



Forum for Stable Currencies

Advocating Economic Democracy through Freedom from National Debt

Convenor: Lord Sudeley FSA; **Host:** Lord Ahmed; **Chairman:** Austin Mitchell MP
Sponsors: James Gibb Stuart, *Ossian Publishers*; Barbara A. Panvel, *New Era Coalition*
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15 February 2009

Inquiry into the Banking Crisis

Summary of Points

1. This submission is written in the light of our core concern about [Money as Debt also known as Credit](#)¹. They have been outlined in [Green Credit for Green Purposes](#)², our submission to the inquiry into the Stern report, and the supplementary memo³ we were invited to submit subsequently.
2. Our core concerns have also been voiced in nine Early Day Motions since 2002, see www.forumforstablecurrencies.org.uk, and in our online petition [Stop the Cash Crumble to Equalize the Credit Crunch](#)⁴:
 - Our precedent from 1964: Conservative Henry Kerby MP's motion [to restore the power of the issue of money to the Crown](#)⁵.
 - [Public Credit](#) as an interest-free source of governmental funding
 - The Cash : Credit ratio in the money supply
 - Publicly available statistics regarding the money supply

Introduction to the Author

3. I am a mathematician and systems analyst who used to diagnose software problems at CERN, the [European Centre for Nuclear Research in Geneva](#), where the web was born. In London, I formed the company [3D Metrics](#) to commercialise the software methods I developed in private and independent research. As organiser of the [Forum for Stable Currencies](#), I gained the experience necessary to summarise the extreme shortcomings of what is happening: at the cost of the taxpayer, in the light of most deceptive institutional moves – and, even more unfortunately, in the wake of the ‘special relationship’ with the USA – violating British core values and the ethics of fairness for which the City and the country used to be known.

¹ <http://www.moneyasdebt.wordpress.com/>

² <http://greencredit.files.wordpress.com/2007/01/green-credit.pdf>

³ <http://greencredit.files.wordpress.com/2007/05/stick-v-carrot.pdf>

⁴ <http://www.gopetition.co.uk/petitions/stop-the-cash-crumble-to-equalize-the-credit-crunch.html>

⁵ <http://prosperityuk.com/prosperity/articles/kerby.html>

*A Voluntary Initiative of Parliamentarians and Concerned Citizens
across the full political spectrum and from all religious persuasions*

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4. *Re 1. Financial Stability:* at the forefront of anybody's thinking must be the question: How can any responsible body justify the creation of huge sums of bailout money for banks, while there is never enough money for health, education, the environment, climate change, home owners and small businesses?
5. *Re 1. Public sector authorities:* if "financial stability" means low inflation, a reduction in national, corporate and private overindebtedness, suicides, bankruptcies and home repossessions, then the Committee and the institutions that it scrutinises need to change a lot. If, however, everybody employed does their job and business continues as usual, the credibility gap and the gap between rich and poor can clearly not be closed, as casino capitalism continues, while British values of fairness and standing up for the underdog vanish completely.
6. *Re 1.4 Transparency and value of statistics:* the Bank of England as well as HM Treasury and the UK Statistics Authority publish their findings online, but coherent executive summaries and overviews are lacking. The daily economy is ruled by inflation and GDP as simple indicators, but only very short-term. However, the statistics available are complex and convoluted, without options for short-, medium- and long-term comparisons.
7. *Re 1.8 International financial regulation:* there would hardly be "[End the Fed](http://endthefed.us/)"⁶ demos in 39 cities in the US, if the *Federal Reserve System* were respected and believable. All other Central Banks are equally uncontrolled and unaccountable. It is naive to believe that regulation might cure the disastrous situation that unbridled globalisation has created in the world. [Inside the Bank of England](#) by Philip Geddes was published in 1987 and spells out the role of the bank of banks, as well as its function and operation via the City: "**the Bank has fought off assaults on its operational and practical independence – some from the Treasury, its nominal master, but mainly from Parliament, which has struggled in vain to make this least-public of publicly owned institutions more accountable to its proprietors.**"⁷ At the same time, technology could be put to good use by publishing those figures that are significant, illustrating that political will and economic reality can go hand in hand with what is being preached and presented to the public.
8. *Re 1.9: highly complex financial products:* once upon a time, money was invented as a medium of exchange to facilitate trade. To gradually turn it into a medium of social control by exploiting its artificial scarcity as means of payment is an unacceptable shame on humanity – especially in the face of climate change, besides increasing violence and poverty. Any responsible politician trying to protect taxpayers rather than bankers would follow [Conservative Henry Kerby MP's motion](#) that he put down in 1964: **to restore the issue of currency to the Crown**. His eloquent speech about the destructive effects of private banking is as true today as it was 44 years ago⁸: "**the spirit of the old laws and traditions has been circumvented. To assure unprecedented prosperity with true sovereignty and liberty, banks should only be able to lend moneys they have earned or borrowed**". See also [Sovereignty and Seignorage – The Legal Privilege and a Financial Mechanism of Nation States](#) - written for a lawyer working for climate justice.
9. *Re 1.10 non-bank financial institutions:* in the spirit of trade, the British Empire and the Commonwealth, money should be a public servant so that financial stability can be ensured at all cost. Investigating the causes for any instability should be at the top of the agenda. But, as long as private vested interests reign over public ideals of fairness, camouflage and deception will continue.
10. *Re 1.11 the media:* BBC's business editor Robert Peston has been called the face of the crisis. His excellent book *Who runs Britain?* says it all: too much debt on all levels: personal debt,

