

**Public Cash for the Real Economy**  
**The ultimate request, by on-line petition**

**by**

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### **Abstract**

As an in-depth explanation of the on-line petition “Stop the Cash Crumble to Equalize the Credit Crunch<sup>1</sup>”, this article examines the financial power that banks do not exercise in the public interest.

Given the decrease of financial power by the State, especially since WWII, and even more so since New Labour came into power, it also examines the big question whether Parliament can maintain its tradition of being not only a voice for the people but also a participant in the law-making process, not only for the benefit of the financial economy but also for that of the people and their real economy.

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<sup>1</sup> <http://tinyurl.com/666rwd>

## Credit Crunch<sup>2</sup>

We refer to our on-line petition as the *Money Supply* or *Public Credit Petition*, while its full title is *Stop the Cash Crumble to equalize the Credit Crunch*.<sup>3</sup> A credit crunch occurs when there is a sudden reduction in the availability of loans or credit from the commercial banks due to a decline in value of the collateral used by the banks when issuing loans or an increased risk regarding the solvency of other banks within the banking system. When this happens, banks have no money to lend. But does this actually matter? And what exactly is it that banks do anyway? Do banks really matter?

The *Treasury Select Committee*<sup>4</sup> is appointed by the *House of Commons* to examine the expenditure, administration and policy of *Her Majesty's Treasury*, *H. M. Revenue and Customs* and associated public bodies, including the *Bank of England* and the *Financial Services Authority*. The Committee chooses its own subjects of inquiry and seeks evidence widely by issuing a press notice outlining the main themes of inquiry and inviting interested parties to submit written evidence. Oral evidence is given in public and is published<sup>5</sup> along with the written evidence that the Committee agrees to accept.

The *Public Credit Petition* urges the *Treasury Select Committee* to organise an inquiry into the long term development of the money supply. The exact words of the petition are:

We, the undersigned, request an inquiry into the long term development of the money supply, in particular the share of *Cash* and the share of *Credit* in the economy. Since nobody questions who generates the interest necessary to pay for credit, we object to buying into the myth of a *Credit Crunch* whilst on-line statistics of the *Bank of England* show that the *Cash* share of the money supply has continually dwindled. The reality is therefore a *Cash Crumble*.

A lot of us have studied our financial system over many years and some have taken legal advice resulting in Parliamentary scrutiny via the

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<sup>2</sup> [http://en.wikipedia.org/wiki/Credit\\_crunch](http://en.wikipedia.org/wiki/Credit_crunch)

<sup>3</sup> <http://tinyurl.com/666rwd>

<sup>4</sup> [http://www.parliament.uk/parliamentary\\_committees/treasury\\_committee.cfm](http://www.parliament.uk/parliamentary_committees/treasury_committee.cfm)

<sup>5</sup> <http://www.parliament.uk>

Treasury Select Committee. Others have submitted “Green Credit for Green Purposes” in response to the Committee’s inquiry into the Stern review which was published in February 2008.

For an economy with believable inflation rates and the ability to preserve wealth, it is not necessary for the Government to raise taxes or to borrow, but to stop the “cash crumble”.

Given that we all live longer, we request an independent inquiry into the long term money supply as the tap that should fuel our economy sustainably. Wholesale and retail Credit have monopolised the supply. To compensate for the imbalance generated, the Government should spend Cash into the economy and gradually increase its share for the sake of future generations.

Instead of growing the financial economy, it should use its ability to create “Cash” or “narrow money” to fuel genuine growth in the real economy: cover pension bills fairly, pay for public services adequately, make public buildings energy-sufficient and adapt to climate change effectively.

Most of us have been victims of rising prices that don’t match inflation figures and many of us have experienced practices of banks and other authorities that we don’t consider honourable. We are all aware of social problems that are caused by a financial system that is neither sustainable nor fair. We therefore urge the Treasury Select Committee to organise an inquiry into the long-term development of the money supply.

What's wrong with the Treasury printing notes and minting coins? What do we need the banks' credits for?

More in the special report of the *New Scientist*<sup>6</sup> How our economy is killing the Earth<sup>7</sup>.

It is within the remit of the committee to consider such broader questions. However, there seem to be a number of reasons they do not do so.

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<sup>6</sup> <http://www.newscientist.com/home.ns>

<sup>7</sup> <http://tinyurl.com/5nqbhp>

## Why Banks?

Thomas Robertson, author of the 1947 classic *Human Ecology*, refers to banking as a tripartite system with three closely interlocked functions. The first part is that of central banking through which money is created as a national currency; the second part is that of commercial banking through which money is distributed...or more accurately maldistributed...and the third part is that of the consuming public through which money is utilized.

It is another well-known fact that Governments obtain their money by taxation. But Governments also borrow. According to the urban paper METRO on 30 Oct, 2008, fiscal policy says that 40% of the State's budget comes from taxation. That leaves a lot of room for borrowing from banks – besides printing notes and minting coins.

The UK National Debt<sup>8</sup> is the measure of the government's borrowing, accumulated since 1694. The UK's annual budget has a similar amount for military expenses and for paying interest on debt. The budget for 2008 is published<sup>9</sup>.

Here are ten facts, listed by Thomas Robertson, about this tripartite banking system:

- Money for most purposes means bank deposits which is a bank-created substitute for metallic money.
- Bank deposit money chiefly comes into existence by the actions of the banks themselves, which create it initially as a debt at interest, or by other processes which are the equivalent.
- The variation in the quantity of bank deposits (and of paper money generally) is controlled by the actions of the central bank.
- In theory the basis of control is the gold reserve of the central bank.
- This gold is purchased costlessly by the central bank.
- Bankers' profits are made out of whatever 'money' they can create and issue in excess of their liquid reserve assets.
- Banks do not lend their customers money, when making loans or granting overdrafts, but create or invent the money for the purpose.

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<sup>8</sup> [http://en.wikipedia.org/wiki/National\\_debt](http://en.wikipedia.org/wiki/National_debt)

<sup>9</sup> [http://budget2007.treasury.gov.uk/page\\_09.htm](http://budget2007.treasury.gov.uk/page_09.htm)

- The repayment of 'national debt' is impossible because it would cancel out an equivalent sum of money and thus leave the community without enough money to carry on with.
- The Bank of England is an organisation whose policy and shareholders are undisclosed.

### Cash & Credit

Over the past sixty years gold has gone by the wayside...a small ray of sanity after a five hundred year addiction. But more interesting is what has happened to the ratio of bank deposits to currency. This is why our petition talks about a *cash crumble*. We are told that, by some more or less concerted efforts of mass media magic, the world is experiencing a credit crunch as if banks acquire an illness. However, the financial mechanisms that are at work, no matter at what level of institutionalisation, all boil down to two constituents of 'money':

- **Cash** - as it is issued by a Nation State - in minted coins and printed notes. The *Bank of England*<sup>10</sup> calls this 'narrow money' or NIB 'not interest bearing'.
- **Credit** - as it is issued by any bank or building society - at a rate of interest that depends on short, medium or long time intervals.

Time is not only of the essence, time is said to *be* money. And it is especially so for everybody who has the right, privilege or monopoly to charge interest on capital over time.

In addition to Cash and Credit, we now have digital money<sup>11</sup> that can be issued in national currency by the usual institutions and authorities or as private currencies such as *Friendly Favors*<sup>12</sup>. *Ripple*<sup>13</sup> is an open source project that facilitates money transfers, debts and credit with friends and family such that one becomes one's own banker. The *Yahoo* payment system *PayPal* works in a similar way and now has 150 million accounts worldwide. This demonstrates, above all else, the degree to which money as IOU is a matter of trust. This trust in authorities and governments is dwindling at the same pace as the share of Cash in the economy has crumbled.

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<sup>10</sup> <http://tinyurl.com/5vaxgs>

<sup>11</sup> [http://en.wikipedia.org/wiki/Digital\\_money](http://en.wikipedia.org/wiki/Digital_money)

<sup>12</sup> <http://www.favors.org/FF/>

<sup>13</sup> <https://ripplepay.com/>

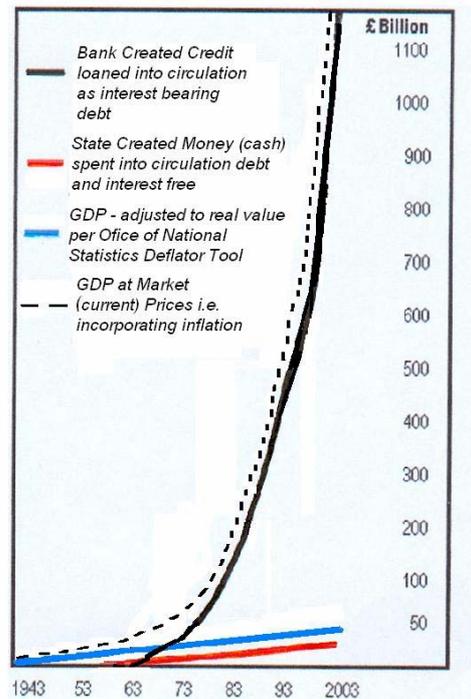


Figure 1: Cash, Credit and GDP between 1943 and 2003

It is generally not known what devastatingly crippling effects the *Cash to Credit Ratio* has. In the UK it can be quantified since World War II, but the principles are the same in any country and any currency. It boils down to the mathematics of compounding interest on Credit, compared to non interest-bearing Cash. As illustration of this catastrophic effect, the most complete graph on the web dates back to 1943<sup>14</sup>. It was compiled by Ron F. Morrison, an accountant and business man, who used to get *Abstracts of National Statistics*<sup>15</sup> from his library.

In 1998, Michael Rowbotham's<sup>16</sup> *The Grip of Death - A Study of Modern Money, Debt Slavery and Destructive Economics*<sup>17</sup> was published, making the same point: while the Credit share grows and grows and grows, the Cash share of the money supply shrinks, dwindles and crumbles.

