



Forum for Stable Currencies

Advocating Economic Democracy through Freedom from National Debt

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The Purpose of UK Banking, the Function and Nature of Money and other Cultural Issues relating to Professional and Corporate Banking Standards

1. Introduction

The [Forum for Stable Currencies](http://forumforstablecurrencies.info)¹ has been meeting in both Houses since 1998. In the UK, it carries forward the work of the [Christian Council for Monetary Justice](http://www.ccmj.org/)² and of [Social Credit](http://en.wikipedia.org/wiki/Social_Credit)³, the economic philosophy developed by the British engineer [C.H.Douglas](http://www.positivemoney.org.uk/) (1879-1952). The next generation is promoting the topic as [Positive Money](http://www.positivemoney.org.uk/)⁴. In the US, some of our counterparts are the [American Monetary Institute](http://www.monetary.org/)⁵ and [The Web of Debt](http://www.webofdebt.com/)⁶. Similar initiatives exist all over the world, loosely under the term [monetary reform](http://en.wikipedia.org/wiki/Monetary_reform)⁷.

2. I am writing as the organiser of the *Forum for Stable Currencies* on behalf of an attendance of 30-50 people during an estimated 150 meetings. I am also writing as a mathematician, system analyst and independent web publisher since 2004. In chronological order, the websites relevant to the Commission's inquiry are:

- [Green Credit for Green Growth](http://greencredit.org.uk/)⁸ – over 9,800 visitors
- [How is Green Growth Possible?](http://greengrowth.info/)⁹ – over 1,700 visitors
- [Forum for Stable Currencies – Political Summary](http://forumforstablecurrencies.org.uk/)¹⁰ – over 4,700 visitors
- [News in the Spirit of the Forum for Stable Currencies](http://forumnews.wordpress.com/)¹¹ – over 37,700 visitors
- [Money as Debt aka Credit](http://moneyasdebt.wordpress.com/about/)¹² – over 26,700 visitors
- [Forum for Stable Currencies – aiming at Parliamentary Scrutiny](http://forumforstablecurrencies.info/about)¹³ – over 10,300 visitors
- [Enforcement of Bank of England Act 1694](http://edm1297.info/bank-of-england-act-1694/about/)¹⁴ – over 31,200 visitors
- [Barter Currencies](http://bartercard.wordpress.com/about/)¹⁵ - over 2,800 visitors
- [Public Debts for Vested Interest Payments](http://publicdebts.org.uk/about/)¹⁶ – over 11,400 visitors.

