**Oral intervention 3.4: Refuting Systemic Debt, *Edgar Wortmann***

The current monetary system is a giant administration of unpaid (interest-bearing) debt ('systemic debt'). The money ('monetary objects') to settle this debt is non-existent. This is a gross negligence of the States, that omit to provide adequate quantities of debt and interest-free money society needs to prosper. Consequently, society reverts to commercial debt-money instead, which hampers peoples' self-determination and sustainable development and enhances environmental degradation and social disintegration. The bank money system comes at huge societal costs as it imposes 'systemic debt' on society and exposes the money system to runs and risks.

Historically, dominance of the bank money system can be explained (and justified) because it produced liquidity and enabled payment over distance. At the time, this could only be done by creating quasi monies (claims to money) and operating a payment system based on transfer of '*monetary value*' (settlement of money claims), instead of transportation of '*monetary objects'*, which at the time consisted of gold and silver coins only.

Thanks to digital technology we no longer need to rely on the quasi monies created by the bank money system to support our economies. Today, States can provide liquidity and enable payment over distance based on publicly issued intangible monetary objects ('digital cash'), which is not constrained by the availability of any physical or financial asset. Instead it is constrained by sound, transparent and accountable governance of the public monetary system under democratic control, by a $4^{th}$ separate power of government (a Monetary Authority that is not a bank), that serves society by providing sufficient liquidity buffers well spread throughout society at all times, and that is bound by a zero-inflation policy, and in tune with the productive power of the economy.

By migrating to a debt-free money system based on intangible monetary objects ('digital cash'), States can eliminate systemic debt to the extent the public voluntarily converts bank money into state issued debt-free money ('physical and digital cash').

Unfortunately, States don't show any effort to migrate to a debt free money system. Instead, they devise exceedingly complex laws to uphold a bank money system that undermines peoples' self-determination and the long-term viability of our planet. By confronting the current monetary negligence of the States, human rights' activists can direct their attention to a major underlying cause of human rights infringements.

**Discussion**

(…)

Oliver Richters raised some doubts about money fully in the hands of the State, pointing to the respective concentration of power. Edgar Wortmann said that the monetary power exists, whether we like it or not. It currently is unchecked and in 'invisible and unaccountable hands'. Like we entrust the monopoly on force to the state, we should entrust the monetary power to the state. Without it we have a fake democracy, that is subject to an unaccountable private monetary power. The public monetary power need not be a monopoly on money creation. It would not exclude parallel local money, nor any private monies. It does exclude however support from the central government for any kind of money it has not issued itself. (…)

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