

Dr Keith Sherwood – Written Evidence (LBC0243)

Perhaps my words are of no interest to you. You see, I am not a citizen of the UK. I'm an Aussie with a deep affection for the old country, and care deeply about the welfare of both countries. The words I write would have been applicable pre-Covid, but, post- Covid, they are particularly relevant as there will be a great opportunity for change which should not be missed.

In the present era we face many problems, one being man-made climate change; we are all familiar with the measures urged to counter it. It is quite obvious, although generally completely overlooked, that growth is also one of the root causes of the GW problem. It's curious that no-one ever mentions this fact. In 1960, when world population was 3 billion, there was no global warming. Population has since increased almost three times, while world GDP has increased almost 70 times, and the problem is now heavily upon us. It is strange that the scientists, those clever folk who are very vocal on the subjects of GW and climate change, never mention growth. And our politicians even have policies to promote it! They claim growth is necessary for our wellbeing. Thankfully, there are those who point out, quite rightly, that unlimited growth in a finite world is impossible, but their words seem to fall on deaf ears. I believe we are hitting those growth boundaries now.

I do not feel competent to discuss the limiting of population, but I am concerned about the other kinds of growth. Need for economic growth necessitates our people, generally unknowingly, to strive ever harder for objectives that seem essential for survival, eg building a business or repaying a mortgage.

I'm thinking about how to reduce these growth pressures, and I'm convinced that some simple changes to the monetary system could have a dramatic effect. The changes I'm suggesting may seem technical and hard to understand by those who haven't studied this subject, while many others, having an understanding of business and money, feel a need to protect rather than challenge the system. They have always been immersed in the present system, but I urge them to suspend their commitment to it, and consider what else might be possible. An interesting exercise is to take a look at a debt-clock. There are several on the internet. This dramatically shows how quickly the country and its people are falling into debt.

For a start, I believe most new money should be spent, not lent, into circulation. A modern country always needs new money, and it should be supplied by and on behalf of the people, not by corporate organisations, as is done at present. Commercial organisations should never be permitted to create money.

Whenever money is banked by anyone, it should be fully backed up. At present, only a fraction is held in safe keeping (so a run on the bank is possible), while the money that is banked and then lent out is multiplied and used to expand the nation's money supply.

In a revised system, the government, or one of its organisations, would create all new money for the people. We know that the government can do this as it

already mints coins and prints notes, although this creation is very tiny in comparison to that lent into circulation. Many do not realise that the government does not create the rest of the new money, which is actually done by commercial organisations. If the government took over this role, its statisticians could assist in determining the correct amount of money required. The need for raising revenue by taxation would be reduced by the act of spending new money into circulation.

A scholar with the right skills would be able to confirm the logic I am espousing.

The present system was devised to promote growth around the time of the Industrial Revolution, and it is said to have succeeded in this objective, but now a new set of circumstances exist, and new initiatives are needed to solve present problems. We need to be very open-minded to see all possible solutions at this crucial time.

Of course, I support efforts to conserve and protect the environment. In addition to the monetary system, we need to fix many other things. But the change proposed should be a major priority, as otherwise, all of the conservation measures undertaken will comprise yet more growth, and further exacerbate the problem. Once corrected, the other issues including pollution in its many forms, can be attacked and will assist in making this planet a better place for us all.

Go Britain!

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