⁶ <http://endthefed.us/>

⁷ <http://williamfranklin.blog.co.uk/2009/01/01/the-great-depression-of-2009-who-is-to-blame-5308256>

⁸ <http://prosperityuk.com/prosperity/articles/kerby.html>

corporate debt, national debt are the cause of the crisis, and stateless plutocrats run Britain. For politicians have sold their souls to idols of ‘wealth’.

11. It would be nice to think that the *Treasury Select Committee* was breaking this mould. So far, the evidence has been to the contrary. Hence we can only hope for debate about positive change via the internet, since the media are controlled by the same plutocrats that determine what happens elsewhere, while [Corporations Rule the World](#)⁹. Or, in the words of [John Pilger](#)¹⁰, [Journalists ought to be agents of truth, not the courtiers of power](#).¹¹
12. *Re 1.12 Public sector monitoring and surveillance*: yes, my *3d metric* software will greatly contribute to monitoring and solving problems of complex systems – publicly via the web. Often enough I have offered it to the Treasury, the Bank of England and others. It will be interesting to watch the effects of insights gained that, so far, cannot be had, because complex data cannot be compared as effectively as with my methods. The more public sector monitoring and surveillance the merrier. It’s about time!
13. *Re 1.13 banking vs overall economy*: that ratio needs to be monitored, too! Who on earth allowed the financial economy to take over the real economy? Why does everybody buy into this myth, that it must be so, without questioning it?
14. *Re 2. Protecting the Taxpayer*: good idea. But where is the reality?
15. *Re 2.5 UK Financial Investments (UKFI)*: we are told that UKFI turns taxpayers into shareholders. But there are millions more taxpayers than there are shareholders in UKFI! We are also told that UKFI has been set up to protect home owners and small businesses. At the same time, [bailiffs get power to use force on debtors](#)¹². Does the UK really want to copy the US with all the unsustainable credit creation and ensuing violence? If “UK plc” were to be born where every citizen had shares, the idea could become believable. Meanwhile, institutions are created with the right names, but the effects are beneficial to only a few.
16. *Re 2.6 future taxpayers*: Moral hazard must be equalled to the intellectual bankruptcy of economists and the ethical bankruptcy of bankers. Meanwhile, scientists have allowed economists and financiers to deal with numbers and statistics in unscientific ways. Hence it is most fortuitous that *3d metric* software will allow the seamless integration of scientific, economic and financial data on the web. That will allow for the required transparency between short, medium and long term data – whether regarding climate change or financial and economic futures!
17. *Re 3. Protecting Consumers*: it is part of the completely unethical trend of banking that clients have become consumers of financial products, instead of using their money to facilitate the exchange of real products and real services. If any report of the Committee could redress this trend, it would be a good idea, too!
18. *Re 3.1 the role of banks*: there are many self-help groups and many victims of banks and other institutions who are fighting for justice. I have yet to hear their evidence before the Treasury Committee!
19. *Re 3.2 Retail banking as “utility” v wholesale banking for investment*: usury (the principle of making money out of money) has been forbidden in all religions and philosophies. For how long will Western capitalists get away with legalised usury? For how long will politicians prove unable to stop them? Who controls the controllers? As long as the *Financial Services Authority*

⁹ <http://www.pcdf.org/corprule/corporat.htm>

¹⁰ <http://www.johnpilger.com/>

¹¹ <http://www.inminds.co.uk/article.php?id=10196>

¹² <http://www.timesonline.co.uk/tol/news/politics/article5375668.ece>

is financed by the financial industry, it can hardly be expected to do what is right for people and planet.

20. *Re 3.4 Product pricing* would perpetuate the completely unsustainable principle of financial products. Banks are not there to *sell* money. They are to *serve* the real economy.
21. *Re 3.8 consumer confidence*: the fact that consumer confidence is waning cannot be ignored. See the article in [TIME magazine on alternative currencies](#)¹³ and the posting on [millions of currencies](#) that illustrate the alternatives created by “us the taxpayers” – in cooperation with “them the technologies”.

Sabine K McNeill

[3D Metrics](#), Director, website with > 47,850 hits

Organiser, [Forum for Stable Currencies](#), website with > 1,810 hits

[In the Spirit of the Forum for Stable Currencies](#), blog with > 5,820 hits and [archive](#) with > 8,590 visits

[Yunusphere](#), Expanding Dr. Yunus' Sphere of Influence, blog with > 12,210 hits

[Stop the Cash Crumble to Equalize the Credit Crunch](#), petition targeted at the Treasury Select Committee, with currently 156 signatures and > 4,010 page views

[Money as Debt also known as Credit](#), our core concerns with currently > 260 hits

¹³ <http://205.188.238.109/time/business/article/0,8599,1865467,00.html?iid=tsmodule>