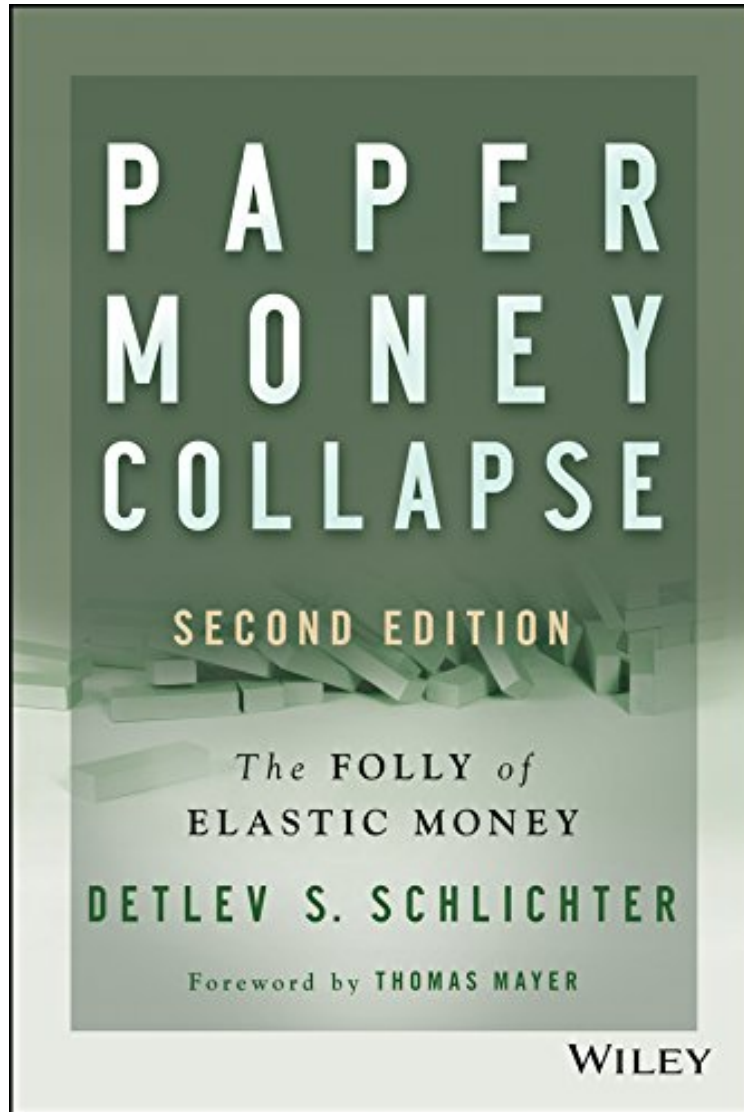


[Download] Paper Money Collapse: The Folly of Elastic Money

Paper Money Collapse: The Folly of Elastic Money

Detlev S. Schlichter

**Download PDF / ePub / DOC / audiobook / ebooks*



[Download](#)

[Read Online](#)

#1334692 in eBooks 2014-06-27 2014-06-27 File Name: B00JUZY4I | File size: 42.Mb

Detlev S. Schlichter : Paper Money Collapse: The Folly of Elastic Money before purchasing it in order to gauge whether or not it would be worth my time, and all praised Paper Money Collapse: The Folly of Elastic Money:

1 of 3 people found the following review helpful. Five StarsBy G D ReshamwalaGreat Book on burning problem6 of 6 people found the following review helpful. Compelling Logic and Compelling EvidenceBy MCMI read Schlichter's first edition of this book some three years ago. It was a revelation, for the first time enabling me to understand the world of economics amongst the fog of mainstream mantra and data.As in the first edition, Schlichter does this by clearly explaining what money is, and how it has changed from a commodity currency into the highly elastic paper (fiat) money of today. With devastating logic he explains how this elasticity must inevitably lead to currency

collapse. He supplements this analysis with a history of fiat money systems, all of which have failed, from the Jin Dynasty of the twelfth century onwards. But the second edition is slicker, albeit 25% longer. For example, his analysis of historical fiat money systems is extended into the twentieth century, resulting in greater empirical punch. Whilst the conclusion of this edition is the same, in that we can only return to a balanced economy with a system of inelastic money, the analysis is more positive in that Schlichter speculates on methods of stable transition whereby this could be achieved. He also provides an insight into Bitcoin and other cryptocurrencies; how they are conceptually sound but subject to risks of technical fraud and regulatory crackdown. Of course, any holder of an inelastic cryptocurrency that became generally accepted would generate unparalleled riches! All in all, what I learned from Schlichter's first edition enabled me to understand many events of the last three years. I also felt more confident in my investment decisions as, although timing is always unpredictable, to understand the fundamental position is essential. And the second edition illustrates this point; for example, massive quantitative easing of the last three years has been matched by a decrease in the velocity of money as banks are reluctant to lend, so the genie of high inflation has so far been contained. 0 of 16 people found the following review helpful. Interest rates are pretty much at historical lows. By Salsabob Here we go again, Schlichter asking you to fork over your hard-earned "worthless currency" to buy his book so he can tell you again that the currency he took from you and put in his bank account is actually worthless. The only question is - are you gonna do it again? Let's see, it's been a few years. The dollar is currently appreciating against most major currencies. Inflation is just about nonexistent. Interest rates are pretty much at historical lows. The FED's QE and subsequent "tapering" have both turned out to be the nothing burgers that they always were. The economy is muddling along, but no one is suggesting the problem is currency depreciation or impending inflation - even Rick Santelli seems to have shut up about it! Maybe this Paper Money Collapse could be sold in Europe - with their austerity craziness, they just might buy into this bizzaro world of Austrians as well. Didn't they cough up these guys to begin with? We owe them payback.

