



To the Althingi's commission of economics and trade,
regarding parliament issue 169,
concerning case: „Umbætur á fyrirkomulagi peningamyndunar“

Dear Madams, dear Sirs,

I'm writing in support of the parliamentary resolution on reforming the mechanism of monetary creation. Being the chairman of Positiva Pengar, the Swedish movement within the International Movement for Monetary Reforms, I hereby express our full support for this resolution.

We strongly agree with the conclusions from the report and what is stated in the resolution, that the effects of a Sovereign Money system in Iceland need to be analyzed and improvements proposed. The current way of banks creating money directly connected with debt, the fractional banking system, is the basic cause of the major problems of today's economies. The problems around financial instability, growing economic inequality between people and between countries, growing level of debts and, last but not least, the democratic deficit around money creation, need to be addressed.

Iceland, being a small country with a currency of its own and a long democratic tradition, and also severely hit by the financial crisis of 2008, is the perfect nation to start the democratic process of implementing this monetary reform. We are sure this will be most beneficial for Iceland, but it will also serve as a very good example for all other countries. Both the study and the reform that will follow, will show the rest of the world that this can be done and that the people in Iceland will benefit greatly from it.

The review proposed to be done, will be the first parliamentary analysis of a Sovereign Money system applied on a complete national economy. Especially for us in Sweden, which in many ways have the same kind of social and economic system, this analysis will be very beneficial. We will do our best to support the work with our insights and we will of course use the results to get the same thing done in Sweden.

I want to add one aspect that has not been addressed that much so far. The political deficit. More and more people have lost their trust in their elected leaders. When the leaders are perceived as not being able to solve the financial problems they are facing, people turn to the ones claiming to have a simple solution.

Governments (politicians) and the financial institutions (the central banks) are currently not in good enough control of the financial system or the monetary system. This is now obvious to the general public. The problems have been huge since the financial crisis 2008. The semi-stability that has been gained since then, due to extremely low interest rates and QE, has come with the cost of much higher economic inequality. And still we now seem to be at the brink of a new crisis.

A large part of the middle class, a majority of the citizens, now experiences harder economic times, while reading in the papers that the economy in general is in better shape and that the richest percent now own as much as the other 99 percent. When they perceive that the financial institutions and the current governments are not in control and do not have a solution, they will vote for leaders that claim they can solve the problems in some simple way. (Donald Trump is the most obvious example.)



The only way to handle this political deficit is for the elected politicians to present and implement a serious and correct solution to the financial problems. A solution where the less wealthy part of the population experiences significant improvements. I am positive that the monetary reform Sovereign Money will create that result. The politicians in charge today are the only ones that can make this happen and You in Althingi has now as the first parliament in the world started that process.

So we in Positiva Pengar wish you in Iceland all the best in preparing for and implementing the Sovereign Money reform, thus paving the way for the rest of us. According to us no other reform in can match this in importance. For sure there are a lot of other things to do, but without a reform of this kind, everything else will be much harder to achieve.

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