

## Appendices

**Image 3: QE and PQE comparison**

	<u>Why create new Public Money?</u>	<u>How will Public Money be used?</u>	<u>What is the impact on income and debt in the economy?</u>	<u>Who decides how much and where the money goes?</u>
<b>QE</b>	Create new money to increase asset prices and lower interest rates, to increase lending & spending	Inject new money into financial markets	Requires increase in business and household debt to boost private sector incomes	Treasury approves potential quantity and asset classes; MPC determines quantity, APF determines allocation
<b>Strategic QE</b>	Create new money to directly finance lending for productive purposes	Finance lending for strategically important enterprises & infrastructure projects	Requires increase in business debt – but not households – to boost private sector incomes	MPC determines quantity, new MAC (accountable to parliament) determines allocation
<b>Green QE</b>	Create new money to directly finance lending for green initiatives	Finance lending for green enterprises & green infrastructure projects	Requires increase in business debt – but not households – to boost private sector incomes	Treasury approves quantity, new Green Department at EIB (accountable to EU Parliament) determine allocation
<b>People's QE</b>	A) Create new money to directly finance lending; B) Create new money to finance government spending	Provide funding for investment in vital infrastructure	A) Same as Strategic and Green QE; B) Boosts private sector incomes without increasing private sector debt	Treasury directs operations of the BoE and determines quantity and allocation of new money
<b>Helicopter Drop</b>	Create new money to fund household spending by increasing disposable incomes	Distribute money directly to citizens via a citizens' dividend or tax cut	Boosts private sector incomes without increasing private sector debt	BoE submits operational plans for approval of Treasury, MPC determines quantity and Treasury allocation
<b>OMF or SMC</b>	Create new money to fund consumer spending or investment on infrastructure	Provide funding for investment in infrastructure or distribute money to citizens	Boosts private sector incomes without increasing private sector debt	MPC determines quantity; Treasury determines allocation of new money

Source: Frank Van Lerven, Positive Money, *What are the Alternatives to QE? How About Money Creation for the Public?* (2016)

**Table 3: Discounted QE Cashflows**

Year	Month	MBS	MBS / t	LT TB	LT TB / t	IR	Disc exp	Disc rate	Disc MBS	Disc LT TB
2008	November	600.0000	150.0000			0.00255833	72.0000	0.8320	124.7948	0.0000
	December		150.0000			0.00255833	71.0000	0.8341	125.1140	0.0000
2009	January		150.0000			0.00205833	70.0000	0.8659	129.8916	0.0000
	February		150.0000			0.00205833	69.0000	0.8677	130.1589	0.0000
	March	850.0000	65.3846	300.0000	23.0770	0.00205833	68.0000	0.8695	56.8527	20.0657
	April		65.3846		23.0770	0.00205833	67.0000	0.8713	56.9697	20.1070
	May		65.3846		23.0770	0.00205833	66.0000	0.8731	57.0870	20.1484
	June		65.3846		23.0770	0.00205833	65.0000	0.8749	57.2045	20.1899
	July		65.3846		23.0770	0.00205833	64.0000	0.8767	57.3222	20.2315
	August		65.3846		23.0770	0.00205833	63.0000	0.8785	57.4402	20.2731
	September		65.3846		23.0770	0.00205833	62.0000	0.8803	57.5585	20.3148
	October		65.3846		23.0770	0.00205833	61.0000	0.8821	57.6769	20.3566
	November		65.3846		23.0770	0.00205833	60.0000	0.8839	57.7957	20.3985
	December		65.3846		23.0770	0.00205833	59.0000	0.8858	57.9146	20.4405
2010	January		65.3846		23.0770	0.00166667	58.0000	0.9079	59.3647	20.9523
	February		65.3846		23.0770	0.00166667	57.0000	0.9094	59.4637	20.9873
	March		65.3846		23.0770	0.00166667	56.0000	0.9110	59.5628	21.0222
	April					0.00166667	55.0000	0.9125	0.0000	0.0000
	May					0.00166667	54.0000	0.9140	0.0000	0.0000
	June					0.00166667	53.0000	0.9155	0.0000	0.0000
	July					0.00166667	52.0000	0.9170	0.0000	0.0000
	August					0.00166667	51.0000	0.9186	0.0000	0.0000
	September					0.00166667	50.0000	0.9201	0.0000	0.0000
	October					0.00166667	49.0000	0.9216	0.0000	0.0000
	November			600.0000	75.0000	0.00166667	48.0000	0.9232	0.0000	69.2383
	December				75.0000	0.00166667	47.0000	0.9247	0.0000	69.3537
2011	January				75.0000	0.00096667	46.0000	0.9565	0.0000	71.7396
	February				75.0000	0.00096667	45.0000	0.9575	0.0000	71.8090
	March				75.0000	0.00096667	44.0000	0.9584	0.0000	71.8784
	April				75.0000	0.00096667	43.0000	0.9593	0.0000	71.9478
	May				75.0000	0.00096667	42.0000	0.9602	0.0000	72.0174
	June				75.0000	0.00096667	41.0000	0.9612	0.0000	72.0870
	July					0.00096667	40.0000	0.9621	0.0000	0.0000
	August					0.00096667	39.0000	0.9630	0.0000	0.0000
	September			540.0000	45.0000	0.00096667	38.0000	0.9640	0.0000	43.3778
	October				45.0000	0.00096667	37.0000	0.9649	0.0000	43.4197
	November				45.0000	0.00096667	36.0000	0.9658	0.0000	43.4617
	December				45.0000	0.00096667	35.0000	0.9667	0.0000	43.5037
2012	January				45.0000	0.00115000	34.0000	0.9617	0.0000	43.2754
	February				45.0000	0.00115000	33.0000	0.9628	0.0000	43.3252
	March				45.0000	0.00115000	32.0000	0.9639	0.0000	43.3750
	April				45.0000	0.00115000	31.0000	0.9650	0.0000	43.4249
	May				45.0000	0.00115000	30.0000	0.9661	0.0000	43.4748
	June				45.0000	0.00115000	29.0000	0.9672	0.0000	43.5248
	July				45.0000	0.00115000	28.0000	0.9683	0.0000	43.5749
	August				45.0000	0.00115000	27.0000	0.9694	0.0000	43.6250

