Bernd Senf September 2009

Wer sind die Herren der (Geld-)Schöpfung?

Fragen von Abgeordneten im Britischen Parlament

an den Schatzkanzler (= Finanzminister)

(Quelle: Parliamentary Debates, Fifth Series – Vol. 371, 710, House of Commons)

(Kursive Hervorhebungen von mir)

(6 May 1941)

BANK OF ENGLAND (SHAREHOLDERS)

55. **Mr. Stokes** asked the Chancellor of the Exchequer whether he will introduce legislation to compel the Bank of England to prepare and print every six months, a list of the holders of its share capital, together with a supplementary list showing the beneficial owners thereof, and to make such lists available for the inspection by any member of the public, gratis, at the bank's premises within ordinary business hours?

Sir K. Wood: No, Sir.

Mr. Stokes: Is the Chancellor of the Exchequer aware that the shareholders of this institution are reputed to be largely of foreign origin or are foreigners themselves? Is there any means by which Members of Parliament can ascertain the names of the shareholders of the Bank of England?

Sir K. Wood: I do not think there is any ground for that statement, but if the hon. Gentleman has any information, I shall be glad if he will give me particulars. There are some 16,000 shareholders of this institution, and I doubt very much whether the hon. Gentleman's statement is true of them.

Mr. Stokes: Will the right hon. Gentleman answer the last part of my question, whether there is any means by which Members of Parliament can ascertain the names of the shareholders of the Bank of England?

Sir K. Wood: I will inquire, and if I have anything to communicate, I will inform the hon. Gentleman.

Mr. Gallacher: Is it not the duty of the Chancellor of the Exchequer to give these particulars to the hon. Member?

Sir K. Wood: I have no doubt that the hon. Member for Ipswich (Mr. Stokes) will be able to look after himself.

Mr. Stokes: Mr. Speaker, in view of the fact that the Chancellor of the Exchequer is not clear on this point, may I ask you whether there is any means by which a Member of Parliament can extract the information for which I have asked?

Mr. Speaker: I am afraid I cannot answer that question.

(7 MAY 1941)

BANK OF ENGLAND (ACCOUNTS)

64. **Mr. Stokes** asked the Chancellor of the Exchequer whether he will introduce legislation to cause the half-yearly accounts of the Bank of England to be drawn up in a form recommended by a committee representative of banking, commerce, the recognised societies of accountants, and the general public, and to cause the accounts of the bank to be audited?

Captain Crookshank:

(Financial Secretary to the Treasury = Staatssekretär am Finanzministerium, B.S.)

No, Sir.

Mr. Stokes: Is the right hon. And gallant Gentleman not aware of the great dissatisfaction felt by a large number of professional people at the way in which these accounts are drawn up?

Captain Crookshank: No, Sir.

Mr. Stokes: If I send my right hon. and gallant Friend a representation on the matter, will he make a proper study of it?

Captain Crookshank: Yes, Sir.

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(15 April 1965)

NATIONAL DEBT

Captain Kerby asked the Chancellor of the Exchequer what steps he is taking to eliminate, in stages, the National Debt and the tax burdens which its servicing involves.

Mr. Diamond: *(Chief Secretary to the Treasury, B.S.)*

It is not the Government's policy to eliminate the National Debt, whether by stages or otherwise. The cost of servicing the Debt is always borne in mind.

GOVERNMENT BORROWING

Captain Kerby asked the Chancellor of the Exchequer if he will take steps to ensure that all Government financial requirements should be provided by emissions, free of debt and interest, by the Bank of England, which should be the sole issuer of money for all purposes, including loans to the private banks for relending; if he is aware that such procedure, rather than the present system of borrowing from private home and foreign bankers, would progressively eliminate the National Debt and much of taxation; and if he will make a statement.

Mr. Diamond: No.

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(HANSARD)

HOUSE OF LORDS

OFFICIAL REPORT

(Page 1869 – 1871)

The Earl of Caithness: My Lords, I too wish to thank my noble friend Lord Prior for initiating this debate. It comes at a most interesting time in the run-up to the general election and, as a result, we could not have envisaged the parties opposite saying anything thought-provoking or interesting about the economy. We were not disappointed.

Looking at it from a conventional viewpoint, the economy is in good shape and the Government have done better than most their counterparts in Europe. We have moved out of recession and on the surface the economy is stronger and people are more confident. There is much that I could say about that. I think the government have done a very good job.

