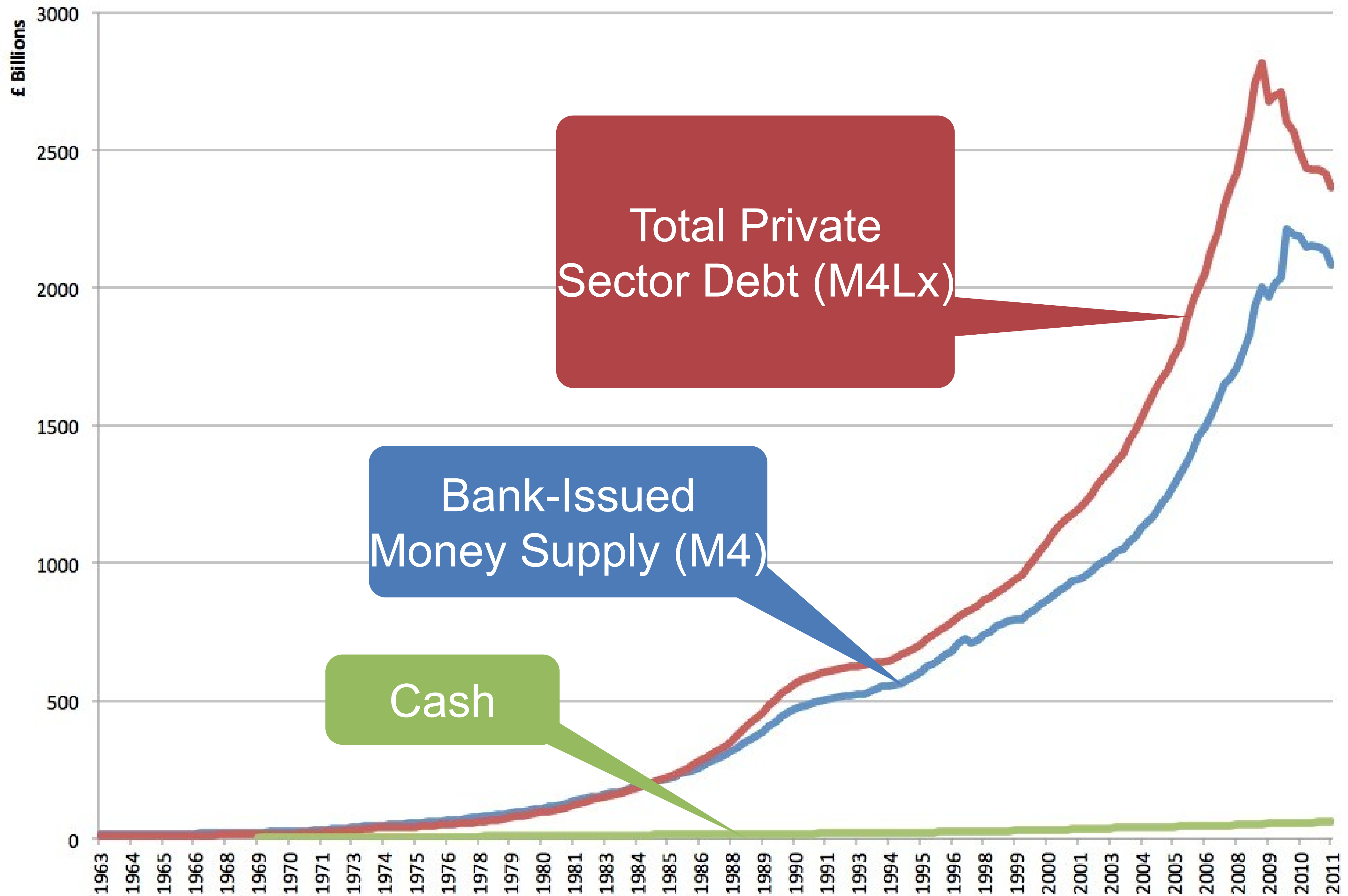
# THE RULES

MORE MONEY ➡ MORE DEBT

LESS DEBT ➡ LESS MONEY

We need:  
LESS

Impossible.



