Anti-cash warrior Summers finally discloses his enormous conflicts of interest

Norbert Haering - norberthaering.de

For years, former treasury secretary and Harvard-professor Larry Summers has been the most prominent voice in favor of getting rid of cash. For years, he has ignored all ethics rules of professional organizations, which demand of professional academics to disclose any information about potential conflicts of interest whenever they publish their findings or take a stand in public discussion. Now, finally he came clean.

When Larry Summers started the campaign for abolishing cash and moving to a cashless society, as in his speech in front of the IMF in 2013 the argument was, that cash was in the way of interest rates going as low as needed in a stubborn low-growth environment. In the current debate, in which the German government and the ECB have chosen to use the argument of illicit financing of terrorism and tax evasion to justify a planned ban on larger cash transactions and the abolishment of the 500-Euro-note, **Summers is opportunistically switching** to the same argument in his quest for the cashless society. In a column that appeared on February 16 in the FT, the Washington Post and others, he argued for abolishing the $100-bill. He pointed to a “study” by a Harvard Professor Peter Sands, which purports to show, but simply claims with the most superficial evidence, that getting rid of large denomination banknotes would reduce crime significantly.

It turns out, if you look into it a little more closely, that Sands is a sacked former bank CEO with **no academic credentials**, who received shelter last summer in Summers Harvard-department and **was quite obviously put to work by Summers** to put together this piece of propaganda, which Summers then used to justify his push to “kill the $100-bill”.

Neither in Summers blog, nor in the “study” do Summers or Sands disclose Sands’ recent role as the CEO of an institution, which might benefit from the move to a cashless society. However, one does learn in the acknowledgments, that “**many politicians, central bankers and senior officials from various governments … were enormously generous** with their time and wisdom as I prepared this paper.”

In a new column published on February 25, Sands and Summers jointly defend their proposal. This time, both the FT and the Washington Post run a disclosure that says that Sands was CEO of Standard Chartered and, even more interesting, that **Summers “serves as an adviser or board member to a number of financial technology and payments companies**”.

The Washington Post on their website also retroactively included this disclosure as an addendum into the first column.

If had let it be known earlier, that the main proponent of moving to a cashless society is an advisor to or board member of “a number of” the institutions who stand to benefit the most financially from such an endeavor, many people would have seen his proposal in a whole different light.

Summers role in the tight inner circle of anti-cash-campaigners, all tightly linked to the Group of 30, Harvard, MIT and the International Financial Institutions in Washington is explored in my forthcoming book (in German on April 11 by Quadriga) "Die Abschaffung des Bargeld und die Folgen" (The Consequences of Abolishing Cash)