¹ <http://forumforstablecurrencies.info/chronology/>

² <http://www.ccmj.org/>

³ http://en.wikipedia.org/wiki/Social_Credit

⁴ <http://www.positivemoney.org.uk/>

⁵ <http://www.monetary.org/>

⁶ <http://www.webofdebt.com/>

⁷ http://en.wikipedia.org/wiki/Monetary_reform

⁸ <http://greencredit.org.uk/>

⁹ <http://greengrowth.info/>

¹⁰ <http://www.forumforstablecurrencies.org.uk/>

¹¹ <http://forumnews.wordpress.com/>

¹² <http://moneyasdebt.wordpress.com/about/>

¹³ <http://forumforstablecurrencies.info/about>

¹⁴ <http://edm1297.info/bank-of-england-act-1694/about/>

¹⁵ <http://bartercard.wordpress.com/about/>

¹⁶ <http://publicdebts.org.uk/about/>

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

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3. Ever since the first Forum meeting, victims of white collar crimes and financial or legal exploitation attended to get their stories heard.
4. To advocate the plight of the results of inadequate professional banking standards, I published the following websites since August 2010:
 - [Victims Unite](#)¹⁷ over 125,000 visitors
 - [Flying Vet challenges South Wales Police](#)¹⁸ over 10,800 visitors
 - [Peter Bellett – Whistleblower and Victim of Criminals](#)¹⁹ over 1,100 visitors
 - [Paulette H Cooper – Victim of MANY white collar crimes](#)²⁰ over 1,800 visitors
 - [Gedaljahu Ebert – Bankrupted Fraudulently](#)²¹ over 10,800 visitors
 - [Citizens’ Cyber Court](#)²² over 1,000 visitors
 - [Association of McKenzie Friends as Public Interest Advocates](#)²³ over 1,900 visitors
5. Furthermore, a number of online petitions cover our concerns and the Commission may wish to read comments by the general public whose interests it is supposed to serve:
 - [Stop the Cash Crumble to Equalize the Credit Crunch](#)²⁴ [comments](#)²⁵
 - [Financial Fairness for Voters and Taxpayers, please!](#)²⁶ [comments](#)²⁷
 - [Stop the Oppression of the British People](#)²⁸ [comments](#)²⁹
 - [Parliamentary Inquiry into White Collar Crimes](#)³⁰ [summary](#)³¹ for *Justice Committee*
 - [The Secrecy in Family Courts should be lifted NOW](#)³² [comments](#)³³
 - [Abolish the Ban on Recording Court Proceedings](#)³⁴
6. **Executive Summary**
 While the Commission’s initiative is laudable, it fails to address the legal and ethical foundations for [UK Banking Policy](#) on a professional and corporate level. These ought to underpin the activities of the *UK banking sector* and, above all, the *Bank of England* as the oldest Central Bank responsible for Anglo-Saxon capitalism world-wide.
7. The remit also fails to address the power and potential of *technology* for change and regulation. A Microsoft presentation emphasised this recently with [Did You Know / Shift Happens](#)³⁵. This slide show illustrates how [The Solution is in the Machine](#) and [Code and Other Laws of Cyberspace](#)³⁶ by Harvard Law Professor Lawrence Lessig are far more effective than words.

¹⁷ <http://victims-unite.net/about/>

¹⁸ <http://mauricejohnkirk.wordpress.com/about/>

¹⁹ <http://peterbellett.wordpress.com/about/>

²⁰ <http://paulettehcooper.wordpress.com/about/>

²¹ <http://mrebert.wordpress.com/about/>

²² <http://citizenscybercourt.wordpress.com/about/>

²³ <http://mckenzie4fairness.wordpress.com/about>

²⁴ <http://www.gopetition.com/petitions/stop-the-cash-crumble-to-equalize-the-credit-crunch.html>

²⁵ <http://victimsunite.files.wordpress.com/2011/02/11-02-05-stop-the-cash-crumble-comments.pdf>

²⁶ <http://www.gopetition.co.uk/petitions/financial-fairness.html>

²⁷ <http://victimsunite.files.wordpress.com/2011/02/11-02-05-financial-fairness-comments.pdf>

²⁸ <http://www.gopetition.com/petition/34869.html>

²⁹ <http://moneyasdebt.files.wordpress.com/2010/11/comments-by-signatories.pdf>

³⁰ <http://www.gopetition.com/petitions/public-inquiry-into-white-collar-crimes.html>

³¹ <http://victimsunite.files.wordpress.com/2012/08/11-08-07-public-inquiry-into-white-collar-crimes1.pdf>

³² <http://www.gopetition.com/petitions/the-secrecy-of-the-family-courts-should-be-lifted-now.html>

³³ <http://victimsunite.files.wordpress.com/2011/07/11-06-28-petition-sterling-comments.pdf>

³⁴ <http://www.gopetition.com/petitions/abolish-the-ban-on-recording-court-proceedings.html>

³⁵ <http://shifthappens.wikispaces.com/>

³⁶ http://en.wikipedia.org/wiki/Code_and_Other_Laws_of_Cyberspace

8. But, as pointed out by the [summary of requests](#)³⁷ of the [SME Innovation Alliance](#)³⁸, technology expertise is sorely missing in HM Government.
9. The Commission's main issue seems to be 'public [confidence](#)' rather than 'public [interest](#)'. This submission therefore addresses the [purpose of Banking and Government](#), the [nature and function of 'money'](#) and the resulting tensions between the Cities of London and Westminster, besides responding to some of the specific points raised by the Commission's questions.
10. **Legal and Ethical Foundations for UK Banking Policy**
The [Bank of England Act](#)³⁹ was written in 1694, to create the Corporation by producing the first National Debt of £m 1.2 at 8%.
11. The Act states "*to avoid the serious oppression of Their Majesties subjects, the Corporation is not to trade – by their monopolizing and ingrossing any sort of goods wares and merchandizes. Every person who shall deal or trade ... shall be made prosecuted ... treble the value of the goods ... so traded.*" Logic implies that trading with 'financial instruments' such as [Public Debt](#)⁴⁰ bonds were to be avoided.
12. [Usury as described by the Lord Sudeley FSA](#)⁴¹ was not addressed in the House of Lords, as he was one of the hereditary peers thrown out by the Reform. The Reform made matters worse due to the absence of long term and party independent thinking.
13. Parliament has not questioned the [history of usury](#)⁴² since the [Act Against Usurie in 1545](#)⁴³.
14. As Chairman of the *Forum for Stable Currencies*, Austin Mitchell MP tabled [12 Early Day Motions](#)⁴⁴ relating to the subject since 2002.
15. Contrary to [the evil of usury](#)⁴⁵, the City has imposed its power to create [Money as Debt aka Credit](#)⁴⁶ gradually and systematically, while short term Parliaments could not make any difference to the long term trends thus established.
16. **The Purpose of UK Banking**
It seems to be an unchallenged assumption that banks, central banks and other financial institutions have the right to exist to make money out of money, as 'passive income', such as dividends for shareholders, interest for bonds, securities and loans and income from property.
17. The fact that the resulting [financial economy](#) has taken devastating tolls on the [real economy](#) is being overlooked in the face of arguments put forward by bankers and economists rather than advocates of the public interest.
18. However, the [Treasury Select Committee's investigation into building societies](#)⁴⁷ of 4 February 2009 ended with Adrian Coles, Director General, Building Societies Association: "*I think the future is mutuals. If you look at the mutual model, it is lower risk, better customer service, better pricing, so send the banks into our branches and they will learn a lot.*" Mr Beale of Nationwide said "*We are safe, dependable, reliable.*"