<sup>14</sup> <http://www.scottishmonetaryreform.org.uk/1.html>

<sup>15</sup> <http://www.statistics.gov.uk/statbase/product.asp?vlnk=94>

<sup>16</sup> [http://en.wikipedia.org/wiki/Michael\\_Rowbotham](http://en.wikipedia.org/wiki/Michael_Rowbotham)

<sup>17</sup> <http://tinyurl.com/55xmn3>

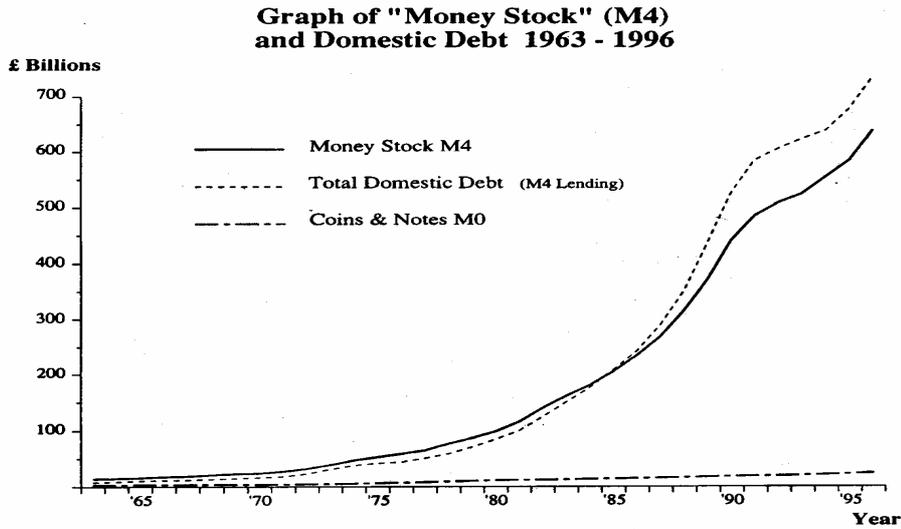


Figure 2: Cash, Credit and Total Money Supply from 1965 to 1995

The 2004 statistics from the *Bank of England* confirm the overall impression. Please note that the M0 (Cash) figures have become statistically so insignificant that their publication was discontinued in April 2006.

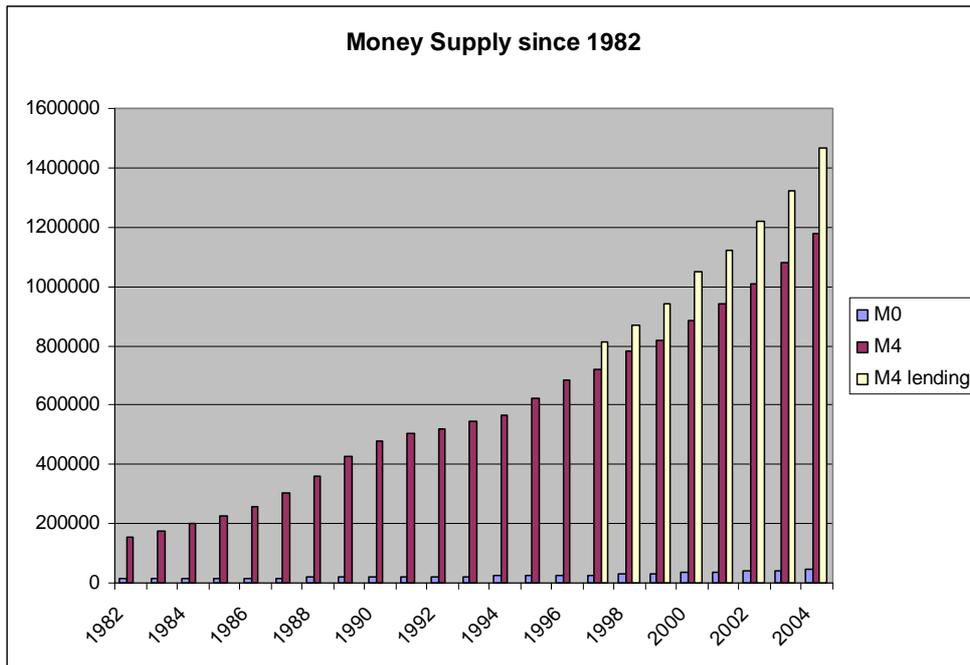


Figure 3: Cash (M0), Credit (M4) and Wholesales M4 from 1982 to 2004

M0 is Cash; M4 equals Credit; M4 lending was introduced in 1996 as a new level of "wholesale M4" – provided by a new level of institutions. The abbreviations used are: MFI: Monetary Financial Institutions (banks and building societies); PFI: Private Financial Institution; OFC: Other Financial Corporation.

## Origin of the Petition

The *Public Credit Petition* is the outcome of organising meetings at the *House of Lords* and the *House of Commons* since 1998, attending meetings and making written submissions to the *Monetary Policy Committee of the Bank of England*<sup>18</sup>, the *Economic Affairs Committee*<sup>19</sup> of the *Lords*, the *Treasury Select Committee*<sup>20</sup> of the *Commons*, and of tabling nine *Early Day Motions*<sup>21</sup>, eight by Austin Mitchell MP who is known for his commitment to monetary reform<sup>22</sup>. The history of this political work with the British state and its institutions is presented in greater detail in the appendices.

The petition is also the result of analysing the data base of the *Bank of England* with a view to finding statistics about the money supply, in particular the share of state-created *Cash* and the share of bank-created *Credit*. The public recording of inflation has also been investigated, between the *Office of National Statistics* (ONS) and the *Treasury*.

However, this is a complex area and we are aware that we have yet to take expert advice from statisticians at the ONS about the manner in which *Digital Cash* is accounted for. Central and local government issue it to millions of bank accounts each week under a variety of labels, such as housing benefit, pension credit and working tax credit. There is also a risk of double accounting with many of these public cash issues becoming the subject of digital exchanges between central and local government. How, statistically, does the *Bank of England* treat the payment of wages and pensions to public employees? What is the nature of the social benefits budget in statistical terms? Does the newly independent ONS endorse this treatment?

Given web 2.0 and the Open Source culture, it should be time for openness and transparency of data so that everybody can come to their own conclusions. The reality is, unfortunately, obfuscation and confusion.

## Henry Kerby's Early Day Motion

We see this *Public Credit Petition* as a first step. It is our good fortune that a historic precedent was set forty years ago when, on 22<sup>nd</sup> December 1964, the Conservative

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<sup>18</sup> <http://www.parliament.the-stationery-office.co.uk/pa/ld/ldmon.htm>

<sup>19</sup> <http://www.parliament.uk/hleconomicaffairs/>

<sup>20</sup> [http://www.parliament.uk/parliamentary\\_committees/treasury\\_committee.cfm](http://www.parliament.uk/parliamentary_committees/treasury_committee.cfm)

<sup>21</sup> <http://edmi.parliament.uk/EDMi/Default.aspx>

<sup>22</sup> [http://en.wikipedia.org/wiki/Monetary\\_reform](http://en.wikipedia.org/wiki/Monetary_reform)

MP Henry Kerby placed before the *House of Commons* an *Early Day Motion* in which he wrote that: ‘...the aims of those who want to assure private property and free enterprise, as well as those who want to protect the British people from unfair exploitation, would both be best served by restoring the power of issuing money to Her Majesty The Queen.’

Kerby went much further than our petition. He made the important link between the UK and the USA in claiming that his *Early Day Motion* was: ‘in accordance with ancient tradition and law, as is also demanded by the American Constitution, which gives the right of issue solely to Congress, so as to assure the State and Nation the benefits of that emission and relieve them of the immense and growing burdens of a parasitical National and private debt.’

And not content with this, he continued that the purpose of his *EDM* was: ‘...to make certain that control passes to the taxed and is taken out of the hands of the present hidden and unlawful beneficiaries of taxation, much of the proceeds of which they collect as interest on all money and immense debts.’

Kerby then requested that *Parliament* call upon Her Majesty’s government: ‘...to introduce the required legislation, to assert the proper sovereignty of The Queen in Council in this most important of all sovereign functions [and] assure unprecedented prosperity with true sovereignty and liberty.’

Henry Kerby says in the comments on his *Early Day Motion*: “It is essential that the issue of money be as needed by the whole nation and hence free from private or political influence. Consequently it is essential that the *Queen in Council* should resume the power and duty of monetary emission. If new money is *spent* (not lent) into circulation, taxes could be reduced to a small fraction of their present and growing burden and the *National Debt* would gradually disappear. Banks should only be able to lend moneys that they have earned or borrowed. With the release from the debt and tax burden and with the issue of money in accordance with the needs of exchange, the country would experience unexampled and lasting prosperity, with no slumps and unemployment. Financial principles and policies would be open and broadly understood. Instead of being Master, money would become a public servant.”

Sidney Webb<sup>23</sup> was a little more succinct in 1918 when he sat down to draft *Clause Four* for the *Labour Party Constitution*. He talked about the means of production, distribution and exchange. The whole point of a *Labour Party* was to sort these three things out. It still is.

### **Tale of two Elizabeths**

In the time of Queen Elizabeth I, coins were minted and issued in the Queen's name. Private mints were also licensed to allow the bishops of the Church of England to issue coinage. Trade credit has always been with us and now goes under the name of payables and receivables. Merchants and shop keepers have always taken responsibility for trade credit and this should only become of concern to governments and courts when equity and justice are abused. Ordinary people have always borrowed from each other for a few days or a few weeks. Peasants might deal in farthings and gentlemen in sovereigns or might take some other non-monetary form. Personal transactions of this kind between real people should only become the business of governments and the public courts when the good order of society is threatened. All this belongs to the *Real Economy*.

However 16<sup>th</sup> Century England witnessed the steady growth of exchanges<sup>24</sup>. There have always been exchanges and these have always been of two basic types. *Commodity Exchanges* where apples are exchanged for oranges at a price determined by supply and demand; and *Time Exchanges* where twenty pounds of one person's spare money is swapped for a promise by another person to pay five shillings a quarter for the next twenty five years. Annuities had become big business for the *Time Exchanges* by the end of the 16th century and maritime insurance grew with the growth of international trading by the English shipping fleet. What began as time lending to meet real needs on the one hand and, hedging to spread the risk of piracy and shipwreck or unanticipated price movements on the other hand, developed steadily until exchanges were being run and manipulated by speculators trading in risk. These exchanges formed the basis for the *Financial Economy*.

By the time of Queen Elizabeth II, a non-monetarised economy had been transformed into an economy where ever increasing amounts of economic activity are monetarised. Nowadays money and credit is everywhere, confusion is rampant,

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<sup>23</sup> [http://en.wikipedia.org/wiki/Sidney\\_Webb](http://en.wikipedia.org/wiki/Sidney_Webb)

<sup>24</sup> <http://www.cesc.net/adobeweb/scholars/tawney/chapter24.pdf> and [chapter33.pdf](http://www.cesc.net/adobeweb/scholars/tawney/chapter33.pdf)

and few have any real grasp of the way in which the *Financial Economy* is preying upon the *Real Economy*. We will have more to say about that shortly. It was Tom Paine who said that to know the nature of things you must go to their origins.