Explore the inevitable collapse of the fiat monetary system Paper Money Collapse: The Folly of Elastic Money, Second Edition challenges the mainstream consensus on money and monetary policy. While it is today generally believed that the transition from 'hard' and inflexible commodity money (such as a gold standard) to entirely flexible and potentially unlimited fiat money under national central banks allows for superior economic stability, Paper Money Collapse shows that the opposite is true. Systems of highly elastic and constantly expanding money are not only unnecessary, even for growing economies, they are always extremely destabilizing. Over time, they must lead to substantial imbalances, including excessive levels of debt and distorted asset prices, that will require ever faster money production to sustain. Ultimately, however, there is no alternative to a complete liquidation of these distortions. Based on insights of many renowned economists and in particular of the Austrian School of Economics, the book explains through rigorous logic and in precise language why our system of flexible fiat money is incompatible with a market economy and therefore unsustainable. Paper money systems have always led to economic disintegration; without exception; throughout history. It will not be different for our system and we may be closer to the endgame than many think. The updated second edition incorporates: A new introduction and an extended outlook section that discusses various "endgames" Responses to criticisms, alternative views, and a critical assessment of 'solutions' Comments on recent policy trends, including attempts to exit the 'easy money' policy mode An evaluation of new crypto-currency Bitcoin Paper Money Collapse: The Folly of Elastic Money, Second Edition clarifies the problem of paper money clearly and eloquently, and proposes multiple routes to a solution.

From the Inside Flap Now in its second edition, Detlev S. Schlichter's bestselling Paper Money Collapse: The Folly of Elastic Money challenges the mainstream thinking on money and monetary policy. This revised and updated edition draws on solid research and clearly demonstrates that the present monetary system, based as it is on essentially limitless fiat money and unconstrained central banking, is inherently unstable and ultimately unsustainable. By the standards of history and theory, our present paper money system is a peculiar political creation. For centuries, the money of the free market was gold or silver, commodities whose supply was fairly inelastic and outside of the control of politicians, bureaucrats, and bankers. Capitalist money was hard and apolitical, and although banks have always added to the money supply by issuing banknotes and bank deposits, the free market kept strict limits on overall money production. This changed throughout the 20th century, as money became increasingly politicized and "elastic"; a process that culminated in the closing of the "gold window" in 1971 and the beginning of the era of limitless paper money and uninhibited central banking. Most modern economists tell us that elastic money is a boon. If handled correctly, it can allow for faster growth and a more stable economy. In a brilliant analysis that captivates through rigorous logic and accessible language, Detlev Schlichter explains why the consensus is wrong. Elastic money is a source of instability and the ultimate cause of the growing deformations in all developed economies: ever growing debt levels, periodic asset bubbles, overextended and weak banks, and an intensifying dependency on cheap credit. Like all paper money systems in history, our system too will face the choice between a voluntary return to hard and apolitical money or accelerated money printing that will ultimately end in hyperinflation.

The time to choose is now! From the Back Cover Praise for PAPER MONEY COLLAPSE SECOND EDITION

“A brilliant treatise on the fundamentals of sound money and the destructive deviations of contemporary Keynesian central banking. Sophisticated, readable, thorough, and persuasive.” —David Stockman

“Paper Money Collapse was essential reading when the first edition appeared in 2011 and it is even more essential reading now. Not only has the underlying degree of global monetary instability continued to increase; Detlev Schlichter has now updated his original, excellent tome to incorporate contemporary developments, including the introduction of so-called “cryptocurrencies” such as bitcoin, and he explores several plausible scenarios for the future of the faltering global monetary order. Readers will benefit from these insights, presented as they are in a highly readable, cogent style.” —John K. Butler, author of *The Golden Revolution* and publisher of the *Amphora Report* investment newsletter

“A passionate, engaging, and depressing analysis of the approaching fiat money endgame.” —Kevin Dowd, Durham University

“Detlev Schlichter’s book *Paper Money Collapse, Second Edition* develops a concise, clear, and at the same time deep economic analysis on the current elastic monetary system and why it is essentially incompatible with a free market economy. I strongly recommend this book to anyone interested in financial crises, economic recessions, and the future of capitalism.” —Jesus Huerta de Soto, Professor of Political Economy, King Juan Carlos University (Madrid); author of *Money, Bank Credit, and Economic Cycles*

“Stumbling forward under the baleful influence of wishful thinking, the world’s politicians and central bankers are blundering down just the path Detlev set out in his first edition. With the Austrian measure of the UK money supply now increasing by over 12% year on year, I expect Detlev’s masterpiece to be increasingly relevant.” —Steve Baker, Conservative MP for Wycombe, Member of the House of Commons Treasury Select Committee, and a co-founder of the Cobden Centre

“Detlev’s understanding and insight into central bank policy propelled him to being one of the world’s preeminent global bond managers. He cuts through the fog of central bank mystery by providing a clear description of their apparatus and methods. Going beyond the requisite professional skepticism, Detlev has trained his scholarly attention to highlighting the enormity of the potential further damage they may yet wreak on us.” —Ken Leech, CIO, Western Asset Management Company

About the Author DETLEV S. SCHLICHTER is an independent economist and investment strategist. He spent 19 years as a trader and portfolio manager in international financial markets, including stints at J.P. Morgan, Merrill Lynch, and Western Asset Management. In his career, Detlev has overseen billions in assets for institutional clients around the globe. He is a frequent commentator on economics and financial markets via his website detlevschlichter.com. Detlev lives with his wife and three children in Hampstead, London.