However, it is also a good time to stand back, to reassess whether our economy is soundly based. I would contest that it is not, not for the reason to which the noble Lord, Lord Eatwell, alluded, which is that it is the Government's fault, but ***our whole monetary system is utterly dishonest, as it is debt-based.*** "Dishonest" is a strong word, but a system which by its very actions causes the value of money to decrease is dishonest and has within it its own seeds of destruction. We did not vote for it. It grew upon us gradually but markedly since 1971 when the commodity-based system was abandoned.

Let us look at what has happened since then. The money supply in 1971 was just under 31 billion Pound. At the end of the third quarter of last year, it was about 665 billion Pound. In 25 years it has grown by a staggering 2,145 per cent. ***Where has the money come from?*** Interestingly, the Government have only minted a further 20 billion Pound in that time. It is the banks, the building societies and our commercial lenders who have created the balance of 614 billion Pound. If this rate of growth is projected over the next 25 years, the money supply in 2022 will be over 14,000 billion Pound.

All that new money bears interest paid either by us as individuals, by companies or by the Government. Today the Government pay over 30 billion Pound annually in interest charges – coincidentally about the same as the total money supply only 25 years ago. Governments since then have abdicated their responsibility for producing new money and controlling the money supply so that now they are marginalised. In 1971 government notes and coins accounted for 14 per cent of the money supply. Now it is only about 3.5 per sent. “So what?”, noble Lords might ask.

The problem is that it is commercial lending that has boosted the money supply, thus increasing debt and, as sure as night follows day, inflation follows growth in money supply of this sort. The only reason that debasement has not flowed into price figures in the last four years is that the high interest rates in the recession gutted businesses and individuals, leaving too many unable to pay the price levels that the debasement requires. But the wall of money is increasing remorselessly. The noble Lord, Lord Ezra, mentioned the Halifax Building Society’s latest surplus of about 3 billion to 5 billion Pound.

Since 1991, in a time of recession, it has increased by 32 per sent and most of that is in the last two years. We must remember that virtually all the increase represents a rise in the burden of debt the economy must carry***. The wall of money has already driven the stock market to an all-time high and some are now questioning whether it truly reflects company performances.*** Recently more money has begun to be channelled into both the residential and commercial property markets. Here I must declare my interest as a residential surveyor in central London who has benefited from that. Our company, Victoria Soames, recorded a hardening of the residential market early last year, followed by a 20 per cent rise in the last six months. That rise is continuing, if not accelerating. Lenders remain aggressive and, very disturbingly, the proportion of borrowing by individuals is moving up.

When the money supply increases, as it is doing, the previously existing money is debased accordingly. Therefore, either wages and salaries must also increase to maintain parity or those who earn wages and salaries will find that they no longer participate in the national economy to the same extent as they did previously. ***This exacerbates the growing fragmentation of our society, which cannot go on forever.*** I am not advocating high wages but I am advocating less debasement and better control of money supply.

When wage inflation does happen, it will feed through to all parts of the economy. The result, sadly, will be that the Government have to use the only tool they know – an increase in interest rates. That has happened fairly recently, but it is not the first time that it has happened. We saw it in the 1970s and again in the 1980s. ***It is a consequence of our debt-based monetary system that it leads inevitably to business and economic cycles.***

Conventional wisdom tells us that in order to create new jobs and boost the economy, interest rates have to be reduced. That has happened. People are encouraged to borrow to invest and spend. That has happened. As the continuing flow of new money finds its way into the economy, inflation will follow and up will to interest charges again to reduce the level of borrowing. In order to pay the increasing levels of interest, borrowers will once more have to reduce expenditure in other areas of economic activity. ***The cycle will continue, but the next time, as before, we will all start deeper in debt and with a burden harder to carry.*** Personal debt has already increased by nearly 3,000 per cent since 1971. How much more can we take? I hope, for the sake of our economy, without which we cannot finance what we want to see – a good health service and a good social security system among other things – we will question this conventional wisdom.

We all want our businesses to succeed, but under the existing system the irony is that the better our banks, building societies an lending institutions do, the more debt is created. The noble Lord, Lord Kingsdown, said that there is little that can be done about debt. No, I do not believe that. There is a different way: it is an equity-based system and one in which those businesses can play a responsible role. ***The next government must grasp the nettle, accept their responsibility for controlling the money supply and change from our debt-based monetary system. If they do not, our monetary system will break us*** and the sorry legacy we are already ***leaving our children*** will be ***a disaster.***