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**Sent:** Sunday, June 01, 2014 11:17 PM  
**To:** FASB Comments  
**Subject:** Currency creation and economic growth

FYI, this is a solvable problem that requires some priority and should be part of FASB's agenda (I do understand government board is different, however):

Most central banks today create currency at the time of bond purchase. Since bonds have interest attached, that means every unit of currency has a debt repayment obligation. To simply use a unit of currency contains an interest fee. That is what I term the "perpetual fee".

Historically, most central banks created currency to represent gold or silver. That limits economic growth some describe as the "cross of gold" and is one of the reasons for its discontinuance.

The solution is to decouple bond purchase from currency creation. Fractional reserve is the interest-based creation of currency that is responsive to economic growth. It is not a perpetual fee because the loan is paid back to the commercial lending institution that issued the loan. While, in theory, bonds are also paid back, this is not usually the case due to political issues. It forces the central bank into a difficult position. The central bank cannot force repayment to remove that perpetual fee.

So, if currency creation cannot be tied to either gold or bonds, what can it be tied to? It is my recommendation to look at the productive output of the country and peg the amount of currency to that number. If recalculated monthly, the economy has room to grow with adequate currency supply. Fractional-reserve lending can handle the minor fluctuations intra-month.

A common language of monetary transactions removes the friction and clarifies issues such as described above. The efficiency allows what I term "wealth translation" to perform the money supply contraction/expansion without the need for direct manipulation. The system described below is also a common interface that will work with any payment system on earth. <http://promiselanguage.blogspot.com>

Sincerely,  
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