	September		40.0000		45.0000	0.00115000	26.0000	0.9706	38.8224	43.6752
	October		40.0000	180.0000	45.0000	0.00115000	25.0000	0.9717	38.8670	43.7254
	November		40.0000		45.0000	0.00115000	24.0000	0.9728	38.9117	43.7757
	December		40.0000		45.0000	0.00115000	23.0000	0.9739	38.9565	43.8260
2013	January		40.0000			0.00132500	22.0000	0.9713	38.8516	0.0000
	February		40.0000			0.00132500	21.0000	0.9726	38.9031	0.0000
	March		40.0000			0.00132500	20.0000	0.9739	38.9546	0.0000
	April	600.0000	40.0000			0.00132500	19.0000	0.9752	39.0062	0.0000
	May		40.0000			0.00132500	18.0000	0.9764	39.0579	0.0000
	June		40.0000			0.00132500	17.0000	0.9777	39.1097	0.0000
	July		40.0000			0.00132500	16.0000	0.9790	39.1615	0.0000
	August		40.0000			0.00132500	15.0000	0.9803	39.2134	0.0000
	September		40.0000			0.00132500	14.0000	0.9816	39.2653	0.0000
	October		40.0000			0.00132500	13.0000	0.9829	39.3173	0.0000
	November		40.0000			0.00132500	12.0000	0.9842	39.3694	0.0000
	December		30.0000			0.00132500	11.0000	0.9855	29.5662	0.0000
2014	January		30.0000			0.00381667	10.0000	0.9626	28.8787	0.0000
	February		30.0000			0.00381667	9.0000	0.9663	28.9889	0.0000
	March		30.0000			0.00381667	8.0000	0.9700	29.0995	0.0000
	April	330.0000	30.0000			0.00381667	7.0000	0.9737	29.2106	0.0000
	May		30.0000			0.00381667	6.0000	0.9774	29.3221	0.0000
	June		30.0000			0.00381667	5.0000	0.9811	29.4340	0.0000
	July		30.0000			0.00381667	4.0000	0.9849	29.5463	0.0000
	August		30.0000			0.00381667	3.0000	0.9886	29.6591	0.0000
	September		30.0000			0.00381667	2.0000	0.9924	29.7723	0.0000
	October		30.0000			0.00381667	1.0000	0.9962	29.8859	0.0000
TOTALS		2380.0000	2379.9998	1620.0000	1620.0010				2171.3039	1531.9244
TOTAL					4000.0000					3703.2283

**Table 8: Total Money Supply Distribution using OMO**

	M4 Cum	M4 Amounts	Distribution	OMO Amounts	Total
Percentile	0	0	0	0	0
0-5%	5.772671638	5.772671638	1.33	49.253225	55.0259
5-10%	37.51093097	31.73825933	1.47	54.437775	86.17603
10-15%	112.0996463	74.58871534	1.64	60.7333	135.322
15-20%	243.7467486	131.6471023	1.82	67.39915	199.0463
20-25%	445.2417349	201.4949863	2.02	74.80565	276.3006
25-30%	728.4256508	283.1839159	2.24	82.9528	366.1367
30-35%	1104.438564	376.0129133	2.48	91.8406	467.8535
35-40%	1583.871045	479.432481	2.76	102.2097	581.6422
40-45%	2176.865668	592.9946233	3.06	113.31945	706.3141
45-50%	2893.189329	716.3236607	3.4	125.9105	842.2342
50-55%	3742.287117	849.0977881	3.77	139.612525	988.7103
55-60%	4733.323843	991.0367263	4.19	155.166175	1146.203
60-65%	5875.216919	1141.893076	4.65	172.201125	1314.094
65-70%	7176.662962	1301.446043	5.16	191.0877	1492.534
70-75%	8646.159722	1469.496759	6.26	231.82345	1701.32
75-80%	10292.02441	1645.864693	7.56	279.9657	1925.83
80-85%	12122.40927	1830.384855	9	333.2925	2163.677
85-90%	14145.31485	2022.905575	10.6	392.5445	2415.45
90-95%	16368.60155	2223.286708	12.34	456.98105	2680.268
95-100%	18799.99972	2431.398171	14.24	527.3428	2958.741
		18799.99972	100	3703.25	22503.25