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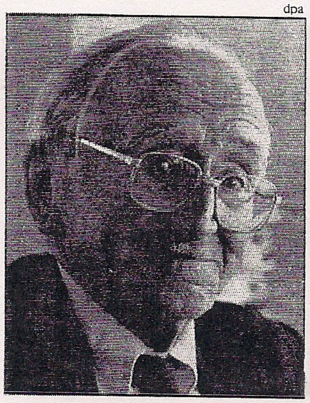
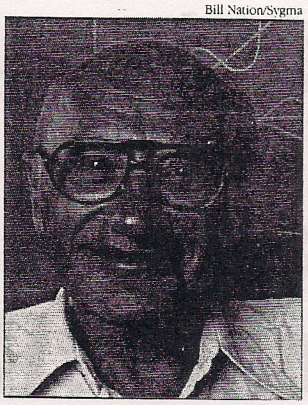
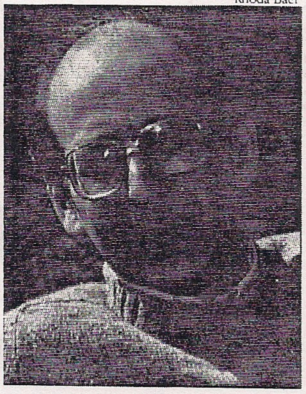


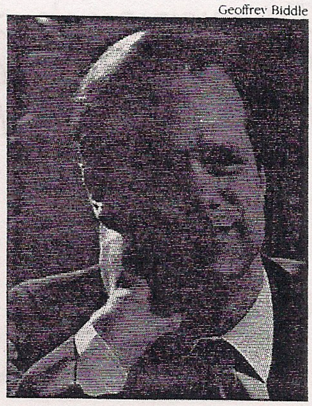
Bill Nation/Sygma



Rhoda Baer



Geoffrey Biddle



Friedrich A. Hayek *Milton Friedman* *David Glasner* *Lawrence H. White*

The idea of ending governments' money monopolies only sounds bizarre.

any other goods.

What? Money is money, isn't it? How can you have different kinds of money in the same economy?

The idea of Citibank and Chase Manhattan issuing their own money may indeed seem mind-boggling. What would their currencies be called—Wristons and Rockefellers? But the truth is that there have been several episodes of private, competing monies in world economic history, including in the U.S. Recent research is suggesting they worked much better than had been thought.

Meanwhile, financial deregulation at home and floating exchange rates abroad are creating an environment in which elements of a competitive system are already emerging—without the permission of professors or politicians. In his forthcoming book, *Free Banking and Monetary Reform,* former Manhattan Institute economist David Glasner calls this phenomenon "the competitive breakthrough" that might eventually lead to the complete privatization of money.

Government money monopolies were effectively universal by the early 20th century. Even free market economists, with few exceptions, took them for granted. But these monopolies became much easier to question after Friedrich A. Hayek, who received the Nobel Prize for Economics in 1974, published his *Denationalisation of Money* in 1976 and expanded upon it in 1978.

Hayek announced that, on reflection, he no longer thought government money monopolies were either necessary or desirable, given their record of inflation. Instead, private institutions such as banks should be allowed to issue their own monies, denominated as they wished.