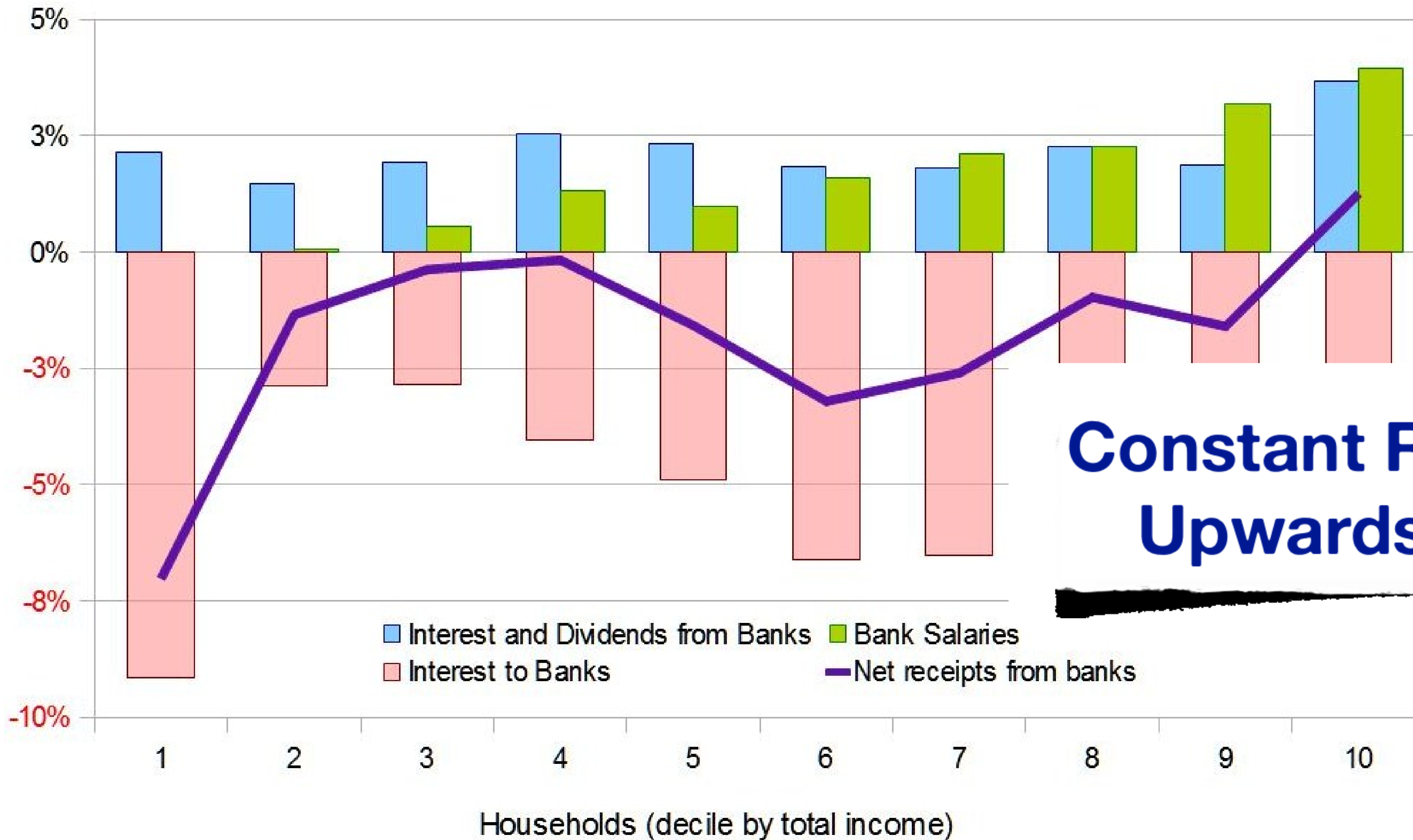


INEQUALITY



# Banking Burdens on Households

Payments and receipts as % household income



**Constant Redistribution  
Upwards & Inwards**

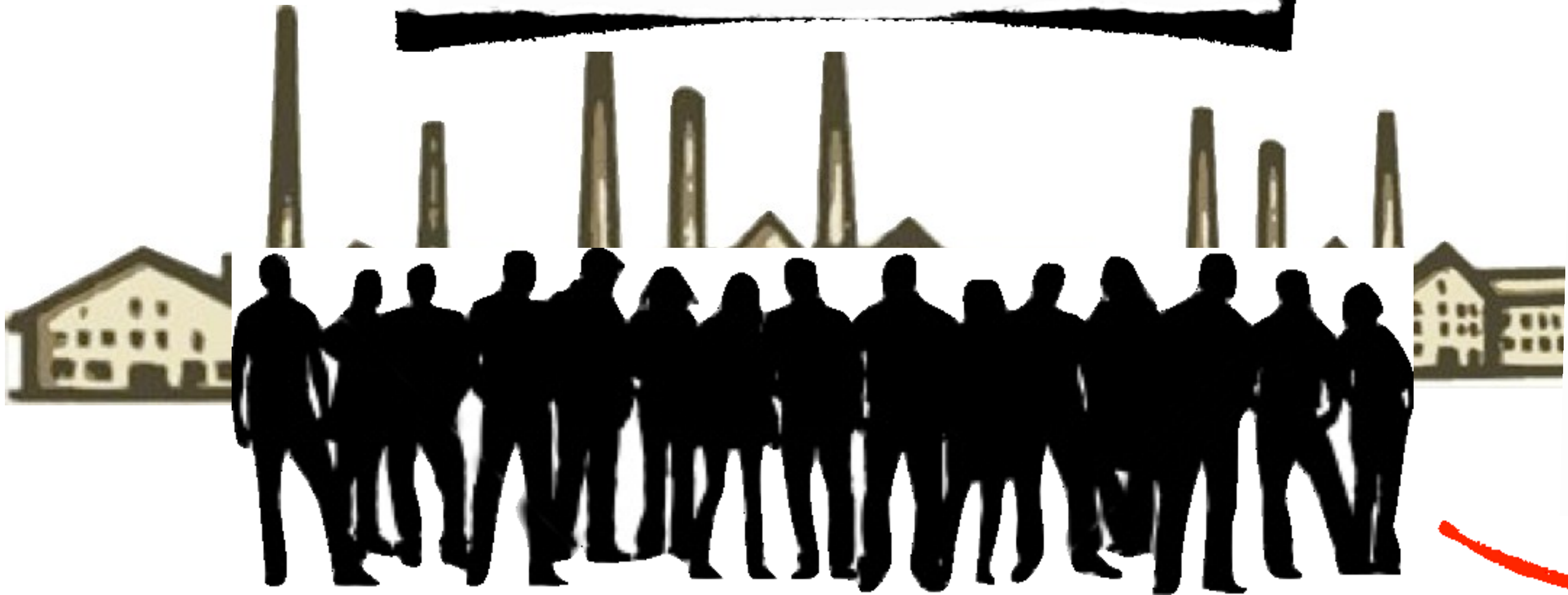