³⁷ http://www.smeia.org/smeia-org/img/PDF_files/12_07_12_Summary_of_Requests.pdf

³⁸ <http://www.smeia.org>

³⁹ <http://edm1297.info/bank-of-england-act-1694/corporation-not-to-trade/>

⁴⁰ <http://publicdebts.org.uk/>

⁴¹ <http://lordsudeley.wordpress.com/usury/>

⁴² <http://historyofusury.blog.co.uk/>

⁴³ <http://en.wikipedia.org/wiki/Usury>

⁴⁴ <http://www.forumforstablecurrencies.org.uk/>

⁴⁵ <http://www.biblebelievers.org.au/usury.htm>

⁴⁶ <http://moneyasdebt.wordpress.com/about/>

⁴⁷ <http://www.party.coop/2009/02/19/treasury-select-committee-the-futures-mutual/>

19. **The Purpose of UK Government**

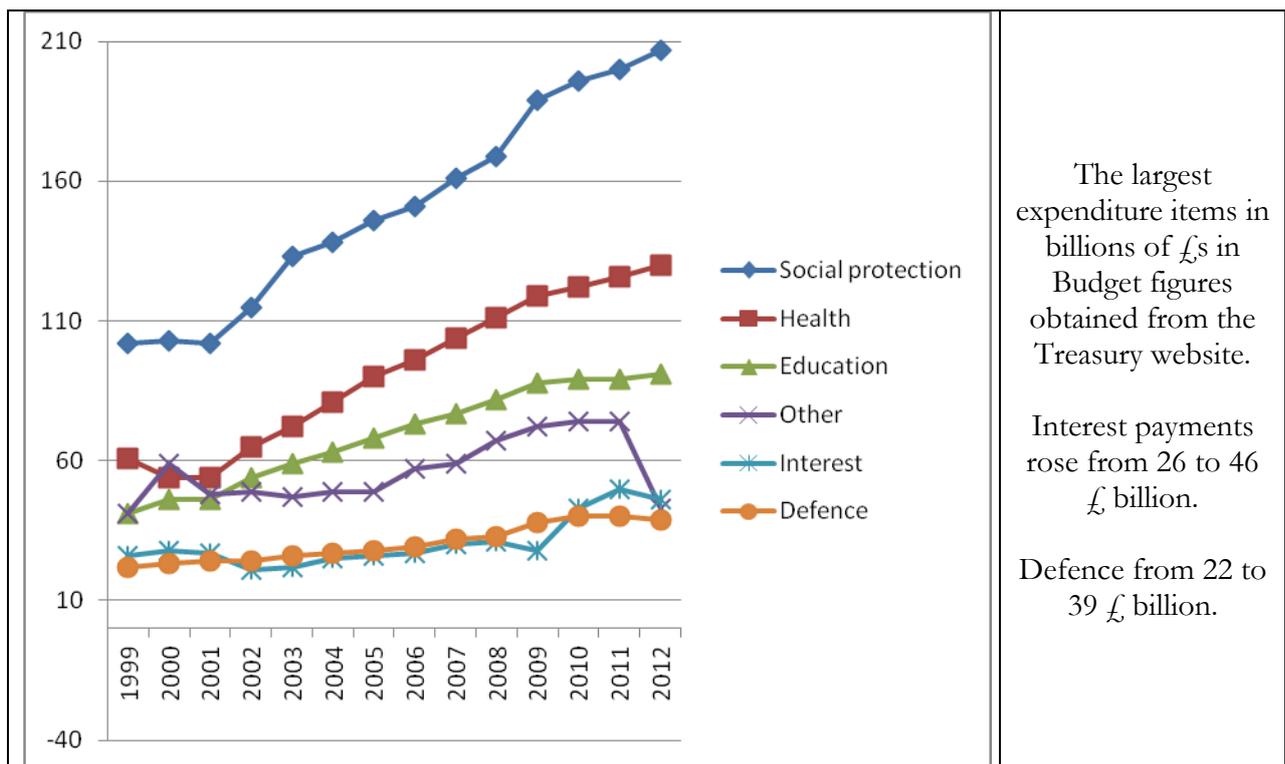
Due to the nature of money as it has been imposed by the City, [Sovereignty and Seignorage](#)⁴⁸ have been undermined as the prime principles underlying the Nation State.

