



# 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*  
**Organiser:** Sabine McNeill FRSA, Director, *3D Metrics*

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29 December 2007

### Points made in Early Day Motions by Austin Mitchell MP, advocating the use of People's Credit\* for the People's Purposes – 2002-2007

\*Until recently known as M0: notes and coins. Public money – People's Credit - can now also be issued electronically.

- EDM 1515 – 2002 – Using the Public Credit
- EDM 854 - 2003 – Publicly Created Money and Monetary Reform
- EDM 323 - 2003 – Public Credit for Public Purposes
- EDM 327 - 2004 – Use of Public Credit for Public Works
- EDM 743 - 2005 – Interest Free Money
- EDM 390 - 2005 – Publicly-Created Money
- EDM 408 - 2006 – Public Credit for Public Purposes
- EDM 265 - 2007 – Green Credit for Green Growth

#### Notes and italicised recommendations:

1. There has been a huge expansion of bank lending which has imposed a growing debt burden on society.

*The People's Credit can and should be used for the People's Purposes not for private enrichment and bank profit*

2. The proportion of publicly created money in circulation, has fallen from 20 % of the money supply in 1964 to 3% today.

The Government is urged to redress the balance back to the people by instructing the Bank of England to create credit to be used exclusively to finance necessary public investment in schools, hospitals, transport, police, social services and defence.

3. The conclusion of the report by the Association of Chartered Certified Accountants (ACCA) confirms that private finance initiatives are a very expensive way of financing and delivering public services. For public and social infrastructure developments interest-bearing debt is unsatisfactory, burdensome and inadequate.

*The heavy extra costs of financing public projects by the Public Finance Initiative or Public Private Partnerships would be massively reduced by the development and use of public credit rather than accumulating even more debt or enriching the private finance initiative and public private partnership contractors who are making vast profits from the Government's desire to provide alternatives to borrowing.*

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

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4. The cost of dealing with the recent floods is only a foretaste of the much larger sums that will be necessary to cope with climate change and to deal with extreme weather conditions

*Instead of raising the money by taxing or borrowing, the Government should now increase the proportion of publicly-created money in the economy by issuing interest-free green credit to finance the measures which will have to be taken.*

5. Further huge additional expenditure will now be necessary to combat global warming, reduce carbon emissions and make public buildings, housing and transport carbon neutral.

*As there is no prospect of raising such huge but necessary sums through normal channels of taxation and borrowing the time has come to supplement these by using the power of public credit to increase the amount of publicly-funded money needed to finance the development of carbon neutrality in a good society, funding activities to combat climate change as described in the Forum for Stable Currencies' response to the UNDP's call for new approaches towards adaptation to climate change*

### General recommendations

The benefits of seigniorage are overwhelmingly taken by the banks not the public exchequer. The decline in publicly created money should be reversed, substantially cutting the cost of public investment by eliminating the need to borrow and pay interest.

The Treasury should commission an independent review of the benefits of using the public credit and increasing the proportion of publicly created money, which would enable more public sector investment and stimulate employment.

The Government should grant the Bank of England, within that institution's inflation targets, the power to generate sufficient interest-free credit, and to allocate it to a national credit agency for disbursement for such local and national public and social infrastructure development projects planned by Parliament.

### MPs from six parties signed one or more of the EDMs

\* denotes those who are no longer MPs

Adam Price, Elfyn Llwyd, Hywel Williams, \*Simon Thomas, **Plaid Cymru**

Adrian Sanders, Bob Russell, John Barrett (Scottish MP), John Pugh, Mike Hancock, Nick Harvey, Nigel Jones, \*Paul Tyler, Paul Holmes, Roger Williams, **Liberal Democrat**

Alan Meale, Ann Cryer, Alan Simpson, Austin Mitchell, Bill Etherington, Brian Jenkins, David Chaytor, David Crausby, David Drew, David Taylor, Derek Wyatt, Harold Best, Harry Barnes, Harry Cohen, Ian Gibson, Janet Dean, Jeremy Corbyn, Jim Dobbin, John Austin, John McDonnell, Jon Trickett, Katy Clark, Kelvin Hopkins, Kevin McNamara, Linda Riordan, Llew Smith, Lynne Jones, Madeleine Moon, Marsha Singh, Martin Caton, Michael Clapham, Neil Gerrard, \*Paul Flynn, Roger Godsiff, Ronnie Campbell, Dr Rudi Vis, Vera Baird, \*Iain Coleman, \*Brian White, \*Terry Lewis, \*Tony Clarke, **Labour**

Nicholas Winterton, Peter Bottomley, **Conservative**

Gregory Campbell, **Democratic Unionist Party**; Martin Smyth, **Ulster Unionist**

Dr Richard Taylor, Dai Davies, **Independent**