Today the money supply is a very serious matter and ought to be of great concern to governments and central bankers. In simple terms, what is referred to as *The Money Supply* is the amount of money in circulation: available to spend via cash and bank accounts. Unfortunately the complexity of 'financial instruments' and 'financial products' obfuscates this simple fact.

### **The Public Interest<sup>25</sup>**

The *Wikipedia* entry on 'financial services'<sup>26</sup> describes the 'finance industry' and mentions that it constitutes the largest group of companies in the world in terms of earnings and equity market capitalization. The entry on market capitalization<sup>27</sup> says that it 'could represent the public opinion of a company's net worth'.

What it doesn't say is that it is conceivable that the finance industry were to operate as a 'service' in the 'public interest' which it clearly doesn't, as long as it is compelled to make money out of money. For that is the essential nature of Credit: the lender forces the borrower to pay back. However, the money to be paid back comes again from a Credit pot. So we're all chasing each other to find money to pay interest on Credit: whether it's banks who want repayments, the government that wants taxes, shareholders who want dividends or landlords who want rent. It is all legally enshrined and supposed to be 'good for people'.

The irony is that the government could print money if it so wished. It has done so on many occasions. One particular instance from the 19<sup>th</sup> century was when President Abraham Lincoln issued *Greenbacks* to finance the *American Civil War*. But over the past two hundred years the idea has been thoroughly discredited by the economic myth makers, with their worship of the power of markets, and their religious faith in the inherent goodness of markets. The mantra has been: '*Private Credit Good. Public Cash Bad.*' The arguments deployed are disingenuous. It is privately created interest-bearing credit that is the root cause of inflation and not interest-free publicly issued cash.

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<sup>25</sup> [http://en.wikipedia.org/wiki/Public\\_interest](http://en.wikipedia.org/wiki/Public_interest)

<sup>26</sup> [http://en.wikipedia.org/wiki/Finance\\_industry](http://en.wikipedia.org/wiki/Finance_industry)

<sup>27</sup> [http://en.wikipedia.org/wiki/Market\\_capitalization](http://en.wikipedia.org/wiki/Market_capitalization)

Henry Kerby in his 1964 *Early Day Motion* remarked that the nationalization of the *Bank of England* only served a subsidiary purpose and almost all money was still created by book entry by private banks. It was with this in mind that he proposed:

‘...that this House considers that the continued issue of all the means of exchange – be they coin, bank-notes or credit, largely passed on by cheques - by private firms as an interest-bearing debt against the public should cease forthwith; that the Sovereign power and duty of issuing money in all forms should be returned to the Crown, then to be put into circulation free of all debt and interest obligations, as a public service, not a private opportunity of profit and control for no tangible returns to the British people; that the volume of money be controlled so as to maintain stable prices.’

Four decades later, our petition is asking a *Committee of Her Majesty’s Government* to make an inquiry into the long-term development of the money supply, and especially the ratio between Cash and Credit. While the monetary principle is the same, today we have computers, the internet and the world wide web as tools of wisdom and of politics.

The truth is that it is in the public interest to increase the Cash share of the money supply. If Parliament were operating in the public interest, it would jump at the opportunity. Instead the Chancellor had to go to a Leonard Cohen<sup>28</sup> concert to cheer himself up (see *BBC News*<sup>29</sup>)...rather than his good cheer coming from the happiness of people getting their pensions paid properly, their homes made energy efficient and public buildings made fit for climate change. The monetary needs of socially and environmentally responsible activities are poorly served by present arrangements. They are forced to beg for crumbs at the table set for merchants and warlords. In this regard, trickle down theory has some relevance. But things could be so much better.

We could go much further. In Bangladesh, for instance, *Grameen* banking principles have been the key to pioneering the art of lending out at interest but not at

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<sup>28</sup> <http://leonardcohen.com/>

<sup>29</sup> <http://news.bbc.co.uk/1/hi/uk/7515120.stm>

usury<sup>30</sup>...an art once widely practised throughout Europe prior to the advent of *Double Dutch* book keeping and central banking corporations.

*Grameen* means village, so we could just as well have referred to village banking principles for the Real Economy and central banking principles for the Financial Economy. The differences between the two are discussed later. Loan recovery rates from microcredits to the poor are 97% compared to rates that are often below 70% for the commercial banks that quietly write off the loans of their commercial customers. They actually silently destroy the country's money supply as they conspire in the bankruptcy of small businesses by their biased allocation of credit, neglecting real people in favour of judicial persons and privileging large profit maximizing corporations at the expense of small social businesses.

### **The Finance Establishment**

An inquiry by the *Treasury Select Committee* into the money supply would necessarily investigate the destruction of the money supply as well as its creation. Mervyn King, *Governor of the Bank of England*<sup>31</sup> and a former economist, has said on many occasions that issues of money and credit are ever so complex. The central bank for the central banks, the *Bank for International Settlements* in Basel, writes about the need 'to enhance understanding'<sup>32</sup>. Leading academic institutions routinely direct students at doctoral level away from the study of the money system. A PhD student at the *London School of Economics (LSE)*, for example, was told that she could not write about the money supply because 'it is not capitalism'. Sir Nicholas Stern has been sidelined from the Treasury and is now a professor at the LSE. Ironically his chair is named after Dr. I.G. Patel and financed by the *Reserve Bank of India* and the *State Bank of India*<sup>33</sup>. This agenda control and myth management lies at the heart of both, the miseducation of the best and the brightest and, the diseducation of the general public.

False ideas are allowed to circulate<sup>ii</sup>. Partial truths are embellished and intertwined with partial falsehoods and set at each other's throats in phoney debates about non-issues<sup>iii</sup>. The role of the broadcast and printed media is central to the success of this deployment of ignorance as a method of control and management.<sup>iv</sup>

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<sup>30</sup> <http://en.wikipedia.org/wiki/Usury>

<sup>31</sup> [http://en.wikipedia.org/wiki/Mervyn\\_King\\_%28economist%29](http://en.wikipedia.org/wiki/Mervyn_King_%28economist%29)

<sup>32</sup> <http://www.bis.org/bcbs/>

<sup>33</sup> <http://tinyurl.com/6ymt5r>

Economics, like sociology, likes to refer to itself as a science but this shows a lack of understanding of the way science works and, in particular, of the nature of the scientific method. Some of the work of the business schools is scientific but very little economics research conforms to scientific criteria. Even the notion of a soft science loses all meaning the moment one seeks to deconstruct it. There are facts and there is faith. Science is a way to get at the facts. Computer models are just that: models and their output are not forecasts. Politicians who deal with these outputs as facts are unwittingly embracing religion and putting their trust in faith.

However, never underestimate the power of faith. Economists have sold themselves as scientific bankers at the same time as banks have taken on more and more scientific behaviour and procedure, thus making finance increasingly impenetrable. Mathematics used to be like this. Computers will one day simplify finance too. It is thanks to computers and the internet that we know more about the creation of money and the money supply than did most of our forefathers.

### **The Financial & the Real Economy**

Over the past sixty years the pound in people's pockets has been replaced by deposits in companies' bank accounts<sup>v</sup>. Since 1969, the official measure of cash (M0) has shrunk from 30% to 3%<sup>vi</sup>. In the face of the fallout from the Credit Crunch the job of *Parliament* is two-fold. First it has to look after the *Real Economy* and ensure there are adequate safety nets in place for the people who elected the *Parliament*.

Secondly it should take the once-in-a-dozen-generations opportunity to sort out the structure of the *Financial Economy* and bring it under the sovereign control of the *King in Parliament*. No Parliament may bind any future Parliament<sup>vii</sup>, but this Parliament can do future parliaments a big favour by ensuring that they do not find themselves in a similar mess two generations hence as the *Kondratieff Cycle* returns at fifty to sixty year intervals. But the private credit creators use the opportunity to have their losses repaid from the public purse and their profits accumulated into private property...to be hidden off-shore or like, with the Dutch and English protestants in the 17<sup>th</sup> Century, converted into private *Art Exchanges* and *Antique Pawn Brokerages*. We live from harvest to harvest, so the maintenance of

accumulated capital as *Improperly*...to use R. H. Tawney's<sup>34</sup> term...is its own particular art form.

Corporate entities have been blessed by past parliaments with favourable bankruptcy laws. Their limited liability permits them to legally dump millions of pounds of losses onto thousands of small traders, putting them out of business<sup>viii</sup>. In *The Great Turning*<sup>35</sup>: *From Empire to Earth Community*, which places corporate globalization within the context of 5,000 years of organizing human relationships by dominator hierarchy, David Korten<sup>36</sup> argues that the human species must turn away from the dominator way of Empire to the partnership way of Earth Community, as defined by the principles of the *Earth Charter*. In a presentation to a seminar of *Associates of the International Forum on Globalisation* in San Francisco and in his article, *The ABC's of Finance Capitalism*<sup>ix</sup>, Korten summarizes the form, dynamics and ramifications of what he calls the economic disease of finance capitalism<sup>x</sup>.

It is important to distinguish between the *financial* economy of banks, insurance companies and other financial institutions who sell money, and the *real* economy of employees who sell their time, and consumers who buy products and services for money.

Entrepreneurs who take the risk of creating jobs, selling products and providing services, should hardly depend on insecurities created by greed and short-term thinking of profits or return on investment, i.e. the fundamental immoral practice of making money out of money.

The founding of the *Bank of England Company* was not the origin of banking in England, but it represents a pivotal moment. The idea of playing both ends against the middle was revived in Stockholm in the 1660s. The experiment failed, but was taken up by the Dutch who designed the more successful *Bank of Amsterdam*. When James II ran away to France in 1688, leaving the field clear for the bloodless revolution that brought William of Orange to the English, Scottish and Irish thrones, Dutch financiers flooded into the country in his wake. In 1694 they were given a Royal Charter to set up a finance company in England along Dutch lines.

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<sup>34</sup> [http://en.wikipedia.org/wiki/R\\_H\\_Tawney](http://en.wikipedia.org/wiki/R_H_Tawney)

<sup>35</sup> <http://www.thegreatturning.net/>

<sup>36</sup> <http://www.davidkorten.org/>

Unfortunately, from the point of view of ordinary people, the 1694 Dutch model is seriously flawed. But it was never meant for them. It was a deal reflecting the needs of the Crown and the commercial ambitions of the merchants. It was designed to finance the state to fight its wars and keep the Pope at bay and to permit the steady accumulation of improproperty<sup>37</sup> by rich families over the generations. It has done this extremely well. So well in fact that it has been copied many times. One of the copies is the *American Federal Reserve*<sup>38</sup>.