20. Any Government with the [public interest](#) of the [real economy](#) at heart, should redress the imbalance between Government and Banking, or Westminster and the City, by monitoring and adjusting the proportion between Cash and Credit in the creation and ongoing supply of ‘money’.

21. The share was about 50/50 towards the end of WWII, whereas it is estimated at 3% Cash and 97% Credit nowadays. See [What is the Cash Crumble?](#)⁴⁹ as part of [Public Cash for the Real Economy](#)⁵⁰ for the [Journal of Accountancy Business and Public Interest](#)⁵¹ in 2009.

22. This suggestion was the essence of [Green Credit for Green Purposes](#)⁵², our contribution to the Treasury Select Committee’s inquiry into climate change and the Stern Review in 2008. We followed the advice of a human rights lawyer who said “*go for Parliamentary Scrutiny via the Treasury Select Committee.*”

23. But Government adds to the growth of the Credit supply by borrowing, with annual interest payments on average as high as the military budget. In the disguise of ‘quantitative easing’, interest payments have exceeded defence expenditure since 2010:



24. As a consequence, [When Corporations rule the World](#)⁵³, published in 1995, has become reality, with a [‘too big to fail’](#)⁵⁴ policy, led by the big US and UK Banks.

⁴⁸ <http://greencredit.files.wordpress.com/2008/01/sovereignty-and-seignorage-report.pdf>

⁴⁹ <http://forumnews.wordpress.com/public-interest-article/2-what-is-the-cash-crumble/>

⁵⁰ <http://visar.csustan.edu/aaba/McNeill2009.pdf>

⁵¹ <http://visar.csustan.edu/aaba/aabajournalpage.html>

⁵² <http://www.forumforstablecurrencies.org.uk/documents/GreenCreditforGreenPurposes.pdf>

⁵³ http://en.wikipedia.org/wiki/When_Corporations_Rule_the_World

⁵⁴ http://en.wikipedia.org/wiki/Too_big_to_fail

25. In the same spirit of analysis, [Corporatism is Killing America](#)⁵⁵ was published on 19th Aug 2012 on [OpEdNews](#)⁵⁶, one of the [Top 100 Technorati](#)⁵⁷ sites with 250 – 800,000 unique visitors a month. The Commission may be well advised to take note of the blogosphere when examining cultural issues surrounding professional banking standards. But, in my experience of making submissions to Select Committees in both Houses, independent NGOs can get their satisfaction only from knowing that their contributions will make history by being included in publications.

26. The Nature and Function of Money

Established schools of economics do not teach what ‘money’ is, let alone the fundamental differences between interest-free ‘Cash’, minted and coined by Government, and interest-bearing ‘Credit’ [created from thin air](#)⁵⁸ by banks, central banks and other financial institutions.

27. The [Wikipedia entry on Too big to fail](#)⁵⁹ shows this poster at [Occupy Wall Street](#)⁶⁰ started in September 2011. It symbolises the inequality between the wealthiest 1% and the rest of 99%.



28. [The Global 1%: Exposing the Transnational Ruling Class](#)⁶¹ is also published on OpEdNews and analyzes the wealthiest 1% as follows:

- a. Owners and controllers of transnational corporations
- b. Globalizing bureaucrats and politicians
- c. Globalizing professionals
- d. Consumerist elites (merchants and media).

