

REPORT ON MEETING with Dr GEOFF TILY - December 14th 2006

- Collaborator with Ann Pettifor in 'The Coming FirstWorld Debt Crisis'.
- Ann describes as "*an economist and statistician with a heart and soul, with a proper concern for social justice*" – Office of National Stats. – Economist and Statistician – - in network of Post Keynesian and Heterodox Economists. Knows PAE.
Major shake up of ONS in January – may move to Newport

SENT: 1. The Core Issues (which he liked) Ed Sullivan:
2. EDM 408, which he felt called for what had previously practised.
GAVE : 'Seven Steps to Justice'

Ann Pettifor's current roles:

1. Campaign Director of Operation Noah for CTBI and CEL as from 14-12-06
2. Common thread of religions (Q of Jordan in a women;s drive)
3. Helsingin Gp (little core progress - at loggerheads)
4. Ann.Pettifor@AdvocacyInternational.co.uk

GEOFF'S ARTICLE IN CAMBRIDGE JOURNAL OF ECONOMICS

"Keynes's theory of liquidity preference and his debt management and monetary policies" **Geoff Tily*** *
12 Copthorne Ave., London SW12 OJZ email: geoff.tily@ons.gov.uk

Abstract

This paper seeks to bolster the view that Keynes was a monetary economist concerned primarily with monetary and not fiscal policy. His most fundamental policy conclusion for national economies was that the authorities could control the long-term rate of interest and should do so to promote investment, growth and employment. Keynes's theory of liquidity preference is presented as a theory of money as a store of value that leads to this fundamental policy conclusion. The theory is then applied to explain the debt management, monetary and international financial policies that were adopted in World War II.

Key Words: Keynes • Keynesians • Liquidity preference • Long-term rate of interest • Debt management policy
JEL classifications: B22, E12, E43, E50 Manuscript received April 19, 2004; final version received June 28, 2005. dick Bate

ITS CONCLUSION:

I have argued that the primary concern of a genuine 'Keynesian' policy was to manage interest rates. This policy conclusion follows from the theory of liquidity preference. Keynes's central theoretical innovation demonstrated that the reward for parting with liquidity depended to a great extent on expectations that could be managed by the authorities. His practical experience led to the development of a full and formal debt management and monetary policy framework that, set within an international environment that permitted such domestic action, would allow the authorities full control over interest rates across will whole spectrum of liquidity.

Despite irrefutable practical evidence of the validity of this theory of interest, the specific proposals that Keynes set out at the NDE have never been adhered to in full. Over time, and without due debate, the associated practical mechanisms were dismantled and the rate of interest abandoned to 'vested interests'. Along with the Clearing Union, Keynes's debt management and monetary proposals for the world that has been lost. **This loss is the real legacy of Keynesian economics.**"

MY QUESTIONS

Have we found it again? We have it in our vision to recover it. Do we have it in our commitment to campaign for its contemporary application? [EDM 408]

NEXT STEP

Arrange a meeting between Rodney Shakespeare and Geoff Tily