Stephen Zarlenga<sup>39</sup> has summarised the nature of this generic process by drawing the historical parallels between the establishment of the *Federal Reserve System* in 1913 and the *Bank of England* in 1694.<sup>xi</sup> In both cases the founding process involved: secrecy<sup>xii</sup>; wealthy private backers<sup>xiii</sup>; designed complexity<sup>xiv</sup>; deliberate deceit in the pretence that they were public bodies<sup>xv</sup>; subsequent disaffection by the original founders<sup>xvi</sup>; false impression of gold backing<sup>xvii</sup>; and the onset of war shortly after the financial manipulations began.

Since 1694 the Dutch model has been exported around the world. There were 121 central banks at the last count with a bankers' bank to harmonise their activities in Basel, Switzerland, called the *Bank for International Settlements (BIS)*<sup>40</sup>. Earlier this year it started to warn of a Great Depression<sup>xviii</sup>. On 8<sup>th</sup> August 2008 the contributing editor to the *Financial Times* Niall Ferguson took up the cry with an article<sup>41</sup> about the coming *Perfect Storm*.<sup>42</sup> This integrated network of central banks has been steadily removing national sovereignty by hijacking the emission of national currency.

The sovereignty of a nation state includes the emission of a national currency. In the UK, the picture of the Sovereign illustrates the monarchic tradition behind this power. Similarly, seignorage<sup>43</sup> is the income that the State earns from the difference between the cost of minting coins and printing notes and their actual face value. Of course this cost goes down dramatically as soon as *digital money* is introduced. However, the banking system has deprived the Treasury of this income. In fact, it has

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<sup>37</sup> <http://www.cesc.net/passagen/manuscripts/pe2.html>

<sup>38</sup> <http://www.federalreserve.gov/>

<sup>39</sup> [http://en.wikipedia.org/wiki/Stephen\\_Zarlenga](http://en.wikipedia.org/wiki/Stephen_Zarlenga)

<sup>40</sup> <http://www.bis.org/>

<sup>41</sup> [http://www.ft.com/cms/s/0/72e81d40-64e0-11dd-af61-0000779fd18c.html?ncllick\\_check=1](http://www.ft.com/cms/s/0/72e81d40-64e0-11dd-af61-0000779fd18c.html?ncllick_check=1)

<sup>42</sup> [http://en.wikipedia.org/wiki/Perfect\\_storm](http://en.wikipedia.org/wiki/Perfect_storm)

<sup>43</sup> <http://en.wikipedia.org/wiki/Seignorage>

gradually eroded the power of Westminster to such a degree that the City rules by financial power not by democratic election.

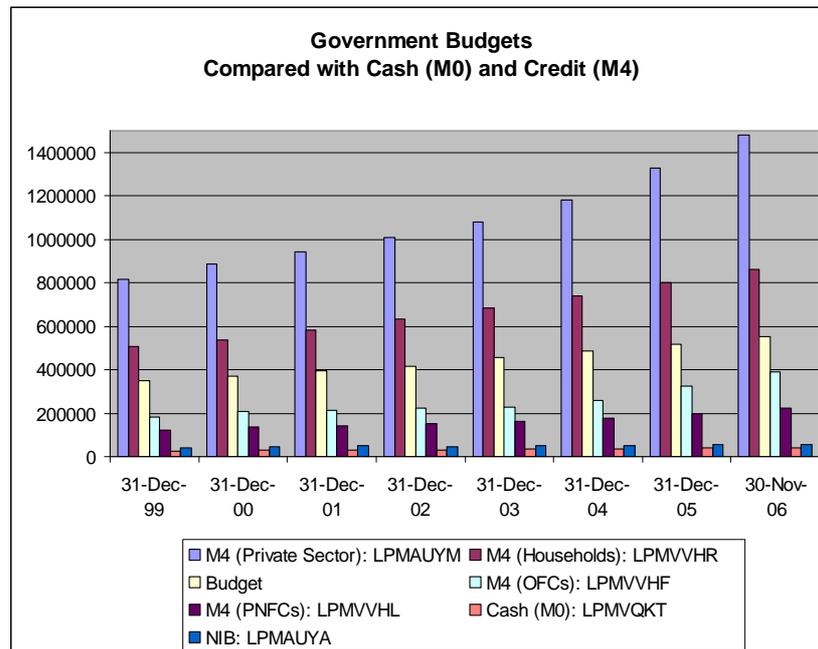


Figure 4: Government Budgets compared with Cash and Credit between 1999 and 2006

The above chart is published in *Green Credit for Green Purposes*<sup>44</sup>, our submission to the Treasury Select Committee in response to the Stern report. The light beige columns are Government Budget figures. They are less than half of the Credit figures and don't grow nearly as fast as Credit. The 'growth' of the economy, in reality, is the growth of Credit that fuels the financial economy - with devastating effects.

The latest effects of banks using Governments are the bailouts by Governments – with money produced by borrowing – to support the *financial* economy towards fewer and fewer banks, more and more centralization and ultimately world government with a single global currency<sup>45</sup>. The recent G20 meeting has been interpreted as the beginning of implementing Global Financial Dictatorship<sup>46</sup>. The World Bank and the IMF are in place, even if they have failed to deliver what they were set up for: development for developing countries. Globalisation was achieved through dollarization. The Euro will greatly facilitate the next step in centralization based on a usurious financial economy killing not only the real economy but also the Earth.

<sup>44</sup> <http://greencredit.files.wordpress.com/2007/01/green-credit.pdf>

<sup>45</sup> [http://www.singleglobalcurrency.org/about\\_us.html](http://www.singleglobalcurrency.org/about_us.html)

<sup>46</sup> <http://www.african-crisis.co.za/Article.php?ID=38197&>

## **Towards a Moral Economy**

As a society, we must find ways to ring-fence the urgent clamour of the commercial world. In our many little personal worlds, moral principles can hold sway. This is well-nigh impossible in profit-maximising limited liability enterprises. The pressure of short-term financial returns to shareholders are too great, however high-minded might be the intentions of the top people. Moral principles must be embedded in legislation.

For the *Labour Governments* of the 1930s and 40s, R.H. Tawney developed the idea of *Property* (worked capital) and *Improperty* (idle capital). This survived in the tax laws of Harold Wilson's *Labour Government* of the 1960s which discriminated between *Earned* and *Unearned Income*.<sup>xix</sup> The moral idea enshrined in *The Doctrine of Usury* ran even deeper.

If there were risks and these were fairly shared...the guiding principles of *The Doctrine of Usury* were always *Justice* and *Equity*...then it was *Partnership*. The Christian and the Jewish doctrines were identical to the Moslem doctrine and indeed to the doctrine of the past five thousand years back to the Romans, the Ancient Greeks and beyond to the Egyptians and the Babylonians.

*Just Agreements* between merchants in the form of *Trade Credit* or *Merchant Adventures* were legitimate in the eyes of both the *Law* and the *Church*. Any concern they might have was not about the amount of the fee or the rate of interest but, about the nature of the arrangement and in particular the morality of any new development when measured against the *Doctrine of Usury*. It was Bentham<sup>47</sup> and not Calvin<sup>48</sup> who was principally responsible for breaking with thousands of years of doctrine in the civilised world.

## **Interest & Usury-free Banking**

Twenty years ago Margrit Kennedy<sup>49</sup> published a short book entitled *Interest and Inflation-free Money*.<sup>50</sup> She cited German studies of the *Interest Content* in the prices of different products and services. Her conclusion was that inflation was caused by

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<sup>47</sup> [http://en.wikipedia.org/wiki/Jeremy\\_Bentham](http://en.wikipedia.org/wiki/Jeremy_Bentham)

<sup>48</sup> [http://en.wikipedia.org/wiki/John\\_Calvin](http://en.wikipedia.org/wiki/John_Calvin)

<sup>49</sup> <http://www.margritkennedy.de/index.php?lang=EN>

<sup>50</sup> <http://www.margritkennedy.de/index.php?modus=BUE&inc=ENG&lang=EN>

interest-bearing money. The studies also suggested that the greater the capital content and the longer the term of the funding, the higher the proportion of interest in the price. In the case of water and sewerage services, interest could account for half of the price. Kennedy believed that much of a country's business and economic activity could be interest-free.

The fifth chapter of Henry Swabey's *History of Usury and the English Church* is about *Church Mints* and R.H. Tawney in his ten-essay introduction to Thomas Wilson's *Discourse Upon Usury* devotes two of them to the subject of the Elizabethan exchanges. Mints and exchanges are the bedrock of every financial system. The edifices built upon these basic foundations are seldom essential for the sound operation of a real economy. Excessive elaboration and complexity, in and of itself, is often the problem. 'When something is wrong,' Leopold Kohr<sup>51</sup> once wrote, 'something is too big.'

One interesting conclusion arising from Swabey's investigation is that, over the past thousand years, mints and exchanges have come and gone in England. As the enforcement of the Church's *Doctrine of Usury* has waxed and waned, so *Coinage Power* has flown to and from the centre. Good times and bad times in the *Real Economy* seemed to correlate with the flow. Decentralised mints would appear to be essential for prosperity. There are periods in the past thousand years of England's written history when these mints and exchanges served the needs of the gentlemen, the shop-keepers and the yeoman farmers who had a part to play in the cash economy of their age. But they were seldom more than a small minority.

Calvin is often cited as the theologian who drove the wedge into the *Doctrine of Usury* and set the merchants free from the constraints of its traditional prohibition. It is true that in the United States in the nineteenth century it was the Calvinist churches who sided with the *Bankers* against populist politicians like Andrew Jackson<sup>52</sup> and their championing of the public right to issue currency.

But the Calvinist churches misunderstood the subtlety of Calvin's teaching and the context in which he developed his doctrine. The principal villain was not Calvin but Bentham. Bentham equated interest with usury. It seems he knew no better. He was a blunt man. The measure of his success is clear from any survey of a dozen

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<sup>51</sup> [http://en.wikipedia.org/wiki/Leopold\\_Kohr](http://en.wikipedia.org/wiki/Leopold_Kohr)

<sup>52</sup> [http://en.wikipedia.org/wiki/Andrew\\_Jackson](http://en.wikipedia.org/wiki/Andrew_Jackson)

undergraduates. Eight or nine of those asked will have no idea what usury is and the others will tell you it is an old-fashioned word for interest.

