Twitter Thread by Professor Richard A. Werner



Professor Richard A. Werner
@ProfessorWerner

1-Since the ECB has singularly failed to provide financial stability to the eurozone, but instead was responsible for record credit boom-busts in Ireland, Portugal, Spain etc. followed by vast unemployment and sovereign debt crises, why should the ECB be given any FURTHER powers?

@paulbuitink 2-Nobody needs CBDC. There is no demand for it. Please provide actual evidence that there is popular demand for it. (NB Demand for bitcoin is no such proof; demand for cash is no such proof, especially since CBDC is designed to abolish cash for negative rate/expropriation policy)

@paulbuitink 3-Conflict of interest. ECB is banking regulator in the eurozone. Now it is seriously contemplating compromising its umpire role as regulator by stepping into the arena and wanting to directly compete against the banks, which are regulated by the ECB (CBDC=current accounts)...

@paulbuitink 3b Isn't this anti-competitive; unfair competition? Throws new light on the ECB's past 20 years of policies, which have been aggressively anti-(small)-bank. As the ECB now admits it wants to compete with the banks, have its policies of killing so far 4,800 banks been intentional?

@paulbuitink 4-ECB claims that CBDC may increase financial stability, but it has been the ECB's disastrous policies that have caused dramatic financial instability over the entire period of the ECB's existence. Why should anyone believe the ECB's claim to aim at financial stability?...

@paulbuitink 4b- If its goal really was financial stability, why did the ECB allow 30% credit growth in Ir, Po, Sp? Why did it fob off my warnings that this would cause a crisis? Why did the ECB not implement credit guidance, as I've been saying, restricting bank credit for asset purchases?

@paulbuitink 5-The ECB says the aim of TLTRO is to 'increase bank credit for the real economy'. What macroeconomic theory is this based on? I know one: The General Quantity Theory, aka Quantity Theory of Disaggregated Credit, which I proposed in 1992. Why wasn't this used earlier then?

@paulbuitink https://t.co/BklbnXzDil

https://t.co/NFuNB237FF

@paulbuitink 6- We already have digital currencies. Namely bank digital currencies (BDC). We just need more 'good banks' doing the right thing: local community banks. All problems solved. Why abolish digital currencies, and thus banks, to introduce monopoly CBDC? Total power in hands of ECB?