

P-04-491 A national bank of wales and complementary Welsh currency - Correspondence from the petitioner to the clerking team, 30.09.13

Britain is facing a spiralling and unpayable debt of £1.4 trillion by 2015, basically meaning that Britain is bankrupt. Unless fixed or the debt in some way cancelled, or Wales quickly puts in place the real economic levers it should have and distances itself from the flawed UK economic system, a financial collapse will be inevitable. Private savings will likely be taken by the state to pay off private lenders as happened in Cyprus and Greece. There will be no food in the shops and ugly messy anarchy could prevail. Unless Wales demands a national currency and a Welsh pound pegged at parity to Sterling, the other immediate solution is for a Welsh public bank running under the current UK and Central Bank of England's fractional reserve system.

A public bank of Wales could responsibly harness the power of money creation through the issuing of credit to small to medium sized businesses, industry and Welsh infrastructure including renewable energy projects. If the Welsh Government needed to borrow it could borrow from its own bank at minimal interest and bank profits would be ploughed back in to Wales and for the good of the country as a whole. This power of levying interest is currently mostly in the hands of private corporations based outside of Wales who have no interest in the economic stability and future well being of Wales. This is an unsustainable extractive system which threatens the future of all Welsh citizens.

A public bank could leverage its deposit base at a ratio of 10:1 providing a substantial source of liquidity to the Welsh economy. Essentially this is a multiplier which, for example, would mean that a deposit base of £1 billion in a Welsh public bank could be leveraged to create £10 billion. Considering that Finance Wales only loaned out £19.35 million in the financial year 2012-2013 it should be obvious that a public bank of Wales could make a real and considerable difference to creating a more prosperous Wales. This can be done under the present devolution settlement without much extra facilitating and would benefit Wales greatly and in a sustainable way. The Welsh Government therefore have no reason not to be jumping at the chance to establish such a bank that would benefit us all.