One of the most exciting developments in recent years has been the way in which the *Grameen Banks*<sup>xx</sup> have recreated the system of usury-free mints and exchanges formalised in England by the *Usury Law of 1571* and have developed the techniques of lending out money to the poor at interest but not at usury. And they are ridiculously successful. The *Loan Recovery Rates* of nearly all Grameen Banks are in the high nineties and average 98%. This compares with the 70% and below for many conventional banks...before taking account of the billions upon billions of write-offs and write-downs generated by the *Credit Crunch*.

*Grameen Loans* meet the fairness criteria of the *Doctrine of Usury* by being subject to renegotiation by the borrower in the light of his changed situation. They also follow the *ABC Analysis*<sup>xxi</sup> approach of the *1571 Law of Usury* by specifying a repayment ceiling above which they do not go.<sup>xxii</sup>

The *Grameen Banks* provide microcredit programmes at interest rates that fit into one of two zones: the *Green Zone*, which equals the cost of funds at the market rate plus up to 10 percent, and the *Yellow Zone*, which equals the cost of funds at the market rate. Other microcredit suppliers are now moving into the *Red Zone* above these rates of interest, with profit-maximization as their goal.

But the *Grameen Banks* avoid this territory. They are not in business to earn large profits for shareholders and other investors but have very different objectives. Institutionalising the traditional *Moneylender System* is not one of them. In Bangladesh, for instance, the *Grameen Bank* has very successful *Home Loans for The Poor*<sup>xxiii</sup> and *Microcredit Lending* to beggars.<sup>xxiv</sup>

### **A Financial Economy for a New Century**

The *Financial Economy* we have grown up with is not the only possibility. In fact it is a historic aberration. It is also unsustainable. The arithmetic is against it. The system serves the power and control agenda of *The Few*. It can continue to do so. But it should not be allowed to run amok among *The Many*, which is what it is doing.

The *Global Exchanges* for rich and unreal persons can be ring-fenced as soon as alternative arrangements have been made for the financial needs of real people and

their real economies. We have no need for compound interest. *Grameen Banks* use simple interest.<sup>xxv</sup> Exchange rates are a symptom of a flawed system that seeks to use the outdated methods of the *Mercantile Era* to run a *Global Economy* in the *Digital Age*. The *Real Economy* needs to decouple from the *Currency Exchanges* as a matter of urgency. It will have almost no effect on real people as only a few percent of the transactions have anything to do with the *Real Economy*. *Grameen Banks* lend only in local currency.

This is in sharp contrast to multinational institutions like the *World Bank* who have crippled nearly all the countries in the developing world by making their loans in hard currencies. These are impossible for developing countries to pay off any other way than by exporting plantation crops and mined minerals whose prices are at the mercy of manipulated global exchanges. *Nobel Peace Prize* winner Dr. Muhammad Yunus has given up on institutions such as the *World Bank*, the *International Monetary Fund* and even governments. He says they are notoriously slow and encourages young people to start a 'social business' instead. Reading his book, *Creating a World without Poverty - Social Business and the Future of Capitalism*, re-energised me so much that I not only organised an event for him but also started a blog<sup>53</sup>. As contributor, I was joined by Dr. Lilly Evans who had not only helped with the event but also supports my attempts to attract funding for *3D Metrics*, the software company that I started in 2004.

Contemplating the awesome power of the status quo and the enormous momentum behind the trends of the age and the *business as usual* attitudes driving them, have always been a cause for despair among those who have glimpsed that the world is good and Nature is abundant. For the adventure of civilization could leave behind the *Age of Scarcity* and enter a new *Age of Abundance*. The strategic thinkers among these precious few have a harder time because they can see the obstacles in their path.

Yet societies do change. And the adventure of civilisation, despite its fluctuating trajectories and its dark ages is a story of ever increasing enlightenment for more and more people. Millions of people today live better and longer lives than any of the kings or emperors of former times. So despair is not an option. But empowerment<sup>xxvi</sup>

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<sup>53</sup> <http://yunusphere.net/>

is. The task ahead is to empower a whole nation. Empowerment is what *Grameen* is all about. How is such a thing possible?

### Financial Futures

If you believe in people and in teachers, then the way ahead is to campaign against new generations growing up in constitutional and monetary ignorance. The measure of success will be in the degree to which teachers take up the new monetary ideas and teach them in *Secondary Schools* and *Sixth Form Colleges* from newly-written text books designed for this purpose.

The professions have a key role to play. The professional banking institutes will one day be regarded as an integral part of the *Institute of Chartered Accountants* serving, not privilege and power, but the public interest. Eventually the professional journals will start to carry articles that reflect monetary reality and lawyers and accountants will begin to graft them onto their own professional practices. It is time to leave the age of science and enter a new age of engineering.<sup>xxvii</sup> The *Good Scientist* interrogates Nature with his mechanical devices but with little thought to the purpose to which his or her discovery might be put. The *Good Engineer* solves problems that benefit *Real People* in the *Real Economy*.

Modern digital technology provides opportunities that our forefathers could not even dream of. What took our forefathers centuries...the abolition of slavery, the establishment of the *National Trust*, the creation of a political party for ordinary people, sex equality and so on, we can achieve in decades...perhaps even in just one or two decades. The awesome power of computers can be harnessed. The power of hundreds of energy slaves can be at everybody's elbow. *Google*, *Wikipedia*, *YouTube*, social networks, digital money; these are just the tip of the iceberg. The world has barely begun to realise the political potential of the digital revolution.<sup>54</sup>

There is regenerative power in the political structures that have evolved in this country over the centuries. One of England's greatest strengths is the redundancy and complexity of its interlocking governance structures.<sup>xxviii</sup> Nonetheless the best hope of all lies with the *Politicians*. The political process must be reinvigorated with the power of the *Westminster Parliament* reinstated and its elected members once

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<sup>54</sup> <http://forumnews.wordpress.com/2008/11/08/how-millions-of-currencies-are-going-to-change-the-world/>

again at the heart of governance in this country. Parliament must regain its sovereignty and its rightful place as the corner stone of the constitutional settlement of *The King in Parliament*.<sup>xxix</sup>

The rich and the powerful are unlikely to welcome our proposals. They have grown fat over the years and they have closed their minds. But their children are a different matter and so, it is to them we must turn. The greatest contribution that this country can make to the elimination of world poverty is to transform the *City of London* into international mints and exchanges for social businesses and in the public interest.<sup>xxx</sup>

Outside of the *London City Region* there are two distinct classes: the *Middle Classes* and the aspiring *Middle Classes*. Perhaps the most urgent need is to bring them together into one nation. At present there are two nations divided by property. This may be where *Public Credit* will find its first client. We live in a nation where the economy of the households, in one half, pays rent to a landlord and is given public credit to do so. It goes through the government's books at district council level and at national level, under the name of housing benefit. It is *Public Credit* that dare not say its name.

In the other half of the nation, there are homeowners with mortgages who pay their rents, not to landlords but to banks and building societies and receive no public credit. The first task of public credit should be to facilitate the transformation of this bizarre two-nation household economy and blend it into one nation of social business men and women. It can be done.

Wherever we look, we see the same disparities, the same two nations...health care, pensions, care for the elderly. If Benjamin Disraeli and William Gladstone could find ways to address the problem of mid-Victorian England, then it is not beyond the wit of our generation, with the affluence of our Age of Plenty, to address the problems of late-Elizabethan England.. The reinvention of the money system is the sine qua non for such an undertaking.

R.H. Tawney is the key to the door. Tawney believed in people and in politics. But above all, he believed in education. Throughout his life he worked tirelessly to promote the idea that the workers could be educated and that, until they were educated, there could never be a society in which anyone...the rich man in his castle or the poor man at his gate, could aspire to *The Good Life*. He believed in education,

education and education...the education of the young in schools, the adults through adult education, and the continuing education of a whole nation by reading and learning, by societies and journals. His legacy is the largest institution for lifelong learning in this country: the *Workers Educational Association*. We too must build well upon these foundations and bring lifelong learning into the digital age.

With our *Public Credit Petition*, we appeal to *Parliament* via the *Treasury Select Committee* to influence the future of capitalism in a way that is gradual, measurable, sustainable, ethical and rational. Instead of succumbing to economic myths about inflation measured very short-term, we appeal for the application of simple accounting procedures to evaluate the quality of the money that is in circulation, in addition to measuring an economy by inflation, GDP and other economic indicators. Particularly the Cash : Credit ratio needs to wake the Nation up as the indicator of the Westminster : City power ratio. Rebalancing this ratio is the essence of our *Green Credit for Green Purposes*<sup>55</sup> submission to the Treasury Select Committee.

**The quality of an economy cannot be reflected accurately by financial figures when the money that circulates is not a medium of exchange to facilitate trade, but is a product from which to make money. Other indicators have to be taken into account, such as home repossessions, individual insolvencies, mortgage approvals, average house prices and base rates. The website *HousePriceCrash*<sup>56</sup> puts them together admirably, so that one can at least see how one is affected oneself by the bigger picture. But as long as we are not affected ourselves yet, could we maybe at least click and sign the petition<sup>57</sup>?**

#### **Appendix A: The Lord Sudeley Story**

Lord Sudeley came to the Global Café where I held meetings every Wednesday to discuss monetary issues. After he told me his family's story, I said 'when we heal your family, we heal your nation'. Ten years later, many more families have suffered. Here is Lord Sudeley's story in his own words. His title is: *Why and How Lloyds Bank bankrupted the 4th Lord Sudeley in 1893 when they never had to do so*.

The Fourth Lord Sudeley, who came later to reside at Ormeley, had 25,000 acres of land at Toddington in Gloucestershire, now owned by the contemporary artist

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<sup>55</sup> <http://greencredit.files.wordpress.com/2007/01/green-credit.pdf>

<sup>56</sup> <http://www.housepricecrash.co.uk/graphs-index.php>

<sup>57</sup> <http://tinyurl.com/666rwd>

Damien Hirst, and Gregynog in Powys now owned by the University of Wales. Owing to the uncertainty of the agricultural depression of 1879, he appreciated that so much land would not pay for itself without support from an outside source, so he had to diversify into another asset, which he did in fruit production which was not affected by the agricultural depression. See the article on his great orchards by R. W. Sidwell for "Country Life" in October 1989. Everyone knows that with fruit trees you have to wait till they come into full bearing. At that time, the 4th Lord Sudeley's debt was covered twice over by large assets. But he failed to observe the old cardinal rule in business, that liquidity or cash flow is more important than capital. Low down on his list of creditors, Lloyds Bank rode in with their petition for bankruptcy, to force the immediate sale of his remaining large assets at decimated valuation. Under the provisions of the New Enterprise Act 2002 that old cardinal rule of business, that liquidity or cash flow is more important than capital, has been thrown overboard. A Receiver is appointed to uphold the interests not only of the bank but of all the other creditors, who together can see to it that assets are sold at a comfortable pace and so, at a proper valuation, to clear the debt and keep what is left over. As it was, all 4th Lord Sudeley's creditors received from the forced sale of assets at a decimated valuation was sixpence in the pound, so the whole thing was unnecessary and ridiculous. If Lloyds Bank had not intervened in the way it did, our creditors would have been paid in full.

