

# Debt-driven Climate Change!

www.MoneyMyths.org.uk

## To halt climate change, what do we need?

- An end to 'economic growth'
- Full funding of research and development of renewable energy and energy-efficiency
- A fair share of resources
- An end to poverty and debt
- A system which doesn't destroy our environment

## What's the problem?

Almost all the money we use is *created* by private banks. It is *lent* to us, including to our governments, and *interest* has to be paid on it.

## Why does this matter?

- Because the loan has to be repaid, together with the interest, there is never enough money to pay off both! The debts are fast growing as a result.
- This is the **driving force** behind the constant 'need' for 'growth', which in turn drives over-consumption and the destruction of all our natural resources.
- This system drives 'wealth' upwards into the hands of the rich, and causes the ever-widening gap between the rich and poor.

## Economists distort language to support the system:

A '*favourable balance of trade*' means that we have given more of our goods or services to other countries than we have received from them. '*Inward investment*' means that we have sold our productive assets to foreigners.

High interest-rates to '*cool the economy*' impoverish debtors further and bankrupt businesses, while, by adding to costs, they end up by pushing up the prices they are supposed to control. Only the very rich, and banks, benefit.

'*Consumer confidence*' means people have been persuaded to increase their debts even further, to keep the so-called 'economy' expanding.

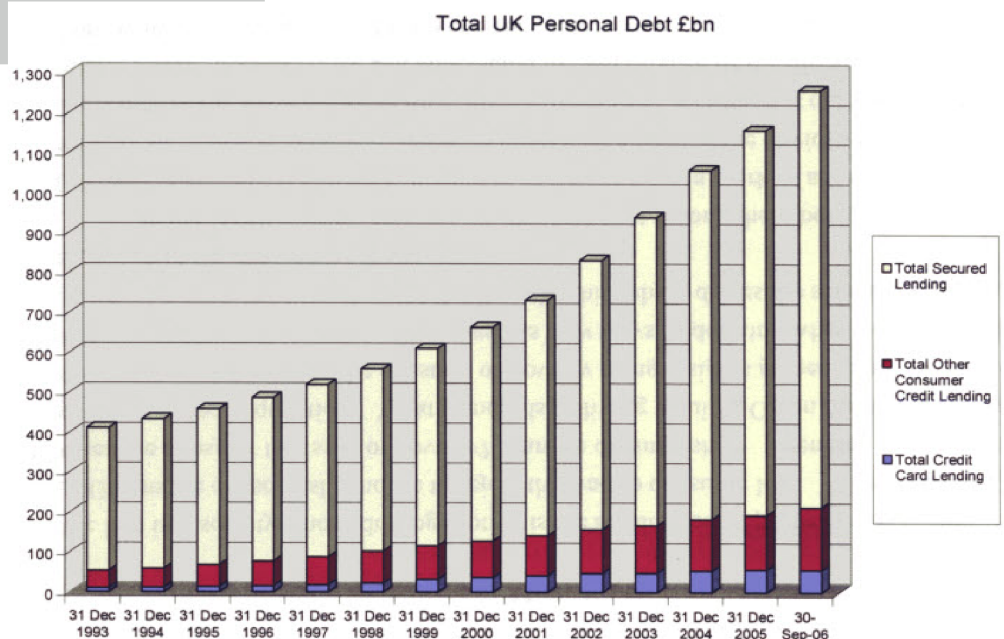
'*Disposable*' means cheap, short-lived, unrepairable.

'*Work*' means paid occupation. Unpaid occupation, however socially valuable, is not, to a modern economist, 'work'. Their omission of consideration of all the socially valuable, indeed essential, occupations that go unpaid should cause the rejection of their theories.

'*Unemployment*' means that, regardless of the many worthwhile occupations that are needed, there is no opportunity to earn money by engaging in them. '*Job creation*' means, not funding people to engage in these tasks, but creating opportunities to earn money, regardless of the lack of social value, or the positively anti-social nature, of the occupation offered.

## What can be done about it?

We need to end this system, and instead have our money created and *spent* into circulation by government. This would allow it to circulate perpetually, unless there proved to be too much in circulation, in which case the government could cancel out of existence some of part of it collected by taxation.



We need to end the banks' power to create money, placing this instead in the hands of a public body answerable to Parliament. This body would be charged with managing the supply by creating new money as required, debt-free, to be spent by

government into circulation, or when necessary, to require the cancellation of some of the money collected by Government, to reduce the total volume in circulation.

It has become more and more obvious that the present system has failed. To 'service' the growing debt burden it has created, 'the economy' has to grow and grow. This continued growth is impossible, in light of 'peak oil', among other problems.