# JOBS & BUSINESS





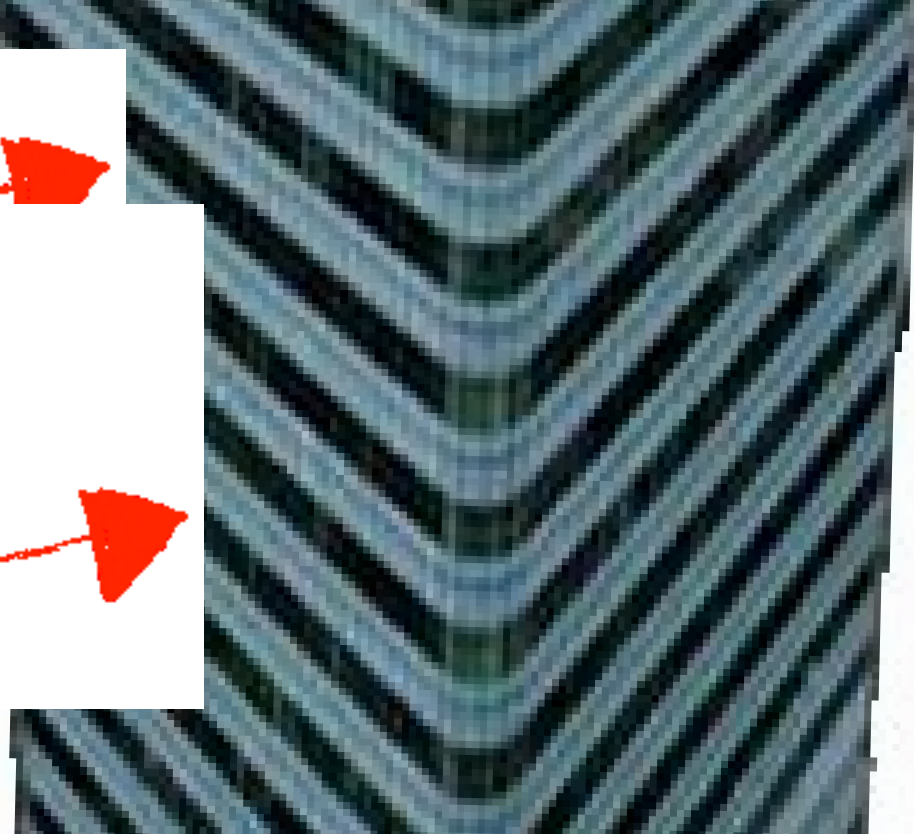


**REAL ECONOMY**



**BANKING  
SECTOR**

**A TAX ON THE  
MONEY SUPPLY**



# From the rest of the UK to the City





**BORROW & SPEND**

**DEBT  
HANGOVER**