A longer summary can be found on the blog<sup>58</sup>.

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<sup>58</sup> <http://forumnews.wordpress.com/about/lloyds-bank-bankrupted-4th-lord-sudeley-in-1893/>

## Appendix B: The Forum for Stable Currencies<sup>59</sup> at the House of Lords

Lord Sudeley had planned to organise a conference regarding *Toddington Manor*<sup>60</sup>, the estate of his family that is now owned by the artist Damien Hirst<sup>61</sup>. As I had lots of experience with event organisation, we decided to make meetings happen at the House of Lords. At that time, a few of us had come together under the banner of a *Campaign for Interest-Free Money*<sup>62</sup>. But I also had noticed that 'interest-free' ruffled too many feathers. And, given my experience as the founder of the first LETS (*Local Exchange Trading System*) in London as the *Green Money Network*, I wanted 'currencies' to be part of the name. Donald Martin<sup>63</sup> who was introduced to me as someone hated by the banks, said 'if we put *stable* in, we have the Bank of England on our side'. Peter Challen<sup>64</sup> suggested the term 'Forum'. And thus we came together as the *Forum for Stable Currencies* and, thanks to Lord Sudeley, I learned about submitting *Questions with Written Answers* as a first political tool. I discovered other political tools as we learned from each other in our meetings.

In 1999, Lord Sudeley lost his seat as part of the Reform of the House of Lords<sup>65</sup>. However, Labour peer Lord Ahmed took over his role as sponsor. As a Muslim, Lord Ahmed is against usury anyhow, but he had also been a victim of a bank and has thus been always very supportive of our activities.

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<sup>59</sup> [http://en.wikipedia.org/wiki/Forum\\_for\\_Stable\\_Currencies](http://en.wikipedia.org/wiki/Forum_for_Stable_Currencies)

<sup>60</sup> [http://en.wikipedia.org/wiki/Toddington\\_Manor](http://en.wikipedia.org/wiki/Toddington_Manor)

<sup>61</sup> [http://en.wikipedia.org/wiki/Damien\\_Hirst](http://en.wikipedia.org/wiki/Damien_Hirst)

<sup>62</sup> <http://www.interestfreemoney.org/>

<sup>63</sup> [http://monies.cc/forum/backgrnd/donald\\_martin.htm](http://monies.cc/forum/backgrnd/donald_martin.htm)

<sup>64</sup> [http://monies.cc/forum/backgrnd/peter\\_challen.htm](http://monies.cc/forum/backgrnd/peter_challen.htm)

<sup>65</sup> [http://en.wikipedia.org/wiki/Reform\\_of\\_the\\_House\\_of\\_Lords](http://en.wikipedia.org/wiki/Reform_of_the_House_of_Lords)

### **Appendix C: House of Lords Committees**

At first we attended the *Select Committee on the Monetary Policy Committee (MPC) of the Bank of England*<sup>66</sup> which was established in 1998 and produced reports in 1998, 1999 and 2001. Its purpose was to provide a mechanism for parliamentary scrutiny of the work of the MPC, in line with the Government's commitment to more open and accountable decision-making on monetary policy. I made the first submission as the mathematician, inventor and software designer enchanted by the new forecasting method that I had devised. The topic was "*The State of the Economy and Economic Policy – Long Term and Short Term*". The second submission<sup>67</sup> was to the Committee's report on *Globalisation*<sup>68</sup> in the name of the *Forum for Stable Currencies*.

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<sup>66</sup> <http://www.publications.parliament.uk/pa/ld/ldmon.htm>

<sup>67</sup> <http://monies.cc/forum/actions/submission/submit.htm>

<sup>68</sup> <http://www.publications.parliament.uk/pa/ld200203/ldselect/ldconaf/5/5.pdf>

### Appendix D: Early Day Motions<sup>69</sup>

Austin Mitchell MP had been a sponsor of the *Christian Council for Monetary Justice* and was one of the few Parliamentarians aware of, not only the victims in his constituency, but also the many-levelled causes of 'the system'. Hence he was the first to table *Using the Public Credit*<sup>70</sup> as an Early Day Motion (EDM) in 2002. EDMs are formal motions submitted for debate in the House of Commons. However, very few EDMs are actually debated. Instead, they are used for purposes such as publicising the views of individual MPs, drawing attention to specific events or campaigns, and demonstrating the extent of parliamentary support for a particular cause or point of view. Our first EDM attracted 25 signatures from the *Labour Party*, the *Liberal Democrats* and *Plaid Cymru*. It was the first of a total of nine motions that we tabled between June 2002 and April 2008. Barbara Panvel wrote a document<sup>71</sup> that summarizes the key points of our EDMs, on the occasion of the Attwood Award that she created. After I received it in October 2003, it was given to Austin Mitchell MP<sup>72</sup> in April 2008.

At the *House of Commons*, the *Procedure Committee*<sup>73</sup> produced a report on *Public Petitions and Early Day Motions* in May 2007<sup>74</sup>. The Government's response was published on 26 July 2007 and can be found here<sup>75</sup>. A *Written Ministerial Statement*<sup>76</sup> was published on 22 July 2008 and its forward-looking way of proposing the submitting of public petitions as E-Petitions is most encouraging.

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<sup>69</sup> <http://edmi.parliament.uk/EDMi/Default.aspx>

<sup>70</sup> <http://edmi.parliament.uk/EDMi/EDMDetails.aspx?EDMID=20149&SESSION=680>

<sup>71</sup> <http://www.forumforstablecurrencies.org.uk/documents/Summary-of-EDM-messages.pdf>

<sup>72</sup> <http://forumnews.wordpress.com/2008/04/23/tremendous-accolades-for-austin-mitchell-mp/>

<sup>73</sup> [http://www.parliament.uk/parliamentary\\_committees/procedure\\_committee.cfm](http://www.parliament.uk/parliamentary_committees/procedure_committee.cfm)

<sup>74</sup> <http://www.publications.parliament.uk/pa/cm200607/cmselect/cmproced/513/513.pdf>

<sup>75</sup> <http://www.commonleader.gov.uk/output/page2069.asp#>

<sup>76</sup> <http://www.commonleader.gov.uk/output/Page2536.asp>

### Appendix E: House of Commons Treasury Select Committee

Frustrated with the lack of political achievements after so many meetings over eight years, I took legal advice from Peter Roderick, Director of the Climate Justice Programme<sup>77</sup>. I had heard him speak at the seminar of the *Environmental Law Foundation*<sup>78</sup> on the *Legal and Economic Challenges of Climate Change*. When he asked me to write something for him, I produced *Sovereignty & Seignorage*<sup>79</sup>, to match *Contraction & Convergence*<sup>80</sup>. Peter referred me to a human rights lawyer who advised me to “go for Parliamentary scrutiny via the Treasury Select Committee”.

It so happened that the Committee had just opened its inquiry into the Stern Report<sup>81</sup>. Hence we submitted *Green Credit for Green Purposes: Changing the Cash : Credit Ratio of the Money Supply*<sup>82</sup> which was published as part of the Committee’s report a year later. However, I also wanted to give oral evidence or at least meet the Chairman. But as you can read on the blog<sup>83</sup> that I started for the purpose of lobbying the Committee, I was fobbed off – but invited to write a supplementary memo: *Green Taxation v Green Funding*<sup>84</sup> This was never published though.

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<sup>77</sup> <http://www.climatelaw.org/aboutus/directors>

<sup>78</sup> <http://www.elflaw.org/site/>

<sup>79</sup> <http://greencredit.files.wordpress.com/2008/01/sovereignty-and-seignorage-report.pdf>

<sup>80</sup> <http://www.gci.org.uk/>

<sup>81</sup> [http://en.wikipedia.org/wiki/Stern\\_Review](http://en.wikipedia.org/wiki/Stern_Review)

<sup>82</sup> <http://greencredit.files.wordpress.com/2007/01/green-credit.pdf>

<sup>83</sup> <http://greencredit.org.uk/>

<sup>84</sup> <http://greencredit.files.wordpress.com/2007/05/stick-v-carrot.pdf>

### **Appendix F: From Meetings at the House of Lords to Online Activities**

Ever since my web hosting company was taken over by another one, I can't update that archive site<sup>85</sup> any more. However, it reveals the many attempts we made to make a difference, to educate Parliamentarians and to network across parties, religions and social classes. We had the best speakers internationally and nationally – covering all aspects of monetary, financial and economic policy – from causes to effects, legal aspects to 'bank victims'.

Our last speaker was Aubrey Meyer<sup>86</sup> to bring home the immediacy of climate change. From our monetary perspective, his concept of *Contraction & Convergence*<sup>87</sup> has become necessary because there is always enough money for war, but never for education and the environment. It thus needs to be matched by *Sovereignty & Seignorage*<sup>88</sup> on the level of nation states and national currencies. What is furthermore evident, is the clear parallel between the exponential growth of CO<sub>2</sub> emissions and the rising Credit in the money supply.

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<sup>85</sup> <http://monies.cc/>

<sup>86</sup> <http://www.ccmj.org/fsc/meetings.htm>

<sup>87</sup> [http://en.wikipedia.org/wiki/Contraction\\_and\\_Convergence](http://en.wikipedia.org/wiki/Contraction_and_Convergence)

<sup>88</sup> <http://greencredit.files.wordpress.com/2008/01/sovereignty-and-seignorage-report.pdf>

### Appendix G: Dr. Muhammad Yunus<sup>89</sup>

In January 2008, I was given the book *Creating a World without Poverty – Social Business and the Future of Capitalism* by Nobel Peace Prize winner Prof. Dr. Muhammad Yunus. It re-energised my commitment to making a difference to such a degree that I did my best to secure Saturday afternoon in his diary for an event at St. James's Church Piccadilly. On the occasion of launching his book, Dr. Yunus was scheduled to come to London to talk at the *London School of Economics* and in Bristol, but I felt there was room for more.

Professor Yunus got his PhD in economics from Vanderbilt University in the USA and was professor of economics at the Chittagong University in Bangladesh. In his book *Creating a World without Poverty* he defines very clearly what a social business is and what it is not. In terms of money, the key characteristics are:

- Social businesses are not charities, i.e. they make money and thus are profit oriented
- Social businesses re-invest the profits from their activities, i.e. they don't pay dividends to their investors
- During their operation and from their profits, social businesses pay interest to their investors but, they don't perpetuate usury by compounding interest payments and extracting dividends on top of interest charges.

