American Monetary Institute

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Dedicated to the independent study of monetary history, theory, and reform
"Over time, whoever controls the money system controls the society."
Stephen Zarlenga, Director

These achievements highlight some of our progress until now, made possible by your donations. Thank You!

The Lost Science of Money – The Mythology of Money, the Story of Power, examines the historical aspects of the money problem from Aristotle forward, in 23 Chapters. Chapter 24 then shows how to apply what is learned from history, to solving the problem in the U.S. today.

That book resulted in the proposed **American Monetary Act,** which became the basis for Congressman Dennis Kucinich's creation and introduction of HR 2990 into the U.S. 112th Congress (First time in 225 years). Called **the NEED Act** (National Emergency Employment Defense Act), it is essentially a monetary reform act modeled on the Chicago Plan, which our great economic minds created in 1935 to end the Great Depression, and improved upon by the AMI. This proposed bill is now a matter of record, in our Nation's documents, and can be re-introduced in a new Congress.

Then the National Committee of the U.S. Green Party approved a national plank which embodied this proposal.

Then Prof. Kaoru Yamaguchi, of Berkeley, and Doshisha University in Japan, put the American Monetary Act and HR 2990 through his advanced System Dynamics computerized projection and concluded that they (1) provide the funding for infrastructure repair (which solves the unemployment crisis) (2) Pay off the national debt as it comes due (3) Do this without inflation! That is a big deal.

These events led to a major development in August, 2012. Dr. Michael Kumhof (Deputy Division Chief, Modeling Dept., of the International Monetary Fund) published his study, **The Chicago Plan Revisited**, an IMF Working Paper, which has swept the world's economist community like wildfire. This is the first time anyone has done this exercise and it showed outstanding results for the Chicago Plan, including that it would have much less tendency for inflation than a privately controlled money system has. That is one reason for its wide interest. Another is that it goes counter to many widely held, but unsubstantiated beliefs about monetary matters that reflect our views.

Dr. Kumhof is the first and only economist to do his duty toward my book, **The Lost Science of Money.** He did this in a magnificent one sentence review:

> "The historical debate concerning the nature and control of money is the subject of Zarlenga (2002), **a masterful work** that traces this debate back to ancient Mesopotamia, Greece and Rome..., he shows that private issuance of money has repeatedly led to major societal problems throughout recorded history..." (P. 13, The Chicago Plan Revisited)

In May, 2013 the AMI hosted 2 sessions on The Need for Monetary Reform, at the 39th annual meeting of the Eastern Economic Association in New York City, at which Dr. Kumhof and Prof. Yamaguchi both made important and historic presentations.

On 12, May 2013, the American Monetary Institute sponsored a Seminar at **Cooper Union** in New York City entitled Fixing Our Broken Money System; presented by Stephen Zarlenga, Robert Poteat, Professor Nic Tideman, Greg Coleridge, William Batt, Jamie Walton, and Professor Kaoru Yamaguchi. See http://www.monetary.org/wp-content/uploads/2013/12/cooper-union-flyer.pdf for the details.

SEPTEMBER 19-22, 2013: The AMI held its 9th Annual Monetary Reform Conference at University Center, Chicago. One of the highlights was Professor Joseph Huber's brilliant analysis of what constitutes true monetary reform. His work is fast becoming a primary "reference point" for monetary reformers in America and around the world. See http://www.paecon.net/PAEReview/issue66/Huber66.pdf.

January 16, 2014: The Real World Economics Review, formerly the Post Autistic Economic Review, sent Prof Joseph Huber's critique of Modern Monetary Theory (which he had delivered at our 9th Annual Monetary Reform Conference) to its subscriber list of 23,924 subscribers - very conscious economists. We remarked: "perhaps its a good time for the MMT people to see this as an opportunity to examine the criticisms and perhaps answer them or perhaps adjust some of their positions."
Again see http://www.paecon.net/PAEReview/issue66/Huber66.pdf
This is of major importance since MMT represented one half of the obstacle to monetary reform in this country. This begins their unraveling.

Again friends, thank you for your help in making these activities possible!
Stephen Zarlenga
Director, AMI