**GET THE BILL**



**INVEST & EXPAND**

**LAYOFF & TRY TO  
SURVIVE**

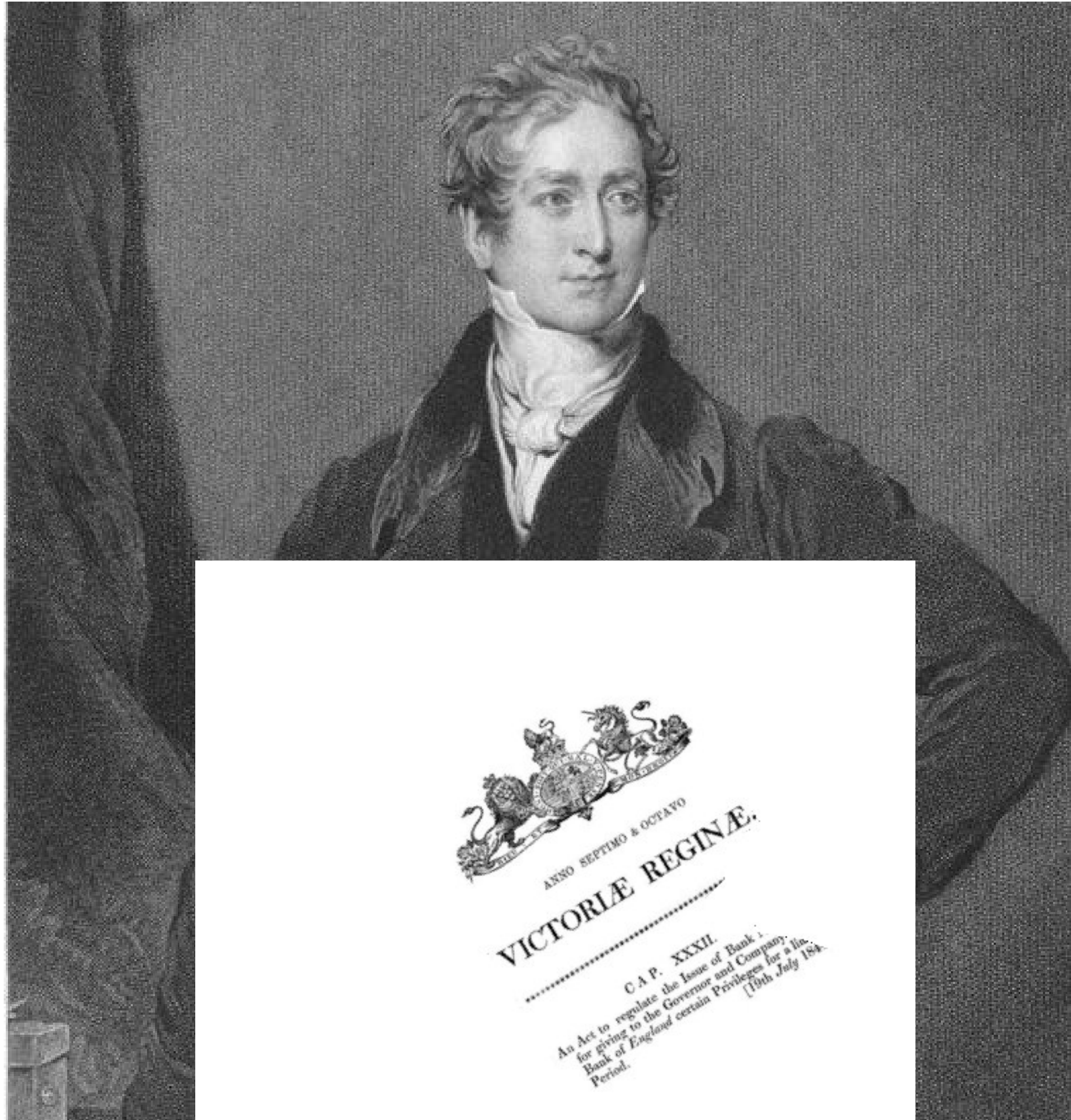




**Stable Money Supply?**



# HIGHER TAXES



**Sir Robert Peel**



ANNO SEPTIMO & OCTAVO

**VICTORIÆ REGINÆ.**



**C. A. P. XXXII.**

An Act to regulate the Issue of Bank Notes, and for giving to the Governor and Company of the Bank of *England* certain Privileges for a limited Period. [19th *July* 1844.]

