

P-04-491 A National Bank of Wales and complementary Welsh currency - Correspondence from the petitioner to the clerking team, 06.06.2013

The third petition is for the chartering of a publicly owned National Bank of Wales, which is achievable even under the present weak devolution settlement. Through a public Bank of Wales, the system of fractional reserve lending, used carefully and targeted towards specific areas of productive investment, could mean that a great deal of extra credit would be available to SME's and productive industry, as well as potentially for investment in much-needed infrastructure projects, including green infrastructure. The dangers of Welsh Government borrowing powers as they are currently envisaged post-Silk should be obvious to the Welsh Government following the sovereign debt crises which have swept Europe and also from the previous history of suffering in developing nations brought about through excessive debt loading leading to the imposition of 'conditionalities' on their governments by the IMF and the World Bank. Borrowing from private banks and capital markets, with the potential charging of excessive interest rates, could leave Wales open to further wealth extraction from unaccountable external forces with no vested interest in the long-term prosperity of the country. Borrowing from our own Welsh public bank at low interest and recycling the profit on the interest paid for the good of the country is a logical alternative to this, and one which has proved successful elsewhere in Europe and the world. The Welsh government is currently conducting the Access to Finance review, which is being carried out by Prof. Dylan Jones-Evans: this review presents a great opportunity for the case to be made for the launch of a Welsh public bank to protect our economy and our future.