To run *Grameen Bank* as a social business is to create a model for “usury-free banking”.

To create social businesses à la *Grameen Phone* and *Grameen Solutions* or *Grameen Knitwear* is the remarkable outcome of an admirable professor of economics turned banker and entrepreneur.

To interpret his activities adequately and to translate them into the Western paradigm of financial capitalism is another challenge.

A shortened video<sup>90</sup> of the St. James's event is available as an account and the blog<sup>91</sup> illustrates what is happening in the name of Muhammad Yunus, Grameen and microcredit. What is possible if we take Dr. Yunus' definition of 'social business' seriously will only become apparent once we have a Social Business Stock Exchange. However, the Wikipedia entry<sup>92</sup> on social business illustrates how the language gets hijacked: 'social enterprise' is used for companies not only in the real economy but also in the financial economy that justify making money out of money.

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<sup>89</sup> <http://muhammadyunus.org/>

<sup>90</sup> <http://yunusphere.net/events/london-events/video/>

<sup>91</sup> <http://yunusphere.net/>

<sup>92</sup> [http://en.wikipedia.org/wiki/Social\\_business#Definition](http://en.wikipedia.org/wiki/Social_business#Definition)

### **Appendix H: Submission to United Nations Development Programme (UNDP)**

The magic of e-networking produced a Call for Concepts in my mailbox before the Bali conference on climate change. It was issued by the United Nations Development Programme and asked for proposals regarding the national needs of adaptation to climate change. Right up our alley. Hence we wrote:

***Green Credit for Green Growth***<sup>93</sup> but it didn't produce any results at all. However, it is a short synopsis of the issues at stake.

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<sup>93</sup> <http://greencredit.files.wordpress.com/2007/10/green-credit-for-green-growth.pdf>

### **Appendix I: The Blogosphere**

The popularity of our YunuSphere blog got me into a 'blog fever', for I found it very satisfying to see the number of visitors grow and to examine referrals and links. Hence I created a blog *In the Spirit of the Forum for Stable Currencies*<sup>94</sup> as a way of reflecting public opinion, should anybody care to want to know...

In the process, however, it is fascinating to discover likeminded bloggers and far more people that one can reach online, than persuade them to come to a meeting in Westminster. And thus I am maintaining not only a number of blogs but also use other people's blogs to refer to the Online Petition.

Our petition is hopefully the first of many on an official site, so that we may end up talking about true e-democracy. But *economic* democracy through money based on real value rather than credit out of thin air is more important.

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<sup>94</sup> <http://forumnews.wordpress.com/>

## Appendix J: Towards E-Petitions in Parliament

In the UK, the first impressive application of computer programming to politics, that I came across, was the site *Public Whip*<sup>95</sup>. It analyses the electronic records of *Hansard*<sup>96</sup>, the registration of all speeches in the Commons and the Lords, and analyses votes of Parliamentarians. Thus one can get a new kind of 'profile' for politicians in Westminster. Other remarkable initiatives are *MySociety*<sup>97</sup> who created *FixMyStreet*<sup>98</sup>, *HearFromYourMP*<sup>99</sup>, *PledgeBank*<sup>100</sup>, *NotApathetic*<sup>101</sup>, *WriteToThem*<sup>102</sup> and *TheyWorkForYou*<sup>103</sup>. Currently they are working on *WhatDoTheyKnow*<sup>104</sup>.

For *Downing Street* they built *E-Petitions*<sup>105</sup> which had received over 29,000 petitions by March 2008.

In the US, *Politics Online*<sup>106</sup> is an impressive website intersecting smart politics, transparent democracy and innovative technology with news from all over the world.

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<sup>95</sup> <http://www.publicwhip.org.uk/faq.php#whatis>

<sup>96</sup> <http://www.publications.parliament.uk/pa/pahansard.htm>

<sup>97</sup> <http://www.mysociety.org/>

<sup>98</sup> <http://www.fixmystreet.com/>

<sup>99</sup> <http://www.hearfromyourmp.com/>

<sup>100</sup> <http://www.pledgebank.com/>

<sup>101</sup> <http://www.mysociety.org/projects>

<sup>102</sup> <http://www.writetothem.com/>

<sup>103</sup> <http://www.theyworkforyou.com/>

<sup>104</sup> <http://www.whatdotheyknow.com/>

<sup>105</sup> <http://petitions.pm.gov.uk/>

<sup>106</sup> <http://politicsonline.com>

## Appendix K: The Public Credit Petition<sup>107</sup>

Our petition is hosted by GoPetition<sup>108</sup> who pride themselves with *Changing the World* as their tagline. Financed through the magic of Google ads, it has helped over 20,000 petitions in more than 75 countries. Ours is featured on their front page and my contact there has always been most supportive and helpful.

The signatures can be viewed by anybody, but as the publisher I have access to a few extra management tools. As an indication of 'public opinion', I copy here all the comments written by people who have signed, together with the number of the signatory:

2) We live in the dying embers of an *Age of Great Usury*; at the end of a thousand year struggle against an invisible army of darkness. For further details of how sound money and fair credit have been destroyed by the guile of international financiers and the neglect of the *Lords Temporal and Spiritual* see Henry Swabey's history of this 1000 year war in England at <http://www.cesc.net/serifweb/scholars/swabey/index.html> and read R.H. Tawney's *Essays on Usury* at <http://www.cesc.net.serifweb/scholars/tawney/index.html>

9) see [<http://www.ecotort.gn.apc.org>] and [<http://ecotort.blogspot.com>] for how our money and time could, and according to law, should be used....over 50% of everyone's wages is paying interest (on virtual money) to the banks, and we are being forced to commit crime to do it.

10) If we can progress, some times step by step if need be. As all of us in this struggle are not with bags of money to conduct a big campaign.

11) Petitions! There isn't time for a lumbering political process as a response to the slowdown some captains of industry are frightened to call a recession. Emergency action - cut-backs in spending can be minimised if targeted investments into energy efficiency - first by rapidly deploying "space-age" insulation externally to make use of thermal mass of existing buildings. Then properly subsidised renewable energy can work. For details of a funding stream - [www.STEERglobal.org](http://www.STEERglobal.org) - plus tax offset

12) I invite the reader to view my article on this subject: *Why We Don't Need A Central Bank Of England - Or Anywhere Else For That Matter* by David Weston in the April 2001 edition of *Prosperity* - journal on monetary reform. (<http://www.prosperityuk.com/prosperity/articles/boe.html>)

15) Running a Civilisation on debt slavery makes it a Brutalisation. Nobody minds a protection racket in a car park but this has gone too far. WE may not survive the imminent collapse of pseudo-civilisation and of its immanent and all too sustainable stupidities (such as the religion of pseudo-economics & the priesthood of central bankers), *but we can dream it be probable that, if the builders of SUMER and UR had known to what their power-hungry URbanisation would lead, they would surely have agreed to be content with gloriously proliferating forests & village democracies & sustainable prosperity for all, based on no artificial monopoly of anything, neither land nor labour nor capital, nor on centralised services or protection rackets of any kind, but firmly based on terrestrial economics, on really free markets and, of course, on honest exchange currencies issued by local authorities beholden to nobody but their neighbours.* [www.cesc.net](http://www.cesc.net)

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<sup>107</sup> <http://www.gopetition.co.uk/petitions/stop-the-cash-crumble-to-equalize-the-credit-crunch.html>

<sup>108</sup> <http://www.gopetition.co.uk>

- 18) interest rates should be brought down to 0% and all banks nationalised...new house prices should be halved and eventually built for free for people...mortgages should eventually be abolished.
- 19) Is the Credit Crunch as illusory as CO2-caused global warming?
- 20) Surely it's about time *FSA [Financial Services Association]* is dismantled forthwith in favour of an independently constituted regulatory body is called for. Who has enough punitive powers to impose punitive penalties of an offending financial institution to stop future repetitions, mirrored recently in USA and UK to public demise?
- 23) Chair of the Christian Council for Monetary Justice.
- 25) My only reservation is that the proposal to 'fuel genuine growth' is questionable, when reduction of fossil fuel use and conservation of finite materials are urgently needed.
- 30) Does the Select Committee to have the courage to go beyond the usual tinkering that constitutes monetary policy and face up to the reality of the ruinous effects of a debt based money supply?
- 31) Interest-free money - both as created new money and as re-lent money - is essential for sustainability and peace. '*Solving the World's Problems - It Can be Done*' in the papers' section at [www.interestfreemoney.org](http://www.interestfreemoney.org) explains more fully.
- 32) Easy loans with flooded Credits resulted in housing market crash in the most indebted country in the world - USA. Instead of raising wars with others' money USA should act to repay its debts first.
- 35) Interesting.
- 37) Stop obfuscating the real issue with voodoo economics (how on earth can a Nobel prize be given for an economic theory that is profoundly flawed) ?
- 38) History has shown that prosperity accompanies the kind of policy advocated here.
- 40) How about a transition period where *Bank of England* lends direct to the consumer, whilst banking institutions rebuild their confidence in each other? Also, how much of the "credit crunch" is directly attributable to the substance of this petition?
- 42) Why not prove once and for all that you and the rest of the supposed public servants are not taking backhanders from banks to preserve this unjust and unsustainable system for their benefits - we the people deserve better!
- 43) Why do we rely upon the private banking system to create money at the cost of interest when the government has the power to create money free of debt?
- 45) This is a serious matter that has to be dealt with as soon as possible.
- 48) I am happy to endorse and support this petition as it makes perfect sense.
- 52) I hope your petition has a positive result. Letters to leading politicians get nowhere, in my experience.
- 53) Many worthy social projects and key jobs are underfunded whilst huge salaries and exceptional bonus figures are paid to people in the financial sector. This is related to the problems and proposals set forward in this petition. I am happy to

support it because there is an urgent need for a more balanced and fair use of the results of the creation of money. In this way seignorage would be of benefit to the community in general through the creation of money by an independent public body.

54) I consider it totally immoral to base our society on debt.

56) I support an investigation into the long term development of the UK money supply and the proper role of government in the issue and protection of legal tender. I consider it immoral and dangerous to allow private institutions to create new money for profit that is indistinguishable from and directly exchangeable for legal tender backed by government. My concern is linked to the theft involved in taking privately created value in taxes whilst failing to collect publicly created value.