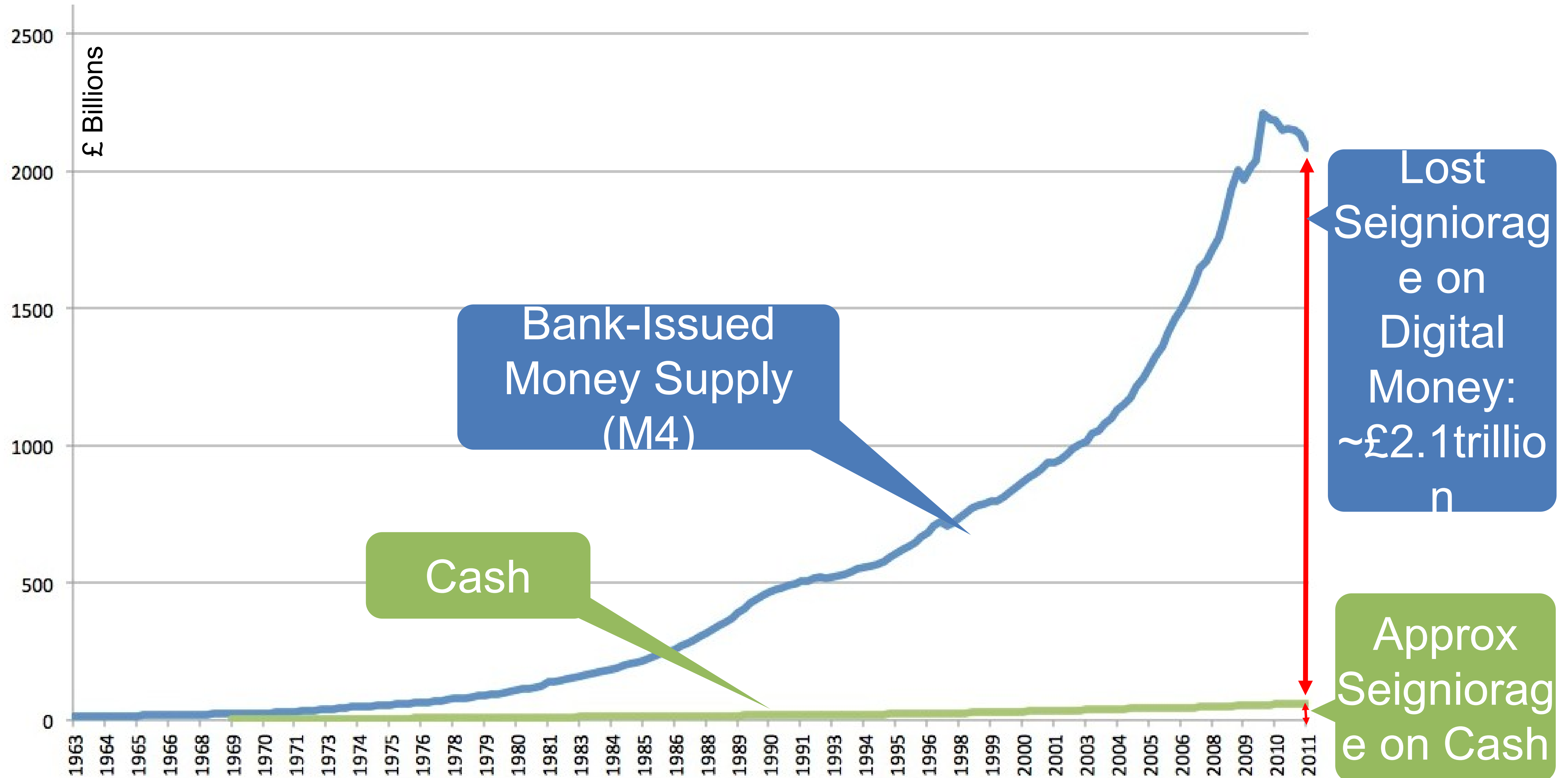


Profit to the Treasury:  
2007: £1.65 billion  
2008: £2.33 billion  
2009: £2.19 billion  
2010: £491 million

An illustration of a steam engine with a large flywheel on the right side. In the foreground, there is a stack of money, including several banknotes and coins. The text "= 120,000 nurses" is overlaid on the image.

**= 120,000 nurses**

# HIGHER TAXES





Diverting taxes into the financial sector

**£2.1trillion**

=

**2 x National Debt**

**3 x Year-Long Tax Holidays**

**20 years of the NHS**

**High speed rail everywhere!**





CREATING MONEY

=

SLAPPING THE



**Something  
socially  
useful?**

**VS.**





**More  
expensive  
housing**

**Economic  
instability**

**Speculation**

# THE RULES

MORE DEBT  MORE MONEY

LESS DEBT  LESS MONEY

But we need  
LESS

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