

# Tapering and Monetary Reform Timeline

## Short-term (12-18 months)

### Defensive measures

- Higher standards for acceptable paper in collateralization chain.
- Reduce length of chain (i.e. number of participants)
- Derivatives regulation.

### Proactive measures

- Repo agreement for Treasuries.

## Medium-terms (18-36 months)

### Defensive measures

- Increase (RRR) Required Reserve for Ratio to 30% for all transactions.
- Reduce further collateralization chain and implement higher standards of acceptable paper in chain.
- Limit scope, length of derivatives

### Proactive measures

- Backing up of int'l reserve currencies' M1 with precious metals and an index of other commodities.
- Partial transfer of central banks' Treasuries to the Treasury Dept.
- Identification of hard assets to be used in the collateralization base.
- Allow limited well-capitalized banks with sufficient hard asset collateral to issue their own notes.

## Long-term (> 36 months)

### Defensive measures

- Adjust RRR as needed.
- Transfer as needed assets from central banks to Treasury.

### Proactive measures

- Credit creation based on hard assets.
- Money issuance backed up by the established anchor.
- Expand the number of banks that are allowed to issue their own notes.