This has led to growing support for monetary reform as an issue of *fundamental importance*. It relates to virtually all the other issues of concern.

Bank-created money is also used for gambling on a huge scale, on foreign exchange, the stock market, and 'derivatives', sucking massive amounts of wealth from the producers of it.

The ongoing '*credit crunch*' is a direct result of the way this system has to grow debts, or collapse!

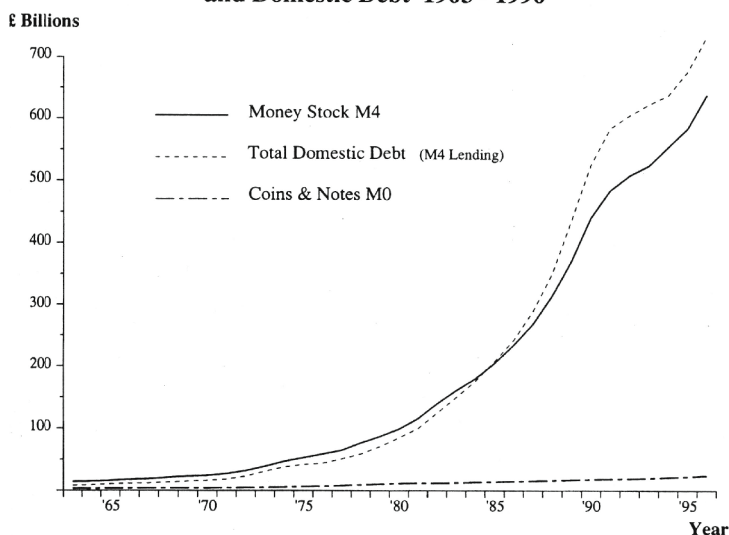
### Some ways forward.

We need to aim for localisation. The drive to gain '*inward investment*', and to increase our exports, due to the debt-money system, must be reversed. We should be exporting only genuine surpluses, to pay for imports only of what we need and cannot produce locally.

We must end reliance on going increasingly into debt to manage payment for needed goods and services. We must gain control of our own money supply; this is a major, fundamental need.

We must work toward sounder economics. LVT – Land Value Taxation, applied to the basic site-value – along with resource taxation, could fund Basic

**Graph of "Money Stock" (M4) and Domestic Debt 1963 - 1996**



– from *The Grip of Death*, Michael Rowbotham

Incomes. This would give recognition to the claim of all to a fair share of the value of natural resources. *Monetary reform seeks to make money the servant, and not the master of society.*

LVT and monetary reform both had widespread popular support in the early decades of last century, but since then have been excluded from conventional economics and public discussion. They both threaten the powerful 'Establishment'.

Every person, in this and future generations, should be entitled to basic material security as of right.

Giving everyone a basic, 'Citizen's Income', should not be a financial problem when we can easily *produce all we need with only a very small proportion of current paid employment*, and without waste, if this is the aim.

Seeking solutions to the many problems we face, without addressing the issue of money creation, is doomed to failure; at best, a mere slowing down of the rate of destruction of nature and society. *Given this reform, solutions become miraculously simplified and effective!*

To hear about this and more, look at **[www.MoneyMyths.org.uk](http://www.MoneyMyths.org.uk)**

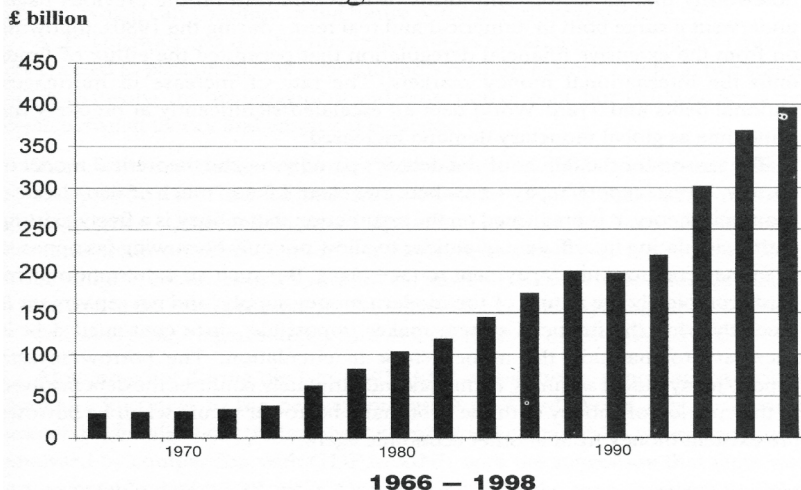
This highly acclaimed series is a clear explanation of the whole subject, with links to other sites. I urge you to view it.

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**United Kingdom National Debt**



Sources: Bank of England Statistical Releases, 1990, 1995, 1998.