59) Government should tax the credit created by Banks in order to regulate the money supply, provide a public income comparable to the seignorage lost to Banks and reduce the net cost of government's own loans spent on public investment.

61) Narrow Capitalist paradigm that forgets that "wealth and capital" are generated by beliefs, ideas, passions i.e. human agents and that forget that capital is not the primary agent in the process. Print more money, invest in education and the environment and don't be a slave to inflation figures. Focus on deflation in morale, community spirit, ethics, law and order first.

63) With access to encyclopaedic weblinks from Forum for Stable Currencies, what else to add - except perhaps if there was ever a time when those who represent us need to consider fresh ideas it's NOW.

68) The world will shortly be faced with a choice between the creation of proper narrow money and a very long and deep depression.

70) I support this petition unreservedly.

72) I am concerned that the use of the word cash might mislead a reader to think we are trying to prevent the use of electronic money, which is increasing rapidly for reasons of convenience. It might invite an unfair repost. The present chaotic lack of system in monetary control must be addressed.

73) The banks have had it too good for too long and change of the money system is long overdue and banks wanton debt-raising usury must be dumped for sustainable and morally defensible 'constant money' (inflation only allowable) to take over.

76) The public are now becoming more aware of the insidious operation of the banking system, which became a cartel between 1910 and 1913. Go on to google and search the quotes of Josiah Stamp - Govoner of the bank of England in 1922 "Banking was conceived in iniquity and was born in sin. The Bankers own the earth. Take it away from them, but leave them the power to create deposits, and with the flick of the pen they will create enough deposits to buy it back again. However, take it away from them,

77) This is the centenary year of the introduction of the state pension in 1908, yet today the basic state pension, especially for many women, has fallen far behind what is necessary for a reasonable quality of life in older age. This coming winter will bring a crisis for pensioners who are unable to pay the rising price of food and fuel, leading to wholly unnecessary deaths through cold. Please, please remedy this at source, as the petition requests.

79) I believe the ability of banks to create money through fractional reserve banking and a combination of a lack of sufficient regulation on money supply, along with a political system that cannot sufficiently manage and plan the money supply, causes severe issues now, and will continue to do so.

80) Stop stealing from people who do real work. The current system rewards parasitism.

87) We allow private companies to create money AS DEBT, control who is allowed access to it and charge interest on the figures they have just pumped into a computer. Our money supply should be created by the Government of the people for the people, a national currency, related to size of population. It needs to be constantly fed in at the base (Citizen's Income) as it gets constantly vacuumed upwards. It should not be used to enslave people to the Work Ethic but to enable exchange of goods & services.

91) I strongly feel that our present monetary system is not sustainable and in desperate need of reform. Power granted to the banks, needs to be reclaimed by our government.

92) The creation of credit and of cash supply is a fundamental of democratic government. It is a shame on a succession of governments over the last 40 that this has not been debated in parliament, And to introduce public discussion on this subject would be a step towards the restoration of democracy in Britain.

93) Very happy to sign.

96) It is essential for economic and social justice that private banks are no longer able to create large amounts of new money, causing inflation, poverty and debt slavery for many in society.

103) No audits + Memorandums of Understanding between the Law Society and the Law enforcement agencies = Unaccountability= White Collar Fraud Costing the Public and the Inland Revenue several Hundred billions Pounds per annum.

105) This is from the USA, so please decide if this qualifies as a petition signature. Please also debate the topic of "Islamic no-interest financial system's impact on capitalist interest-based financial institutions". James Massey, "Making Phoenix, Arizona the world financial capital since 2008".

111) Even if only PART of the Credit money was at first taken as in the CMBA proposal on [www.STEERglobal.org](http://www.STEERglobal.org) and available by return from ian [at] STERglobal.org and directed to the COMMON and soon to accelerate threat of Sea level rise and climate change - that would be a step forward. I call for unity amongst individuals and organisations so no further delay is experienced and we can pull ourselves out of the Credit crunch with long-term investments vitally necessary.

112) Keep up the good work. Never ever give up.

113) Good luck with this. It s very important.

118) What bothers me is that this fundamental fault in the fabric of our civilization gets so little attention in the mainstream media. Why only 117 signatures after five months? We need to start shouting a lot louder

124) As a taxpayer, it has annoyed me greatly that banks, as organisations that can make millions without even trying, are asking for so much to bail them out. This is

nothing short of scandalous. I've no desire to see my money secure the lifestyles of those with the means to take care of themselves while my own family suffers. What is proposed here is a much better solution for everybody, not just those that line Gordon's coffers.

125) <http://www.foryourhealth.eu>

129) For a long time I have been of the opinion that our money system is built on quicksands re the way in which debts (loans) are created by banks, without proper asset cover, and now with the mess we are in it is time for a shift to 'real' money and its production only in relation to work and working assets.

130) False bankruptcies using false documents/instruments to strip the British Taxpayer of his / her hard earned income and assets, with the state benefiting from organised crime syndicates operating our courts and legal services, is nothing but legalised money laundering (Racketeering)

131) An understanding of how the current economics based on money is the road to disaster is long overdue.

Money has been substituted for real value to allow human beings to pretend that the earth's resources are limitless, but they are finite. We need a new system desperately to allow any prospect of human life persisting in 200 years time.

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These **End Notes** were written by **Peter Etherden** to enrich my original article. Peter has not only published the History of Usury but also many other related subjects. <http://preview.tinyurl.com/6rmgng>

<sup>i</sup> *William Franklin & Sons Limited* has operated a *PayPal* business account since 2000...[more](#)

<sup>ii</sup> The most glaring example is the belief that a bank lends out the money deposited by its customers. *Northern Rock* should have shattered that myth. Nonetheless scarcely one person in a hundred has ever heard of *Capital Adequacy Ratios*, which are themselves just the tip of an iceberg of obfuscation and deliberate deceit. This is *Civics101* and should form part of every school's GCSE syllabus.

<sup>iii</sup> Marxism is a classic example. Karl Marx and Adam Smith were 'of their time' and mercantilist in their views about money. From its very inception, the USSR had a state bank *Gosbank* working to central banking principles that differed little from the Dutch founders of the banks of Amsterdam and England at the end of the seventeenth century.

<sup>iv</sup> The only good stuff on *BBC* radio is between midnight and dawn but you need to be a serious insomniac to catch much of it. So there are good things happening on the *BBC World Service* where they have competition...like *Al Jazeera*, *Times of India*...[more](#)

<sup>v</sup> There are a large number of anti-society consequences of distributing spending power through the banking system to firms that meet their arbitrary criteria...collateral and profit maximising objectives...[more](#)

<sup>vi</sup> The slack has been taken up by the fractional commercial banking system. The ratio of deposits to loans should be raised from its current ratio of below 0.10 to the present Chinese level of 0.15...[more](#)

<sup>vii</sup> This principle seems to be lost on *New Labour* and on Gordon Brown in particular, who as *Chancellor of the Exchequer* routinely spread his sheets out into some far distant future. The *Public Private Initiative* is one example...[more](#)

<sup>viii</sup> The banking system also distorts the natural working of trade credit by its arbitrary withdrawals of loans and overdrafts from the small businesses that are already being squeezed...[more](#)

<sup>ix</sup> Dr. David C. Korten is a leader in the global resistance against corporate globalization...[more](#)

<sup>x</sup> Korten argues that even global corporations can be dominated by this system...[more](#)

<sup>xi</sup> Page 525-528 in *The Lost Science of Money*, by Stephen Zarlenga (*American Monetary Institute*, New York, 2002, 725 pages; ISBN: 1-930748-03-5).

<sup>xii</sup> In Paterson's description of how the *Bank of England's* legislation was promoted, we read: "All the while the very name of a bank or a corporation was avoided, though the notion of both was intended...[more](#)

- xiii Both laws depended heavily on wealthy and more sophisticated foreign supporters and organizers...[more](#)
- xiv Both institutions were very complex and not understood. This resulted partly from the need to cloak their effect - to obscure that the nation's sovereignty over its money was being transferred to private persons...[more](#)
- xv Both institutions were privately owned but made to appear as government bodies.
- xvi Some important early supporters would later condemn both institutions...[more](#)
- xvii Both institutions gave the impression that their notes were backed by gold...[more](#)
- xviii On 9<sup>th</sup> June 2008, Gill Montia in *Banking Times*, reported that the latest Quarterly Report from *BIS* noted that the *Great Depression* of the 1930s was not foreseen...[more](#)
- xix There is a wealth of good scholarship linking sound moral principles to legislative action...[more](#)
- xx *Grameen* went back to the drawing board in 1999 and came back with a major upgrade in 2001 which they refer to as *Grameen II*...[more](#)
- xxi There are two aspects to the *Parliament of 1571's* deliberations on the *Act of 1571*...[more](#)
- xxii The *Grameen* ceiling is twice the sum borrowed...a *Repayment to Principal Ratio* of 2.0. In William Shepherd's 1998 *Canterbury Papers* he suggested a ceiling of 1.3 as a way to compel the financial system to incorporate the period of the loan, the interest and the fees into a single measure...[more](#)
- xxiii The *Grameen Home Loan Programme* should be the model for the first *Public Credit* issue in the UK...[more](#)
- xxiv The *Grameen Struggling Members Programme* currently lends microcredit to 100 000 beggars...[more](#)
- xxv Here is how simple interest works...[more](#)
- xxvi Twenty five years ago I briefly held a position as an assistant professor of early childhood education at *Wheelock College* in Boston...one of the top teaching training colleges in the USA...[more](#)
- xxvii It was a philosopher, C. H. Waddington, who wrote a book entitled *The Scientific Attitude*. It was, he claimed, the attitude of *Twentieth Century Man*. The philosophers of today have not yet seen that one among them needs now to write a book entitled *The Engineering Attitude*...[more](#)
- xxviii Kings can be replaced and new aristocratic blood-lines imported. *The Glorious Revolution of 1688* when the *Stuarts* were replaced with the *House of Orange* is one example. Power can be diverted to *The Lords Spiritual* ruling over a disestablished *Church of England*...[more](#)
- xxix One of G. B. Shaw's lesser known plays is *The Apple Cart*. It is time this was performed at the *National Theatre*. The play begins with the king refusing to sign a bill that the leader of the ruling *Labour Party* had forced through *Parliament* on a three-line whip. A constitutional crisis is avoided when the king announces that he would stand for *Parliament*...[more](#)
- xxx Earlier this year a two-page memo was leaked from the *London Mayor's Office* with some suggestions about the favours *Londoners* might trade in return for their cheap *Venezuelan* oil. It makes for interesting reading...[more](#)