

## Readings to “Money Creation in the Debt Economy”

Attac Ontario, Dec. 2016

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### A Couple of Recent Official Canadian Papers on the Country’s Monetary System

1. “Canadian Payment Methods and Trends: 2016.” Payments Canada Discussion Paper No. 7 – November 2016.

[https://www.payments.ca/sites/default/files/cpmt\\_report\\_english.pdf](https://www.payments.ca/sites/default/files/cpmt_report_english.pdf)

Tells us that while physical cash is still more than 30% of the volume of all transactions in the Canadian economy, it is only a few percent in value.

2. “How the Bank of Canada Creates Money for the Federal Government: Operational and Legal Aspects”.

Penny Becklumb, Mathieu Frigon: Economics, Resources and International Affairs Division Parliamentary Information and Research Service. Aug. 2015.

<http://www.lop.parl.gc.ca/content/lop/ResearchPublications/2015-51-e.html?cat=economics>

Michael Sinclair pointed out the existence of this interesting document, which acknowledges that Central Banks can create as much money as they want.

3. “Parliament and Monetary Policy in Canada”. Mathieu Frigon and Michaël Lambert-Racine.

Economics, Resources and International Affairs Division. Ottawa, Dec 10, 2015

<https://hillnotes.wordpress.com/2015/12/10/parliament-and-monetary-policy-in-canada/>

A general overview of current stage of monetary policy in Canada.

### Papers of two Leading Economists Dealing with Central Points of the Proposed Money Creation Process

4. Joseph Huber “Modern Money Theory and New Currency Theory”. (Real-world Economics Review, issue no. 66, Jan. 2014).

Mainly a critique of MMT. However, importantly Huber hints on p.49 (the magazine’s pagination) at the importance of some measure of balance sheet symmetry as a condition for credit expansion: “Banks’ money printing, though, is not unconditional. One condition is that banks extend their balance sheets largely in step with each other so that the flows of deposits and central-bank reserves, residually also cash, from and to single banks do not result in major imbalances.”

5. Steve Keen: The Dynamics of the Monetary Circuit (2009)

[https://keeneconomics.s3.amazonaws.com/debtdeflation\\_media/papers/9780230\\_203372\\_10\\_cha09.pdf](https://keeneconomics.s3.amazonaws.com/debtdeflation_media/papers/9780230_203372_10_cha09.pdf)

Rejects the commonly heard claim that money is destroyed when loans are repaid.