29. Seignorage, the Government’s income from the difference between the costs of producing Cash and its face value, has been hijacked by banks who sell their Credit for interest.

30. Governments accept interest-bearing Credit as being equal to interest-free Cash. The result is a camouflage and mis-representation of [what is dishonest about our money system](#)⁶².

31. This dishonesty includes the unchallenged right of taxation, the craze of tax competition and the injustice of tax havens, while even big companies such as [Google avoid tax payments in the UK](#)⁶³. See the [Tax Injustice Network](#)⁶⁴ for deep analyses of taxation issues.

32. As Lord Sudeley points out, politicians ought to know that [usury](#) is forbidden by all philosophies, ever [since Aristotle](#)⁶⁵. In Islam, it is known as the deadly sin called [riba](#)⁶⁶.

33. It should also be common knowledge that, mathematically, compounding interest upon interest is unsustainable, as its growth is exponential. This exponential mechanism applies to the growth of the supply of ‘money aka Credit’ into the economy and is responsible for crises that appear

⁵⁵ <http://www.opednews.com/articles/Corporatism-is-Killing-Ame-by-Rob-Kall-120819-348.html>

⁵⁶ <http://technorati.com/blogs/www.opednews.com>

⁵⁷ <http://technorati.com/blogs/top100>

⁵⁸ <http://www.guardian.co.uk/commentisfree/2008/mar/20/jamesrobertsonmoneyfromthi>

⁵⁹ http://en.wikipedia.org/wiki/Too_big_to_fail

⁶⁰ http://en.wikipedia.org/wiki/Occupy_Wall_Street

⁶¹ <http://www.opednews.com/articles/1/The-Global-1--Exposing-th-by-Peter-Phillips-120819-734.html>

⁶² <http://moneyasdebt.wordpress.com/2011/07/03/whats-so-dishonest-about-our-money-system/>

⁶³ <http://www.telegraph.co.uk/technology/google/8727503/Google-says-it-would-pay-more-tax-in-UK.html>

⁶⁴ http://en.wikipedia.org/wiki/Tax_Justice_Network

⁶⁵ <http://fauxcapitalist.com/2010/07/13/aristotle-on-usury/>

⁶⁶ <http://en.wikipedia.org/wiki/Riba>

cyclically due to the nature of exponentiality. As long as nobody creates the interest necessary to pay for Credit, everybody is forced to borrow from Peter to pay Paul.

34. **Consequences for Consumers and the Economy as a Whole**

Unemployment, inflation, growth and competitiveness have become the mantras of capitalism, the only game in town, in a culture of advertising spend and consumerism that is wholly detrimental to people and planet.

35. The results are not just loss of public confidence, but victims of fraud that does not get investigated, crimes that are covered up and ultimately a state of lawlessness, since institutionalised perpetrators are protected by [Royal Charters – the ticket to immunity from prosecution](#)⁶⁷.
36. [The Rule of Law or the Rule of Central Bankers?](#)⁶⁸ is an article by Mercatus Professor of Economics at George Mason University that illustrates how, under the auspices of the Bank of International Settlements and the Fed, central banks are developing ever more intrusive controls on banking and finance, to move us away from freedom along [The Road to Serfdom](#)⁶⁹.
37. Further results of an unaccountable and self-regulated UK banking sector are heinous white collar crimes carried out by individuals in institutions – out of greed for consumption, covered up for fear of losing one’s precious job.
38. [Victims Unite](#)⁷⁰ was started two years ago and has been visited over 125,000 times. The site has been offering a voice to the victims of what must be called ‘economic wars’: fraudulent [bankruptcies](#)⁷¹, irregular [home repossessions](#)⁷², false [insolvencies](#)⁷³, [unlawful imprisonments](#)⁷⁴ and other crimes have sky rocketed, especially on behalf of institutions such as the [Inland Revenue](#)⁷⁵, the Land Registry and the Court of Protection.
39. [SAFE – Struggle Against Financial Exploitation](#)⁷⁶ has had over 87,000 visits since its inception as one of many groups of ‘bank victims’ that tend to focus on each particular bank.
40. By way of example, a website such as [Solicitors from Hell](#)⁷⁷ only exists, because there is a need for it. [BentJudges.com](#)⁷⁸ exposes endemic legal corruption in Scotland.
41. Institutionalised [Child Snatching](#)⁷⁹ has become an impressive ‘[industry](#)’ of activities⁸⁰ that would not be possible, if ‘money’ was created, supplied and managed with wisdom and public interest at heart.
42. Another group of victims has formed an [SME Innovation Alliance](#)⁸¹ as they are frustrated with their patents being worthless: big companies violate them and SMEs don’t have the money to defend them. One such victim [burned his patent outside Westminster](#).⁸²

