

Recent quotes of interest

“The government can borrow from the Reserve Bank. To be technical, it’s literally borrowing from itself. We should not close off any [options] just because somebody told us 30 years ago that it was bad.” **Ganesh Nana, Senior Economist and Research Director of BERL - Radio NZ Morning Report 16.04.20.**

Dr Nana describes the Reserve Bank’s suggestion that it could finance government debt directly as a "no-brainer". "It’s been in the textbook a long time ... It’s just another tool in the toolbox to use when sensible. And now is the time to use that, very definitely." **Ganesh Nana, Senior Economist and Research Director of BERL - Otago Daily Times 04.05.20**

“There’s no reason why you don’t get the Reserve Bank to effectively print the money and lend it to the government, just as [it] did in 1935, when it lent money to the government to build state houses.” **Bernard Hickey, Newsroom Pro managing editor, financial journalist - Radio NZ National 19.03.20**

“What the Reserve Bank needs to do now is to make clear that it can and will purchase government bonds directly from the Treasury at 0%. These funds should be used to fund the current and forthcoming economic support packages.” **Raf Manji, former investment banker, strategy and risk consultant - Interest.co.nz 23.03.20**

“A sovereign country need never be short of money. We may, in particular instances, be short of the materials, skills, and labour needed for production, but governments can create money whenever we want and wherever it is needed.” **Bryan Gould, Rhodes Scholar, UK diplomat, Oxford law don, former vice chancellor, Waikato university - Blog 21.03.20**

“There is an alternative to a strategy based on higher taxes and/or more government debt - namely, direct, unrepayable funding by the central bank. A transfer from the central bank to the government.”

“Central banks have the ability to create money.....and credit the government’s account. Money-financed fiscal interventions are a powerful tool. If ever, the time for helicopter money is now.” **Jordi Galí, Macroeconomist, Research Professor Barcelona School of Economics 17.03.20**

<https://voxeu.org/article/helicopter-money-time-now>

“We are going to simply say we want \$40 billion this year, and \$20 billion next year of direct fiscal stimulus to the economy, which, we, the central bank, are printing the money to provide. It doesn’t have to be borrowed money.” **Adair Turner, businessman, former chairman Britain’s Financial Services Authority**

“Direct monetization, I know, has been heresy, taboo for a long time, but it’s only a long time in our lifetime.” “It’s not a mysterious issue. It’s just not how we’ve run business.” **Adrian Orr, Reserve Bank Governor 21.04.20**

<https://www.bloomberg.com/news/articles/2020-04-21/debt-monetization-is-creeping-closer-by-the-day-in-new-zealand>

“I don’t see why we don’t jump straight to the RBNZ buying bonds from Treasury direct. Central banks will have to step in and buy these bonds.” **Shamubeel Eaqub - economist, author and media commentator Interest.co.nz 31.03.20 & TVNZ Sunday Programme 19.04.20**

"What's absolutely clear is that what everybody used to call unconventional monetary policy is now front and center of the monetary policy of most countries,"

Grant Robertson said.

<https://www.marketscreener.com/news/New-Zealand-Considers-All-Tools-Even-the-Taboo-as-Pandemic-Knocks-Economy--30470395/>

"So things like helicopter money, as it's sometimes called, is part of a potential package. "There are upsides and downsides to all of these options, and that's what we have to work through." **Grant Robertson 24.04.20**

<https://www.newsroom.co.nz/2020/04/24/1142176/business-wrap-firing-up-the-helicopters>

"Literally just cash out to poor people," **Shamubeel Equb** "If you give poor people money, they will spend it."

<https://www.newshub.co.nz/home/politics/2019/09/economist-suggests-literally-giving-money-to-the-poor-to-save-the-economy.html> 19.09.19

"The other option is 'helicopter money' which you somehow get out to people"

Infometrics Economist Brad Olsen 22.07.19

<https://www.stuff.co.nz/national/politics/114413517/give-kiwis-helicopter-money-cash-payouts-if-economy-crashes--treasury?rm=m>

"I'd say a good \$1500 per adult and \$500 per child would cover a few months of bills for struggling households. Let's support local businesses with a shot of adrenaline in the economy and try and kick-start some momentum."

Kiwibank chief economist Jarrod Kerr says. 24.04.20

<https://www.rnz.co.nz/national/programmes/morningreport/audio/2018743901/coronavirus-kiwibank-economist-backs-helicopter-cash>

"Being able to do the helicopter kind of money concept would be around being able to inject cash into the system. That sounds quite exciting".

Reserve Bank Governor Adrian Orr 23.08.19

<https://www.rnz.co.nz/programmes/two-cents-worth/story/2018709944/what-if-money-really-did-fall-from-the-sky>

"Helicopter money" is therefore a valid and viable policy option. It has solid credentials in the economic literature and the time to implement it is now. "Issuing money in the current circumstances has impeccable support from mainstream economic thinking. In the current context it is the correct, most efficacious way to proceed. [Govt] should not be prisoners of outmoded, arch-conservative political doctrines." **Dr Geoff Bertram, former Senior Lecturer in Economics at Victoria University - BERL website 06.04.20 & NZ Herald 13.04.20**

"I do think the time is right for monetary finance. There would be a clarity of assuring people that there is no limit on the money available."

Adair Turner 22.03.20

https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12318788