

THE MONETARY FORUM OF GENEVA FOR PEACE AND DEVELOPMENT

«No Monetary System can survive if the holders of a currency are not convinced that the purchasing power of that currency will remain stable for a relatively long period of time» (Charles Rist).

«Money is the fuel that always feeds inflation... Without monetary order, there is nothing but ruin and slavery» (Jacques Rueff).

- "The Monetary Forum of Geneva" is an association formed under Swiss law in June 2006 on the initiative of the economist Pierre Leconte, a defender of the Austrian School of Economics founded in the 18 th century. Its main goal is to study then to propose how to reform the present International Monetary System, the growing imbalances of which pose mounting risks to the maintenance of global financial stability, the preservation of World peace and the continuation of an international economic development on as sound basis as possible.

«Economic crises are caused by expansionist monetary policies of the central banks... Ultimately it will have to be realised that attempts to use the expansion of credit to lower artificially an interest rate that forms freely in the market can only

produce temporary results. And that the business recovery that occurs initially will inevitably be followed by a deeper relapse, which will be translated in a complete stagnation of industrial and commercial activity. The economy can only develop harmoniously and smoothly if we give up, once and for all, the idea of using artificial measures to influence prices, wages and interest rates set by the free action of economic forces... There are no measures for sustaining, on a lasting basis, an economic boom resulting from an expansion of credit. The alternative is to enter a crisis sooner, by a deliberate cessation of money creation, or later, with the collapse of the currency in question!» (Ludwig von Mises).

The current crisis, which began in 2007 with the collapse of “subprime” loans – and other debt products – in a background of lax «monetary policies» especially in the United States, could end in a global catastrophe from which all private and public holders of capital must absolutely protect themselves as soon as possible by existing means or by any means that can be created. The public authorities, for their part, must hasten the international monetary reform and look at all practical solutions that might achieve this without delay, based on what market players tell them (i.e. by making gold and other tangible assets central to the System again, instead of marginalizing them), without having resort to artificial constructions that are ineffective because they are divorced from reality.

«When money ceases to be a real asset or to refer to a real asset, it becomes a voucher barely distinguishable from credit» (Raymond Aron).

- The Forum regularly holds conferences, organises study groups, publishes technical papers and books on monetary questions, in association with university professors and practitioners (economists and bankers). It also works on creating new stable financial products and new private currencies, the call for which inevitably will soon go out. To that end it accepts research mandates from public or private institutions.

«We will not have an honest money while those other than present governments have no right to propose anything better than the currencies they are currently printing» (Freidrich von Hayek).

- The Forum consequently intends to promote a reformed International Monetary System based on fixed exchange rates – although adjustable in exceptional circumstances – between currencies, once again secured on a tangible Standard or common reference (which at present can only be gold or gold/silver bimetallism). This new System of stability would replace the present one, which constantly produces inflation and loss of purchasing power because it has been based since the 1970's on floating exchange rates between fiduciary paper currencies («fiat currencies») issued ex nihilo without restriction. In the present floating exchange rate System, all paper currencies, regardless of their exchange rate fluctuations, and assuming an average annual inflation rate of only 3%, lose half their purchasing power every 16 years! So one can easily imagine the destructive effect on purchasing power that a double digit inflation rate would have.

“In essence, the creation of money ex nihilo practised by the banks is, and I do not hesitate to say so in order that people really understand what is at stake here, similar to printing money counterfeiters which are rightly cracked down by the law. But the real results are essentially the same. The only difference is that those who profit from it are not the same.» (Maurice Allais).

- The Forum, established in Switzerland, a free country, is independent from all political organisations. But it acts to promote humanist values of true liberalism (not “foolish capitalism”) based on the monetary ideas of Nobel prize winning economists Friedrich von Hayek, Maurice Allais and Robert Mundell, as well as those of economists Ludwig von Mises, Charles Rist and Jacques Rueff, adapting them – without quite betraying them – to the present and future conditions of the globalisation of economies.

In this regard, the Forum defends the return to stable currencies and this can only be done by a strict separation between political power (or that of central banks) and the issuing of money, which must be spontaneously provided on the sole basis of the needs of its users by automatic mechanisms preventing: 1/ hegemony of the currency of one State over that of others, as advocated by General De Gaulle; 2/ massive structural indebtedness since, contrary to Keynesian theories, excessive spending does not generally produce growth; 3/ loss of the purchasing power of citizens by systematic inflation caused by unsuited “monetary policies” followed by most States and/or central banks.

“No monetary organisation, however prudent, will be successful if it is not provided with a fixed reference Standard independent of time and place. In the past, banknotes mentioned what they were credit for: a weight of gold. That meant something. But today the credit of banknotes is no more secure by other banknotes. The definition of money is no more than a vacuum based on nothing. One of the last bulwarks, which was parity of exchange rates has been removed in favour of flexible rates. This has resulted in two uncertainties: a conversion rate known to be precarious and a reference currency whose true value is known to be uncertain... The disappearance of an indicator that gives a value measurement to the money of account written on the banknote can only open the door to laxness” (Jacques Riboud).

- Monetary stability being the decisive factor for non-inflationary World economic growth, benefiting all nations and their populations, everything must be done to re-establish it before the collapse of the “Dollar Standard”, then other paper currencies Standards, ending up in a breakdown of banking systems as well as international trade, and finally into an economic recession in the West (in the American-European zone), from which the whole world would lose.

«The current financial crisis marks the end of a period of expansion of credit based on the Dollar as international reserve currency» (George Soros).

- Over and above the proper functioning of financial and economic mechanisms, there can be no progress for Civilisation and Freedom without monetary stability.

«The destiny of man rests on money! Demand financial order or accept slavery!»
(Jacques Rueff).

Books written by Pierre Leconte, the Forum president and founder:

- La grande crise monétaire du XXI^e siècle a déjà commencé, 2007.
(The Great Monetary Crisis Of The 21st Century Has Already Begun)

(Published by Editions SELD - Jean-Cyrille Godefroy, Paris).

- Les faux-monnayeurs, 2008
(The Money Counterfeiters).

- Une monnaie extra-nationale (le New bancor de Jacques Riboud), 2005
(An Extra-national Currency(The New Bancor Of Jacques Riboud).

- Le grand échec européen, 2005
(The Great European Failure).

- Un printemps à Moscou, 2004
(Springtime in Moscow).

- Comment sortir du piège américain?, 2003
(How Do We Get Out Of The American Trap?).

- La tragédie monétaire (Quelle monnaie pour la mondialisation? le dollar ou l'or?), 2002
(The Monetary Tragedy (Which Currency For Globalisation? The Dollar or Gold?).

(Published by Editions OEIL - François-Xavier de Guibert, Paris).