⁶⁷ <http://bit.ly/azN1nV>

⁶⁸ <http://www.cato.org/pubs/journal/cj30n3/cj30n3-3.pdf>

⁶⁹ http://en.wikipedia.org/wiki/The_Road_to_Serfdom

⁷⁰ <http://victims-unite.net/about/>

⁷¹ <http://victims-unite.net/our-cases-as-stories/4-sample-cases/>

⁷² <http://victims-unite.net/our-cases-as-stories/fraudulent-repossessions/>

⁷³ <http://paulettehcooper.wordpress.com/about/>

⁷⁴ <http://victims-unite.net/our-cases-as-stories/fraudulent-imprisonment/>

⁷⁵ <http://www.guardian.co.uk/money/2003/may/10/tax.scamsandfraud>

⁷⁶ <http://www.safe-online.org/About/index.html>

⁷⁷ <http://solicitorsfromhell.net/>

⁷⁸ <http://www.bentjudges.com/>

⁷⁹ <http://victims-unite.net/child-snatching/>

⁸⁰ <http://punishmentwithoutcrime.wordpress.com/about/statistics/the-money/>

43. Corporate, Regulatory or Legislative Action

With a view to making change happen, there seem to be the following options:

- a. On a *personal* level, everybody should check whether their conscience is still operating.
- b. On a *corporate* level, it seems that no 'mission statement' manages to ensure that corporations practise what they preach.
- c. On a *regulatory* level, software control would, by far, be the most effective action
 - Statistics could go straight to the National Office of Statistics
 - 'Regulatory values' could go to the FSA and the Treasury
 - Trend indicators could go to the Monetary Policy and Treasury Committees
- d. On a *legislative* level, the transfer to software regulation may have to be enshrined in law.

44. The Power of Technology for Policy Implementation

Maybe, the establishment of the Parliamentary Commission means that real change can happen, taking into account the power that "Code is law" and that interactive computer screens have replaced books that are quickly outdated.

- a. George Orwell's Big Brother could become a computer system that protects consumers and the real economy from bankers and their financial economy.
- b. In the spirit of currently publicised Policies, this submission ought to be helpful:
 - "Focusing on building a dynamic and competitive UK economy": the dynamics of coding should be taught as early as possible in schools and colleges – not just the use of ready made software packages, so that students learn to think as logically as computers
 - "Making government work better" implies the use of 'executive summaries' as 'meta information' from key data – great online jobs for 'computer veterans'
 - "Securing a rebalanced and resilient economy that will create the conditions for sustainable growth" – this implies the understanding of 'exponential growth' inherent in a money supply based on interest-bearing Credit
 - "Ensuring the correct tax is paid at the right time, whether this relates to payment of taxes received by the department or entitlement to benefits paid" – capitalist greed has ensured that money is always taken rather than given, while debt payments can be legally enforced.
- c. It is hoped that the Parliamentary Commission really takes in what citizens submit and fulfils its remit such that there is hope at a time, when the City with its bankers can hardly be proud of its social achievements.

45. Creating a World without Poverty – Social Business and the Future of Capitalism

This book was written by Dr. Muhammad Yunus, founder of the [Grameen Bank](http://www.grameenbank.org/)⁸³ as a credit union and joint [Nobel Peace prize winner in 2006](http://www.nobelprize.org/nobelprizes/peace/laureates/2006/yunus.html)⁸⁴ for "their efforts to create economic and social development from below". It is for creative entrepreneurs who want to make a difference in the real economy, without and beyond Government.

- a. The key difference that he is proposing to share holding companies is not to pay dividends, but to use profits for company growth.
- b. If banks were not to focus on shareholder maximisation, they would set a sign of being socially responsible. If banks intended to operate in socially responsible ways, we would not be where we are today. The choice is thus ethical and moral on an individual, professional and corporate level.

⁸¹ <http://www.smeia.org/>

⁸² <http://www.telegraph.co.uk/finance/businessclub/9181842/Figures-reveal-failing-patent-system.html>

⁸³ http://en.wikipedia.org/wiki/Grameen_Bank

⁸⁴ <http://almaz.com/nobel/peace/2006a.html>